Letter of Offer
Dated [●], 2015
For Eligible Shareholders only
DRAFT – SUBJECT TO FINALISATION

TATA MOTORS LIMITED

Tata Motors Limited was incorporated as Tata Locomotive and Engineering Company Limited on September 1, 1945 as a public liability limited company under the Companies Act, 1913. For details in relation to change in name of our Company, see "General Information" on page [●].

Registered Office: Bombay House, 24, Homi Mody Street, Mumbai 400 001
Contact Person: H K Sethna, Company Secretary and Compliance Officer
Tel: (91 22) 6665 8282; **Fax**: (91 22) 6665 7799; **Email**: inv_rel@tatamotors.com; **Website**: www.tatamotors.com
Corporate Identity Number: L28920MH1945PLC004520

PROMOTER OF OUR COMPANY: TATA SONS LIMITED

FOR PRIVATE CIRCULATION TO THE ELIGIBLE SHAREHOLDERS OF TATA MOTORS LIMITED (OUR "COMPANY" OR THE "ISSUER") ONLY

SIMULTANEOUS BUT UNLINKED ISSUE OF UP TO 15,06,44,759 ORDINARY SHARES OF FACE VALUE ₹ 2 EACH (THE "ORDINARY SHARES") OF OUR COMPANY FOR CASH AT A PRICE OF ₹ 450 (INCLUDING A PREMIUM OF ₹ 448 PER ORDINARY SHARE) ON A RIGHTS BASIS TO THE ELIGIBLE ORDINARY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF SIX ORDINARY SHARES FOR 109 FULLY PAID-UP ORDINARY SHARES HELD ON THE RECORD DATE, THAT IS ON APRIL 8, 2015 AND UP TO 2,65,30,290 'A' ORDINARY SHARES OF FACE VALUE ₹ 2 EACH (THE "'A' ORDINARY SHARES") OF OUR COMPANY FOR CASH AT A PRICE OF ₹ 271 (INCLUDING A PREMIUM OF ₹ 269 PER 'A' ORDINARY SHARE) ON A RIGHTS BASIS TO THE ELIGIBLE 'A' ORDINARY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF SIX 'A' ORDINARY SHARES FOR 109 FULLY PAID-UP 'A' ORDINARY SHARES HELD ON THE RECORD DATE, THAT IS ON APRIL 8, 2015 (COLLECTIVELY, THE "ISSUE"). THE ISSUE PRICE OF THE ORDINARY SHARES IS 225 TIMES THE FACE VALUE OF THE ORDINARY SHARES. THE ISSUE PRICE OF THE 'A' ORDINARY SHARES IS 135.5 TIMES THE FACE VALUE OF THE 'A' ORDINARY SHARES. TOTAL PROCEEDS FROM THE ISSUE OF ORDINARY SHARES AND 'A' ORDINARY SHARES WOULD AGGREGATE UP TO ₹ 7,500 CRORE. FOR FURTHER DETAILS, SEE "TERMS OF THE ISSUE" BEGINNING ON PAGE [●].

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The securities being offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of this Letter of Offer. **Investors are advised to refer to "Risk Factors" beginning on page [●] before making an investment in this Issue.**

ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Letter of Offer contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Letter of Offer as a whole or any such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The existing Ordinary Shares and 'A' Ordinary Shares of our Company are listed on the BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"), and together with BSE, the "Stock Exchanges"). Our Company has received "in-principle" approvals from the BSE and the NSE for listing the Securities to be allotted pursuant to the Issue through their letters dated [●] and [●], respectively. For the purposes of the Issue, the Designated Stock Exchange is the BSE.

LEAD MANAGERS TO THE ISSUE

citi	CREDIT SUISSE	BofA Merrill Lynch	HSBC
Citigroup Global Markets India Private Limited 1202, 12th Floor, First International Financial Center, G-Block Bandra Kurla Complex, Bandra (East), Mumbai 400 051 Tel: (91 22) 6175 9999 Fax: (91 22) 6175 9961 Website:http://www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm Email: tata.motors.rights@citi.com Contact Person: Mitul Shah SEBI Registration No: INM000010718	**Credit Suisse Securities (India) Private Limited** Ceejay House, 9th Floor, Plot F Shivsagar Estate, Dr. Annie Besant Road Worli, Mumbai 400 018 Tel : (91 22) 6777 3906 Fax : (91 22) 6777 3820 Website: www.credit-suisse.com Email: [●] Contact Person: [●] SEBI Registration No: INM000011161	**DSP Merrill Lynch Limited** 8th Floor, Mafatlal Center, Nariman Point Mumbai 400 021 Tel: (91 22) 6632 8000 Fax: (91 22) 2204 8518 Website: www.dspml.com Email: [●] Contact Person: [●] SEBI Registration No.: INM000011625	**HSBC Securities and Capital Markets (India) Private Limited** 52/60, Mahatma Gandhi Road, Fort, Mumbai 400 001 Tel: (91 22) 2268 1285 Fax: (91 22) 2263 1984 Website: http://www.hsbc.co.in/1/2/corporate/equities-globalinvestment-banking Email: [●] Contact Person: [●] SEBI Registration No.: INM000010353

LEAD MANAGERS TO THE ISSUE / **REGISTRAR TO THE ISSUE**

ICICI Securities	J.P.Morgan	kotak Investment Banking	SBI Capital Markets Limited	LINK INTIME INDIA PVT LTD
ICICI Securities Limited ICICI Centre, H.T. Parekh Marg Churchgate, Mumbai 400 020 Tel : (91 22) 2288 2460 Fax : (91 22) 2282 6580 Website: www.icicisecurities.com Email: [●] Contact Person: [●] SEBI Registration No.: INM000011179	**J. P. Morgan India Private Limited** J. P. Morgan Tower, Kalina, Off C. S. T. Road, Santacruz (East), Mumbai 400 098 Tel: (91 22) 6157 3000 Fax: (91 22) 6157 3911 Website: www.jpmipl.com Email: [●] Contact Person: [●] SEBI Registration No.: INM000002970	**Kotak Mahindra Capital Company Limited** 1st Floor, 27 BKC, Plot No. 27, G Block Bandra Kurla Complex Bandra (East), Mumbai 400 051 Tel: (91 22) 4336 0000 Fax: (91 22) 6713 2447 Website: http://investmentbank.kotak.com Email: [●] Contact Person: [●] SEBI Registration No.: INM000008704	**SBI Capital Markets Limited** 202, Maker Tower 'E' Cuffe Parade Mumbai 400 005 Tel: (91 22) 2217 8300 Fax: (91 22) 2218 8332 Website: www.sbicaps.com E-mail: [●] Contact Person: [●] SEBI Registration Number: INM000003531	**Link Intime India Private Limited** C-13, Pannalal Silk Mills Compound, L.B.S. Marg Bhandup (West), Mumbai 400 078 Tel: (91 22) 6171 5400 Fax: (91 22) 2596 0329 Website: www.linkintime.co.in Email: tatamotors.rights@linkintime.co.in Contact Person: Sachin Achar SEBI Registration No: INR000004058

ISSUE PROGRAMME

ISSUE OPENS ON	LAST DATE FOR REQUEST FOR SPLIT APPLICATION FORMS	ISSUE CLOSES ON
[●]	[●]	[●]

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

Definitions

This Letter of Offer uses certain definitions and abbreviations, which unless the context indicates or implies otherwise, have the meanings as provided below. Reference to any legislation, act, regulation, guideline or policy will be deemed to include all amendments and modifications notified thereto.

Company Related Terms

Term	Description
Our Company / the Issuer	Tata Motors Limited, a public limited company incorporated under the provisions of the Companies Act, 1913 and having its registered office at Bombay House, 24, Homi Mody Street, Mumbai 400 001
We / Our / Us	Tata Motors Limited along with its Subsidiaries, Joint Ventures and Associates
‘A’ Ordinary Shareholder	A holder of ‘A’ Ordinary Shares
‘A’ Ordinary Shares	The ordinary shares of our Company of ₹ 2 each, with differential rights as to voting and dividend
Articles of Association / Articles	Articles of Association of our Company, as amended
Associates	Associates of our Company being, Jaguar Cars Finance Limited, Automobile Corporation of Goa Limited, Nita Company Limited, Tata Hitachi Construction Machinery Company Limited, Tata Precision Industries (India) Limited and Tata AutoComp Systems Limited
BAML	DSP Merrill Lynch Limited
Board of Directors / Board	Board of directors of our Company
Citi	Citigroup Global Markets India Private Limited
CMIL	Concorde Motors (India) Limited
CS	Credit Suisse Securities (India) Private Limited
Director(s)	Any or all the directors on our Board, as may be appointed from time to time
ERC	Engineering research centre
FGA	FCA Italy S.p.A (formely known as Fiat Group Automobiles S.p.A)
FIAL	Fiat India Automobiles Private Limited
Ford	Ford Motor Company
Group Companies	Companies, firms, ventures, etc. promoted by the Promoter, irrespective of whether such entities are covered under Section 370(1)(B) of the Companies Act, 1956 or not
HDFC Bank	HDFC Bank Limited
HSBC	HSBC Securities and Capital Markets (India) Private Limited
I-Sec	ICICI Securities Limited
Jaguar Land Rover	Jaguar Land Rover Automotive plc and its subsidiaries on a consolidated basis
J.P. Morgan	J.P. Morgan India Private Limited
Joint Ventures	Joint ventures of our Company being, Fiat India Automobiles Private Limited (*converted from a public limited company with effect from January 19, 2015*), Chery Jaguar Land Rover Automotive Company Limited, Spark 44 (JV) Limited, TATA HAL Technologies Limited and Tata Cummins Private Limited (*converted from public limited company to private limited company with effect from December 16, 2014)*
Kotak	Kotak Mahindra Capital Company Limited
Marcopolo	Marcopolo S.A.
Memorandum of Association / Memorandum	Memorandum of Association of our Company, as amended
NCDs	Non convertible debentures
NC Debentures	Listed, rated, unsecured, redeemable non-convertible debentures of our Company of

Term	Description
	face value ₹ 10,00,000 issued on a private placement basis aggregating to ₹ 1,500 crore
Ordinary Shareholder	A holder of Ordinary Shares
Ordinary Shares	The ordinary shares of our Company of ₹ 2 each
Promoter	The promoter of our Company, being Tata Sons Limited
Promoter Group	Promoter group of our Company as determined in terms of Regulation 2(1)(zb) of the SEBI Regulations
Registered Office	Registered office of our Company situated at Bombay House, 24, Homi Mody Street, Mumbai 400 001
SBICAP	SBI Capital Markets Limited
Securities	Ordinary Shares and /or 'A' Ordinary Shares, as the case may be
Statutory Auditors	Statutory auditors of our Company, namely, Deloitte Haskins & Sells LLP
Subsidiary(ies)	Subsidiaries of our Company being, Tata Technologies Limited, TAL Manufacturing Solutions Limited, TML Drivelines Limited, Sheba Properties Limited, Concorde Motors (India) Limited, Tata Motors Insurance Broking & Advisory Services Limited, Tata Motors European Technical Centre Plc, Tata Motors Finance Limited, Tata Motors Finance Solutions Private Limited, Tata Marcopolo Motors Limited, TML Holdings Pte. Limited, TML Distribution Company Limited, Tata Hispano Motors Carrocera S.A., Tata Hispano Motors Carrocerries Maghreb SA *(direct subsidiary of our Company with effect from June 23, 2014)*, Trillix S.r.l, Tata Precision Industries Pte. Limited, Jaguar Land Rover Automotive Plc, JLR Nominee Company Limited, Jaguar Land Rover Austria GmbH, Jaguar Land Rover Limited, Jaguar Land Rover Japan Limited, Jaugar Land Rover Deutschland GmbH, Jaguar Land Rover North America LLC, Jaguar Land Rover Nederland BV, Jaguar Land Rover Portugal – Veículos e Peças, LDA, Jaguar Land Rover Australia Pty Limited, Jaguar Land Rover Italia SpA, Jaguar Land Rover Korea Company Limited, Jaguar Land Rover Automotive Trading (Shanghai) Company Limited, Jaguar Land Rover Canada ULC, Jaguar Land Rover France, SAS, Jaguar Land Rover (South Africa) (pty) Limited, Jaguar e Land Rover Brasil Importacao e Comercia de Veiculos Ltda, Limited Liability Company "Jaguar Land Rover" (Russia), Jaguar Land Rover (South Africa) Holdings Limited, Jaguar Land Rover Belux NV, Jaguar Land Rover India Limited, Jaguar Land Rover Espana SL, Jaguar Cars South Africa (Pty) Limited, The Jaguar Collection Limited, Jaguar Cars Limited, Jaguar Land Rover Holdings Limited, Land Rover Group Limited *(liquidated with effect from June 30, 2014)*, Land Rover Exports Limited, Land Rover Parts Limited, Land Rover Ireland Limited, The Daimler Motors Company Limited, Daimler Transport Vehicles Limited, S.S.Cars Limited, The Lanchester Motor Company Limited, , Tata Daewoo Commercial Vehicle Company Limited, Tata Daewoo Commercial Vehicle Sales and Distribution Company Limited, Tata Motors (Thailand) Limited, Tata Motors (SA) (Proprietary) Limited, PT Tata Motors Indonesia *(indirect subsidiary of our Company with effect from October 20, 2014)*, PT Tata Motors Distribusi Indonesia (*indirect subsidiary of our Company with effect from October 20, 2014),* Tata Technologies Inc, Tata Technologies (Canada) Inc., Tata Technologies de Mexico, S.A. de CV, Tata Technologies Pte Limited, Tata Technologies (Thailand) Limited, Tata Technologies Europe Limited, INCAT International Plc, INCAT GmbH, Cambric Holdings Inc (*merged into Tata Technologies Inc. with effect from December 31, 2014)*, Cambric Corporation (*merged into Cambric Holdings Inc. with effect from December 31, 2014)*, Cambric Limited, Cambric Consulting SRL, Cambric GmbH, Cambric UK Limited, Cambric Managed Services Inc (*dissolved with effect from September 9, 2014)*, Midwest Managed Services Inc. and Cambric Manufacturing Technologies (Shanghai) Company Limited
TAL	TAL Manufacturing Solutions Limited
Tata Hispano	Tata Hispano Motors Carrocera S.A.
TDCL	TML Distribution Company Limited
TDCV	Tata Daewoo Commercial Vehicle Company Limited
TMIBASL	Tata Motors Insurance Broking and Advisory Services Limited
TMETC	Tata Motors European Technical Centre PLC

Term	Description
TMFL	Tata Motors Finance Limited
Trilix	Trilix Srl.
TTL	Tata Technologies Limited

Issue Related Terms

Term	Description
'A' Ordinary Shares CAF	Form used by an Investor to make an application for the Allotment of 'A' Ordinary Shares in the Issue
Abridged Letter of Offer / ALOF	Abridged letter of offer to be sent to the Eligible Shareholders with respect to the Issue in accordance with the provisions of the SEBI Regulations and the Companies Act
ADS Depositary	Citibank N.A.
ADS Record Date	The record date for the purposes of determining the eligible ADS Rights holders is expected to be 5:00 p.m., New York City time on April 7, 2015
Allot / Allotment / Allotted	Allotment of Securities pursuant to the Issue
Allotment Date	Date on which the Allotment is made
Allottee(s)	Person(s) who are Allotted Securities pursuant to the Allotment
Applicant	Eligible Shareholder(s) and/or Renouncees who make an application for the Securities pursuant to the Issue in terms of this Letter of Offer, including an ASBA Applicant
Application Money	Aggregate amount payable in respect of the Ordinary Shares or 'A' Ordinary Shares, as the case may be, applied for in the Issue at the Issue Price
Application Supported by Blocked Amount / ASBA	Application (whether physical or electronic) used by an ASBA Investor to make an application authorizing the SCSB to block the Application Money in a specified bank account maintained with the SCSB
ASBA Account	Account maintained with the SCSB and specified in the CAF by the Applicant for blocking the amount mentioned in the CAF
ASBA Applicant / ASBA Investor	Eligible Shareholders proposing to subscribe to the Issue through ASBA process and who: 1. are holding the Securities of our Company in dematerialized form as on the Record Date and have applied for their Rights Entitlements and / or additional Securities in dematerialized form; 2. have not renounced their Rights Entitlements in full or in part; 3. are not Renouncees; and 4. are applying through blocking of funds in a bank account maintained with the SCSBs. QIBs, Non-Institutional Investors and Investors whose Application Money exceeds ₹ 200,000 can participate in the Issue only through the ASBA process.
Bankers to the Issue / Escrow Collection Banks	[●]
Composite Application Form / CAF	Ordinary Shares CAF and / or 'A' Ordinary Shares CAF, as the case may be
Consolidated Certificate	Certificate for the Ordinary Shares or the 'A' Ordinary Shares, as the case may be, allotted to each folio issued by our Company
Controlling Branches / Controlling Branches of the SCSBs	Such branches of the SCSBs which co-ordinate with the Lead Managers, the Registrar to the Issue and the Stock Exchanges, a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries
Designated Branches	Such branches of the SCSBs which shall collect the CAF or the plain paper application, as the case may be, used by the ASBA Investors and a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-

Term	Description
	Intermediaries
Designated Stock Exchange	BSE
Eligible 'A' Ordinary Shareholder(s)	Holder(s) of the 'A' Ordinary Shares of our Company on the Record Date
Eligible Ordinary Shareholder(s)	Holder(s) of the Ordinary Shares of our Company on the Record Date
Eligible Shareholders	Eligible Ordinary Shareholder(s) and / or Eligible 'A' Ordinary Shareholder(s), as the case may be
Investor(s)	Eligible Shareholder(s) of our Company on the Record Date, i.e. April 8, 2015 and the Renouncee(s)
Issue / the Issue / this Issue	This simultaneous but unlinked issue of up to 15,06,44,759 Ordinary Shares for cash at a price of ₹ 450 (including a premium of ₹ 448 per Ordinary Share) on a rights basis to Eligible Ordinary Shareholders in the ratio of six Ordinary Shares for every 109 fully paid-up Ordinary Share held on the Record Date and up to 2,65,30,290 'A' Ordinary Shares for cash at a price of ₹ 271 (including a premium of ₹ 269 per 'A' Ordinary Share) to the Eligible 'A' Ordinary Shareholders in the ratio of six 'A' Ordinary Shares for every 109 fully paid-up 'A' Ordinary Share held on the Record Date
Issue Closing Date	[●]
Issue Opening Date	[●]
Issue Price	₹ 450 per Ordinary Share or ₹ 271 per 'A' Ordinary Share, as the case may be
Issue Proceeds	Gross proceeds of the Issue
Issue Size	Amount up to ₹ 7,500 crore
Lead Managers	Citigroup Global Markets India Private Limited, Credit Suisse Securities (India) Private Limited, DSP Merrill Lynch Limited, HSBC Securities and Capital Markets (India) Private Limited, ICICI Securities Limited, J. P. Morgan India Private Limited, Kotak Mahindra Capital Company Limited and SBI Capital Markets Limited
Letter of Offer	This letter of offer dated [●], 2015 filed with the Stock Exchanges
Listing Agreement	Equity listing agreements entered into between our Company and the Stock Exchanges
Monitoring Agency	HDFC Bank Limited
Net Proceeds	Issue Proceeds less the Issue related expenses. For details, see "Objects of the Issue – Requirement of Funds" on page [●]
Non-ASBA Investor	Investors other than ASBA Investors who apply in the Issue otherwise than through the ASBA process
Non-Institutional Investors	Investor, including any company or body corporate, other than a Retail Individual Investor and a QIB
Qualified Institutional Buyers / QIBs	Qualified institutional buyers as defined under Regulation 2(1)(zd) of the SEBI Regulations
Record Date	The date on which our Company will close its transfer books to determine the Ordinary Shareholders and 'A' Ordinary Shareholders eligible to apply for the Securities in the Issue, i.e. April 8, 2015
Registered Foreign Portfolio Investors / Foreign Portfolio Investors / RFPIs / FPIs	Foreign portfolio investors as defined under the SEBI FPI Regulations
Registrar to the Issue / Registrar	Link Intime India Private Limited
Renouncee(s)	Person(s) who has / have acquired Rights Entitlement from the Eligible Shareholders
Retail Individual Investor	Individual Investors who have applied for Ordinary Shares or 'A' Ordinary Shares, as the case may be, for a cumulative amount of not more than ₹ 200,000 (including HUFs applying through their karta) through one or more applications
Rights Entitlement	Number of Ordinary Shares that an Eligible Ordinary Shareholder is entitled to in proportion to the number of Ordinary Shares held by such Eligible Ordinary

Term	Description
	Shareholder on the Record Date or the number of 'A' Ordinary Shares that an Eligible 'A' Ordinary Shareholder is entitled to in proportion to the number of 'A' Ordinary Shares held by the Eligible 'A' Ordinary Shareholder on the Record Date, as the case may be
SAF(s)	Split application form(s) which is an application form used in case of renunciation in part by an Eligible Shareholder in favour of one or more Renouncee(s)
SCSB(s)	Self certified syndicate bank registered with SEBI, which acts as a banker to the Issue and which offers the facility of ASBA. A list of all SCSBs is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries
Share Certificate	Certificate in respect of the Ordinary Shares or 'A' Ordinary Shares, as applicable, Allotted to a folio
Stock Exchanges	Stock exchanges where the Securities are presently listed, being BSE and NSE
Working Days	Any day, other than Saturdays and Sundays, on which commercial banks in Mumbai are open for business, provided however, for the purpose of the time period between the Issue Closing Date and listing of the Securities on the Stock Exchanges, "Working Days" shall mean all days excluding Sundays and bank holidays in Delhi or Mumbai in accordance with the SEBI circular no. CIR/CFD/DIL/3/2010 dated April 22, 2010
Underwriters	Citigroup Global Markets India Private Limited, Credit Suisse Securities (India) Private Limited, DSP Merrill Lynch Limited, HSBC Securities and Capital Markets (India) Private Limited, ICICI Securities Limited, J. P. Morgan India Private Limited, Kotak Mahindra Capital Company Limited and SBI Capital Markets Limited
Underwriting Agreement	The agreement dated [●] entered into between our Company and the Underwriters

Conventional, General and Industry Terms or Abbreviations

Term/Abbreviation	Description / Full Form
₹ / Rs. / Rupees / INR	Indian Rupee
AAEC	Appreciable adverse effect on competition
ADR	American Depository Receipt
AGM	Annual general meeting
AIAG	Automotive Industry Action Group
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
AMC	Annual maintenance contract
AS	Accounting Standards as notified under the Companies (Accounting Standards) Rules, 2006
ASEAN	Association of South East Asian Nations
BSE	BSE Limited
CDSL	Central Depository Services (India) Limited
Central Government	Central Government of India
CCI	Competition Commission of India
CIN	Corporate identity number
Civil Code	Code of Civil Procedure, 1908
CNG	Compressed natural gas
CO_2	Carbon Dioxide
Companies Act	Companies Act, 1956 and the Companies Act, 2013
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the sections of the Companies Act, 2013) along with the rules made thereunder
Companies Act, 2013	Companies Act, 2013, to the extent in force pursuant to the notification of sections of the Companies Act, 2013, along with relevant rules made thereunder
Competition Act	Competition Act, 2002
Consolidated FDI Policy	The Consolidated FDI Policy Circular of 2014 dated April 17, 2014 issued by Government of India

Term / Abbreviation	Description / Full Form
CRM	Customer relationship management
CSR	Corporate social responsibility
Depositories Act	Depositories Act, 1996
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
DIN	Director identification number
DP / Depository Participant	Depository participant as defined under the Depositories Act
DP ID	Depository participant identity
EGM	Extraordinary general meeting
EPS	Earnings per share
ERM	Enterprise risk management
EUR/EURO/€	Euro, the official currency of the euro zone, which consists of 18 of the 28 member states of the European Union, namely, Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Luxemburg, Malta, the Netherlands, Portugal, Slovakia, Slovenia and Spain
FDI	Foreign direct investment
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000
FII	Foreign institutional investor as defined under Regulation 2(1)(g) of the SEBI FPI Regulations
Financial Year / FY / Fiscal	Period of 12 months ended March 31 of that particular year, unless otherwise stated
GAAP	Generally Accepted Accounting Principles
GDP	Gross domestic product
Government	Central Government and / or the State Government, as applicable
GST	Goods and service tax
GVW	Gross vehicle weight
Hex2	High power and extra features
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
ICV	Intermediate commercial vehicles
IFRS	International Financial Reporting Standards
IIP	Index of Industrial Production
ISIN	International Securities Identification Number allotted by the Depository
IND AS	Indian Accounting Standards
India	Republic of India
Indian GAAP	Generally Accepted Accounting Principles followed in India
IT Act	Income Tax Act, 1961
KMP	Key management personnel
LCV	Light Commercial Vehicles
MCA	Ministry of Corporate Affairs, Government of India
M&HCVs	Medium and heavy commercial vehicles
MICR	Magnetic Ink Character Recognition – nine-digit code as appearing on a cheque leaf
MPV	Multipurpose utility vehicle
Mutual Fund	Mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
Net Worth	Aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation
NR	Non-resident or person(s) resident outside India, as defined under the FEMA

Term/Abbreviation	Description / Full Form
NRE Account	Non-resident external account
NRI	Non-resident Indian, as defined in the Foreign Exchange Management (Deposit) Regulations, 2000
NRO Account	Non-resident ordinary account
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
p.a.	Per annum
PAN	Permanent account number
PAT	Profit after tax
PBT	Profit before tax
PLM	Product life cycle management
PRC	People's Republic of China
RBI	Reserve Bank of India
Regulation S	Regulation S under the Securities Act
RMB / '¥'	Renminbi, the legal currency of People's Republic of China
RoC	Registrar of Companies, Maharashtra, located at Everest, 5th Floor, 100, Marine Drive, Mumbai 400 002
RTGS	Real Time Gross Settlement
SAARC	South Asian Association for Regional Cooperation
SCV	Small commercial vehicle
SEBI	The Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI Insider Trading Regulations, 1992	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992
SEBI Insider Trading Regulations, 2015	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
SEBI Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
SEC	Securities and Exchange Commission
Securities Act	U.S. Securities Act of 1933
SFC	Semi-forward control
SIAM	Society of Indian Automobile Manufacturers
State Government	Government of a State of India
SUV	Sports utility vehicle
Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
U.S. / USA / United States	United States of America, including the territories or possessions thereof
UV	Utility vehicles
Water Act	Water (Prevention & Control of Pollution) Act, 1974

The words and expressions used but not defined herein shall have the same meaning as assigned to such terms under the SEBI Regulations, the Companies Act, the Securities Contract (Regulation) Act, 1956 and the Depositories Act and the rules and regulations made thereunder.

NOTICE TO OVERSEAS INVESTORS

The distribution of this Letter of Offer, the Abridged Letter of Offer or CAF and the issue of the Securities on a rights basis to persons in certain jurisdictions outside India are restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer, the Abridged Letter of Offer or CAF may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Shareholders and will dispatch this Letter of Offer / Abridged Letter of Offer and CAF only to Eligible Shareholders who have a registered address in India or who have provided an Indian address to our Company.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose. Accordingly, the Securities may not be offered or sold, directly or indirectly, and this Letter of Offer, the Abridged Letter of Offer or any offering materials or advertisements in connection with the Issue may not be distributed, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer or the Abridged Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this Letter of Offer and the Abridged Letter of Offer must be treated as sent for information only and should not be acted upon for subscription to Securities and should not be copied or redistributed. Accordingly, persons receiving a copy of this Letter of Offer or the Abridged Letter of Offer should not, in connection with the issue of the Securities or the Rights Entitlements, distribute or send this Letter of Offer or the Abridged Letter of Offer in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations. If this Letter of Offer or the Abridged Letter of Offer is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Securities or the Rights Entitlements referred to in this Letter of Offer and the Abridged Letter of Offer.

Neither the delivery of this Letter of Offer, the Abridged Letter of Offer nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Letter of Offer and the Abridged Letter of Offer or the date of such information.

The Securities have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States or to US persons except in transactions not requiring registration thereunder. Any CAFs bearing an address in the United States will not be accepted.

Our Company has filed a registration statement and a prospectus supplement with the SEC to register the ADSs to be issued on a rights basis to the existing holders of the ADSs ("ADS Holders") as on the ADS Record Date by the ADS Depositary on the basis of its Rights Entitlement for Ordinary Shares in the Issue.

PRESENTATION OF FINANCIAL INFORMATION

Certain Conventions

Unless otherwise specified or the context otherwise requires, all references in this Letter of Offer to the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions and all references to "UK" or the "U.K." are to the United Kingdom of Great Britain and Northern Ireland, together with its terrorities and possessions. All references herein to 'India' are to the Republic of India and its territories and possessions and the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, Central or State, as applicable.

Financial Data

In this Letter of Offer, we have included the following financial statements which have been prepared in accordance with accounting standards notified under the Companies Act, 1956 (which is deemed to be applicable as per Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India:

(a) the audited standalone and consolidated financial statements of our Company as at and for the year ended March 31, 2014,

(b) the audited standalone financial statements of our Company for the nine month period ended December 31, 2014,

(c) limited reviewed consolidated financial statements of our Company for the nine month period ended December 31, 2014,

(collectively, the "IGAAP Financials").

Indian GAAP differs in certain significant respects from IFRS**.** Any reliance by persons not familiar with Indian accounting practices on the financial disclosures based on the IGAAP Financials presented in this Letter of Offer should accordingly be limited. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

This Letter of Offer also includes the following financial statements which have been prepared in accordance with the International Financial Reporting Standards as issued by the International Accounting Standards Board:

(a) the audited standalone and consolidated financial statements of the Company as at and for the year ended March 31, 2014,

(b) the audited condensed standalone financial statements of the Company for the nine month period ended December 31, 2014, and

(c) the unaudited (subject to limited review) condensed consolidated financial statements of the Company for the nine month period ended December 31, 2014,

(collectively the "IFRS Financials").

Unless stated otherwise, the financial data used in this Letter of Offer is derived from the IGAAP Financials. Please note that the financial data disclosed in "Operating and Financial Review and Prospects" beginning on page [●], has been derived from the IFRS Financials.

Our Company's financial year commences on April 1 of every calendar year and ends on March 31 of the following calendar year. See "Financial Statements" beginning on page [●].

In this Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures.

Market and Industry Data

Unless stated otherwise, market, industry and demographic data used in this Letter of Offer has been obtained from market research, publicly available information, industry publications and government sources. Industry publications generally state that the information that they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of that information is not guaranteed. Similarly, internal surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified and neither our Company nor the Lead Managers make any representation as to the accuracy of that information. Accordingly, Investors should not place undue reliance on this information.

Currency of Presentation

All references to 'INR', '₹', 'Indian Rupees' and 'Rupees' are to the legal currency of India and any reference to 'US$', 'USD' and 'U.S. dollars' are to the legal currency of the United States of America.

All references to 'EUR' and '€' are to Euro, the legal currency of the euro zone, which consists of 18 of the 28 member states of the European Union, namely, Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Luxemburg, Malta, the Netherlands, Portugal, Slovakia, Slovenia and Spain.

All references to 'RMB' and '¥' are to Renminbi, the legal currency of People's Republic of China.

All references to 'GBP' and '£' are to Pound Sterling, the legal currency of United Kingdom.

FORWARD LOOKING STATEMENTS

Certain statements contained in this Letter of Offer that are not statements of historical fact constitute 'forward-looking statements'. Investors can generally identify forward-looking statements by terminology such as 'aim', 'anticipate', 'believe', 'continue', 'can', 'could', 'estimate', 'expect', 'intend', 'may', 'objective', 'plan', 'potential', 'project', 'pursue', 'shall', 'should', 'will', 'would', 'future', 'forecast', 'target', 'guideline' or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements. Forward-looking statements are not guarantees of performance and are based on certain assumptions, discuss future expectations, describe plans and strategies contain projections of results of operations or of financial condition or state other forward-looking information.

All statements regarding our Company's expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our Company's business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Letter of Offer that are not historical facts. These forward-looking statements contained in this Letter of Offer (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our Company's expectations include, among others:

- restrictive covenants in our financing agreements;
- our inability to satisfy changing customer demands by offering innovative products in a timely manner and not maintaining such products' competitiveness and quality;
- our inability to address risks associated with product liability, warrant and recall;
- our inability to address risks associated with the automobile financing business;
- underperformance of our distribution channels and supply chains;
- increase in input prices;
- deterioration in the performance of any of our subsidiaries, joint ventures and affiliates;
- decrease in net income due to increased costs associated with compliance with new and current laws, regulations and government policies regarding increased fuel economy, reduced greenhouse gas and other emissions, vehicle safety, taxes and pricing policies in the automotive industry;
- political changes in the Government of India; and
- fluctuations in exchange rate and interest rate.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in "Risk Factors" and "Our Business" beginning on page [●] and page [●] respectively. The forward-looking statements contained in this Letter of Offer are based on the beliefs of management, as well as the assumptions made by, and information currently available to, management of our Company. Whilst our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct. Given these uncertainties, Investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Letter of Offer or the respective dates indicated in this Letter of Offer, and our Company undertakes no obligation to update or revise any of them, whether as a result of new information, future events or otherwise. If any of these risks and uncertainties materialise, or if any of our Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

SECTION II: RISK FACTORS

An investment in the Securities involves a high degree of risk. The risks described below together with other information contained in this Letter of Offer should be carefully considered by the prospective investors before making an investment decision. The risks described below are not the only risks which are relevant to our Company or investments in securities of Indian issuers. Additional risks not presently known to us or that we currently deem immaterial may also adversely affect our business operations. Our business, financial condition or results of operations could be materially and adversely affected by any of these risks, the trading price of the Securities could decline, and all or part of your investment may be lost. Unless otherwise stated, we are not in a position to specify or quantify the financial or other risks mentioned herein.

This Letter of Offer also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and "Forward Looking Statements" on page [●].

Internal Risks

1. Restrictive covenants in our financing agreements may limit our operations and financial flexibility and materially and adversely impact our financial condition, results of operations and prospects.

Some of our financing agreements and debt arrangements set limits on or require us to obtain lender consent before, among other things, pledging assets as security. In addition, certain financial covenants may limit our ability to borrow additional funds or to incur additional liens. In the past, we have been able to obtain required lender consent for such activities. However, there can be no assurance that we will be able to obtain such consents in the future. If our liquidity needs, or growth plans, require such consents and such consents are not obtained, we may be forced to forego or alter our plans, which could materially and adversely affect our financial condition and results of operations.

In the event we breach these financing agreements, the outstanding amounts due thereunder could become due and payable immediately or result in increased costs. A default under one of these 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. This could have a material adverse effect on our financial condition and results of operations.

In recent years, we have been in breach of financial covenants relating to our ratio of total outstanding liabilities to tangible net worth and to our debt service coverage ratio in various financing agreements. We requested and obtained waivers of our obligations from our lenders and guarantors to pay additional costs as a consequence of such breaches. These breaches have not resulted in an event of default in our financing agreements or the payment of penalties.

If we are in breach of these financials covenants in Fiscal 2015, we plan to seek consents or waivers from our lenders or guarantors.

However, we cannot assure you that we will succeed in obtaining consents or waivers in the future from our lenders or guarantors, or that our lenders and guarantors will not impose additional operating and financial restrictions on us, or otherwise seek to modify the terms of our existing financing agreements in ways that are materially adverse to us. In addition, future non-compliance with the financial covenants of our financing agreements may lead to increased costs for any future financings.

2. Our future success depends on our ability to satisfy changing customer demands by offering innovative products in a timely manner and maintaining such products' competitiveness and quality.

Our competitors may gain significant advantages if they are able to offer products satisfying customer needs earlier than we are able to which may materially and adversely impact our sales and profitability. Unanticipated delays or cost overruns in implementing new product launches, expansion plans or capacity enhancements could also materially and adversely impact our financial condition and results of operations.

Customer preferences especially in many of the developed markets appear to be moving in favor of more fuel efficient and environmental friendly vehicles. Furthermore, 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 increasingly stringent government regulations, rising fuel prices and customers' environmental considerations. Our business and operations may be significantly impacted if we experience delays in developing products that reflect changing customer preferences, especially in the premium automotive category. In addition, deterioration in the quality of our vehicles could force us to incur substantial costs and damage our reputation. There can be no assurance that the market acceptance of our future products will meet our sales expectations, in which case we may be unable to realize the intended economic benefits of our investments and our revenues and profitability may increase materially.

Private and commercial users of transportation increasingly use modes of transportation other than the automobile, especially in connection with increasing urbanization. The reasons for this include the rising costs related to automotive transport of people and goods, increasing traffic density in major cities and environmental awareness. Furthermore, the increased use of car sharing concepts and other innovative mobility initiatives facilitates access to other methods of transport, thereby reducing dependency on the private automobile altogether. A change in consumer preferences away from private automobiles would have a material adverse effect on our general business activity and on our sales, financial position and results of operations as well as prospects.

To stimulate demand, competitors in the automotive industry have offered customers and dealers price reductions on vehicles and services, which has led to increased price pressures and sharpened competition within the industry. As a provider of numerous high-volume models, our profitability and cash flows are significantly affected by the risk of rising competitive and price pressures.

Special sales incentives and increased price pressures in the new car business also influence price levels in the used car market, with a negative effect on vehicle resale values. This may have a negative impact on the profitability of the used car business in our dealer organization.

3. We are subject to risks associated with product liability, warranty and recall.

We are subject to risks and costs associated with product liability, warranties and recalls, relating to defective products, parts, or related after-sales services, including by generating negative publicity, which may have a material adverse effect on our business, financial condition and results of operations. These events could also require us to expend considerable resources in correcting these problems and could significantly reduce demand for our products. We may also be subject to class actions or other large scale product liability or other lawsuits in various jurisdictions where we have a significant presence.

4. We are subject to risk associated with the automobile financing business.

We are subject to risks associated with our automobile financing business in India. In Fiscal 2014, the market share of our automobile financing business, which supports sales of our vehicles, declined to 30.0% from 33.1% in Fiscal 2013. Any default by our customers or inability to repay installments as due, could materially and adversely affect our business, financial condition, results of operations and cash flows.

The sale of our commercial and passenger vehicles is heavily dependent on fund availability for our customers. Rising delinquencies and early defaults have contributed to a reduction in automobile financing, which in turn has had an adverse effect on fund availability for potential customers. This reduction in available financing may continue in the future and have a material adverse effect on our business, financial conditions and results of operations.

In respect of our Jaguar Land Rover operations, we have 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 our vehicles, which could materially reduce our sales and net income. Furthermore, Jaguar Land Rover also offers residual value guarantees on the leases of certain vehicles in some markets. Any significant declines in used car valuations could materially and adversely affect our sales, financial condition and results of operations.

Over time, and particularly in the event of any credit rating downgrade, market volatility, market disruption, regulatory changes or otherwise, we may need to reduce the amount of financing receivables we originate, which could severely disrupt our ability to support the sale of our vehicles.

5. Underperformance of our distribution channels and supply chains may have a material adverse effect on our sales, financial conditions and results of operations.

Our products are sold and serviced through a network of authorized dealers and service centers across our domestic market, and a network of distributors and local dealers in the international markets. We monitor the performance of our dealers and distributors and provide them with support to enable them to perform to our expectations. There can be no assurance, however, that these expectations will be met. Any under-performance by our dealers or distributors could materially and adversely affect our sales, financial condition and results of operations.

We rely on third parties to supply us with the raw materials, parts and components used in the manufacture of our products. Furthermore, for some of these parts and components, we are dependent on a single source of supply. Our ability to procure supplies in a cost effective and timely manner is subject to various factors, some of which are not within our control. While we manage our supply chain as part of our vendor management process, any significant problems with our supply chain in the future could severely disrupt our business and materially reduce our sales and net income. In respect of our FIAL operations, as part of the Restructuring Agreement, we have entered into retail and wholesale financing for Fiat products, which require us to purchase fixed quantity of parts through take or pay contracts. Any disruption of such services or invocation of take or pay arrangements could have a material adverse effect on our business, financial condition and results of operations.

Natural disasters and man-made accidents, adverse economic conditions, decline in automobile demand, and lack of access to sufficient financing arrangements, among others, could have a negative financial impact on our suppliers and distributors in turn impairing timely availability of components to us or increasing the costs of such components. Similarly, impairments to the financial position 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 severely disrupt our supply chains and may further materially reduce our sales and net income.

In respect of our Jaguar Land Rover operations, as part of a separation agreement from Ford, we have entered into long term supply agreements with Ford and certain other third parties for critical components which require us to purchase fixed quantity of parts through take or pay contracts. Any disruption of such services or invocation of take or pay contracts could have a material adverse effect on our business, financial condition and results of operations.

6. Increases in input prices may have a material adverse effect on our results of operations.

In Fiscal 2014 and Fiscal 2013, the consumption of raw materials, components and aggregates and purchase of products for sale constituted approximately 62.4% and 64.6% respectively, of our total revenues. 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 we continue to pursue cost reduction initiatives, an increase in price of input materials could severely impact our 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, an increased price and supply risk could arise from the supply of rare and frequently sought after raw materials for which demand is high, especially those used in vehicle electronics such as rare earths, which are predominantly found in China. Rare earth metal prices and supply remain uncertain. In the past, China has limited the export of rare earths from time to time. If we are unable to find substitutes for such raw materials or pass price increases on to customers by raising prices, or to safeguard the supply of scarce raw materials, our vehicle production, business and results from operations could be affected. Due to intense price competition and our high level of fixed costs, we 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 us, especially in the commercial and premium vehicle segments where increased fuel prices have an impact on demand.

7. Deterioration in the performance of any of our subsidiaries, joint ventures and affiliates may adversely affect our results of operations.

We have made and may continue to make capital commitments to our subsidiaries, joint ventures and affiliates, and if the business or operations of any of these subsidiaries, joint ventures and affiliates deteriorates, the value of our investments may decline substantially.

We are also subject to risks associated with joint ventures and affiliates wherein we have only partial or joint control. Our partners may be unable, or unwilling, to fulfill their obligations or may experience financial difficulties which may adversely impact our value of our investments.

8. The significant reliance of Jaguar Land Rover on key mature markets increases the risk of negative impact of reduced customer demand in those countries.

Jaguar Land Rover, which contributes a large portion of our revenues, generates a significant portion of its sales in the United Kingdom, North American and continental European markets where it derives three-quarters of its revenues. Sales declines in the premium car or all-terrain vehicle segments in which Jaguar Land Rover operates have been particularly severe. Although demand in those markets remains relatively strong, a decline in demand for Jaguar Land Rover vehicles in these major markets may in the future significantly impair our business, financial position and results of operations. In addition, Jaguar Land Rover's strategy, which includes new product launches and expansion into growing markets, such as China, India, Russia and Brazil, may not be sufficient to mitigate a decrease in demand for Jaguar Land Rover products in mature markets in the future, which could have a significant adverse impact on our financial performance.

9. We are subject to risks associated with growing our business through mergers and acquisitions.

We believe that our acquisitions provide us opportunities to grow significantly in the global automobile markets by offering premium brands and products. Our acquisitions have provided us with access to technology and additional capabilities while also offering potential synergies. However, the scale, scope and nature of the integration required in connection with our acquisitions present significant challenges, and we may be unable to integrate the relevant subsidiaries, divisions and facilities effectively within our expected schedule. An acquisition may not meet our 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 our control.

We 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, as well as generating cash flow from synergies in engineering and sourcing, joint sales and marketing efforts, and management of a larger business. If any of these factors fails to materialize or if we are unable to manage any of the associated risks successfully, our business, financial condition and results of operations could be materially and adversely affected.

10. Our business is seasonal in nature and a substantial decrease in our sales during certain quarters could have a material adverse impact on our financial performance.

The sales, volumes and prices for our vehicles are influenced by the cyclicality and seasonality of demand for these products. The automotive industry has been cyclical in the past and we expect this cyclicality to continue.

In the Indian market, demand for our 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.

Our Jaguar Land Rover business is impacted by the semiannual registration of vehicles in the United Kingdom 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. Other markets such as the United States are influenced by introduction of new model year products which typically occurs in the autumn of each year. The automotive market in China tends to reflect higher demand for vehicles around the Chinese New Year. Demand in the western European automotive markets tends to be reduced during the summer and winter holidays. Furthermore, our cash flows are impacted by temporary shutdowns of three of our manufacturing plants in the United Kingdom during the summer and winter holiday seasons. The resulting sales and cash flow profile is reflected in our results of operations on a quarterly basis.

11. We rely on licensing arrangements with Tata Sons Limited to use the "Tata" brand. Any improper use of the associated trademarks by our licensor or any other third parties could materially and adversely affect our business, financial condition and results of operations.

Our rights to our trade names and trademarks are a crucial factor in marketing our products. Establishment of the "Tata" word mark and logo mark in and outside India is material to our operations. We have licensed the use of the "Tata" brand from the Promoter, Tata Sons Limited. If the Promoter, or any of its subsidiaries or affiliated entities, or any third party uses the trade name "Tata" in ways that adversely affect such trade name or trademark, our reputation could suffer damage, which in turn could have a material adverse effect on our business, financial condition and results of operations.

12. Inability to protect or preserve our intellectual property could materially and adversely affect our business, financial condition and results of operations.

We own or otherwise have rights in respect of a number of patents relating to the products we 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, we seek to regularly develop new technical designs for use in our vehicles. We also use 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 our business and may continue to be of value in the future. Although we do not regard any of our 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 our business, financial condition and results of operations. We may also be affected by restrictions on the use of intellectual property rights held by third parties and we may be held legally liable for the infringement of the intellectual property rights of others in our products.

13. Our business and operations could be severely by labor unrest.

All of our permanent employees in India, other than officers and managers and most of our permanent employees in South Korea and the United Kingdom, including certain officers and managers, in relation to our automotive business, are members of labor unions and are covered by our wage agreements, where applicable with those labor unions.

In general, we consider our labor relations with all of our employees to be good. However, in the future we may be subject to labor unrest, which may delay or disrupt our 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 our facilities or at the facilities of our major vendors occur or continue for a long period of time, our business, financial condition and results of operations could be materially and adversely affected.

14. Our business could be negatively affected by the actions of activist shareholders.

Certain of our shareholders may from time to time advance shareholder proposals or otherwise attempt to effect changes or acquire control over our business. Campaigns by shareholders to effect changes at publicly-traded companies are sometimes led by investors seeking to increase short-term shareholder value by advocating corporate actions such as financial restructuring, increased borrowing, special dividends, stock repurchases or even sales of assets or the entire company, or by voting against proposals put forward by the board of directors and management of the company. If faced with actions by activist shareholders, we may not be able to respond effectively to such actions, which could be disruptive to our business.

The current environment of increased shareholder activism could lead to new regulations or additional disclosure obligations, which could impact the manner in which we operate our business in ways we cannot currently anticipate. As an example, pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act, which contains significant corporate governance and executive compensation related provisions, the SEC has adopted additional rules and regulations in areas such as "say on pay". Similarly, under applicable Indian laws, remuneration packages may in certain circumstances require shareholder approval. Our management and other personnel may be required to devote a substantial amount of time to such compliance initiatives. These rules and regulations may increase our legal and financial compliance costs and could materially and adversely affect our business, financial condition and results of operations.

15. Our business and prospects could suffer if we lose one or more key personnel or if we are unable to attract and retain our employees.

Our business and future growth depend largely on the skills of our workforce, including executives and officers, and automotive designers and engineers. The loss of the services of one or more of our personnel could impair our ability to implement our business strategy. In view of intense competition, any inability to continue to attract, retain and motivate our workforce could materially and adversely affect our business, financial condition, results of operations and prospects.

16. Future pension obligations may prove more costly than currently anticipated and the market value of assets in our pension plans could decline.

We provide post retirement and pension benefits to our employees, including defined benefit plans. Our pension liabilities are generally funded. However, lower returns on pension fund assets, changes in market conditions, interest rates or inflation rates, and adverse changes in other critical actuarial assumptions, may impact our pension liabilities or assets and consequently increase funding requirements, which could materially decrease our net income and cash flows.

17. Any inability to manage our growing international business may materially and adversely affect our financial condition and results of operations.

Our growth strategy relies on the expansion of our operations by introducing certain automotive products in markets outside India, including in Europe, China, Russia, Brazil, the United States, Africa and other parts of Asia. The costs associated with entering and establishing ourselves in new markets, and expanding such operations, may be higher than expected, and we may face significant competition in those regions. In addition, our 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, rules and regulations. If we are unable to manage risks related to our expansion and growth in other parts of the world, our business, financial condition and results of operations could be materially and adversely affected.

18. We have a limited number of manufacturing, design, engineering and other facilities and any disruption in the operations of those facilities could materially and adversely affect our business, financial condition and results of operations.

We have manufacturing facilities and design and engineering centers located in India, the United Kingdom, China, South Korea, Thailand, South Africa and Brazil, and have established a presence in Indonesia. We could experience disruptions to our 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 events. Any such disruptions could affect our ability to design, manufacture and sell our products and, if any of these events were to occur, there can be no assurance that we would be able to shift our design, engineering or manufacturing operations to alternate sites in a timely manner or at all. Any such disruption could materially and adversely affect our business, financial condition and results of operations.

19. We are exposed to operational risks, including risks in connection with our use of information technology.

Operational risk is the risk of loss resulting from inadequate or failed internal systems and processes, whether resulting from internal or external events. Such risks could stem from inadequacy or failures of controls within internal procedures, violations of internal policies by employees, disruptions or malfunctioning of information technology systems such as computer networks and telecommunication systems, other mechanical or equipment failures, human error, natural disasters or malicious acts by third parties. Any unauthorized access to or misuse of data on our information technology systems, human errors or technological or process failures of any kind could severely disrupt our operations, including our manufacturing, design and engineering processes, and could have a material adverse effect on our financial condition and results of operations.

20. Any failures or weaknesses in our internal controls could materially and adversely affect our financial condition and results of operations.

Upon an evaluation of the effectiveness of the design and operation in the Annual Report, upon an evaluation of the effectiveness of the design and operation of our internal controls, we concluded that there was a material weakness such that our internal controls over financial reporting were not effective as at March 31, 2014. Although we have instituted remedial measures to address the material weakness identified and continually review and evaluate our internal control systems to allow management to report on the sufficiency of our internal controls, we cannot assure you that we will not discover additional weaknesses in our internal controls over financial reporting. Any such additional weaknesses or failure to adequately remediate any existing weakness could materially and adversely affect our financial condition or results of operations and our ability to accurately report our financial condition and results of operations in a timely and reliable manner.

21. Our insurance coverage may not be adequate to protect us against all potential losses to which we may be subject, and this may have a material adverse effect on our business, financial condition and results of operations.

While we believe that the insurance coverage that we maintain is reasonably adequate to cover all normal risks associated with the operation of our business, there can be no assurance that our insurance coverage will be sufficient, that any claim under our insurance policies will be honored fully or timely, or that our insurance premiums will not increase substantially. Accordingly, to the extent that we suffer loss or damage that is not covered by insurance or which exceeds our insurance coverage, or are required to pay higher insurance premiums, our business, financial condition and results of operations may be materially and adversely affected.

22. Impairment of intangible assets may have a material adverse on our results of operations.

Designing, manufacturing and selling vehicles is capital intensive and requires substantial investments in intangible assets like research and development, product design and engineering technology. Annually, we review the value of our intangible assets to assess on an annual basis whether the carrying amount matches the recoverable amount for the asset concerned based on underlying cash-generating units. We may have to take an impairment loss as of a future balance sheet date, if the carrying amount exceeds the recoverable amount, which could have a material adverse effect on our financial condition and the results of operations.

23. We require certain approvals or licenses in the ordinary course of business and the failure to obtain or retain them in a timely manner, or at all, may adversely affect our operations.

We require certain statutory and regulatory permits, licenses and approvals to carry out our business operations and applications for their renewal need to be made within certain timeframes. For some of the approvals which may have expired, we may have either made or are in the process of making an application for obtaining the approval or its renewal. While we have applied renewal for a few of these approvals, registrations and permits, we cannot assure you that we will receive these approvals and registrations in a timely manner or at all. We cannot assure that the approvals, licenses, registrations and permits issued to us would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Further, if we are unable to renew or obtain necessary permits, licenses and approvals on acceptable terms, in a timely manner or at all, our business, financial conditions and operations may be adversely affected.

External risk factors

24. ***Deterioration in global economic conditions could have a material adverse impact on our sales and results of operations.***

The automotive industry and the demand for automobiles, are 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 we operate could materially and adversely affect our business, financial condition and results of operations.

The Indian automotive industry is affected materially by the general economic conditions in India and around the world. Muted industrial growth in India in recent years along with continuing high levels of 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. A continuation of negative economic trends or further deterioration in key economic metrics such as the growth rate, interest rates and inflation as well as reduced availability of financing for vehicles at competitive rates could materially and adversely affect our automotive sales in India and results of operations.

In addition, the Indian automotive market and the Indian economy are influenced by economic and market conditions in other countries. Although economic conditions are different in each country, investors' reactions to economic developments in one country can have adverse effects on the securities of companies and the economy as a whole, in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause volatility in Indian financial markets and indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India. In the event the recovery of global economy is slower than expected, or if there is any significant financial disruption, this could have a material adverse effect on our cost of funding, loan portfolio, business, prospects, financial condition, results of operations and the trading price of our Securities.

Our 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 our 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, the imposition of economic sanctions against Russia, a possible exit by Greece from the Eurozone and concerns of an economic slowdown in China. Our strategy with respect to our Jaguar Land Rover operations, which includes new product launches and expansion in converging markets such as China, India, Russia and Brazil where we have experienced growth in recent years, may not be sufficient to mitigate the decrease in demand for our products in established markets which may have a significant negative impact on our financial performance. If automotive demand softens because of lower or negative economic growth in key markets, including China and Russia, or other factors, our financial condition and results of operations could be materially and adversely affected.

25. ***India's obligations under the World Trade Organization Agreement could materially affect our business.***

India's obligations under its World Trade Organization agreement could reduce the present level of tariffs on imports of components and vehicles. Reductions of import tariffs could result in increased competition, which in turn could materially and adversely affect our business, financial condition and results of operations.

26. Compliance with new and current laws, rules, regulations and government policies regarding increased fuel economy, reduced greenhouse gas and other emissions, vehicle safety, taxes and pricing policies in the automotive industry may significantly increase our costs and materially decrease our net income.

As an automobile company, we are subject to extensive governmental regulations regarding vehicle emission levels, noise and safety, and the levels of pollutants generated by our production facilities. These regulations are likely to become more stringent and higher compliance costs may significantly impact our future results of operations. In particular, the United States and Europe have stringent regulations relating to vehicle emissions. The proposed tightening of vehicle emissions regulations by the European Union will require significant costs for compliance. In addition, a number of further legislative and regulatory measures to address greenhouse emissions, including national laws and the Kyoto Protocol, are in various phases of discussions and implementation.

In order to comply with current and future safety and environmental norms, we may have to incur additional costs to: (i) operate and maintain our production facilities; (ii) install new emissions controls or reduction technologies; (iii) purchase or otherwise obtain allowances to emit greenhouse gases; (iv) administer and manage our greenhouse gas emissions program, and (v) invest in research and development to upgrade products and manufacturing facilities. If we are unable to develop commercially viable technologies or otherwise unable to attain compliance within the time frames set by the new standards, we could face significant civil penalties or be forced to restrict product offerings drastically. Moreover, safety and environmental standards may at times impose conflicting imperatives, which pose engineering challenges and would, among other things, increase our costs. While we are pursuing the development and implementation of various technologies in order to meet the required standards in the various countries in which we sell our vehicles, the costs for compliance with these required standards could be significant to our operations and may materially and adversely affect our business, financial condition and results of operations.

Imposition of any additional taxes and levies designed to limit the use of automobiles could significantly reduce the demand for our products as well as our sales and net income. Changes in corporate and other taxation policies as well as changes in export and other incentives offered by the various governments could also materially and adversely affect our financial condition and results of operations. For example, we benefit from excise duty exemptions for manufacturing facilities in the State of Uttarakhand and other incentives such as subsidies or loans from states where we have manufacturing operations. The Government of India had proposed a comprehensive 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, we are unable to provide any assurance as to this or any other aspect of the tax regime following implementation of the GST. The implementation of this rationalized tax structure may be affected by any disagreement between certain state governments, which could create uncertainty. The timeline of the proposed transition is uncertain as of the date of this letter of offer.

The Direct Tax Code Bill 2010, which was proposed to replace the existing Income Tax Act, 1961 and other direct tax laws is unlikely to be introduced as per the Finance Minister's speech while presenting the Finance Bill 2015. Regulations in the areas of investments, taxes and levies may also have an impact on the Securities.

The PRC antitrust regulator, the Bureau of Price Supervision and Anti-Monopoly of the National Development and Reform Commission, or the NDRC, has launched an investigation into the pricing practices of more than 1,000 Chinese and international companies in the automotive industry, including Jaguar Land Rover and many of its competitors, in 2014. The NDRC has reportedly imposed fines on certain of our international competitors as a result of anti-competitive practices pertaining to vehicle and spare part prices. In response to this investigation, we set up a process to review our pricing in China and announced, in July 2014, reductions in the manufacturer's suggested retail price, or the MSRP, for our 5.0 liter V8 and V8 S, Range Rover, Range Rover Sport and Jaguar F TYPE convertible models, effective from August 1, 2014. We also announced reductions in the price of certain of our spare parts, effective from September 1, 2014. These and other price reductions on our products sold in China may significantly reduce the revenues and profits generated by our operations in China and have a material adverse effect on our financial condition and results of operations. Our attempts to offset the potential decline in revenue and profits by increasing operational efficiencies and leveraging economies of scale (for example, through local production in China) may fail or not be as successful as expected. Furthermore, any regulatory action taken, or penalties imposed by, the NDRC or other authorities in China, may have significant severe reputational consequences on our business as well as our profitability and prospects.

27. Compliance with new and changing corporate governance and public disclosure requirements adds uncertainty to our compliance policies and increases our costs of compliance.

We are subject to a complex and changing regime of laws, rules, regulations and standards relating to accounting, corporate governance and public disclosure, including the Sarbanes-Oxley Act of 2002 and SEC, regulations, SEBI, regulations, New York Stock Exchange, or NYSE, listing rules and Indian stock market listing regulations. New or changed laws, rules, regulations and standards may lack specificity and are subject to varying interpretations. Their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs of compliance as a result of ongoing revisions to such governance standards. We are committed to maintaining high standards of corporate governance and public disclosure. However, our efforts to comply with evolving laws, rules, regulations and standards in this regard have resulted in, and are likely to continue to result in, increased general and administrative expenses and a diversion of management resources and time.

28. Changing laws, rules and regulations and legal uncertainties may adversely affect our business and financial performance.

Our business and operations are governed by various laws and regulations. Our business and financial performance could be adversely affected by any change in laws or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us and our business.

There can be no assurance that the relevant governmental authorities will not implement new regulations or policies which will require us to obtain additional approvals and licenses from the government or other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the implementation of the new regulations may have a material adverse effect on our business, financial conditions and results of operations.

Further, Government of India has announced the union budget for the fiscal year 2016 and the Finance Bill, 2015 has been tabled before the Parliament. However, the Finance Act has not yet been passed by the Parliament. As such, there is no certainty on the impacts that the Finance Bill, 2015 may have on our business and operations or on the industry that we are in.

29. The Companies Act, 2013 has effected significant changes to the existing Indian company law framework, which may subject us to higher compliance requirements and increase our compliance costs.

A majority of the provisions and rules under the Companies Act, 2013 have recently been notified and have come into effect from the date of their respective notification, resulting in the corresponding provisions of the Companies Act, 1956 ceasing to have effect. The Companies Act, 2013 has brought into effect significant changes to the Indian company law framework, such as in the provisions related to issue of capital (including provisions in relation to issue of securities on a private placement basis), disclosures in offer document, corporate governance norms, accounting policies and audit matters, related party transactions, introduction of a provision allowing the initiation of class action suits in India against companies by shareholders or depositors, a restriction on investment by an Indian company through more than two layers of subsidiary investment companies (subject to certain permitted exceptions), prohibitions on loans to directors and insider trading and restrictions on directors and KMPs from engaging in forward dealing. We are also required to spend, in each financial year, at least 2% of our average net profits during three immediately preceding financial years towards corporate social responsibility activities. Further, the Companies Act, 2013 imposes greater monetary and other liability on our Company and Directors for any non-compliance. To ensure compliance with the requirements of the Companies Act, 2013, we may need to allocate additional resources, which may increase our regulatory compliance costs and divert management attention.

The Companies Act, 2013 introduced certain additional requirements which do not have corresponding equivalents under the Companies Act, 1956. Accordingly, we may face challenges in interpreting and complying with such provisions due to limited jurisprudence on them. In the event, our interpretation of such provisions of the Companies Act, 2013 differs from, or contradicts with, any judicial pronouncements or clarifications issued by the Government in the future, we may face regulatory actions or we may be required to undertake remedial steps. Additionally, some of the provisions of the Companies Act, 2013 overlap with other existing laws and regulations (such as the corporate governance norms and insider trading regulations issued by SEBI). Recently, SEBI issued revised corporate governance guidelines which became effective from October 1, 2014. Pursuant to the revised guidelines, we are required to, amongst other things ensure that there is at least one woman director on our Board of Directors at all times, establish a vigilance mechanism for directors and employees and reconstitute certain committees in accordance with the revised guidelines. We may face difficulties in complying with any such overlapping requirements. Further, we cannot currently determine the impact of provisions of the Companies Act, 2013 and the revised SEBI corporate governance norms. Any increase in our compliance requirements or in our compliance costs may have an adverse effect on our business, financial conditions and results of operations.

Further, our Board members, Executive Directors and our Chief Financial Officer could face an increased risk of personal liability in connection with the performance of their duties. As a result, we may face difficulties attracting and retaining qualified Board members and senior management.

30. We may be affected by competition law in India and any adverse application or interpretation of the Competition Act could adversely affect our business.

The Competition Act regulates practices having an AAEC in the relevant market in India. Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an AAEC is considered void and results in imposition of substantial penalties. Further, any agreement among competitors which directly or indirectly involves determination of purchase or sale prices, limits or controls production, shares the market by way of geographical area or number of subscribers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an AAEC in the relevant market in India and is considered void. The Competition Act also prohibits abuse of a dominant position by any enterprise.

On March 4, 2011, the Government issued and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to and pre-approved by the CCI. Additionally, on May 11, 2011, the CCI issued Competition Commission of India (Procedure for Transaction of Business Relating to Combinations) Regulations, 2011 (as amended) which sets out the mechanism for implementation of the merger control regime in India.

The Competition Act aims to, among others, prohibit all agreements and transactions which may have an AAEC in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an AAEC in India. However, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. We are not currently party to any outstanding proceedings, nor have we received notice in relation to non-compliance with the Competition Act or the agreements entered into by us. However, if we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, financial conditions and results of operations.

31. Compliance with the SEC's new rule for disclosures on "conflict minerals" may be time consuming

and costly as well as result in reputational damage.

Under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, the SEC has adopted a new rule that applies to companies that use certain minerals and metals, known as conflict minerals, in their products, including certain products manufactured for them by third parties. The new rule requires companies that use conflict minerals in the production of their products to conduct due diligence as to whether or not such minerals originate from the Democratic Republic of Congo and adjoining countries and requires companies to file certain information with the SEC about the use of these minerals. The deadline for the first conflict minerals report was June 2, 2014, and we filed our first conflict minerals report on May 30, 2014. We expect to incur additional costs to comply with the new due diligence and disclosure requirements. In addition, depending on our findings or our inability to make reliable findings about the source of any possible conflict minerals that may be used in any products manufactured for us by third parties, our reputation could be harmed.

32. Political changes in India could delay and/or affect the further liberalization of the Indian economy and materially and adversely affect economic conditions in India generally and our business in particular.

Our business could be significantly influenced by economic policies adopted by the Government of India. Since 1991, successive governments have pursued policies of economic liberalization and financial sector reforms.

The Government of India has at various times announced its general intention to continue India's current economic and financial liberalization and deregulation policies. However, protests against such policies, which have occurred in the past, could slow the pace of liberalization and deregulation. The rate of economic liberalization could change, and specific laws and policies affecting foreign investment, currency exchange rates and other matters affecting investment in India could change as well. While we expect any new government to continue the liberalization of India's economic and financial sectors and deregulation policies, there can be no assurance that such policies will be continued.

The Government of India has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of the Securities may be affected by interest rates, changes in policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India.

A change in the Government of India's economic liberalization and deregulation policies could disrupt business and economic conditions in India generally, and specifically those of our Company, as a substantial portion of our assets are located in India, and could have a material adverse effect on our financial condition and results of operations.

33. Terrorist attacks, civil disturbances, regional conflicts and other acts of violence, particularly in India, may disrupt or otherwise adversely affect the markets in which we operate, our business and our profitability.

India has from time to time experienced social and civil unrest and hostilities, including terrorist attacks and riots and armed conflict with neighboring countries. Events of this nature in the future could influence the Indian economy and could have a material adverse effect on our business as well as the market for securities of Indian companies, including the Securities.

In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Securities. Further, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse impact on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business, results of operations and financial condition, and the market price of the Securities.

34. We may be materially and adversely impacted by political instability, wars, terrorism, multinational conflicts, natural disasters, fuel shortages/prices, epidemics and labor strikes.

Our products are exported to a number of geographical markets and we plan to further expand our international operations in the future. Consequently, we are subject to various risks associated with conducting our business outside our domestic markets and our operations may be subject to political instability in those markets, wars, terrorism, regional or multinational conflicts, natural disasters, fuel shortages, epidemics and labor strikes. In addition, conducting business internationally, especially in emerging markets, exposes us to additional risks, including adverse changes in economic and government policies, unpredictable shifts in regulation, inconsistent application of existing laws, rules and regulations, unclear regulatory and taxation systems and divergent commercial and employment practices and procedures. Any significant or prolonged disruption or delay in our operations related to these risks could materially and adversely affect our business, financial condition and results of operations.

35. Rights of shareholders under Indian law may be more limited than under the laws of other jurisdictions.

The Articles of Association of our Company, which include regulations applicable to our Board, and Indian law, govern our corporate affairs. Legal principles relating to these matters and the validity of corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company incorporated in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions, including the United States. You may also have more difficulty in asserting your rights as a shareholder of our Company than you would as a shareholder of a corporation organized in another jurisdiction.

36. Investors may have difficulty enforcing judgments against us or our management.

We are a limited liability company incorporated under the laws of India. The majority of our directors and Executive Officers are residents of India and a substantial portion of our assets and the assets of these directors and Executive Officers are located in India. As a result, investors may find it difficult to (i) effect service of process upon us or these directors and executive officers in jurisdictions outside of India, (ii) enforce court judgments obtained outside of India, including those based upon the civil liability provisions of the U.S. federal securities laws, against us or these directors and Executive Officers, (iii) enforce, in an Indian court, court judgments obtained outside of India, including those based upon the civil liability provisions of the U.S. federal securities laws, against us or these directors and executive officers, and (iv) obtain expeditious adjudication of an original action in an Indian court to enforce liabilities, including those based upon the civil liability provisions of the U.S. federal securities laws, against us or these directors and Executive Officers.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Recognition and enforcement of foreign judgments is provided under Section 13 of the Code of Civil Procedure, or the Civil Procedure Code.

Section 13 and Section 44A of the Civil Procedure Code provide that a foreign judgment shall be conclusive as to any matter thereby directly adjudicated upon except (i) where it has not been pronounced by a court of competent jurisdiction, (ii) where it has not been given on the merits of the case, (iii) where it appears on the face of the proceedings to be founded on an incorrect view of international law or a refusal to recognize the law of India in cases where Indian law is applicable, (iv) where the proceedings in which the judgment was obtained were opposed to natural justice, (v) where it has been obtained by fraud or (vi) where it sustains a claim founded on a breach of any law in force in India.

Section 44A of the Civil Procedure Code provides that where a foreign judgment has been rendered by a superior court in any country or territory outside India which the Government has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty.

The United States has not been declared by the Government of India to be a reciprocating territory for the purpose of Section 44A of the Civil Procedure Code. Accordingly, a judgment of a court in the United States may be enforced only by a suit upon the judgment and not by proceedings in execution. The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy. A party seeking to enforce a foreign judgment in India is required to obtain approval from RBI, the central bank of India, to execute such a judgment or to repatriate outside India any amount recovered.

37. Intensifying competition could materially and adversely affect our sales, financial conditions and results of operations.

The global automotive industry is highly competitive and competition is likely to further intensify in light of continuing globalization and consolidation 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 expanding 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 products, ability to control costs, pricing, reliability, safety, fuel economy, environmental impact and perception thereof, customer service and financing terms. There can be no assurance that we will be able to compete successfully in the global automotive industry in the future.

We also face 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. There can be no assurance that we will be able to implement our future strategies in a way that will mitigate the effects of increased competition in the Indian automotive industry.

Designing, manufacturing and selling vehicles is capital intensive and requires substantial investments in manufacturing, machinery, research and development, product design, engineering, technology and marketing in order to meet both consumer preferences and regulatory requirements. If our competitors consolidate or enter into other strategic agreements such as alliances, they may be able to take better advantage of economies of scale. We believe that competitors may be able to benefit from the cost savings offered by consolidation or alliances, which could adversely affect our competitiveness with respect to those competitors. Competitors could use consolidation or alliances as a means of enhancing their competitiveness (including through the acquisition of technology), which could also materially reduce our sales as well as materially and adversely affect our business, financial condition and results in operations.

38. Any downgrading of India's debt rating by a domestic or international rating agency could negatively impact our business.

Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our financial results and business prospects, ability to obtain financing for capital expenditures and the price of the Securities.

39. Companies in India (based on notified thresholds), including our Company, will be required to prepare financial statements under Ind-AS (which is India's convergence to IFRS). The transition to Ind-AS in India is very recent and there is no clarity on the impact of such transition on our Company.

Our Company currently prepares its annual and interim financial statements under Indian GAAP. Companies in India, including our Company, will be required to prepare annual and interim financial statements under Indian Accounting Standard 101 "First-time Adoption of Indian Accounting Standards ("Ind-AS"). On January 2, 2015, the Ministry of Corporate Affairs, Government of India (the

"MCA") announced the revised roadmap for the implementation of Ind-AS (on a voluntary as well as mandatory basis) for companies other than banking companies, insurance companies and non-banking finance companies through a press release (the "Press Release"). Further, on February 16, 2015, the MCA has released the Companies (Indian Accounting Standards) Rules, 2015 (to be published in the Gazette of India) which will come into effect from April 1,2015.

Ind-AS will be required to be implemented on a mandatory basis by companies based on their respective net worth as set out below:

Sr. No.	Category of companies	First period of reporting
1.	Companies whose securities are either listed or proposed to list, on any stock exchange in India or outside India and having a net worth of ₹ 500 crore or more	Fiscal Year commencing on or after April 1, 2016
2.	Companies other than those covered in (1) above and having a net worth of ₹ 500 crore or more	Fiscal Year commencing on or after April 1, 2016
3.	Companies whose securities are either listed or proposed to list, on any stock exchange in India or outside India and having a net worth of less than ₹ 500 crore	Fiscal Year commencing on or after April 1, 2017
4.	Unlisted companies having a net worth of ₹ 250 crore or more but less than ₹ 500 crore	Fiscal Year commencing on or after April 1, 2017

In addition, any holding, subsidiary, joint venture or associate companies of the companies specified above shall also comply with such requirements from the respective periods specified above.

There is not yet a significant body of established practice on which to draw informing judgments regarding its implementation and application. Additionally, Ind-AS differs in certain respects from IFRS and therefore financial statements prepared under Ind-AS may be substantially different from financial statements prepared under IFRS. There can be no assurance that our Company's financial condition, results of operation, cash flow or changes in shareholders' equity will not be presented differently under Ind-AS than under Indian GAAP or IFRS. When our Company adopts Ind-AS reporting, it may encounter difficulties in the ongoing process of implementing and enhancing its management information systems. There can be no assurance that the adoption of Ind-AS by our Company will not adversely affect its financial conditions or results of operation.

40. The Securities may experience price and volume fluctuations or an active trading market for the Securities may not develop.

The price of the Securities may fluctuate after this Issue as a result of several factors, including volatility in the Indian and global securities markets, the results of our operations, the performance of our competitors, adverse media reports on us, changes in the estimates of our performance or recommendations by financial analysts, significant developments in India's economic liberalisation and deregulation policies, and significant developments in India's fiscal regulations. Further, the price at which the Securities are initially traded may not correspond to the prices at which the Securities will trade in the market subsequently.

41. The market value of your investment may fluctuate due to the volatility of the Indian securities market.

The Indian stock exchanges have, in the past, experienced substantial fluctuations in the prices of their listed securities. The Indian stock exchanges, including BSE, have experienced problems that, if they continue or recur, could affect the market price and liquidity of the securities of Indian companies, including the Securities. These problems have included temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Furthermore, from time to time disputes have occurred between listed companies and stock exchanges and other regulatory bodies, which in some cases may have had a negative effect on market sentiment.

42. There are restrictions on daily movements in the price of the Securities, which may adversely affect a security-holder's ability to sell, or the price at which a security-holder can sell, Securities at a particular point in time.

The Securities will be subject to a daily circuit breaker imposed on listed companies by all stock exchanges in India which does not allow transactions beyond certain volatility in the price of the Securities. This circuit breaker operates independent of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our Company's circuit breaker is set by the stock exchanges based on the historical volatility in the price and trading volume of the Securities. The stock exchanges are not required to inform our Company of the percentage limit of the circuit breaker from time to time, and may change it without our Company's knowledge. This circuit breaker would effectively limit the upward and downward movements in the price of the Securities. As a result of this circuit breaker, we cannot make any assurance regarding the ability of the shareholders of our Company to sell the Securities or the price at which such shareholders may be able to sell their Securities.

43. Economic developments and volatility in securities markets in other countries may cause the price of the Securities to decline.

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India. Negative economic developments, such as rising fiscal or trade deficits, or a default on sovereign debt, in other emerging market countries may affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general and may cause the price of the securities to decline.

44. Exchange rate and interest rate fluctuations could materially and adversely affect our financial condition and results of operations.

Our operations are subject to risks arising from fluctuations in exchange rates in countries in which we operate. We import capital equipment, raw materials and components from, manufacture vehicles in, and sell vehicles into, various countries, and therefore our revenues and costs have significant exposure to the relative movements of the GBP, the U.S. dollar, the Euro, the Chinese Renminbi, the Japanese Yen and the Indian rupee. The exchange rate between the Indian rupee and the U.S. dollar has changed materially in the last two decades and may materially fluctuate in the future. In particular, the Indian rupee declined significantly relative to the U.S. dollar during Fiscal 2014.

Moreover, we have outstanding foreign currency denominated debt and are sensitive to fluctuations in foreign currency exchange rates. We have experienced and expect to continue to experience foreign exchange losses and gains on obligations denominated in foreign currencies in respect of our borrowings and foreign currency assets and liabilities due to currency fluctuations.

We also have interest-bearing assets (including cash balances) and interest bearing liabilities, which bear interest at variable rates and are therefore exposed to changes in interest rates in the various markets in which we borrow.

Although we manage our interest and foreign exchange exposure through use of financial hedging instruments such as forward contracts, swap agreements and option contracts, higher interest rates and a weakening of the Indian rupee against major foreign currencies significantly increase our cost of borrowing, which could have a material adverse effect on our financial condition, results of operations and liquidity.

45. Any future issuance of the Securities may dilute your future shareholding and sales of the Securities by the Promoter or other major shareholders of our Company may adversely affect the trading price of the Securities.

Any future equity issuances by our Company may lead to dilution of your future shareholding in our Company. Any future equity issuances by our Company or sales of the Securities by the Promoter or other major shareholders of our Company may adversely affect the trading price of the Securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Securities.

Except as otherwise stated in this Letter of Offer, there is no restriction on our Company's ability to issue the Securities or the relevant shareholders' ability to dispose of their Securities, and there can be no assurance that our Company will not issue Securities or that any such shareholder (including Promoter and Promoter Group) will not dispose of, encumber, or pledge its Securities.

46. You may be subject to Indian taxes arising out of capital gains on the sale of the Securities.

Capital gains arising from the sale of the Securities are generally taxable in India. Any gain realised on the sale of the Securities on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if the securities transaction tax has been paid on the transaction. The securities transaction tax will be levied on and collected by an Indian stock exchange on which the Securities are sold. Any gain realised on the sale of the Securities held for more than 12 months to an Indian resident, which are sold other than on a recognised stock exchange and as a result of which no securities transaction tax has been paid, will be subject to capital gains tax in India. Further, any gain realised on the sale of the Securities held for a period of 12 months or less will be subject to capital gains tax in India.

47. We cannot guarantee that the Securities issued in the Issue will be listed on the Stock Exchanges in a timely manner.

In accordance with Indian law and practice, after the Board of Directors passes the resolution to allot the Securities but prior to crediting such Securities into the Depository Participant accounts of the investors, we are required to apply to the Stock Exchanges for final listing approval. After receiving the final listing approval from the Stock Exchanges, we will credit the Securities into the Depository Participant accounts of the respective investors and apply for the final trading approval from the Stock Exchanges. There could be a delay in obtaining these approvals from the Stock Exchanges, which in turn could delay the listing of the Securities on the Stock Exchanges. Any delay in obtaining these approvals would restrict your ability to dispose of your Securities.

PROMINENT NOTES

1. Simultaneous but unlinked issue of up to 15,06,44,759 Ordinary Shares for cash at a price of ₹ 450 (including a premium of ₹ 448 per Ordinary Share) on a rights basis to Eligible Ordinary Shareholders in the ratio of six Ordinary Shares for every 109 fully paid-up Ordinary Share held on the Record Date and up to 2,65,30,290 'A' Ordinary Shares for cash at a price of ₹ 271 (including a premium of ₹ 269 per 'A' Ordinary Share) to the Eligible 'A' Ordinary Shareholders in the ratio of six 'A' Ordinary Shares for every 109 fully paid-up 'A' Ordinary Share held on the Record Date. Total proceeds from the Issue of Securities would aggregate up to ₹ 7,500 crore.

2. As on March 31, 2014, the net worth of our Company on a standalone basis was ₹ 19,176.65 crore and on a consolidated basis was ₹ 6,560.35 crore and net worth as on December 31, 2014 was ₹ 15,789.30 crore on a standalone basis and ₹ 68,822.65 crore on a consolidated basis.

3. For details of our transactions with related parties during the year ended March 31, 2014, the nature of transactions and the cumulative value of transactions, see "[●]" and "[●]" on pages [●] and [●] respectively.

4. There has been no financing arrangement whereby the Promoter Group, the directors of the Promoter, the Directors and their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of business of the financing entity during the period of six months immediately preceding the date of filing of this Letter of Offer with the Designated Stock Exchange.

SECTION III: INTRODUCTION

THE ISSUE

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information in “Terms of the Issue” on page [●].

	Ordinary Shares	**‘A’ Ordinary Shares**
Securities being offered by our Company	Up to 15,06,44,759 Ordinary Shares	Up to 2,65,30,290 ‘A’ Ordinary Shares
Rights Entitlement	Six Ordinary Shares for every 109 fully paid-up Ordinary Shares held on the Record Date	Six ‘A’ Ordinary Shares for every 109 fully paid-up ‘A’ Ordinary Shares held on the Record Date
Record Date	April 8, 2015	April 8, 2015
Face Value	₹ 2 each	₹ 2 each
Issue Price	₹ 450 per Ordinary Share	₹ 271 per ‘A’ Ordinary Share
Voting Rights		
In case of show of hands	1 vote per member	1 vote per member
In case of Poll	1 vote per Ordinary Share	One vote per 10 ‘A’ Ordinary Shares
Dividend	Normal dividend as may be recommended by Board and declared by shareholders of our Company	In addition to normal dividend as may be recommended and declared for Ordinary Shares, the ‘A’ Ordinary Shares shall be entitled to an additional 5% dividend. Further if no dividend is recommended for Ordinary Shares, ‘A’ Ordinary Shares would also not receive any dividend.
Issue Size	Up to ₹ 15,06,44,759	Up to ₹ 2,65,30,290
Securities outstanding prior to the Issue	2,73,67,13,122 Ordinary Shares	48,19,66,945 ‘A’ Ordinary Shares
Securities outstanding after the Issue (assuming full subscription for and Allotment of the Rights Entitlement)	Up to 42,43,16,071 Ordinary Shares(1)(2)	Up to 50,84,97,235 ‘A’ Ordinary Shares
Security Codes	ISIN: INE155A01022 BSE: 500570 NSE: TATAMOTORS	ISIN: IN9155A01020 BSE: 570001 NSE: TATAMTRDVR
Terms of the Issue	For more information, see “Terms of the Issue” on page [●]	
Use of Issue Proceeds	For further information, see “Objects of the Issue” on page [●]	

(1) *The call money in respect of 13,746 ordinary shares of our Company of face value ₹ 10 each is currently outstanding. For further details, see “Capital Structure” on page [●].*

(2) *The entitlements to 4,84,470 Ordinary Shares and 2,39,570 ‘A’ Ordinary Shares are subject matters of various suits filed in the courts / forums by third party for which final order is awaited and hence kept in abeyance.*

(3) *The Securities have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States or to US persons except in transactions not requiring registration thereunder. Any CAFs bearing an address in the United States will not be accepted.*
Our Company has filed a registration statement and a prospectus supplement with the SEC to register the ADSs to be issued on a rights basis to the existing holders of the ADSs (“ADS Holders”) as on the ADS Record Date by the ADS Depositary on the basis of its Rights Entitlement for Ordinary Shares in the Issue.

Terms of Payment

Due Date	**Ordinary Shares**	**‘A’ Ordinary Shares**
On the Issue application (i.e.	₹ 450, which constitutes 100% of	₹ 271, which constitutes 100% of

Due Date	Ordinary Shares	'A' Ordinary Shares
alongwith the CAF)	the Issue Price payable	the Issue Price payable

SUMMARY FINANCIAL INFORMATION

The following tables set forth the summary financial information derived from IGAAP Financials. Our summary financial information presented below, is in ₹ / ₹ crore and should be read in conjunction with the financial statements and the notes (including the significant accounting principles) thereto included in "Financial Information" beginning on page [●].

Standalone Condensed Balance Sheet

(₹ in crore)

		As at December 31,		As at March 31,	
		2014	**2013**	**2014**	**2013**
I.	**EQUITY AND LIABILITIES**				
	1. SHAREHOLDERS' FUNDS				
	(a) Share capital	643.78	643.78	643.78	638.07
	(b) Reserves and surplus	15,145.52	19,970.72	18,532.87	18,496.77
		15,789.30	20,614.50	19,176.65	19,134.84
	2. NON-CURRENT LIABILITIES				
	(a) Long-term borrowings	13,317.26	9,523.01	9,746.45	8,051.78
	(b) Deferred tax liabilities (net)	-	1,203.52	43.11	1,963.91
	(c) Other long-term liabilities	1,125.90	1,181.06	1,155.48	1,238.44
	(d) Long-term provisions	1,884.62	746.45	815.20	691.19
		16,327.78	12,654.04	11,760.24	11,945.32
	3. CURRENT LIABILITIES				
	(a) Short-term borrowings	6,910.85	7,902.08	4,769.08	6,216.91
	(b) Trade payables	8,478.82	7,492.99	9,672.36	8,455.02
	(c) Other current liabilities	3,108.07	4,483.87	2,463.18	4,923.10
	(d) Short-term provisions	1,253.62	976.31	1,892.91	1,509.58
		19,751.36	20,855.25	18,797.53	21,104.61
	TOTAL	**51,868.44**	**54,123.79**	**49,734.42**	**52,184.77**
II.	**ASSETS**				
	1. NON-CURRENT ASSETS				
	(a) Fixed assets				
	(i) Tangible assets	12,289.29	12,216.59	12,133.50	12,287.71
	(ii) Intangible assets	3,732.88	3,218.11	3,107.07	3,168.03
	(iii) Capital work-in-progress	1,304.30	1,628.82	1,716.85	1,507.84
	(iv)	4,570.28	4,189.75	4,638.22	3,244.96
		21,896.75	21,253.27	21,595.64	20,208.54
	(b) Non-current investments	16,962.70	18,239.27	18,357.57	18,171.71
	(c) Long-term loans and advances	2,407.76	3,391.84	2,918.30	3,575.24
	(d) Other non-current assets	160.89	122.28	123.85	94.32
		41,428.10	**43,006.66**	**42,995.36**	**42,049.81**
	2. CURRENT ASSETS				
	(a) Current investments	622.87	2,658.13	100.85	1,762.68
	(b) Inventories	4,830.96	4,302.43	3,862.53	4,455.03
	(c) Trade receivables	1,523.99	1,639.95	1,216.70	1,818.04
	(d) Cash and bank balances	1,773.89	798.88	226.15	462.86
	(e) Short-term loans and advances	1,570.13	1,598.61	1,223.77	1,532.09
	(f) Other current assets	118.50	119.13	109.06	104.26
		10,440.34	11,117.13	6,739.06	10,134.96

		As at December 31,		As at March 31,	
		2014	2013	2014	2013
	TOTAL	**51,868.44**	**54,123.79**	**49,734.42**	**52,184.77**

Standalone Condensed Statement of Profit and Loss

(₹ in crore)

		Nine Month Period Ended December 31,		Year Ended March 31,	
		2014	**2013**	**2014**	**2013**
I.	**REVENUE FROM OPERATIONS**	27,611.75	28,403.26	37,758.00	49,319.73
	Less: Excise duty	(2,101.29)	(2,660.64)	(3,469.89)	(4,554.01)
		25,510.46	25,742.62	34,288.11	44,765.72
II.	**OTHER INCOME**	1,798.34	3,684.79	3,833.03	2,088.20
III.	**TOTAL REVENUE (I + II)**	27,308.80	29,427.41	38,121.14	46,853.92
IV.	**EXPENSES :**				
	(a) Cost of materials consumed	15,925.82	15,474.67	20,492.87	27,244.28
	(b) Purchases of products for sale	4,112.50	3,647.52	5,049.82	5,864.45
	(c) Changes in inventories of finished goods, work-in-progress and products for sale	(701.65)	34.61	371.72	(143.60)
	(d) Employee cost / benefits expense	2,255.26	2,164.68	2,877.69	2,837.00
	(e) Finance costs	1,103.03	1,014.96	1,337.52	1,387.76
	(f) Depreciation and amortisation expense	1,779.89	1,531.01	2,070.30	1,817.62
	(g) Product development expense / Engineering expense	297.18	318.81	428.74	425.76
	(h) Other expenses	5,899.49	5,150.21	6,987.53	7,783.32
	(i) Expenditure transferred to capital and other accounts	(843.89)	(775.31)	(1,009.11)	(953.80)
	TOTAL EXPENSES	29,827.63	28,561.16	38,607.08	46,262.79
V.	**PROFIT / (LOSS) BEFORE EXCEPTIONAL ITEMS, EXTRA ORDINARY ITEMS AND TAX (III - IV)**	(2,518.83)	866.25	(485.94)	591.13
VI.	**EXCEPTIONAL ITEMS**				
	(a) Exchange loss (net) including on revaluation	299.34	246.09	273.06	263.12
	(b) Provision for loan given and costs associated with closure of operations of a subsidiary	-	202.00	202.00	245.00
	(c) Diminution in the value of investments in a subsidiary	-	27.03	17.52	(9.67)
	(d) Employee separation cost	0.13	-	47.28	-
	(e) Profit on sale of a division	-	-	-	(82.25)
VII.	**PROFIT / (LOSS) BEFORE EXTRA ORDINARY ITEMS AND TAX (V - VI)**	(2,818.30)	391.13	(1,025.80)	174.93
VIII.	Extraordinary items	-	-	-	-
IX.	**PROFIT / (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS (VII - VIII)**	(2,818.30)	391.13	(1,025.80)	174.93
X.	Tax expense / (credit) (net)	756.40	(760.00)	(1,360.32)	(126.88)
XI.	**PROFIT / (LOSS) AFTER TAX FROM CONTINUING OPERATIONS (IX - X)**	(3,574.70)	1,151.13	334.52	301.81

		Nine Month Period Ended December 31,		Year Ended March 31,	
		2014	**2013**	**2014**	**2013**
XII.	**EARNINGS PER SHARE**				
	A. Ordinary shares (face value of ₹ 2 each)				
	a. Basic	(11.11)	3.57	1.03	0.93
	b. Diluted	(11.11)	3.57	1.03	0.93
	B. 'A' Ordinary shares (face value of ₹ 2 each)				
	a. Basic	(11.11)	3.67	1.13	1.03
	b. Diluted	(11.11)	3.67	1.13	1.03

Standalone Condensed Cash Flow Statement

(₹ in crore)

		Nine Month Period Ended December 31,		Year Ended March 31,	
		2014	**2013**	**2014**	**2013**
A.	**Cash flows from operating activities**				
	Profit / (Loss) after tax	(3,574.70)	1,151.13	334.52	301.81
	Adjustments for:				
	Depreciation / amortisation	1,779.89	1,531.01	2,070.30	1,817.62
	Lease equalisation adjusted in income	(2.24)	(3.39)	(4.52)	(4.52)
	(Profit) / Loss on sale of assets (net) (including assets scrapped / written off)	310.49	6.34	20.29	2.96
	Profit on sale of investments (net)	(47.91)	(1,980.63)	(2,052.33)	(43.91)
	Sale of occupancy rights	(36.60)	-	-	-
	Profit on sale of a division	-	-	-	(82.25)
	Provision for loan given and cost associated with closure of operations of a subsidiary		202.00	202.00	245.00
	Provision for loans and inter-corporate deposits (net)	-	27.03	-	5.29
	Provision / (reversal) for diminution in value of investments	-	-	17.52	(9.67)
	Tax (credit) / expense (net)	756.40	(760.00)	(1,360.32)	(126.88)
	Interest / dividend (net)	(647.40)	(689.20)	(443.18)	(656.52)
	Exchange differences (net)	269.17	251.87	276.90	199.39
		2,381.80	(1,414.97)	(1,273.34)	1,346.51
	Operating profit / (loss) before working capital changes	(1,192.90)	(263.84)	(938.82)	1,648.32
	Adjustments for:				
	Inventories	(968.43)	152.60	592.50	129.42
	Trade receivables	(307.29)	178.09	601.34	890.28
	Finance receivables	1.14	13.70	15.00	64.76
	Other current and non-current assets	(411.49)	22.46	141.37	(138.30)
	Trade payables and acceptances	(1,231.10)	(1,093.29)	1,212.83	(249.93)
	Other current and non-current liabilities	(204.40)	(143.32)	249.25	(381.50)
	Provisions	1,198.38	220.48	646.05	188.06
		(1,923.19)	(649.28)	3,458.34	502.79
	Cash (used in) / generated from operations	(3,116.09)	(913.12)	2,519.52	2,151.11
	Income taxes credit / (paid) (net)	(25.43)	(41.42)	(56.06)	107.33
	Net cash (used in) / generated from operating activities	(3,141.52)	(954.54)	2,463.46	2,258.44
B.	**Cash flows from investing activities**				
	Payments for fixed assets	(2,132.64)	(1,956.43)	(3,105.42)	(2,605.39)
	Proceeds from sale of fixed assets	9.76	1.70	11.37	16.95
	Proceeds from sale of a division	-	-	-	110.00
	Investments in Mutual Fund (purchased) / sold (net)	(568.24)	(1,832.89)	445.63	(315.51)
	Investments in subsidiary companies	(81.85)	(243.28)	(443.18)	(186.12)
	Advance towards investments in subsidiary companies	(36.49)	(206.73)	(135.15)	(16.82)
	Investments in associate companies	(159.00)	-	-	(0.01)
	Investments in joint venture	-	(325.00)	(325.00)	-
	Investments - others	-	-	-	(0.84)
	Loans to associates and subsidiaries	-	(22.91)	(146.28)	(194.36)
	Refunds received against loans to associates and subsidiaries	-	290.66	297.83	-
	Decrease in investments in retained interests in	-	-	-	0.63

		Nine Month Period Ended December 31,		Year Ended March 31,	
		2014	2013	2014	2013
	securitisation transactions				
	Sale / redemption of investments in subsidiary companies	1,803.90	3,608.48	3,978.48	1,378.95
	Redemption of Investments in associate companies	-	-	-	21.00
	Redemption of investments - others	-	-	-	10.75
	Fixed deposits with financial institution made	(200.00)	(200.00)	(200.00)	-
	Fixed deposits with Financial Institution realised	-	-	200.00	-
	Deposits of margin money / cash collateral	-	-	-	(1.38)
	Realisation of margin money / cash collateral	0.08	-	-	91.25
	Fixed / restricted deposits with scheduled banks made	(625.19)	(530.14)	(530.15)	(205.85)
	Fixed / restricted deposits with scheduled banks realised	124.92	230.15	760.40	780.00
	Sale of occupancy rights	7.32	-	-	-
	Interest received	42.41	124.71	181.70	404.07
	Dividend received	1,682.59	1,583.75	1,602.68	1,660.65
	(Increase) / decrease in short term Inter corporate deposit	5.00	-	(40.00)	43.53
	Net cash (used in) / generated from investing activities	(127.43)	522.07	2,552.91	991.50
C.	**Cash flows from financing activities**				
	Expenses on Foreign Currency Convertible Notes (FCCN) / Convertible Alternative Reference Securities (CARS) conversion	-	(0.35)	(0.35)	(0.23)
	Brokerage and other expenses on Non-Convertible Debentures (NCD)	(32.52)	(66.11)	(87.54)	(93.02)
	Premium 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	0.09	0.16
	Proceeds from long-term borrowings	7,479.33	1,629.38	2,310.59	2,562.84
	Repayment of long-term borrowings	(3,244.80)	(330.63)	(2,232.38)	(3,377.47)
	Proceeds from short-term borrowings	4,715.58	6,795.55	8,548.00	11,873.79
	Repayment of short-term borrowings	(4,641.22)	(5,392.48)	(8,679.86)	(10,177.80)
	Net change in other short-term borrowings (with maturity up to three months)	1,998.23	121.33	(1,473.41)	1,287.75
	Repayment of fixed deposits	(7.15)	(359.45)	(362.19)	(1,868.38)
	Dividend paid (including dividend distribution tax)	(648.63)	(648.56)	(648.81)	(1,460.41)
	Interest paid *	(1,291.07)	(1,287.74)	(1,749.90)	(1,809.42)
	Net cash from / (used in) financing activities	4,327.75	461.03	(5,033.81)	(4,045.69)
	Net (decrease) / increase in cash and cash equivalents	**1,058.80**	**28.56**	**(17.44)**	**(795.75)**
	Cash and cash equivalents as at April 01, (opening balance)	198.68	205.57	205.57	919.64
	Exchange fluctuation on foreign currency bank balances	(11.24)	7.26	10.55	81.68
	Cash and cash equivalents as at December 31 / March 31 (Closing balance)	**1,246.24**	**241.39**	**198.68**	**205.57**
	* Includes discounting charges paid	320.63	248.77	373.78	345.06

		Nine Month Period Ended December 31,		Year Ended March 31,	
		2014	2013	2014	2013
	Non-cash transactions :				
	FCCN / CARS converted to Ordinary shares	-	413.34	413.34	232.83

Consolidated Balance Sheet

(₹ in crore)

		As at December 31,		As at March 31,	
		2014	**2013**	**2014**	**2013**
I.	**EQUITY AND LIABILITIES**				
	1. SHAREHOLDERS' FUNDS				
	(a) Share capital	643.78	643.78	643.78	638.07
	(b) Reserves and surplus	68,178.87	63,007.93	64,959.67	36,999.23
		68,822.65	**63,651.71**	**65,603.45**	**37,637.30**
	2. MINORITY INTEREST	433.42	416.01	420.65	370.48
	3. NON-CURRENT LIABILITIES				
	(a) Long-term borrowings	54,843.47	47,812.74	45,258.61	32,155.29
	(b) Deferred tax liabilities (net)	3,094.96	1,942.32	1,572.33	2,048.21
	(c) Other long-term liabilities	4,630.22	2,814.12	2,596.86	3,284.06
	(d) Long-term provisions	12,540.16	12,239.32	12,190.29	8,337.24
		75,108.81	**64,808.50**	**61,618.09**	**45,824.80**
	4. CURRENT LIABILITIES				
	(a) Short-term borrowings	12,908.35	14,007.98	9,695.86	11,620.21
	(b) Trade payables	53,632.48	48,282.23	57,315.73	44,912.35
	(c) Other current liabilities	19,724.87	19,636.02	17,373.86	22,224.94
	(d) Short-term provisions	9,050.78	9,083.94	7,970.68	7,788.16
		95,316.48	**91,010.17**	**92,356.13**	**86,545.66**
	TOTAL	**239,681.36**	**219,886.39**	**219,998.32**	**170,378.24**
II.	**ASSETS**				
	1. NON-CURRENT ASSETS				
	(a) Fixed assets				
	(i) Tangible assets	50,564.84	40,104.26	40,694.29	32,728.95
	(ii) Intangible assets	26,435.82	24,091.05	23,418.55	18,680.41
	(iii) Capital work-in-progress	10,461.80	8,408.38	10,137.30	4,345.11
	(iv) Intangible assets under development	25,340.38	21,122.09	23,125.26	14,108.44
		112,802.84	93,725.78	97,375.40	69,862.91
	(b) Goodwill (on consolidation)	4,938.17	5,109.13	4,978.83	4,102.37
	(c) Non-current investments	1,239.17	1,469.88	1,114.39	1,222.41
	(d) Deferred tax assets (net)	2,789.57	2,612.83	2,347.08	4,428.93
	(e) Long-term loans and advances	13,874.03	16,378.91	13,268.84	15,584.12
	(f) Other non-current assets	1,787.02	5,268.96	5,068.45	1,023.95
		137,430.80	**124,565.49**	**124,152.99**	**96,224.69**
	2. CURRENT ASSETS				
	(a) Current investments	14,632.97	11,093.13	9,572.28	7,542.32
	(b) Inventories	29,064.73	26,986.52	27,270.89	21,036.82
	(c) Trade receivables	11,319.90	11,105.20	10,574.23	10,959.60
	(d) Cash and bank balances	30,987.02	29,582.90	29,711.79	21,114.82
	(e) Short-term loans and advances	12,623.51	11,996.37	14,055.24	12,667.05
	(f) Other current assets	3,622.43	4,556.78	4,660.90	832.94
		102,250.56	**95,320.90**	**95,845.33**	**74,153.55**
	TOTAL	**239,681.36**	**219,886.39**	**219,998.32**	**170,378.24**

Consolidated Statement of Profit and Loss

(₹ in crore)

		Nine Month Period Ended December 31,		Year Ended March 31,	
		2014	**2013**	**2014**	**2013**
I.	**REVENUE FROM OPERATIONS**	197,538.51	170,408.90	236,626.43	193,698.47
	Less: Excise duty	(2,318.22)	(2,892.38)	(3,792.77)	(4,905.78)
		195,220.29	167,516.52	232,833.66	188,792.69
II.	**OTHER INCOME**	653.57	573.75	828.59	815.59
III.	**TOTAL REVENUE (I + II)**	**195,873.86**	**168,090.27**	**233,662.25**	**189,608.28**
IV.	**EXPENSES :**				
	(a) Cost of materials consumed	111,805.29	97,654.08	135,550.04	113,851.34
	(b) Purchases of products for sale	9,314.75	7,748.86	10,876.95	9,266.00
	(c) Changes in inventories of finished goods, work-in-progress and products for sale	(1,718.48)	(2,100.29)	(2,840.58)	(3,029.29)
	(d) Employee cost / benefits expense	18,765.84	15,529.11	21,556.42	16,632.19
	(e) Finance costs	2,929.20	3,066.23	4,733.78	3,560.25
	(f) Depreciation and amortisation expense	9,531.87	7,952.68	11,078.16	7,601.28
	(g) Product development / Engineering expenses	2,063.18	1,788.63	2,565.21	2,021.59
	(h) Other expenses	35,633.54	31,934.19	43,825.77	35,648.33
	(i) Expenditure transferred to capital and other accounts	(11,406.44)	(9,875.98)	(13,537.85)	(10,193.45)
	TOTAL EXPENSES	**176,918.75**	**153,697.51**	**213,807.90**	**175,358.24**
V.	**PROFIT BEFORE EXCEPTIONAL ITEMS,**				
	EXTRA ORDINARY ITEMS AND TAX (III - IV)	**18,955.11**	**14,392.76**	**19,854.35**	**14,250.04**
VI.	**EXCEPTIONAL ITEMS**				
	(a) Exchange loss (net) including on revaluation of foreign currency borrowings, deposits and loans	23.43	352.66	707.72	515.09
	(b) Provision for costs associated with closure of operations and impairment of intangibles	-	224.16	224.16	87.62
	(c) Employee separation cost	-	0.13	-	53.50
	(d) Profit on sale of a division	-	-	-	-
		23.56	**576.82**	**985.38**	**602.71**
VII.	**PROFIT BEFORE EXTRA ORDINARY ITEMS**				
	AND TAX (V - VI)	**18,931.55**	**13,815.94**	**18,868.97**	**13,647.33**
VIII.	Extraordinary items	-			
IX.	**PROFIT BEFORE TAX FROM CONTINUING OPERATIONS (VII - VIII)**	**18,931.55**	**13,815.94**	**18,868.97**	**13,647.33**
X.	Tax expense / (credit) (net)	6,619.33	3,667.86	4,764.79	3,776.66
XI.	**PROFIT AFTER TAX FROM CONTINUING OPERATIONS (IX - X)**	**12,312.22**	**10,148.08**	**14,104.18**	**9,870.67**

		Nine Month Period Ended December 31,		Year Ended March 31,	
		2014	**2013**	**2014**	**2013**
XII.	Share of profit / (loss) of associates (net)	10.47	(36.41)	(53.71)	105.61
XIII.	Minority interest	(52.90)	(38.94)	(59.45)	(83.67)
XIV.	**PROFIT FOR THE YEAR**	**12,269.79**	**10,072.73**	**13,991.02**	**9,892.61**
XV.	**EARNINGS PER SHARE**				
	A. Ordinary shares (face value of ₹ 2 each)				
	a. Basic	38.11	31.34	43.51	31.02
	b. Diluted	38.10	31.33	43.50	30.94
	B. 'A' Ordinary shares (face value of ₹ 2 each)				
	a. Basic	38.21	31.44	43.61	31.12
	b. Diluted	38.20	31.43	43.60	31.04

Condensed Cash Flow Statement

(₹ in crore)

		Nine Month Period Ended December 31,		Year Ended March 31,	
		2014	**2013**	**2014**	**2013**
A.	**Cash flows from operating activities**				
	Profit for the year	12,269.79	10,072.73	13,991.02	9,892.61
	Adjustments for:				
	Depreciation (including lease equalisation adjusted in income)	9,529.63	7,949.29	11,073.64	7,596.76
	Loss on sale of assets (net) (including assets scrapped / written off)	319.34	21.18	46.52	23.89
	Profit on sale of investments (net)	(68.35)	(59.04)	(114.58)	(80.09)
	Provision for costs associated with closure of operations and impairment of intangibles	-	224.16	224.16	87.62
	Provision for inter-corporate deposits (net)	-	-	-	5.29
	Gain on settlement of deferred sales tax liability	(127.73)	(104.14)	(154.46)	(138.29)
	Share of (profit) / loss of associate companies (net)	(10.47)	36.41	53.71	(105.61)
	Provision / (reversal) for diminution in value of investments	-	(0.41)	(1.05)	0.41
	Share of Minority Interest	52.90	38.94	59.45	83.67
	Tax expense	6,619.33	3,667.86	4,764.79	3,776.67
	Interest / dividend (net)	2,343.98	2,549.93	4,019.77	2,828.30
	Exchange differences (net)	296.14	257.09	722.11	434.31
		18,954.77	**14,581.27**	**20,694.06**	**14,512.93**
	Operating profit before working capital changes Adjustments for:	31,224.56	24,654.00	34,685.08	24,405.54
	Inventories	(2,045.48)	(2,042.04)	(2,852.55)	(2,655.81)
	Trade receivables	(840.35)	1,923.68	2,130.19	(2,697.57)
	Finance receivables	1,270.50	(645.24)	(67.55)	(2,479.10)
	Other current and non-current assets	(1,165.41)	1,809.91	1,123.90	(999.03)
	Trade payables	(3,214.39)	(5,002.37)	4,693.90	8,132.19
	Other current and non-current liabilities	(717.72)	(409.27)	(141.66)	(628.33)
	Provisions	1,622.01	1,295.91	888.18	1,324.79
		(5,090.84)	**(3,069.42)**	**5,774.41**	**(2.86)**
	Cash generated from operations	26,133.72	21,584.58	40,459.49	24,402.68
	Income taxes paid (net)	(2,612.37)	(2,927.53)	(4,308.33)	(2,240.07)
	Net cash from operating activities	**23,521.35**	**18,657.05**	**36,151.16**	**22,162.61**
B.	**Cash flows from investing activities**				
	Payments for fixed assets	(23,955.45)	(19,292.03)	(26,975.13)	(18,862.57)
	Proceeds from sale of fixed assets	22.24	27.84	49.93	36.69
	Investments in Mutual Fund (purchased) / sold (net)	(5,232.87)	(2,179.33)	(424.69)	186.11
	Acquisition of a subsidiary company	-	(190.45)	(184.56)	-
	Investments in associate companies	(160.00)	-	-	(0.01)
	Investments - others	(3.76)	(3.28)	(3.88)	(5.50)
	Investment in Pass-through certificate (PTC) (net)	-	-	13.60	-
	Investments in retained interests in securitisation transactions made	-	(38.00)	-	(107.69)
	Investments in retained interests in securitisation transactions realised	44.14	36.51	-	-
	Redemption of Investments in associate companies	-	-	-	21.00
	Sale / Redemption of investments - others	42.19	2.45	3.56	12.86

		Nine Month Period Ended December 31,		Year Ended March 31,	
		2014	2013	2014	2013
	Fixed deposits with financial institution made	(200.00)	(202.50)	(237.50)	-
	Fixed deposits with Financial Institution realised	32.50	-	200.00	-
	Deposits of margin money / cash collateral	(0.19)	(182.88)	(4.48)	(251.21)
	Realisation of margin money / cash collateral	3.05	882.42	1,365.93	762.15
	Fixed / restricted deposits with banks made	(964.55)	(3,345.43)	(5,252.38)	(6,972.22)
	Fixed / restricted deposits with banks realised	1,332.12	289.97	863.31	836.65
	Interest received	462.91	426.75	653.23	712.89
	Dividend received from associate companies	14.52	13.50	14.51	56.25
	Dividend / income on investments received	58.06	24.53	25.53	38.40
	(Increase) / decrease in short term Inter corporate deposit	(95.00)	-	-	44.83
	Net cash used in investing activities	**(28,600.09)**	**(23,729.93)**	**(29,893.02)**	**(23,491.37)**
C.	**Cash flows from financing activities**				
	Expenses on Foreign Currency Convertible Notes (FCCN) / Convertible Alternative Reference Securities (CARS) conversion	-	(0.35)	(0.35)	(0.23)
	Brokerage and other expenses on Non-Convertible Debentures (NCD)	(32.53)	(66.11)	(87.54)	(93.02)
	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 to minority shareholders (net of issue expenses)	-	-	-	0.56
	Proceeds from issue of shares held in abeyance	-	0.09	0.09	0.16
	Proceeds from long-term borrowings (net of issue expenses)	15,386.77	16,190.28	23,321.39	13,160.24
	Repayment of long-term borrowings	(7,172.68)	(5,802.34)	(16,737.81)	(7,538.44)
	Proceeds from short-term borrowings	7,310.48	10,054.13	11,353.56	14,702.92
	Repayment of short-term borrowings	(6,324.46)	(8,835.75)	(12,403.24)	(13,011.82)
	Net change in other short-term borrowings (with maturity up to three months)	2,039.51	265.55	(1,416.57)	155.56
	Repayment of fixed deposits	(7.15)	(359.45)	(362.19)	(1,868.38)
	Dividend paid (including dividend distribution tax)	(676.35)	(684.53)	(688.62)	(1,527.24)
	Dividend paid to minority shareholders	(33.35)	(26.21)	(33.35)	(23.33)
	Interest paid *	(3,860.08)	(4,086.28)	(6,170.56)	(4,665.56)
	Net cash from / (used in) financing activities	6,630.16	6,649.03	(3,883.24)	(1,692.08)
	Net (decrease) / increase in cash and cash equivalents (A+B+C)	1,551.42	1,576.15	2,374.90	(3,020.84)
	Cash and cash equivalents as at April 01, (opening balance)	16,627.98	12,350.97	12,350.97	14,849.89
	Cash and cash equivalent on acquisition of subsidiary	-	41.80	40.51	-
	Effect of foreign exchange on cash and cash equivalents	(106.81)	2,501.68	1,861.60	521.92
	Cash and cash equivalents as at December 31 / March 31 (Closing balance)	**18,072.59**	**16,470.60**	**16,627.98**	**12,350.97**
	*Includes discounting charges paid	576.69	469.72	665.93	568.49
	Previous year figures have been restated, wherever necessary, to conform to this period's				

		Nine Month Period Ended December 31,		Year Ended March 31,	
		2014	2013	2014	2013
	classification.				
	Non-cash transactions :				
	FCCN / CARS converted to Ordinary shares	-	413.34	413.34	232.83

GENERAL INFORMATION

Our Company was incorporated as 'Tata Locomotive and Engineering Company Limited' on September 1, 1945 as a public limited liability company under the Companies Act, 1913 and our Company received a certificate of commencement of business on November 20, 1945. The name of our Company was changed to 'Tata Engineering and Locomotive Company Limited' on September 24, 1960. Thereafter, the name of our Company was changed to 'Tata Motors Limited' on July 29, 2003.

Registered Office of our Company

Tata Motors Limited
Bombay House
24, Homi Mody Street
Mumbai 400 001
CIN: L28920MH1945PLC004520

Address of the RoC

Our Company is registered with the RoC, which is situated at the following address:

Registrar of Companies
Everest, 5th Floor
100, Marine Drive
Mumbai 400 002

Company Secretary and Compliance Officer

H K Sethna
Bombay House
24, Homi Mody Street
Mumbai 400 001
Tel: (91 22) 6665 8282
Fax: (91 22) 6665 7799
E-mail: inv_rel@tatamotors.com

Lead Managers to the Issue

Citigroup Global Markets India Private Limited

1202, 12th Floor, First International Financial Center
G-Block Bandra Kurla Complex
Bandra (East), Mumbai 400 051
Tel: (91 22) 6175 9999
Fax: (91 22) 6175 9961
Website:http://www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm
E-mail: tata.motors.rights@citi.com
Contact Person: Mitul Shah
SEBI Registration No: INM000010718

Credit Suisse Securities (India) Private Limited

Ceejay House, 9th Floor
Dr. Annie Besant Road
Worli, Mumbai 400 018
Tel : (91 22) 6777 3906
Fax : (91 22) 6777 3820
Website: [●]
Email: [●]
Contact Person: [●]
SEBI Registration No: INM000011161

DSP Merrill Lynch Limited

8th Floor, Mafatlal Center
Nariman Point
Mumbai 400 021
Tel: (91 22) 6632 8000
Fax: (91 22) 2204 8518
Website: www.dspml.com
Email: [●]
Contact Person: [●]

HSBC Securities and Capital Markets (India) Private Limited

52/60, Mahatma Gandhi Road
Fort, Mumbai 400 001
Tel: (91 22) 2268 1285
Fax: (91 22) 2263 1984
Website:
http://www.hsbc.co.in/1/2/corporate/equities-globalinvestment-banking

SEBI Registration No.: INM000011625

Email: [●]
Contact Person: [●]
SEBI Registration No.: INM000010353

ICICI Securities Limited

ICICI Centre, H.T. Parekh Marg
Churchgate, Mumbai 400 020
Tel : (91 22) 2288 2460
Fax : (91 22) 2282 6580
Website: www.icicisecurities.com
Email: [●]
Contact Person: [●]
SEBI Registration No.: INM000011179

J. P. Morgan India Private Limited

J. P. Morgan Tower, Kalina, Off C. S. T. Road, Santacruz (East), Mumbai 400 098
Tel: (91 22) 6157 3000
Fax: (91 22) 6157 3911
Website: www.jpmipl.com
Email: [●]
Contact Person: [●]
SEBI Registration No.: INM000002970

Kotak Mahindra Capital Company Limited

1st Floor, 27 BKC, Plot No. 27, G Block
Bandra Kurla Complex
Bandra (East), Mumbai 400 051
Tel: (91 22) 4336 0000
Fax: (91 22) 6713 2447
Website: http://investmentbank.kotak.com
Email: [●]
Contact Person: [●]
SEBI Registration No.: INM000008704

SBI Capital Markets Limited

202, Maker Tower 'E'
Cuffe Parade
Mumbai 400 005
Tel: (91 22) 2217 8300
Fax: (91 22) 2218 8332
Website: www.sbicaps.com
E-mail: [●]
Contact Person: [●]
SEBI Registration Number: INM000003531

Legal Advisor to our Company as to Indian law

Amarchand & Mangaldas & Suresh A. Shroff & Co.

Peninsula Chambers
Peninsula Corporate Park
Ganpatrao Kadam Marg, Lower Parel
Mumbai 400 013
Tel: (91 22) 2496 4455
Fax: (91 22) 2496 3666

Legal Advisor to the Lead Managers as to Indian law

AZB & Partners

24th Floor, Express Towers
Nariman Point
Mumbai 400 021
Tel: (91 22) 6639 6880
Fax: (91 22) 6639 6888

International Legal Advisor to our Company

Sullivan & Cromwell LLP

28th Floor
Nine Queen's Road Central
Hong Kong
Tel: (852) 2826 8688
Fax: (852) 2522 2280

International Legal Advisor to the Lead Managers

Shearman and Sterling LLP

12/F, Gloucester Tower
The Landmark
15 Queen's Road Central
Hong Kong
Tel: (852) 2978 8000
Fax: [●]

6 Battery Road
#25-03
Singapore 049 909
Tel: (65) 6230 3800
Fax: [●]

Statutory Auditor of our Company

Deloitte Haskins & Sells LLP

Indiabulls Finance Centre, 32nd Floor
Tower 3 Compound
Elphinstone (W) Mumbai 400 013
Tel: (91 22) 6185 4000
Fax: (91 22) 6185 5380
Firm Registration Number: 117366W/W – 100018

Registrar to the Issue

Link Intime India Private Limited

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound, L.B.S. Marg
Bhandup (West), Mumbai 400 078
Tel: (91 22) 6171 5400
Fax: (91 22) 2596 0329
Website: www.linkintime.co.in
Email: tatamotors.rights@linkintime.co.in
Contact Person: Sachin Achar
SEBI Registration No: INR000004058

Investors may contact the Registrar or our Company Secretary and Compliance Officer for any pre-Issue/ post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSB, giving full details such as name, address of the applicant, number of Ordinary Shares or 'A' Ordinary Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSB where the CAF, or the plain paper application, as the case may be, was submitted by the ASBA Investors. For further details on the ASBA process, refer to the details given in the CAF and "Terms of the Issue" beginning on page [●].

Experts

Our Company has received written consent from the Statutory Auditors, Deloitte Haskins & Sells LLP, Chartered Accountants to include their name as an "expert" under Section 2(38) read with Section 26 of the Companies Act, 2013 in this Letter of Offer in relation to their (i) audit reports dated May 29, 2014 on the audited standalone and audited consolidated financial statements of our Company for Fiscal 2014 provided under "Financial Statements" beginnning on page [●], and (ii) reports dated February 5, 2015 on the audited standalone financial results for the nine month period ended December 31, 2014 and limited reviewed consolidated financial results for the nine month period ended December 31, 2014 provided under "Financial Statements" beginning on page [●], and (iii) the tax benefit statement dated [●], 2015, provided under "Tax Benefit Statement" on page [●]. Further, this consent has not been withdrawn as of the date of this Letter of Offer.

Bankers to the Issue

[●]

Underwriter

Citigroup Global Markets India Private Limited

1202, 12th Floor, First International Financial Center
G-Block Bandra Kurla Complex
Bandra (East), Mumbai 400 051
Tel: (91 22) 6175 9999
Fax: (91 22) 6175 9961
Website:http://www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm
E-mail: tata.motors.rights@citi.com
Contact Person: Mitul Shah
SEBI Registration No: INM000010718

Credit Suisse Securities (India) Private Limited

Ceejay House, 9th Floor
Dr. Annie Besant Road
Worli, Mumbai 400 018
Tel : (91 22) 6777 3906
Fax : (91 22) 6777 3820
Website: [●]
Email: [●]
Contact Person: [●]
SEBI Registration No: INM000011161

DSP Merrill Lynch Limited

8th Floor, Mafatlal Center
Nariman Point
Mumbai 400 021
Tel: (91 22) 6632 8000
Fax: (91 22) 2204 8518
Website: www.dspml.com
Email: [●]
Contact Person: [●]
SEBI Registration No.: INM000011625

HSBC Securities and Capital Markets (India) Private Limited

52/60, Mahatma Gandhi Road
Fort, Mumbai 400 001
Tel: (91 22) 2268 1285
Fax: (91 22) 2263 1984
Website:
http://www.hsbc.co.in/1/2/corporate/equities-globalinvestment-banking
Email: [●]
Contact Person: [●]
SEBI Registration No.: INM000010353

ICICI Securities Limited

ICICI Centre, H.T. Parekh Marg
Churchgate, Mumbai 400 020
Tel : (91 22) 2288 2460
Fax : (91 22) 2282 6580
Website: www.icicisecurities.com
Email: [●]
Contact Person: [●]
SEBI Registration No.: INM000011179

J. P. Morgan India Private Limited

J. P. Morgan Tower, Kalina, Off C. S. T. Road, Santacruz (East), Mumbai 400 098
Tel: (91 22) 6157 3000
Fax: (91 22) 6157 3911
Website: www.jpmipl.com
Email: [●]
Contact Person: [●]
SEBI Registration No.: INM000002970

Kotak Mahindra Capital Company Limited

1st Floor, 27 BKC, Plot No. 27, G Block
Bandra Kurla Complex
Bandra (East), Mumbai 400 051
Tel: (91 22) 4336 0000
Fax: (91 22) 6713 2447
Website: http://investmentbank.kotak.com
Email: [●]
Contact Person: [●]
SEBI Registration No.: INM000008704

SBI Capital Markets Limited

202, Maker Tower 'E'
Cuffe Parade
Mumbai 400 005
Tel: (91 22) 2217 8300
Fax: (91 22) 2218 8332
Website: www.sbicaps.com
E-mail: [●]
Contact Person: [●]
SEBI Registration Number:
INM000003531

Self Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSB for the ASBA process is provided on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries. Details relating to designated branches of SCSBs collecting the ASBA application forms are available at the above mentioned link.

Issue Schedule

Issue Opening Date	**:**	**[●], 2015**
Last date for receiving requests for SAFs	**:**	**[●], 2015**
Issue Closing Date	**:**	**[●], 2015**
Date of Allotment (on or about)	**:**	**[●], 2015**
Date of credit (on or about)	**:**	**[●], 2015**
Date of listing (on or about)	**:**	**[●], 2015**

Statement of responsibilities

The following table sets forth the *inter se* allocation of responsibilities for various activities among the Lead Managers:

Sr. No.	Activity	Responsibility	Co-ordinating Lead Manager
1.	Capital structuring with relative components and formalities such as type of instruments, etc.	All	[●]
2.	Drafting, design and distribution of the Letter of Offer, Abridged Letter of Offer, CAF, etc. and memorandum containing salient features of the Letter of Offer.	All	[●]
3.	Drafting and approval of all publicity material including statutory advertisements, corporate advertisements, brochures, corporate films, etc.	All	[●]
4.	Selection of Banker to the Issue and monitoring agency.	All	[●]
5.	Selection of Registrar to the Issue, printers and advertising agency.	All	[●]
6.	Liaising with the Stock Exchanges and SEBI for pre-Issue activities, including for obtaining in-principle listing approval.	All	[●]
7.	International Institutional marketing of the Issue, which will cover, inter alia: • Marketing and road-show presentation and preparation of frequently asked questions for the road show team; • Institutional marketing strategy; • Finalizing the list and division of institutional investors for one-to-one meetings; and • Finalizing road show and institutional investor meeting schedule.	All	[●]
8.	Domestic Institutional marketing of the Issue, which will cover, inter alia: • Marketing and road-show presentation and preparation of frequently asked questions for the road show team; • Institutional marketing strategy; • Finalizing the list and division of institutional investors for one-to-one meetings; and • Finalizing road show and institutional investor meeting schedule.	All	[●]
9.	Non-Institutional marketing of the Issue, which will cover, inter alia: • Finalising media, marketing and public relations strategy; and	All	[●]

Sr. No.	Activity	Responsibility	Co-ordinating Lead Manager
	• Follow-up on distribution of publicity and Issue material including form, the Prospectus and deciding on the quantum of the Issue material.		
10.	Retail marketing of the Issue, which will cover, inter alia: • Finalising centres for holding conferences for brokers, etc; and • Finalising collection centres.	All	[●]
11.	Post-issue activities, which shall involve essential follow-up steps including follow-up with banker to the issue and Self Certified Syndicate Banks to get quick estimates of collection and advising the issuer about the closure of the issue, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-issue activity such as registrars to the issue, banker to the issue, Self-Certified Syndicate Banks, etc.	All	[●]

Monitoring Agency

Our Company has appointed HDFC Bank, as the monitoring agency to monitor the utilization of the Net Proceeds in terms of Regulation 16 of the SEBI Regulations.

Credit Rating

As the Issue is of Ordinary Shares and 'A' Ordinary Shares, there is no requirement of credit rating for this Issue.

Appraising Entity

None of the purposes for which the Net Proceeds are proposed to be utilised have been financially appraised by any banks or financial institution or any other independent agency.

Book Building Process

As the Issue is a rights issue, the Issue shall not be made through the book building process.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue of the Ordinary Shares and 'A" Ordinary Shares, on an aggregate basis, our Company shall refund the entire subscription amount received within 15 days from the Issue Closing Date. If there is delay in the refund of the subscription amount by more than eight days after our Company becomes liable to pay the subscription amount (i.e. 15 days after the Issue Closing Date), our Company shall pay interest for the delayed period, as prescribed under applicable laws.

Debenture trustee

This being an issue of Ordinary Shares and 'A' Ordinary Shares, a debenture trustee is not required.

Underwriting

[●]

Principal Terms of Loans and Assets charged as security

For details in relation to the principal terms of loans and assets charged as security in relation to our Company, see "Financial Statements" on page [●].

CAPITAL STRUCTURE

The share capital of our Company as on the date of this Letter of Offer is as set forth below:

(in ₹ crore, except share data)

		Aggregate Value at Face Value	Aggregate Value at Issue Price
1	**AUTHORISED SHARE CAPITAL**		
	3,50,00,00,000 Ordinary Shares of ₹ 2 each	700.00	NA
	1,00,00,00,000 'A' Ordinary Shares of ₹ 2 each	200.00	NA
	30,00,00,000 Preference Shares of ₹ 100 each	3,000.00	NA
2	**ISSUED CAPITAL BEFORE THE ISSUE**	643.88	
	2,73,71,97,592 Ordinary Shares	547.44	NA
	48,22,06,515 'A' Ordinary Shares	96.44	NA
3	**SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE**	643.74(1)(2)	NA
	273,67,13,122 Ordinary Shares	547.34 (1)(2)	NA
	48,19,66,945 'A' Ordinary Shares	96.39	NA
4	**PRESENT ISSUE(2) IN TERMS OF THIS LETTER OF OFFER**		
	Up to 15,06,44,759 Ordinary Shares	[●]	[●]
	Up to 2,65,30,290 'A' Ordinary Shares	[●]	[●]
5	**ISSUED CAPITAL AFTER THE ISSUE**		
	[●] Ordinary Shares	[●]	NA
	[●] 'A' Ordinary Shares	[●]	NA
6	**SUBSCRIBED AND PAID-UP CAPITAL AFTER THE ISSUE**	[●](3)	
	[●] Ordinary Shares	[●](3)	NA
	[●] 'A' Ordinary Shares	[●]	NA

SECURITIES PREMIUM ACCOUNT	*(in ₹ crore)*
Before the Issue	11,683.09
After the Issue	[●]

(1) *The call money in respect of 13,746 ordinary shares of our Company of face value ₹ 10 each is currently outstanding. For further details, see "Capital Structure" on page [●].*

(2) *The entitlements to 484,470 Ordinary Shares and 239,570 'A' Ordinary Shares are subject matters of various suits filed in the courts / forums by third party for which final order is awaited and hence kept in abeyance.*

(3) *The Issue has been authorised by a resolution of our Board passed at its meeting held on January 27, 2015 pursuant to Section 62 of the Companies Act, 2013. Further, the issue of 'A' Ordinary Shares has also been authorised by a resolution dated March 3, 2015 of the shareholders of our Company passed through postal ballot in terms of Rule 4(1)(b) of the Companies (Share Capital and Debentures) Rules, 2014.*

Notes to the Capital Structure

1. **Shareholding Pattern of our Company**

A. Shareholding Pattern of the Ordinary Shares of our Company as per the last filing with the Stock Exchanges

(i) The shareholding pattern of the Ordinary Shares of our Company as on December 31, 2014, is as follows:

Category of Shareholder	No. of Shareholders	Total No. of Shares	Total No. of Shares held in	Total Shareholding as a % of Total No. of Shares	Shares pledged or otherwise encumbered

			Dematerialized Form	As a % of (A+B)	As a % of (A+B+C)	Number of Shares	As a % of total No. of shares
(A) Shareholding of Promoter and Promoter Group							
(1) Indian							
Bodies Corporate	9	937,781,325	937,781,325	43.52	34.27	61,400,000	6.55
Any Others (Specify)	**4**	**1,774,880**	**1,774,880**	**0.08**	**0.06**	**0**	**0.00**
Trusts	4	1,774,880	1,774,880	0.08	0.06	0	0.00
Sub Total	**13**	**939,556,205**	**939,556,205**	**43.60**	**34.33**	**61,400,000**	**6.54**
(2) Foreign							
Total shareholding of Promoter and Promoter Group (A)	**13**	**939,556,205**	**939,556,205**	**43.60**	**34.33**	**61,400,000**	**6.54**
(B) Public Shareholding							
(1) Institutions							
Mutual Funds / UTI	271	60,789,361	60,700,631	2.82	2.22	0	0.00
Financial Institutions / Banks	192	4,594,987	4,288,647	0.21	0.17	0	0.00
Central Government / State Government(s)	7	2,038,825	24,920	0.09	0.07	0	0.00
Insurance Companies	174	233,689,761	233,688,211	10.84	8.54	0	0.00
Foreign Institutional Investors	917	677,621,352	677,574,527	31.44	24.76	0	0.00
Any Others (Specify)	**61**	**36,695,855**	**36,695,855**	**1.70**	**1.34**	**0**	**0.00**
Foreign Bodies DR	3	11,018,391	11,018,391	0.51	0.40	0	0.00
Foreign Institutional Investors - DR	1	2,213	2,213	0.00	0.00	0	0.00
Foreign Nationals - DR	1	991	991	0.00	0.00	0	0.00
Foreign Portfolio Investor (Corporate)	56	25,674,260	25,674,260	1.19	0.94	0	0.00
Sub Total	**1,622**	**1,015,430,141**	**1,012,972,791**	**47.12**	**37.10**	**0**	**0.00**
(2) Non-Institutions							
Bodies Corporate	2,407	12,036,278	11,387,133	0.56	0.44	0	0.00
Individuals							
Individual shareholders holding nominal share capital up to Rs. 1 lakh	358,672	160,282,795	132,957,475	7.44	5.86	0	0.00
Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	63	8,251,104	7,253,289	0.38	0.30	0	0.00
Any Others (Specify)	**9,907**	**19,482,049**	**16,191,429**	**0.90**	**0.71**	**0**	**0.00**
Non Resident Indians	9,174	10,607,845	7,319,465	0.49	0.39	0	0.00
Clearing Members	660	3,684,350	3,684,350	0.17	0.13	0	0.00
Trusts	66	4,618,305	4,616,555	0.21	0.17	0	0.00
Overseas Corporate Bodies	3	490	0	0.00	0.00	0	0.00
Foreign Corporate Bodies	4	571,059	571,059	0.03	0.02	0	0.00
Sub Total	**371,049**	**200,052,226**	**167,789,326**	**9.28**	**7.31**	**0**	**0.00**
Total Public shareholding (B)	**372,671**	**1,215,482,367**	**1,180,762,117**	**56.40**	**44.41**	**0**	**0.00**
Total (A)+(B)	**372,684**	**2,155,038,572**	**2,120,318,322**	**100.00**	**78.75**	**61,400,000**	**2.85**
(C) Shares held by Custodians and against which Depository Receipts have been issued	**0**	**0**	**0**	**0.00**	**0.00**	**0**	**0.00**
(1) Promoter and Promoter Group	0	0	0	0.00	0.00	0	0.00
(2) Public	4	581,674,550	581,653,550	0.00	21.25	0	0.00
Sub Total	4	581,674,550	581,653,550	0.00	21.25	0	0.00
Total (A)+(B)+(C)	**372,688**	**2,736,713,122**	**2,701,971,872**	**0.00**	**100.00**	**61,400,000**	**2.24**

Notes:

1. For determining public shareholding for the purpose of Clause 40A.
2. For definitions of Promoter and Promoter Group, refer to Clause 40A.
3. Public shareholding.
4. In Voting Pattern each 'A' Ordinary Shareholder is entitled to one vote for every ten 'A' Ordinary Shares held.

5. TATA AIG Life Insurance Company Ltd (Formerly known as Tata AIG Life Insurance Company Limited) is not considered part of Promoter Group holds 4,624,336 Ordinary Shares representing 0.17% of the paid-up Ordinary Share Capital. Accordingly, their holding is included under Public Shareholding under the head "Institutions" Insurance Companies.
6. Each ADR/GDR represents five underlying shares of ₹ 2 each.

(ii) Statement showing shareholding of Ordinary Shares including shares, warrants and convertible securities of persons belonging to the category "Promoter and Promoter Group" as on December 31, 2014:

Sr. No.	Name of the Shareholder	Details of Shares held		Encumbered shares (*)			Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
		No. of Shares held	As a % of grand total (A)+(B)+(C)	No	As a percentage	As a % of grand total (A)+(B)+(C) of sub-clause (I)(a)	Number of warrants held	As a % total number of warrants of the same class	Number of convertible securities held	As a % total number of convertible securities of the same class	
1	Tata Sons Ltd	702,333,345	25.66	61,400,000	8.74	2.24	0	0.00	0	0.00	25.66
2	Tata Steel Ltd	151,687,515	5.54	0	0.00	0.00	0	0.00	0	0.00	5.54
3	Tata Industries Ltd	68,436,485	2.50	0	0.00	0.00	0	0.00	0	0.00	2.50
4	Tata Investment Corporation Ltd	10,025,000	0.37	0	0.00	0.00	0	0.00	0	0.00	0.37
5	Ewart Investments Ltd	2,923,610	0.11	0	0.00	0.00	0	0.00	0	0.00	0.11
6	Tata Chemicals Ltd	1,863,705	0.07	0	0.00	0.00	0	0.00	0	0.00	0.07
7	Sir Ratan Tata Trust	859,200	0.03	0	0.00	0.00	0	0.00	0	0.00	0.03
8	Sir Dorabji Tata Trust	808,960	0.03	0	0.00	0.00	0	0.00	0	0.00	0.03
9	Af-Taab Investment Company Ltd	338,525	0.01	0	0.00	0.00	0	0.00	0	0.00	0.01
10	Tata Global Beverages Ltd	116,665	0.00	0	0.00	0.00	0	0.00	0	0.00	0.00
11	JRD Tata Trust	105,280	0.00	0	0.00	0.00	0	0.00	0	0.00	0.00
12	Simto Investment Company Ltd	56,475	0.00	0	0.00	0.00	0	0.00	0	0.00	0.00
13	Lady Tata Memorial Trust	1,440	0.00	0	0.00	0.00	0	0.00	0	0.00	0.00
	Total	**939,556,205**	**34.33**	**61,400,000**	**6.54**	**2.24**	**0**	**0.00**	**0**	**0.00**	**34.33**

(*) The term encumbrance has the same meaning as assigned to it in regulation 28(3) of the SAST Regulations, 2011.

(iii) Statement showing shareholding of Ordinary Shares including shares, warrants and convertible securities of persons belonging to the category "Public" and holding more than 1% of the total number of Ordinary Shares as on December 31, 2014:

Sl. No.	Name of the Shareholder	No. of Shares held	Shares as % of Total No. of Shares	Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
				Number of warrants held	As a % total number of warrants of the same class	Number of convertible securities held	% w.r.t total number of convertible securities of the same class	
1	Life Insurance Corporation of India	89,847,555	3.28	0	0.00	0	0.00	3.28
2	ICICI Prudential Life Insurance Company Ltd	38,498,902	1.41	0	0.00	0	0.00	1.41
	Total	**128,346,457**	**4.69**	**0**	**0.00**	**0**	**0.00**	**4.69**

(iv) Statement showing holding of Ordinary Shares including shares, warrants and convertible securities of persons (together with Persons Acting in Concert) belonging to the category "Public" and holding more than 5% of the total number of Ordinary Shares as on December 31, 2014:

Sl. No.	Name(s) of the shareholder(s) and the Persons Acting in Concert (PAC) with them	No. of Shares	Shares as % of Total No. of Shares	Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
				Number of warrants	As a % total number of warrants of the same class	Number of convertible securities held	% w.r.t total number of convertible securities of the same class	
1	Nil	0	0.00	0	0.00	0	0.00	0.00
	Total	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	0.00

(v) Statement showing details of DRs:

Sr. No.	Type of Outstanding DR (ADRs, GDRs, SDRs, etc.)	No. of Outstanding DRs	No. of Shares Underlying Outstanding DRs	Shares Underlying Outstanding DRs as % of Total No. of Shares
1	Citibank N A as Depository for ADR	116,326,038	581,630,190	21.25
2	Citibank N A as Depository for GDR	8,872	44,360	0.00
	Total	**116,334,910**	**581,674,550**	**21.25**

(vi) Statement showing holding of DRs, where underlying shares held by 'promoter / promoter group' are in excess of 1% of the total number of shares.

Sr. No.	Name of the DR Holder	Type of Outstanding DR (ADRs, GDRs, SDRs, etc.)	No. of Shares Underlying Outstanding DRs	Shares Underlying Outstanding DRs as a % of Total No. of Shares
1	Nil	Nil	0.00	0.00
	Total		**0.00**	**0.00**

B. 'A' Ordinary Shareholding Pattern of our Company as per the last filing with the Stock Exchanges

(i) The 'A' Ordinary Shareholding pattern of our Company as on December 31, 2014, is as follows:

Category of Shareholder	No. of Shareholders	Total No. of Shares	Total No. of Shares held in Dematerialized Form	Total Shareholding as a % of Total No. of Shares		Shares pledged or otherwise encumbered	
				As a % of (A+B)	As a % of (A+B+C)	Number of Shares	As a % of total No. of shares
(A) Shareholding of Promoter and Promoter Group							
(1) Indian							
Bodies Corporate	4	2,478,587	2,478,587	0.51	0.51	0	0.00
Sub Total	**4**	**2,478,587**	**2,478,587**	**0.51**	**0.51**	**0**	**0.00**
(2) Foreign							
Total shareholding of Promoter and Promoter Group (A)	**4**	**2,478,587**	**2,478,587**	**0.51**	**0.51**	**0**	**0.00**
(B) Public Shareholding							
(1) Institutions							
Mutual Funds / UTI	122	109,844,747	109,844,747	22.79	22.79	0	0.00

Category of Shareholder	No. of Shareholders	Total No. of Shares	Total No. of Shares held in Dematerialized Form	Total Shareholding as a % of Total No. of Shares		Shares pledged or otherwise encumbered	
				As a % of (A+B)	As a % of (A+B+C)	Number of Shares	As a % of total No. of shares
Financial Institutions / Banks	5	1,184,596	1,184,596	0.25	0.25	0	0.00
Central Government / State Government(s)	2	1,445,391	1,445,391	0.30	0.30	0	0.00
Insurance Companies	5	3,100,048	3,100,048	0.64	0.64	0	0.00
Foreign Institutional Investors	227	294,667,045	294,667,045	61.14	61.14	0	0.00
Qualified Foreign Investor	1	298	298	0.00	0.00	0	0.00
Any Others (Specify)	**16**	**13,472,157**	**13,472,157**	**2.80**	**2.80**	**0**	**0.00**
Foreign Portolio Investor (Corporate)	16	13,472,157	13,472,157	2.80	2.80	0	0.00
Sub Total	**378**	**423,714,282**	**423,714,282**	**87.91**	**87.91**	**0**	**0.00**
(2) Non-Institutions							
Bodies Corporate	1,052	11,847,351	11,847,166	2.46	2.46	0	0.00
Individuals							
Individual shareholders holding nominal share capital up to Rs. 1 lakh	60,898	28,073,677	27,833,198	5.82	5.82	0	0.00
Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	60	12,850,069	12,850,069	2.67	2.67	0	0.00
Any Others (Specify)	**1,763**	**3,002,979**	**2,999,409**	**0.62**	**0.62**	**0**	**0.00**
Non Resident Indians	1,345	1,602,735	1,599,165	0.33	0.33	0	0.00
Clearing Members	407	1,162,691	1,162,691	0.24	0.24	0	0.00
Trusts	11	237,553	237,553	0.05	0.05	0	0.00
Sub Total	**63,773**	**55,774,076**	**55,529,842**	**11.57**	**11.57**	**0**	**0.00**
Total Public shareholding (B)	**64,151**	**479,488,358**	**479,244,124**	**99.49**	**99.49**	**0**	**0.00**
Total (A)+(B)	**64,155**	**481,966,945**	**481,722,711**	**100.00**	**100.00**	**0**	**0.00**
(C) Shares held by Custodians and against which Depository Receipts have been issued	**0**	**0**	**0**	**0.00**	**0.00**	**0**	**0.00**
(1) Promoter and Promoter Group	**0**	**0**	**0**	**0.00**	**0.00**	**0**	**0.00**
(2) Public	**0**	**0**	**0**	**0.00**	**0.00**	**0**	**0.00**
Sub Total	**0**	**0**	**0**	**0.00**	**0.00**	**0**	**0.00**
Total (A)+(B)+(C)	**64,155**	**481,966,945**	**481,722,711**	**0.00**	**100.00**	**0**	**0.00**

Notes:
1. For determining public shareholding for the purpose of Clause 40A
2. For definitions of Promoter and Promoter Group, refer to Clause 40A
3. Public shareholding.

(ii) Statement showing shareholding of 'A' Ordinary Shares including shares, warrants and convertible securities of persons belonging to the category "Promoter and Promoter Group" as on December 31, 2014:

Sr. No.	Name of the Shareholder	Details of Shares held		Encumbered shares (*)			Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
		No. of Shares held	As a % of grand total (A)+(B)+(C)	No	As a percentage	As a % of grand total (A)+(B)+(C) of sub-clause (I)(a)	Number of warrants held	As a % total number of warrants of the same class	Number of convertible securities held	As a % total number of convertible securities of the same class	
1	Tata Sons Ltd	1,995,907	0.41	0	0.00	0.00	0	0.00	0	0.00	0.41
2	Ewart Investments Ltd	417,655	0.09	0	0.00	0.00	0	0.00	0	0.00	0.09
3	AF-Taab Investment Company Ltd	48,360	0.01	0	0.00	0.00	0	0.00	0	0.00	0.01

Sr. No.	Name of the Shareholder	Details of Shares held		Encumbered shares (*)			Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
		No. of Shares held	As a % of grand total (A)+(B)+(C)	No	As a percentage	As a % of grand total (A)+(B)+(C) of sub-clause (I)(a)	Number of warrants held	As a % total number of warrants of the same class	Number of convertible securities held	As a % total number of convertible securities of the same class	
4	Tata Global Beverages Ltd	16,665	0.00	0	0.00	0.00	0	0.00	0	0.00	0.00
	Total	**2,478,587**	**0.51**	**0**	**0.00**	**0.00**	**0**	**0.00**	**0**	**0.00**	**0.51**

(*) The term encumbrance has the same meaning as assigned to it in regulation 28(3) of the SAST Regulations, 2011.

(iii) Statement showing shareholding of 'A' Ordinary Shares including shares, warrants, convertible securities of persons belonging to the category "Public" and holding more than 1% of the total number of 'A' Ordinary Shares as on December 31, 2014:

Sl. No.	Name of the Shareholder	No. of Shares held	Shares as % of Total No. of Shares	Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
				Number of warrants held	As a % total number of warrants of the same class	Number of convertible securities held	% w.r.t total number of convertible securities of the same class	
1	HSBC Global Investment Funds A/c HSBC GIF Mauritius Limited	25,128,664	5.21	0	0.00	0	0.00	5.21
2	Matthews Asia Dividend Fund	24,859,606	5.16	0	0.00	0	0.00	5.16
3	HDFC Trustee Company Ltd - HDFC Equity Fund	19,611,750	4.07	0	0.00	0	0.00	4.07
4	Copthall Mauritius Investment Ltd	17,063,007	3.54	0	0.00	0	0.00	3.54
5	Goldman Sachs (Singapore) Pte	16,122,409	3.35	0	0.00	0	0.00	3.35
6	HDFC Trustee Company Ltd -HDFC Top 200 Fund	14,457,057	3.00	0	0.00	0	0.00	3.00
7	Government of Singapore	10,390,202	2.16	0	0.00	0	0.00	2.16
8	Franklin Templeton Investments Funds	10,350,000	2.15	0	0.00	0	0.00	2.15
9	Government Pension Fund Global	9,295,233	1.93	0	0.00	0	0.00	1.93
10	Swiss Finance Corporation (Mauritius) Ltd	9,142,951	1.90	0	0.00	0	0.00	1.90
11	Merrill Lynch Capital Markets Espana S A S V	8,254,942	1.71	0	0.00	0	0.00	1.71
12	Skagen Global Verdipapirfond	8,041,456	1.67	0	0.00	0	0.00	1.67
13	SBI Magnum Taxgain Scheme	8,000,000	1.66	0	0.00	0	0.00	1.66
14	Eastspring Investments India Equity Open Ltd	6,846,182	1.42	0	0.00	0	0.00	1.42

Sl. No.	Name of the	No. of		Details of warrants		Details of convertible securities		Total shares
15	HDFC Trustee Company Ltd - HDFC Tax Saver Fund	6,685,418	1.39	0	0.00	0	0.00	1.39
16	Nordea Emerging Market Equities Fund	6,322,892	1.31	0	0.00	0	0.00	1.31
17	D E Shaw Oculus Investments Bi-Fi 1 Mauritius Ltd	5,882,347	1.22	0	0.00	0	0.00	1.22
18	HDFC Trustee Company Ltd - HDFC Prudence Fund	5,341,965	1.11	0	0.00	0	0.00	1.11
19	Morgan Stanley Asia (Singapore) PTE	4,981,650	1.03	0	0.00	0	0.00	1.03
	Total	**216,777,731**	**44.98**	**0**	**0.00**	**0**	**0.00**	**44.98**

(iv) Statement showing holding of 'A' Ordinary Shares including shares, warrants, convertible securities of persons (together with Persons Acting in Concert) belonging to the category "Public" and holding more than 5% of the total number of 'A' Ordinary Shares as on December 31, 2014:

Sl. No.	**Name(s) of the shareholder(s) and the Persons Acting in Concert (PAC) with them**	**No. of Shares**	**Shares as % of Total No. of Shares**	**Details of warrants**		**Details of convertible securities**		**Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital**
				Number of warrants	**As a % total number of warrants of the same class**	**Number of convertible securities held**	**% w.r.t total number of convertible securities of the same class**	
1	HSBC Global Investment Funds A/c HSBC GIF Mauritius Limited	25,128,664	5.21	0	0.00	0	0.00	5.21
2	Matthews Asia Dividend Fund	24,859,606	5.16	0	0.00	0	0.00	5.16
	Total	**49,988,270**	**10.37**	**0**	**0.00**	**0**	**0.00**	**10.37**

(v) Statement showing details of DRs:

Sl. No.	**Type of Outstanding DR (ADRs, GDRs, SDRs, etc.)**	**No. of Outstanding DRs**	**No. of Shares Underlying Outstanding DRs**	**Shares Underlying Outstanding DRs as % of Total No. of Shares**
1	Nil	Nil	0.00	0.00
	Total		**0.00**	**0.00**

(vi) Statement showing holding of DRs, where underlying shares held by Promoter / Promoter Group are in excess of 1% of the total number of shares.

Sl. No.	**Type of Outstanding DR (ADRs, GDRs, SDRs, etc.)**	**No. of Outstanding DRs**	**No. of Shares Underlying Outstanding DRs**	**Shares Underlying Outstanding DRs as % of Total No. of Shares**
1	Nil	Nil	0.00	0.00
	Total		**0.00**	**0.00**

2. Except as stated below, no Securities have been acquired by the Promoter or members of the Promoter Group in the year immediately preceding the date of filing of this Letter of Offer with the Designated Stock Exchange.

(i) Ordinary Shares

Name of the Promoter / Promoter Group entity	Date of the transaction	Number of Ordinary Shares	Nature of the Transaction
Tata Steel Limited	May 23, 2014	147,810,695	Acquisition pursuant to scheme of amalgamation which received the approval of the Stock Exchanges / SEBI on May 23, 2014

3. None of the Securities held by any of the shareholders of our Company are locked in.

4. **Subscription to the Issue by the Promoter and Promoter Group [AM Note: Subject to confirmation from the Promoter / Promoter Group.]**

   [●]

5. The Issue being a rights issue, as per Regulation 34(c) of the SEBI Regulations, the requirements of promoter's contribution and lock-in are not applicable.

6. Our Company does not have any employee stock option scheme or employee stock purchase scheme.

7. Our Company has not undertaken any public issue in the three years immediately preceding the date of this Letter of Offer.

8. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into the Ordinary Shares or 'A' Ordinary Shares as on the date of filing of this Letter of Offer.

9. There will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from submission of this Letter of Offer with the Stock Exchanges and up to a period of six months from the Issue Opening Date.

10. The ex-rights price of the Ordinary Shares and 'A' Ordinary Shares as per regulation 10(4)(b) of the Takeover Regulations is ₹ [●] and ₹ [●], respectively.

11. If our Company does not receive the minimum subscription of 90% of the Issue of the Ordinary Shares and 'A' Ordinary Shares, on an aggregate basis, our Company shall refund the entire subscription amount received within 15 days from the Issue Closing Date. If there is delay in the refund of the subscription amount by more than eight days after our Company becomes liable to pay the subscription amount (i.e. 15 days after the Issue Closing Date), our Company shall pay interest for the delayed period, as prescribed under applicable laws.

12. At any given time, there shall be only one denomination, each of the Ordinary Shares and 'A' Ordinary Shares, of our Company.

13. All 'A' Ordinary Shares are fully paid-up and there are no partly paid-up 'A' Ordinary Shares as on the date of this Letter of Offer. Except as disclosed below, all Ordinary Shares are fully paid-up and there are no partly paid-up Ordinary Shares as on the date of this Letter of Offer.

    The call money in respect of 13,746 ordinary shares of our Company of face value ₹ 10 each pertaining to 55 folios of Harshad Mehta group, which were allotted pursuant to a rights issue undertaken by our Company in 1991, is currently outstanding (the "Partly-Paid Shares"). Our Company undertook a bonus issue in 1995 and the bonus shares issued by our Company against the Partly- Paid Shares have been currently held in abeyance. Our Company issued a notice of forfeiture to the office of the custodian of these shares directing them to pay the call money in respect of the Partly-Paid Shares on or before December 31, 1998. However, the office of the custodian informed our Company that the Partly-Paid Shares cannot be forfeited and that the office of the custodian is in the process of approaching the special court for release of call money in respect of the Partly-Paid Shares along with interest. Since the matter is under the consideration of the special court, our Company is not in a position to ensure that the Partly-Paid Shares are made fully paid up prior to the Issue. Pursuant to an application made by our Company, SEBI has through its letter dated March 18, 2015 granted exemption from strict enforcement of Regulation 4(2)(f) of the SEBI Regulations to the Issue.

For further details on the terms of the issue, see "Terms of the Issue" on page [●].

OBJECTS OF THE ISSUE

Our Company proposes to utilise the Net Proceeds from the Issue towards funding of the following objects:

1. Funding capital expenditure towards plant and machinery;

2. Funding expenditure relating to research and product development;

3. Repayment, in full or part, of certain long term and short term borrowings availed by our Company; and

4. General corporate purposes.

The objects set out in the Memorandum of Association enable our Company to undertake our existing activities and the activities for which the funds are being raised by our Company through this Issue.

Issue Proceeds

The details of the Issue proceeds are set forth in the following table:

Particulars	Amount (in ₹ crore)
Gross proceeds from the Issue	7,500.00
(Less) Issue related expenses	[●]
Net Proceeds from the Issue	[●]

Requirement of funds and utilisation of Net Proceeds

The proposed utilisation of the Net Proceeds is set forth in the table below:

Particulars	Amount (in ₹ crore)
Funding capital expenditure towards plant and machinery	[●]
Funding expenditure relating to research and product development	[●]
Repayment, in full or part, of certain long term and short term borrowings availed by our Company	[●]
General corporate purposes	[●]
Total	[●]

Schedule of deployment

We propose to deploy the Net Proceeds for the aforesaid purposes in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below.

(in ₹crore)

Particulars	Amount proposed to be funded from the Net Proceeds	Estimated Utilization in Fiscal 2016
Funding capital expenditure towards plant and machinery	[●]	[●]
Funding expenditure relating to research and product development	[●]	[●]
Repayment, in full or part, of certain long term and short term borrowings availed by our Company	[●]	[●]
General corporate purposes	[●]	[●]
Total	[●]	[●]

As indicated above, our Company proposes to deploy the entire Net Proceeds towards the objects as described herein during Fiscal 2016. However, if the Net Proceeds are not completely utilised for the objects stated above by the Fiscal 2016 due to factors such as (i) economic and business conditions; (ii) increased competition; (iii) commercial considerations; (iv) [●]; the same would be utilised (in part or full) in Fiscal [●] or a subsequent period as may be determined by our Company in accordance with applicable law.

The funds deployment described herein is based on management estimates, current circumstances of our business and the prevailing market conditions. The funds deployment described herein has not been appraised by any bank or financial institution. We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial condition, business and strategy, including external factors which may not be within the control of our management. This may entail rescheduling and revising the planned funding requirements and deployment and increasing or decreasing the funding requirements from the planned funding requirements at the discretion of our management.

Means of finance

Our Company proposes to meet the entire requirement of funds for the objects of the Issue from the Net Proceeds. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance for the aforesaid object, excluding the amount to be raised from the Issue.

Details of the objects of the Issue

The details in relation to objects of the Issue are set forth herein below.

1. **Funding capital expenditure**

Our Company is required to make investments towards capital expenditure on a continuous basis to meet the business requirements and to augment its production capacity. In addition to domestic suppliers and vendors, we also import capital equipment, raw materials and components from suppliers and vendors in various countries. Our capital expenditures totaled ₹ 27,283.2 crore, ₹ 21,207.8 crore and ₹ 14,825.5 crore during Fiscal 2014, 2013 and 2012, respectively.

Our Company's capital expenditure include, *inter alia*, expenses for purchase of machines, tools and other equipments, installation and commissioning expenses, expenses for [purchase/manufacturing] of vehicle parts, civil construction, fit-out and consultancy related expenses for workshops and offices of our Company and expenses for purchase of computers and phones.

Details of estimated expenses

The table below sets forth details of the capital expenditure proposed to be funded through the Net Proceeds:

Description	**Estimated expense to be incurred during Fiscal 2016 (In ₹ crore)**	**Amount proposed to be funded through Net Proceeds (In ₹ crore)**
Building	41	-
Plant and machinery (including product tooling)	1896	500
Vehicles	11	-
IT leased assets	17	-
Total	**1,965**	**500**

2. **Funding expenditure relating to research and product development**

Research and product development is the cornerstone of our operations and continued growth. Over the years, we have devoted significant resources towards our research and development activities. Our research and development activities focus on product development, environmental technologies and vehicle safety. Our engineering and research centre ("ERC"), established in 1966, is one of the few in-house automotive research and development centres in India recognised by the Government of India. ERC is integrated with all of our Company's global automotive product design and development centres in South Korea, Italy and the United Kingdom. In addition to this, we leverage key competencies through various engineering service suppliers and design teams of our suppliers. For further details, please see "Our Business – Research and Development" on page [●].

In Fiscal 2014, we launched 89 new products or variants of our existing vehicle lines. We offer an extensive range of commercial vehicles (for both goods and passenger transport) as well as passenger vehicles. We have plans to expand the range of our product base further supported by our strong brand recognition in India, our understanding of local consumer preferences, in-house engineering capabilities and extensive distribution network. With growing competition, changing technologies and evolving customer expectations, we understand the importance of bringing new platforms to address market gaps and further enhance our existing range of vehicles to ensure customer satisfaction.

We believe that our in-house research and development capabilities, including those of our subsidiaries Jaguar Land Rover, TDCV, Trilix Srl., Turin (Italy), and TMETC in the United Kingdom and our joint ventures with Marcopolo of Brazil in India, with Thonburi in Thailand and Tata Africa Holdings (SA) (Pty.), Ltd in South Africa, will enable us to expand our product range and extend our geographical reach.

We intend to continue to invest in our business units in general, and in research and product development in particular, over the next several years in order to improve our existing product range, develop new products and platforms and to build and expand our portfolio in the passenger vehicle and commercial vehicle categories. We believe this would strengthen our position in the Indian automotive market and help us to grow our market share internationally.

Expenses for research and product development:

Expenses for our research and product development are classified as below:

(i) *Material costs:* Material costs include cost of material used for (i) prototype vehicles; (ii) pilot batch and product proving vehicles; and (iii) benchmarking vehicles. Prototype vehicles are used for performing all tests such as durability, fuel economy, reliability, endurance and crash tests that are required to assess performance of the vehicle. Pilot batch includes a small lot of vehicles rolled out for identifying manufacturing issues, if any, which uses soft tools. Pilot batch is followed by product proving vehicles which is a larger lot of vehicles for verifying other parameters related to production process including tact time, cycle time, quality and consistency.

(ii) *Technical know-how expenses:* Technical know-how expenses include costs incurred towards various external agencies who provide technical inputs and research and development support in specialized fields. In addition to technical support, certain agencies provide finished components to our Company as part of their mandate once the regular production commences. Technical know-how expenses also include costs associated with such finished components provided by the external agencies in addition to the technical support.

(iii) *Conversion costs:* Conversion costs include expenses incurred towards the design engineers in the ERC.

Details of estimated expenses

Type of vehicle	**Vehicle family**	**Estimated expense to be incurred during Fiscal 2016 (In ₹ crore)**	**Amount proposed to be funded through Net Proceeds (In ₹ crore)**
Commercial vehicle	Heavy commercial vehicle	382	225
	Light commercial vehicle	238	139
	[SCV]/pick-up/Van	414	224
	Sub total	**1,034**	**588**
Passenger vehicle	Car	758	574
	Utility vehicle	620	338
	Sub total	**1,378**	**912**

Type of vehicle	Vehicle family	Estimated expense to be incurred during Fiscal 2016 (In ₹ crore)	Amount proposed to be funded through Net Proceeds (In ₹ crore)
	Grand total	**2,412**	**1,500**

3. Repayment, in full or part, of certain long term and short term borrowings availed by our Company

Our Company has entered into certain financing arrangements with, *inter alia*, various banks/ financial institutions. For details of our debt financing arrangements, see "Financial Statements" beginning on page [●].

Our Company proposes to utilize an estimated amount of ₹ [●] crore from the Net Proceeds towards repayment, of certain loans availed by our Company. We believe that such repayment will help reduce our outstanding indebtedness and debt servicing costs and enable utilization of our accruals for further investment in our business growth and expansion. In addition, we believe that this would improve our ability to raise further resources in the future to fund our potential business development opportunities. The details of the outstanding loans proposed to be repaid from the Net Proceeds are set out below:

Sr. No.	Name of the Lender	Nature of Borrowing and date of the Sanction Letter / Document	Purpose	Amount Sanctioned(1) (in ₹ crore)	Amount Outstanding as at March 25, 2015(1) (in ₹ crore)	Repayment Date / Schedule	Amount proposed to repaid out of the Net Proceeds (In ₹ crore)
1.	-	Tranche E-25-A of the NC Debentures Debenture trustee agreement dated May 24, 2013	To be utilised for capital expenditure, working capital, refinance of existing debts and other general corporate purposes permitted by the RBI for bank finance.	300.00	300.00	Redemption on December 1, 2015	300.00
2.	-	Tranche E-25-B of the NC Debenutress Debenture trustee agreement dated May 24, 2013	To be utilised for capital expenditure, working capital, refinance of existing debts and other general corporate purposes permitted by the RBI for bank finance.	300.00	300.00	Redemption on June 3, 2015	300.00
3.	-	Tranche E-25-C of the NC Debentures Debenture trustee agreement dated May 24, 2013	To be utilised for capital expenditure, working capital, refinance of existing debts and other general corporate purposes permitted by the RBI for bank finance.	300.00	300.00	Redemption on October 30, 2015	300.00
4.	State	Working	To be utilised	100.00	100.00	Repayment	100.00

Sr. No.	Name of the Lender	Nature of Borrowing and date of the Sanction Letter / Document	Purpose	Amount Sanctioned[1] (in ₹ crore)	Amount Outstanding as at March 25, 2015[1] (in ₹ crore)	Repayment Date / Schedule	Amount proposed to repaid out of the Net Proceeds (In ₹ crore)
	Bank of India	Capital Facility Working Capital Consortium Agreement dated July 28, 2009 read with Sanction letter dated February 28, 2014	for working capital purpose only			on May 21, 2015	
5.	State Bank of India	Working Capital Facility Working Capital Consortium Agreement dated July 28, 2009 read with Sanction letter dated February 28, 2014	To be utilised for working capital purpose only	100.00	100.00	Repayment on May 25, 2015	100.00
6.	State Bank of India	Working Capital Facility Working Capital Consortium Agreement dated July 28, 2009 read with Sanction letter dated February 28, 2014	To be utilised for working capital purpose only	100.00	100.00	Repayment on May 29, 2015	100.00
7.	State Bank of India	Working Capital Facility Working Capital Consortium Agreement dated July 28, 2009 read with Sanction letter dated February 28, 2014	To be utilised for working capital purpose only	100.00	100.00	Repayment on May 29, 2015	100.00
8.	State Bank of India	Working Capital Facility Working Capital Consortium Agreement dated July 28, 2009 read	To be utilised for working capital purpose only	100.00	100.00	Repayment on May 30, 2015	100.00

Sr. No.	Name of the Lender	Nature of Borrowing and date of the Sanction Letter / Document	Purpose	Amount Sanctioned[1]	Amount Outstanding as at March 25, 2015[1]	Repayment Date / Schedule	Amount proposed to repaid out of the Net Proceeds (In ₹ crore)
				(in ₹ crore)			
		with Sanction letter dated February 28, 2014					
9.	State Bank of India	Working Capital Facility Working Capital Consortium Agreement dated July 28, 2009 read with Sanction letter dated February 28, 2014	To be utilised for working capital purpose only	200.00	200.00	Repayment on May 30, 2015	200.00
10.	State Bank of India	Working Capital Facility Working Capital Consortium Agreement dated July 28, 2009 read with Sanction letter dated February 28, 2014	To be utilised for working capital purpose only	100.00	100.00	Repayment on June 1, 2015	100.00
11.	State Bank of India	Working Capital Facility Working Capital Consortium Agreement dated July 28, 2009 read with Sanction letter dated February 28, 2014	To be utilised for working capital purpose only	100.00	100.00	Repayment on June 1, 2015	100.00
12.	State Bank of India	Working Capital Facility Working Capital Consortium Agreement dated July 28, 2009 read with Sanction letter dated February 28, 2014	To be utilised for working capital purpose only	100.00	100.00	Repayment on June 4, 2015	100.00
13.	State Bank of India	Working Capital Facility	To be utilised for working capital purpose only	100.00	100.00	Repayment on June 5, 2015	100.00

Sr. No.	Name of the Lender	Nature of Borrowing and date of the Sanction Letter / Document	Purpose	Amount Sanctioned[(1)]	Amount Outstanding as at March 25, 2015[(1)]	Repayment Date / Schedule	Amount proposed to repaid out of the Net Proceeds (In ₹ crore)
				(in ₹ crore)			
		Working Capital Consortium Agreement dated July 28, 2009 read with Sanction letter dated February 28, 2014					
14.	State Bank of India	Working Capital Facility Working Capital Consortium Agreement dated July 28, 2009 read with Sanction letter dated February 28, 2014	To be utilised for working capital purpose only	100.00	100.00	Repayment on June 10, 2015	100.00
15.	State Bank of India	Working Capital Facility Working Capital Consortium Agreement dated July 28, 2009 read with Sanction letter dated February 28, 2014	To be utilised for working capital purpose only	100.00	100.00	Repayment on June 10, 2015	100.00
16.	HDFC Bank	Short term loan Sanction letter dated June 23, 2014	To be utilised for working capital purpose only	100.00	100.00	Repayment on June 1, 2015	100.00
17.	HDFC Bank	Short term loan Sanction letter dated June 23, 2014	To be utilised for working capital purpose only	100.00	100.00	Repayment on June 30, 2015	100.00
18.	HDFC Bank	Short term loan Sanction letter dated January 20, 2015	To be utilised for working capital purpose only	100.00	100.00	Repayment on July 1, 2015	100.00
19.	HDFC Trustee Company Private Limited	Commercial paper Contract note dated February 25, 2015	-	65.00	65.00	Repayment on May 26, 2015	65.00

Sr. No.	Name of the Lender	Nature of Borrowing and date of the Sanction Letter / Document	Purpose	Amount Sanctioned[1]	Amount Outstanding as at March 25, 2015[1]	Repayment Date / Schedule	Amount proposed to repaid out of the Net Proceeds (In ₹ crore)
				(in ₹ crore)			
20.	HDFC Trustee Company Private Limited	Commercial paper Contract note dated February 25, 2015	-	35.00	35.00	Repayment on May 26, 2015	35.00
21.	SBI Mutual Fund	Commercial paper Contract note dated February 25, 2015	-	100.00	100.00	Repayment on May 27, 2015	100.00
22.	Sundaram Ultra Short Term Fund	Commercial paper Contract note dated February 23, 2015	-	100.00	100.00	Repayment on May 27, 2015	100.00
23.	HDFC Bank Limited	Commercial paper Contract note dated March 23, 2015	-	300.00	300.00	Repayment on May 28, 2015	300.00
24.	HDFC Bank Limited	Commercial paper Contract note dated March 24, 2015	-	200.00	200.00	Repayment on June 2, 2015	200.00
25.	DBS Bank Limited	Commercial paper Contract note dated March 3, 2015	-	100.00	100.00	Repayment on June 4, 2015	100.00
26.	State Bank of India	Commercial paper Contract note dated March 4, 2015	-	200.00	200.00	Repayment on June 8, 2015	200.00
27.	IDFC Limited	Commercial paper Contract note dated July 3, 2014	-	100.00	100.00	Repayment on June 29, 2015	100.00
28.	HDFC Bank	Commercial paper Contract note dated January 20, 2015	-	100.00	100.00	Repayment on June 29, 2015	100.00
29.	HDFC Bank	Commercial paper Contract note dated January 20, 2015	-	100.00	100.00	Repayment on June 30, 2015	100.00
30.	IDFC Limited	Commercial paper Contract note dated July 8, 2014	-	100.00	100.00	Repayment on June 30, 2015	100.00

(1) *As certified by [●], through its certificate dated [●]. Further, [●] have confirmed that these borrowings have been utilised for the purposes for which they were availed, as provided in the relevant borrowing documents. [●] has further confirmed that none of the borrowings that are intended to be repaid out of the Net Proceeds have been utilised for any payments to or repayment / refinancing of any loans obtained from the Promoter Group / group companies of our Company.*

4. General Corporate Purposes

Our Company proposes to deploy the balance Net Proceeds aggregating ₹ [●] crore towards general corporate purposes, subject to such utilization not exceeding 25% of the Net Proceeds, in compliance with the SEBI Regulations, including but not limited to strategic initiatives, partnerships and joint ventures, meeting exigencies which our Company may face in the ordinary course of business, meeting expenses incurred in the ordinary course of business and any other purpose as may be approved by the Board or a duly appointed committee from time to time, subject to compliance with the necessary provisions of the Companies Act. Our Company's management, in accordance with the policies of the Board, will have flexibility in utilising any surplus amounts.

Issue Expenses

The total expenses of the Issue are estimated to be approximately ₹ [●] crore. The break-up for the Issue expenses is as follows:

Sr. No.	Activity Expense	Amount (in ₹ crore)	Percentage of Total Estimated Issue Expenditure (%)	Percentage of Issue Size (%)
1.	Fees of the Book Running Lead Managers	[●]	[●]	[●]
2.	Fees to the legal advisors, other service providers and statutory fees	[●]	[●]	[●]
3.	Fees of Registrar to the Issue	[●]	[●]	[●]
4.	Advertising and marketing expenses	[●]	[●]	[●]
5.	Printing and stationery, distribution, postage etc.	[●]	[●]	[●]
6.	Other expenses	[●]	[●]	[●]
Total Estimated Issue Expenditure		[●]	**100.00**	[●]

Interim use of Net Proceeds

Pending utilization for the objects described above, our Company, in accordance with the policies established by our Board from time to time, will have the flexibility to deploy the Net Proceeds. Our Company intends to deposit the Net Proceeds with scheduled commercial banks included in the second schedule of the Reserve Bank of India Act, 1934. We confirm that pending utilization of the Net Proceeds for the objects of the Issue, our Company shall not utilize the Net Proceeds for any investment in the equity markets, real estate or related products.

Bridge Financing Facilities

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Letter of Offer, which are proposed to be repaid from the Net Proceeds.

Monitoring of Utilization of Funds

Our Company has appointed HDFC Bank as the Monitoring Agency in relation to the Issue under the requirements of Regulation 16 of the SEBI Regulations. Our Board and Monitoring Agency will monitor the utilization of the Net Proceeds. Our Company will disclose the utilization of the Net Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilised. The Company will indicate investments, if any, of unutilised Net Proceeds in the balance sheet of our Company for the relevant Fiscals subsequent to receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to Clause 49 of the Equity Listing Agreement, our Company shall on a quarterly basis disclose to the Audit Committee of the Board of Directors the uses and applications of the Net Proceeds. The report submitted by the Monitoring Agency will be placed before the Audit Committee of our Company, so as to enable the Audit Committee to make appropriate recommendations to the Board.

Furthermore, in accordance with Clause 43A of the Equity Listing Agreement, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement including material deviations, if any, in the utilisation of the proceeds of the Issue from the objects of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results, after placing the same before the Audit Committee. In the event that the Monitoring Agency points out any deviation in the use of Net Proceeds from the objects of the Issue stated above, or has given any other reservations with respect to the end use of Net Proceeds, our Company shall intimate the same to the Stock Exchanges without delay.

Appraising Entity

None of the objects of the Issue for which the Net Proceeds will be utilised have been appraised.

Other Confirmations

Except as stated above, no part of the proceeds of the Issue will be paid by our Company to the Promoters and Promoter the Directors, Associates, Group Companies or key management personnel, except in the normal course of business.

TAX BENEFIT STATEMENT

The information provided below sets out the possible tax benefits available to the shareholders of an Indian company in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of equity shares, under the current tax laws presently in force in India. Several of these benefits are dependent on the shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence the ability of the shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which, based on commercial imperatives a shareholder faces, may or may not choose to fulfill. The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

INVESTORS ARE ADVISED TO CONSULT THEIR OWN TAX CONSULTANT WITH RESPECT TO THE INDIAN TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN THEIR PARTICULAR SITUATION.

STATEMENT OF POSSIBLE DIRECT TAX BENEFITS AVAILABLE TO TATA MOTORS LIMITED ("COMPANY") AND TO ITS SHAREHOLDERS

1. Under the Income-tax Act, 1961 ("the Act")

A. SPECIAL TAX BENEFITS

Special tax benefits available to the Company

1. **Research and Development Expenditure**

As per section 35(2AB), weighted deduction @200% is available on scientific research & development expenditure ("R&D") (except on land and building) incurred by the Company on in-house research and development facility as approved by the prescribed authority, subject to fulfillment of prescribed conditions. In respect of R&D building, deduction @100% is available under section 35(1) of the Act.

2. **Investment in new plant and machinery**

Under section 32AC of the Act, the Company is entitled to an investment allowance of 15% of actual cost of new plant and machinery acquired and installed subject to fulfillment of prescribed conditions. No deduction under section 32AC would be available from FY 2017-18 onwards.

3. **Additional Depreciation**

Under section 32(1)(iia) of the Act, the Company is entitled to claim additional depreciation of a sum equal to 20% of the actual cost of any new plant or machinery that is acquired and installed by the Company (other than ships and aircrafts) for 180 days or more during the year subject to conditions specified in said section of the Act. In case it is acquired and installed for less than 180 days during the year, additional depreciation @10% is available.

The Finance Bill 2015 proposes that the balance 10% additional depreciation on new plant or machinery acquired and installed for less than 180 days in the previous year shall be allowed in the next year.

B. GENERAL TAX BENEFITS

I. General tax benefits available to the Company

1. As per section 10(34) of the Act, any income by way of dividends referred to in section 115-O received on the shares of any Indian company is exempt from tax.

Dividend received by Indian company from specified foreign company (in which it has shareholding of 26% or more) is taxable at 15% (plus applicable surcharge, education cess and higher education cess) as per Section 115BBD of the Act.

As per section 115-O of the Act, tax on distributed profits of domestic companies is chargeable to tax at 15% (plus applicable surcharge, education cess and higher education cess). As per sub-section (1A) of section 115-O, the domestic Company will be allowed to set-off the dividend received from its subsidiary company during the financial year against the dividend distributed by it, while computing the Dividend Distribution Tax ("DDT") if:

a) the dividend is received from its domestic subsidiary and the subsidiary has paid the DDT payable on such dividend; or
b) the dividend is received from a foreign subsidiary, the tax is payable by the Company under section 115BBD.

However, the same amount of dividend shall not be taken into account for reduction more than once.

Further, the net distributed profits shall be increased to such amount as would, after reduction of the tax on such increased amount at the specified rate, be equal to the net distributed profits.

2. As per section 10(35) of the Act, the following income will be exempt in the hands of the Company:
   a) Income received in respect of the units of a Mutual Fund specified under clause (23D) of section 10; or
   b) Income received in respect of units from the Administrator of the specified undertaking; or
   c) Income received in respect of units from the specified company:

   However, this exemption does not apply to any income arising from transfer of units of the Administrator of the specified undertaking or of the specified Company or of a mutual fund, as the case may be.

3. Capital assets may be categorized into short term capital assets or long term capital assets based on the period of holding. Capital assets being shares listed in a recognised Stock Exchange in India held by the Company for a period of more than 12 months are considered as long term capital assets. Consequently, capital gains arising on sale of these assets held for more than 12 months are considered as long term capital gains ("LTCG"). Capital gains arising on sale of these assets held for 12 months or less are considered as short term capital gains ("STCG").

4. As per provisions of section 48 of the Act, LTCG arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by the Government) and depreciable assets, is computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration

5. As per section 10(38) of the Act, capital gains arising to the Company from the transfer of long term capital asset being an equity share in a company or a unit of an equity oriented fund where such transaction is chargeable to securities transaction tax ("STT") will be exempt in the hands of the Company. However, such income by way of LTCG shall not be reduced in computing the book profits for the purposes of computation of minimum alternate tax ("MAT") under section 115JB of the Act.

6. In accordance with section 112 of the Act, LTCG to the extent not exempt under Section 10(38) of the Act would be subject to tax at the rate of 20% (plus applicable surcharge and education cess) with indexation benefits. However, as per the proviso to section 112 of the Act, if the tax on LTCG is resulting from transfer of listed securities (other than unit) or zero coupon bonds, then LTCG will be chargeable to tax at the rate lower of the following: -

   a. 20% (plus applicable surcharge and education cess) of the capital gains as computed after indexation of the cost; or

   b. 10% (plus applicable surcharge and education cess) of the capital gains as computed without indexation

7. Under section 54EC of the Act and subject to the conditions and to the extent specified therein, LTCG (in case not covered under section 10(38) of the Act) arising on the transfer of a Long Term Capital Asset would be exempt from tax if such capital gain is invested within 6 months from the date of such transfer in a "long term specified asset".

   A "long term specified asset" means any bond, redeemable after three years and issued on or after 1st day of April 2007 by the:

   a. National Highways Authority of India constituted under section 3 of The National Highways Authority of

India Act, 1988;

b. Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.

The total deduction with respect to investment in the long term specified assets is restricted to Rs.50 lakhs whether invested during the financial year in which the asset is transferred and in the subsequent year.

Where the "long term specified asset" are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer / conversion

8. As per section 111A of the Act, STCG arising to the Company from the sale of equity share or a unit of an equity oriented fund, where such transaction is chargeable to STT will be taxable at the rate of 15% (plus applicable surcharge and education cess). Further, STCG as computed above that are not liable to STT would be subject to tax as calculated under the normal provisions of the Act. No deduction under Chapter VIA of the Act shall be allowed from such income.

9. As per section 70 read with section 74 of the Act, Short Term Capital Loss computed for the given year is allowed to be set off against STCG as well as LTCG computed for the said year. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years for being set off against subsequent years' STCG as well as LTCG.

   However, the long term capital loss computed for a given year is allowed to be set off only against the LTCG. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years for being set off only against subsequent years' LTCG.

10. As per section 10(34A) of the Act, any income arising to the Company being a shareholder on account of buy back of shares (not being shares listed on a recognized stock exchange in India) referred in section 115QA is exempt from tax.

11. Business losses, if any, for an assessment year can be carried forward and set off against business profits for eight subsequent assessment years.

12. Unabsorbed depreciation, if any, for an assessment year can be carried forward and set off against income from any source in the subsequent assessment years as per section 32(2) subject to the provisions of section 72(2) and section 73(3) of the Act.

13. As per section 115JAA of the Act, credit is allowed in respect of Minimum Alternate Tax (MAT) paid under section 115JB of the Act for any assessment year commencing on or after 1st day of April 2006. Tax credit to be allowed shall be the difference between MAT paid and the tax computed as per the normal provisions of the Act for that assessment year. The MAT credit shall not be allowed to be carried forward beyond tenth assessment year immediately succeeding the assessment year in which tax credit become allowable.

II. General tax benefits available to Resident Shareholders

1. As per section 10(34) of the Act, any income by way of dividends referred to in section 115-O of the Act received on the shares of any Indian company is exempt from tax.

2. Issuance of rights to subscribe for shares is not subject to tax in the hands of the shareholders.

3. As per provisions of section 48 of the Act, LTCG arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by the Government) and depreciable assets, is computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration

4. As per section 10(38) of the Act, LTCG arising from the transfer of a long term capital asset being an equity share of the company, where such transaction is chargeable to STT , will be exempt in the hands of the shareholder.

5. In accordance with section 112 of the Act, LTCG to the extent not exempt under section 10(38) of the Act would be subject to tax at the rate of 20% (plus applicable surcharge and education cess) with indexation

benefits. However, as per the proviso to section 112 of the Act, if the tax on LTCG is resulting from transfer of listed securities (other than unit) or zero coupon bonds, then LTCG will be chargeable to tax at the rate lower of the following: -

a. 20% (plus applicable surcharge and education cess) of the capital gains as computed after indexation of the cost; or

b. 10% (plus applicable surcharge and education cess) of the capital gains as computed without indexation

6. Under section 54EC of the Act and subject to the conditions and to the extent specified therein, LTCG (in case not covered under section 10(38) of the Act) arising on the transfer of a Long Term Capital Asset would be exempt from tax if such capital gain is invested within 6 months from the date of such transfer in a "long term specified asset".

   A "long term specified asset" means any bond, redeemable after three years and issued on or after 1st day of April 2007 by the:

   a. National Highways Authority of India constituted under section 3 of The National Highways Authority of India Act, 1988;

   b. Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.

   The total deduction with respect to investment in the long term specified assets is restricted to Rs.50 lakhs whether invested during the financial year in which the asset is transferred and in the subsequent year.

   Where the "long term specified asset" are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer / conversion

7. As per section 54F of the Act, LTCG (in cases not covered under section 10(38) of the Act) arising on the transfer of the shares of the company held by an Individual or Hindu Undivided Family ("HUF") will be exempt from capital gains tax if the net consideration is utilised to purchase or construct a residential house. The residential house is required to be purchased within a period of one year before or two years after the date of transfer or to be constructed within three years after the date of transfer.

8. As per section 111A of the Act, STCG arising from the sale of equity shares of the company, where such transaction is chargeable to STT, will be taxable at the rate of 15% (plus applicable surcharge and education cess). Further, STCG as computed above that are not liable to STT would be subject to tax as calculated under the normal provisions of the Act. No deduction under Chapter VIA of the Act shall be allowed from such income.

9. As per section 70 read with section 74 of the Act, Short Term Capital Loss computed for the given year is allowed to be set off against STCG as well as LTCG computed for the said year. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years for being set off against subsequent years' STCG as well as LTCG.

   However, the long term capital loss computed for a given year is allowed to be set off only against the LTCG. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years for being set off only against subsequent years' LTCG.

10. Under section 36 (1) (xv) of the Act, the amount of STT paid by a resident shareholder in respect of taxable securities transactions offered to tax as "Profits and gains of Business or profession" shall be allowable as a deduction against such Business Income.

11. No income tax is deductible at source from income by way of capital gains under the present provisions of the Act in case of residents.

III. General tax benefits available to Non-Resident Shareholders (Other than FPIs)

1. As per section 10(34) of the Act, any income by way of dividends referred to in section 115-O of the Act received on the shares of any Indian company is exempt from tax.

2. Issuance of rights to subscribe for shares is not subject to tax in the hands of the shareholders.

3. As per section 10(38) of the Act, LTCG arising from the transfer of long term capital asset being an equity share of the company, where such transaction is chargeable to STT, will be exempt in the hands of the shareholder.

4. As per first proviso to section 48 of the Act, in case of a non-resident shareholder, the capital gain/loss arising from transfer of shares of the company, acquired in convertible foreign exchange, is to be computed by converting the cost of acquisition, sales consideration and expenditure incurred wholly and exclusively in connection with such transfer, into the same foreign currency which was initially utilised in the purchase of shares. Cost Indexation benefit will not be available in such a case.

5. In accordance with section 112 of the Act, LTCG to the extent not exempt under section 10(38) of the Act would be subject to tax at the rate of 20% (plus applicable surcharge and education cess) after giving effect to first proviso to Section 48 of the Act. However, as per the proviso to section 112 of the Act, if the tax payable on transfer of listed securities exceeds 10% of the LTCG, the excess tax shall be ignored for the purpose of computing tax payable by the assesse.

6. Under section 54EC of the Act and subject to the conditions and to the extent specified therein, LTCG (in case not covered under section 10(38) of the Act) arising on the transfer of a Long Term Capital Asset would be exempt from tax if such capital gain is invested within 6 months from the date of such transfer in a “long term specified asset”.

   A “long term specified asset” means any bond, redeemable after three years and issued on or after 1st day of April 2007 by the:

   a. National Highways Authority of India constituted under Section 3 of The National Highways Authority of India Act, 1988;

   b. Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.

   The total deduction with respect to investment in the long term specified assets is restricted to Rs.50 lakhs whether invested during the financial year in which the asset is transferred and in the subsequent year.

   Where the “long term specified asset” are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer / conversion

7. As per section 54F of the Act, LTCG (in cases not covered under section 10(38) of the Act) arising on the transfer of the shares of the Company held by an Individual or HUF will be exempt from capital gains tax if the net consideration is utilised to purchase or construct a residential house. The residential house is required to be purchased within a period of one year before or two years after the date of transfer or to be constructed within three years after the date of transfer.

8. As per section 111A of the Act, STCG arising from the sale of equity shares of the Company, where such transaction is chargeable to STT, will be taxable at the rate of 15% (plus applicable surcharge and education cess). Further, STCG as computed above that is not liable to STT would be subject to tax as calculated under the normal provisions of the Act. No deduction under Chapter VIA shall be allowed from such income.

9. As per section 70 read with section 74 of the Act, Short Term Capital Loss computed for the given year is allowed to be set off against STCG as well as LTCG computed for the said year. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years for being set off against subsequent years’ STCG as well as LTCG.

   However, the long term capital loss computed for a given year is allowed to be set off only against the LTCG. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years for being set off only against subsequent years’ LTCG.

10. Under section 36 (1) (xv) of the Act, the amount of STT paid by a non-resident shareholder in respect of taxable securities transactions offered to tax as "Profits and gains of Business or profession" shall be allowable as a deduction against such Business Income.

11. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the non-resident is considered resident in terms of such Tax Treaty. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the non-resident.

    As per section 90(4) of the Act, the non-residents shall not be entitled to claim relief under section 90(2) of the Act, unless a certificate of their being a resident in any country outside India, is obtained by them from the government of that country or any specified territory. As per section 90(5) of the Act, the non-residents shall be required to provide such other information, as has been notified.

IV. Special tax benefits available to Non-Resident Indians

1. As per section 115C(e) of the Act, the term "non-resident Indian" means an individual, being a citizen of India or a person of Indian origin who is not a "resident". A person shall be deemed to be of Indian origin if he, or either of his parents or any of his grand-parents, was born in undivided India.

2. As per section 115E of the Act, in the case of a shareholder being a non-resident Indian, and subscribing to the shares of the Company in convertible foreign exchange, in accordance with and subject to the prescribed conditions, LTCG on transfer of the shares of the Company (in cases not covered under section 10(38) of the Act) will be subject to tax at the rate of 10% (plus applicable surcharge and education cess), without any indexation benefit.

3. As per section 115F of the Act and subject to the conditions specified therein, in the case of a shareholder being a non-resident Indian, gains arising on transfer of a long term capital asset being shares of the Company will not be chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period of six months in any specified asset or savings certificates referred to in section 10(4B) of the Act. If part of such net consideration is invested within the prescribed period of six months in any specified asset or savings certificates referred to in section 10(4B) of the Act then this exemption would be allowable on a proportionate basis. Further, if the specified asset or saving certificates in which the investment has been made is transferred within a period of three years from the date of investment, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such specified asset or savings certificates are transferred.

4. As per section 115G of the Act, Non-Resident Indians are not obliged to file a return of income under section 139(1) of the Act, if their only source of income is income from specified investments or long term capital gains earned on transfer of such investments or both, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the Act.

5. As per section 115H of the Act, where Non-Resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income for that year under section 139 of the Act to the effect that the provisions of Chapter XII-A shall continue to apply to him in relation to investment income derived from the investment in equity shares of the Company as mentioned in section 115C(f)(i) of the Act for that year and subsequent assessment years until assets are converted into money.

6. As per section 115I of the Act, a Non-Resident Indian may elect not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing a declaration along with his return of income for that assessment year under section 139 of the Act, that the provisions of Chapter XII-A shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance with the other provisions of the Act.

7. In respect of non-resident Indian, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the non-resident is considered resident in terms of such Tax Treaty. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the non-resident.

   As per section 90(4) of the Act, the non-resident Indians shall not be entitled to claim relief under section 90(2) of the Act, unless a certificate of their being a resident in any country outside India, is obtained by them from the government of that country or any specified territory. As per section 90(5) of the Act, the non-resident Indians shall be required to provide such other information, as has been notified.

V. Benefits available to Foreign Portfolio Investors (‘FPIs’)

Special tax benefits

1. Under section 115AD(1)(ii) of the Act, income by way of STCG arising to the FPI on transfer of shares shall be chargeable at a rate of 30%, where such transactions are not subjected to STT, and at the rate of 15% if such transaction of sale is entered on a recognised stock exchange in India and is chargeable to STT. The above rates are to be increased by applicable surcharge and education cess.

   Under section 115AD(1)(iii) of the Act, income by way of LTCG arising from the transfer of shares (in cases not covered under section 10(38) of the Act) held in the company will be taxable at the rate of 10% (plus applicable surcharge and education cess). The benefits of indexation of cost and of foreign currency fluctuations are not available to FPIs.

2. As per section 196D(2) of the Act, no deduction of tax at source will be made in respect of income by way of capital gain arising from the transfer of securities referred to in section 115AD.

3. Finance Bill 2015 proposes that income from transactions in securities (other than short-term capital gains arising on transactions on which securities transaction tax is not chargeable) arising to a Foreign Institutional Investor, shall be excluded from the computation of Book Profit liable to MAT and the book profit shall be increased by the amount of expenditure corresponding to such income.

General tax benefits

1. As per section 10(34) of the Act, any income by way of dividends referred to in section 115-O of the Act received on the shares of the Company is exempt from tax.

2. Issuance of rights to subscribe for shares is not subject to tax in the hands of the FPIs provided there is no disproportionate or non-uniform allotment.

3. As per Section 2(14) of the Act, any security held by a FPI who has invested in such securities in accordance with the regulations made under Securities & Exchange Board of India Act, 1992 would be treated as a capital asset only so that any income arising from transfer of such security by a foreign portfolio investor (“FPI”) would be treated in the nature of capital gains.

4. As per section 10(38) of the Act, LTCG arising from the transfer of long term capital asset being an equity share of the Company, where such transaction is chargeable to STT will be exempt to tax in the hands of the FPIs.

5. Under section 54EC of the Act and subject to the conditions and to the extent specified therein, LTCG (in case not covered under section 10(38) of the Act) arising on the transfer of a Long Term Capital Asset would be exempt from tax if such capital gain is invested within 6 months from the date of such transfer in a “long term specified asset”.

   A “long term specified asset” means any bond, redeemable after three years and issued on or after 1st day of April 2007 by the:

   a. National Highways Authority of India constituted under section 3 of The National Highways Authority of India Act, 1988;

   b. Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.

   The total deduction with respect to investment in the long term specified assets is restricted to Rs.50 lakhs whether invested during the financial year in which the asset is transferred and in the subsequent year.

   Where the “long term specified asset” are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer / conversion

6. As per section 70 read with section 74 of the Act, Short Term Capital Loss computed for the given year is allowed to be set off against STCG as well as LTCG computed for the said year. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years for being set off against subsequent years' STCG as well as LTCG.

   However, the long term capital loss computed for a given year is allowed to be set off only against the LTCG. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years for being set off only against subsequent years' LTCG.

7. The tax rates and consequent taxation mentioned above will be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the FPI is considered as resident in terms of such Tax Treaty. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the FPI.

8. As per section 90(4) of the Act, the FPIs shall not be entitled to claim relief under section 90(2) of the Act, unless a certificate of their being a resident in any country outside India, is obtained by them from the government of that country or any specified territory. As per section 90(5) of the Act, the FPIs shall be required to provide such other information, as has been notified.

VI. Benefits available to venture capital companies/ funds

1. Under section 10(23FB) of the Act, any income of Venture Capital Company registered with SEBI or Venture Capital Fund registered under the provision of the Registration Act, 1908 (set up to raise funds for investment in venture capital undertaking notified in this behalf), would be exempt from income tax, subject to conditions specified therein.

   Venture capital companies / funds are defined to include only those companies / funds which have been granted a certificate of registration, before the 21st day of May, 2012 as a Venture Capital Fund. 'Venture capital undertaking' means a venture capital undertaking as defined in clause (n) of regulation 2 of the Venture Capital Funds Regulations.

   As per section 115U of the Act, any income accruing/arising/received by a person from his investment in Venture Capital Company/Venture Capital Fund would be taxable in the hands of the person making an investment in the same manner as if it were the income accruing/arising/received by such person had the investments been made directly in the venture capital undertaking.

   Further, as per section 115U(5) of the Act, the income accruing or arising to or received by the venture capital company/funds from investments made in a venture capital undertaking if not paid or credited to a person (who has investments in a Venture Capital Company /Fund) shall be deemed to have been credited to the account of the said person on the last day of the tax year in the same proportion in which such person would have been entitled to receive the income had it been paid in the tax year.

2. The Finance Bill 2015 proposes a new section (section 115UB of the Act) to exempt any income of an "Investment Fund", other than the income chargeable under the head "Profit and gains of business or profession". Correspondingly, the income accrued or received by a unit holder is proposed to be taxable in their hands. Income from investments paid/ credited by fund will be deemed to be of same nature and proportion in the hands of Unit Holder as such income is received by/or accrued to Investment Fund. Income from profits and gains of business will be taxable in the hands of such Investment Fund.

   Income (other than business income) accrued or paid by the Investment Fund to a Unit Holder shall be subject to deduction of tax at source at 10% as per the proposed provisions of Chapter XVII-B of the Act

   "Investment fund" means any fund established or incorporated in India in the form of a trust or a company or a limited liability partnership or a body corporate which has been granted a certificate of registration as a Category I or a Category II AIF and is regulated under AIF Regulations.

VII. Special tax benefits available to Mutual Funds

As per section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made thereunder, Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorised by the Reserve Bank of India will be exempt from income tax, subject to such conditions as the Central Government may, by notification in the Official Gazette, specify in this behalf.

2. Benefits available under the Wealth Tax Act, 1957

The Finance Bill 2015 proposes to abolish Wealth Tax Act, 1957 with effect from assessment year 2016-17. However, information relating to assets which is currently required to be furnished in the wealth-tax return will be captured by modifying the income-tax return form.

3. Benefits available under the Gift Tax Act, 1958

Gift tax is not leviable in respect of any gift made on or after 1 October 1998. Therefore any gift of share of a company will not attract gift tax.

STATEMENT OF POSSIBLE INDIAN TAX CONSEQUENCES FOR INVESTORS IN ADS AND EQUITY SHARES RECEIVED UPON REDEMPTION OF ADS

Indian Taxation of the ADSs

The following is a summary of the principal Indian tax consequences for non-resident investors of the ADSs and the equity shares received upon redemption of ADSs for equity shares "redemption"). The summary is based on the provisions of Section 115AC and other applicable provisions of the Income Tax Act, 1961 ("Indian Income Tax Act") (Section 115AC Regime). The Indian Income Tax Act is amended every year by the Finance Act of the relevant year. Some or all of the tax consequences of the Section 115AC regime may be modified or amended by future amendments to the Income Tax Act. Further, it only addresses the tax consequences for persons who are non-residents, as defined in the Indian Income Tax Act, who acquire ADSs or equity shares (upon redemption) and who hold such ADSs or equity shares (upon redemption) as capital assets, and does not address the tax consequences which may be relevant to other classes of non-resident investors, including dealers. The summary assumes that the person continues to remain a non-resident when income by way of dividends and capital gains is earned.

In the event there is any double taxation avoidance agreement between India and other country, then to the extent the provisions of the Double taxation avoidance agreement are more favorable to the investor, the provisions of the Double taxation avoidance agreement would prevail over the Income tax Act. However, the Finance Act, 2012 has introduced provisions relating to General Anti Avoidance Rules (GAAR) under which certain arrangements could be declared to be an impermissible avoidance arrangement. The consequences of such arrangements include denial of a tax benefit or a benefit under a tax treaty. The Finance Bill, 2015 proposes to make the GAAR provisions applicable from fiscal year 2017. The Finance Minister in his speech has indicated that the investments made up to 31 March 2017 will not be subject to GAAR.

This summary is not intended to constitute a complete analysis of the tax consequences under Indian law of the acquisition, ownership and sale of the ADSs (or equity shares upon redemption) by non-resident investors. Investors should therefore consult their tax advisors about the tax consequences of such acquisition, ownership and sale including, specifically, tax consequences under Indian law, the laws of the jurisdiction of their residence, any tax treaty between Indian and their country of residence or the United States, the country of residence of the overseas depositary bank (Depositary), as applicable and, in particular, the applicable provisions of the Indian Income Tax Act and the Section 115AC regime.

Taxation of Distributions

Indian companies distributing dividends are subject to a dividend distribution tax. With effect from October 1, 2014, the rate of the dividend distribution tax is set at 20% (approximately) (inclusive of applicable surcharge and cess) on the amount of dividend paid out. Dividends are not taxable in the hands of the recipient. Accordingly, dividends distributed to the Depositary in respect of the equity shares underlying the ADSs and to ADS holders in respect of the ADSs and dividends distributed to the holders of the equity shares following redemption of the ADSs would not be taxable.

Taxation of Capital Gains in Relation to ADSs

The taxation of capital gains in the hands of the non-resident investor at the time of transfer of ADSs and upon redemption of ADSs into equity shares is set forth below.

Transfer of ADSs between non-residents

The transfer of ADSs by a non-resident to another non-resident outside India is not considered as "transfer" under section 47(viia) of the Indian Income Tax Act, and is, therefore, not liable to capital gains tax in India.

Taxation on Redemption of ADSs

In the absence of specific exemption in the Indian Income Tax Act, the receipt of equity shares by a non-resident upon redemption of ADSs could constitute a taxable event for Indian income tax purposes.

Sale of Equity Shares Received Upon Redemption of A DSs

When a non-resident sells equity shares received upon redemption of ADSs, which shares have been held for more than 12 months (measured from the date of advice of redemption of ADSs by the depository in the case of non-resident sellers), on a recognized stock exchange, and also pays securities transaction tax (STT) in respect of such sale, then the gains realized are considered long-term capital gains. Such gains are exempt from tax under section 10(38) of the Indian Income Tax Act. If, on the other hand, a non-resident sells equity shares received upon redemption of ADS, which shares have been held for less than 12 months (measured from the date of advice of redemption of ADSs by the depository in the case of non-resident sellers), on a recognized stock exchange and pays STT in respect of such sale, then the gains realized are considered short-term capital gains. Such gains are taxable at the rate of 15 percent, plus the applicable surcharge and education cess, under section 111A(1)(b)(i) of the Indian Income Tax Act.

In respect of a sale and purchase of equity shares entered into on a recognized stock exchange, both the buyer and the seller are required to pay STT at the rate of 0.1% of the transaction value of the securities, if the transaction is a delivery based transaction, which means that the transaction involves actual delivery or transfer of shares.

There is no specific provision in the Indian Income Tax Act dealing with the determination of cost of acquisition of equity shares received on redemption of ADS. Investors can consider relying on Article 7(3) of the erstwhile Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depositary Receipt Mechanism) Scheme, 1993 which states that for the purpose of computing capital gains tax on the sale of the equity shares, the cost of acquisition of equity shares received in exchange for ADSs will be determined on the basis of the prevailing price of the equity shares on the BSE or the NSE as of the date on which the depositary gives notice to its custodian for the delivery of such equity shares upon redemption of the ADSs.

A non-resident holder's holding period (for the purpose of determining the applicable Indian capital gains tax rate) in respect of equity shares received in exchange for ADSs commences on the date of the advice of redemption of ADSs by the relevant Depositary.

The provision of the Agreement for Avoidance of Double Taxation entered into by the Government of India with the country of residence of the non-resident investor will be applicable to the extent they are more beneficial to the non-resident investor. The India-U.S. income tax treaty does not limit India's ability to tax capital gains.

Rights

Issuance to non-resident holders of rights to subscribe for equity shares made with respect to ADSs or equity shares are not subject to tax in the hands of the non-resident holder.

It is unclear as to whether capital gain derived from the sale of rights by a non-resident holder, not entitled to exemption under a tax treaty, to another non-resident holder outside India will be subject to Indian capital gains tax. If rights are deemed by the Indian tax authorities to be situated within India, considering situs is in India, the gains realized on the sale of rights will be subject to Indian taxation. These rights would generally be in the nature of short-term capital assets.

Tax Deduction at Source

Tax on long-term and short-term capital gains, if payable as discussed above upon a sale of equity shares, is to be deducted at source by the person responsible for paying the non-resident, in accordance with the relevant provisions of the India Income Tax Act, and the non-resident will be entitled to a certificate evidencing such tax deduction in accordance with the provisions of section 203 of the Indian Income Tax Act.

Capital Losses

Neither section 115AC nor the Depositary Receipts Scheme, 2014, deals with capital losses arising on a transfer of equity shares in India. In general terms, losses arising from a transfer of a capital asset in India can only be set off against capital gains on transfer of another capital asset. Furthermore, a long-term capital loss can be set off only against a long-term capital gain. To the extent that losses are not absorbed in the year of transfer, they may be carried forward for a period of eight assessment years immediately succeeding the assessment year for which the loss was first determined and may be set off against the capital gains assessable for such subsequent assessment years. In order to set off capital losses as above, the non-resident investor would be required to file appropriate and timely tax returns in India and may undergo the assessment procedures. However, long-term capital loss on sale of equity shares being chargeable to STT will not be allowed to be set-off or carried forward for set-off against any capital gains.

Other Taxes

At present, there is no wealth tax, gift tax or inheritance tax which may apply to the ADSs or the underlying shares.

NOTES:

1. The above benefits are as per the current tax law as proposed by the Finance Bill, 2015 (the “FB”). The FB is subject to approval by both houses of the Parliament and will become law once accented to by the President of India.

2. This statement does not discuss any tax consequences in the country outside India of an investment in the shares. The shareholders / investors in the country outside India are advised to consult their own professional advisors regarding possible Income tax consequences that apply to them.

3. As per the FB, surcharge is to be levied on individuals, HUF, AOP, body of individuals, artificial juridical person, co-operative society, local authorities (residents as well as non-residents) at the rate of 12% if the total income exceeds Rs. 1 Crore.

4. As per the FB, surcharge is to be levied on domestic companies at the rate of 7% where the income exceeds Rs 1 crore but does not exceed Rs. 10 crores and at the rate of 12% where the income exceeds Rs. 10 crores.

5. As per the FB, surcharge is to be levied on every company other than domestic company at the rate of 2% where the income exceeds Rs. 1 crore but does not exceed Rs. 10 crores and at the rate of 5% where the income exceeds Rs. 10 crores.

6. A 2% education cess and 1% secondary and higher education cess on the total income is payable by all categories of taxpayers.

7. The above statement of possible direct tax benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of Shares.

8. In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the DTAA, if any, between India and the country in which the non-resident has fiscal domicile.

9. This statement is intended only to provide general information to the investors and is neither designed nor intended to be substituted for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her participation in the scheme.

10. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

11. This statement of possible direct tax benefits enumerated above is as per the Act as proposed to be amended

by the proposals in the FB.

Above are the possible tax benefits available to the shareholders under the current tax laws in India. Several of these benefits are dependent on the shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the shareholders to derive the tax benefits is dependent upon fulfilling such conditions. The benefits discussed above are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

SECTION IV: ABOUT OUR COMPANY

OUR MANAGEMENT

Board of Directors

Our Company's Articles of Association provides that the minimum number of Directors shall be three. As of the date of this Letter of Offer, our Company has ten directors, of which two Directors are Executive Directors and six Directors are Independent Directors. Pursuant to the provisions of the Companies Act, 2013 at least two-thirds of the total number of Directors excluding the Independent Directors are liable to retire by rotation, with one-third of such number retiring at each annual general meeting. A retiring director is eligible for re-election. Further, the Independent Directors may be appointed for a maximum of two terms of up to five consecutive years each. Any re-appointment of Independent Directors shall, *inter alia*, be on the basis of the performance evaluation report and approved by the shareholders by way of a special resolution. The quorum for meetings of our Board is one-third of the total number of Directors, or two Directors, whichever is higher, unless otherwise fixed by the Directors.

The following table sets forth details regarding our Board as of the date of filing this Letter of Offer:

Name, Designation, Term, DIN, Occupation, and Business address	Age (in years)	Other Directorships
Cyrus P Mistry ***Designation***: Non-Executive Chairman ***Term:*** Not liable to retire by rotation ***DIN:*** 00010178 ***Occupation:*** Company Director ***Business address***: Bombay House, 24 Homi Mody Street, Mumbai 400 001	46	***Other Directorships*** (1) Cyrus Investments Private Limited (2) Jaguar Land Rover Automotive Plc (3) Sterling Investment Corporation Private Limited (4) Tata AG, Zug (5) Tata America International Corporation (6) Tata Chemicals Limited (7) Tata Consultancy Services Limited (8) Tata Enterprises (Overseas) AG, Zug (9) Tata Global Beverages Limited (10) Tata Industries Limited (11) Tata International AG, Zug (12) Tata Limited (13) Tata Sons Limited (14) Tata Steel Limited (15) The Tata Power Company Limited (16) Tata Teleservices Limited (17) The Indian Hotels Company Limited (18) Sterling Investment Corporation Private Limited
Nusli N Wadia	71	***Other Directorships***

Name, Designation, Term, DIN, Occupation, and Business address	Age (in years)	Other Directorships
Designation: Non-Executive Independent Director ***Term***: Appointed as an Independent Director with effect from July 31, 2014 up to February 14, 2019 ***DIN***: 00015731 ***Occupation***: Business ***Business address***: The Wadia Group, C-1, Wadia International Centre (Bombay Dyeing), Pandurang Budhkar Marg, Worli, Mumbai 400 025		(1) The Bombay Dyeing & Manufacturing Company Limited (2) Wadia Techno-Engineering Services Limited (3) Tata Steel Limited (4) The Bombay Burmah Trading Corporation Limited (5) Tata Chemicals Limited (6) Britannia Industries Limited (7) Go Airlines (India) Limited (8) Go Investments & Trading Private Limited (9) Leila Lands SDN Bhd (Malaysia) (10) Strategic Food International Company LLC, Dubai, U.A.E. (11) Strategic Brand Holdings Co. Ltd., UAE (12) Al Sallan Food Industries Co. SAOG, Oman (13) Al Fayafi General Trading Co. LLC, UAE (14) Britannia and Associates (Dubai) Private Limited
Dr. Raghunath A Mashelkar ***Designation***: Non-Executive Independent Director ***Term***: Appointed as an Independent Director with effect from July 31, 2014 up to December 31, 2017 ***DIN***: 00074119 ***Occupation***: Professional ***Business address***: "Raghunath", D-4, Varsha Park, Baner, Pune 411 045	72	***Other Directorships*** (1) Reliance Industries Limited (2) Thermax Limited (3) KPIT Technologies Limited (4) Sakal Papers Private Limited (5) Piramal Enterprises Limited (6) Vyome Bioscience Private Limited (7) Invictus Oncology Private Limited (8) Reliance GeneMedix Plc., Ireland (9) International Longevity Centre- India (10) Gharda Scientific Reasearch Foundation (11) Gharda Medical & Advanced Technologies Foundation
Nasser Munjee	62	***Other Directorships***

Name, Designation, Term, DIN, Occupation, and Business address	Age (in years)	Other Directorships
Designation: Non-Executive Independent Director ***Term:*** Appointed as an Independent Director with effect from July 31, 2014 up to July 30, 2019 ***DIN:*** 00010180 ***Occupation:*** Professional ***Business address***: Development Credit Bank Limited, Peninsula Business Park, Tower 'A' 6th Floor, Senapati Bapat Marg, Lower Parel, Mumbai 400 013		(1) ABB India Limited (2) Ambuja Cements Limited (3) Britannia Industries Limited (4) Cummins India Limited (5) DCB Bank Limited (6) HDFC Limited (7) Go Airlines (India) Limited (8) Tata Chemicals Limited (9) Tata Motors Finance Limited (10) Tata Chemicals North America Inc, USA (11) Jaguar Land Rover Automotive plc (12) Aarusha Homes Private Limited (13) Aga Khan Rural Support Programme (India) (14) Indian Institute for Human Settlements
Subodh Bhargava ***Designation***: Non-Executive Independent Director ***Term:*** Appointed as an Independent Director with effect from July 31, 2014 up to March 29, 2017 ***DIN:*** 00035672 ***Occupation:*** Professional ***Business address***: Tata Communications Limited, 4th Floor, VSB Bangla Sahib Road, New Delhi 110 001	72	***Other Directorships*** (1) Tata Communications Limited (2) Tata Steel Limited (3) TRF Limited (4) GlaxoSmithKline Consumer Healthcare Limited (5) Batliboi Limited (6) Larsen & Toubro Limited (7) Tata Communications International Pte Ltd. (8) Tata Communications Services (International) Pte Ltd. (9) SunBorne Energy Holdings LLC
Vinesh K Jairath ***Designation***: Non-Executive Independent Director ***Term:*** Appointed as an Independent Director with effect from July 31, 2014 up to July 30, 2019 ***DIN:*** 00391684	56	***Other Directorships*** (1) Indiabulls Real Estate Limited

Name, Designation, Term, DIN, Occupation, and Business address	Age (in years)	Other Directorships
Occupation: Professional ***Business address***: 194-B, Kalpataru Horizon, S.K. Ahire Marg, Off Annie Besant Road, Worli, Mumbai 400 018		
Dr. Ralf Speth ***Designation***: Non-Executive Director and Non-Independent Director ***Term***: Liable to retire by rotation ***DIN***: 03318908 ***Occupation***: Chief Executive Officer ***Business address***: Jaguar Land Rover, Abbey Road, Whitley, Coventry, CV3 4LF, United Kingdom	59	***Other Directorships*** (1) Jaguar Land Rover Automotive PLC (2) Jaguar Land Rover Limited (3) Jaguar Land Rover Holding Limited (4) Spark44 (JV) Limited (5) ACEA-Belgium and Brussels (6) Bladon Jets (7) Confederation of British Industry (CBI) (8) Sun Catalytix Corporation (9) JLR Nominee Company Limited (10) Jaguar Land Rover Exports Limited
Falguni S Nayar ***Designation***: Non-Executive Independent Director ***Term***: Appointed as an Independent Director with effect from July 31, 2014 upto July 30, 2019 ***DIN***: 00003633 ***Occupation***: Professional ***Business address***: FSN E-Commerce Ventures Pvt. Ltd., 104, Vasan Udyog Bhavan, Sun Mill Compound, Tulsi Pipe Road, Lower Parel (West), Mumbai 400 013	52	***Other Directorships*** (1) Dabur India Limited (2) ACC Limited (3) FSN Ecommerce Ventures Private Limited (4) Heritage View Developers Private Limited (5) Valleyview Probuild Private Limited (6) Sea View Probuild Private Limited
Ravindra Pisharody ***Designation***: Executive Director (Commercial Vehicles) ***Term***: Appointed for a period of five years with effect from June 21, 2012, liable to retire by rotation ***DIN***: 01875848 ***Occupation***: Service	59	***Other Directorships*** (1) Tata Marcopolo Motors Limited (2) Tata Cummins Private Limited (3) Tata International Limited (4) Tata Motors Finance Limited (5) Automobile Corporation of Goa Limited (6) Tata Hispano Motors Carrocera SA

Name, Designation, Term, DIN, Occupation, and Business address	Age (in years)	Other Directorships
Business address: Bombay House, 24 Homi Mody Street, Mumbai 400 001		(7) Tata Hispano Motors Carrocerries Maghreb SA (8) Tata International Singapore Pte Limited (9) Nita Company Limited (10) Tata Motors (SA) (Pty) Limited (11) Tata Daewoo Commercial Company Limited (12) Tata Motors (Thailand) Limited
Satish B Borwankar ***Designation***: Executive Director (Quality) ***Term:*** Appointed for a period of five years with effect from June 21, 2012, liable to retire by rotation ***DIN:*** 01793948 ***Occupation:*** Service ***Business address***: Tata Motors Limited, Pune Works, Pimpri, Pune 411 018	62	***Other Directorships*** (1) Tata Cummins Private Limited (2) TML Drivelines Limited (3) Tata Marcopolo Motors Limited (4) Jaguar Land Rover India Limited (5) TAL Manufacturing Solutions Limited (6) Tata Motors (Thailand) Limited (7) Tata Daewoo Commercial Vehicle Company Limited

Relationship between the Directors

None of our Directors are related to each other.

Brief Biographies

Cyrus P. Mistry is the Chairman and Nominee Director of our Company. He holds a bachelor's degree in Civil Engineering from Imperial College London and Masters in Science degree in Management from London Business School. He was bestowed with the Alumni Achievement Award by the London Business School. He was previously the Managing Director of Shapoorji Pallonji group and was responsible for building the infrastructure development division in the Shapoorji Pallonji group. He has experience in the field of real estate construction and investment industries. He was appointed as a Director with effect from May 29, 2012 and as Deputy Chairman of our Company with effect from November 7, 2012. He took over as Chairman as our Company with effect from December 28, 2012. He was appointed as a nominee Director of Tata Steel Limited with effect from May 29, 2013.

Nusli N Wadia is an Independent Director of our Company. He was educated in the UK and 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 organizations. He was appointed as an Independent Director of our Company with effect from December 22, 1998.

Dr. Raghunath A Mashelkar is an Independent Director of our Company. He holds a Doctor of Philosophy in Chemical Engineering from the Bombay University. He is an eminent chemical engineering scientist and retired from the post of Director General from the CSIR. He is also the President of Indian National Science Academy, National Innovation Foundation, Institution of Chemical Engineers, UK and Global Research Alliance. The President of India honoured Dr. Mashelkar with the Padmashri in 1991, the Padmabhushan in 2000 and the

Padma Vibhushan in 2014. He was appointed as an Independent Director of our Company with effect from August 28, 2007.

Nasser Munjee is an Independent Director of our Company. He holds a Bachelor's degree and a Master's degree from the London School of Economics, UK. He has served with HDFC for over 20 years at various positions including as its Executive Director. He was the Managing Director of Infrastructure Development Finance Company Limited up to March 2004. He has been the Chairman of Development Credit Bank since June, 2005 and is also on the board of directors of various multinational companies and trusts. He is a Technical Advisor on the World Bank-Public Private Partnership Infrastructure and Advisory Fund. He was appointed as an Independent Director of our Company with effect from June 27, 2008.

Subodh Bhargava is an Independent Director of our Company. He holds a degree in Mechanical Engineering from the University of Roorkee. He retired from Eicher Group of Companies as Group Chairman and Chief Executive in March 2000. He was previously the President of the Confederation of Indian Industry 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. He was appointed as an Independent Director of our Company with effect from June 27, 2008.

Vinesh K Jairath is an Independent Director of our Company. He holds a Bachelor of Arts Degree in Public Administration and 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 has served as the Principal Secretary (Industries) of the Government of Maharashtra and has over 25 years of experience in public administration, rural development, poverty alleviation, infrastructure, finance, industry, urban development and environmental management occupying various important positions in the Government of India and the State Government of Maharashtra. He was appointed as an Independent Director of our Company with effect from March 31, 2009.

Dr. Ralf Speth is a Non-Executive Director of our Company. He holds a degree in Engineering from Rosenheim University, Germany and holds a Doctorate of Engineering in Mechanical Engineering and Business Administration from Warwick University. He was appointed to the post of Chief Executive Officer at Jaguar Land Rover on February 18, 2010. He is on the Board of Directors of Jaguar Land Rover Automobile PLC, UK. Having served BMW for 20 years, he joined Ford Motor Company's Premier Automotive Group as Director of Production, Quality and Product Planning. He was appointed as a Non-Executive Director of our Company with effect from November 10, 2010.

Falguni S Nayar is an Independent Director of our Company. She holds a bachelor's degree in Commerce from the Mumbai University and a post graduate diploma in Management from Indian Institute of Management, Ahmedabad. She has spent over 19 years with Kotak Mahindra Bank with the last six years as Managing Director and Chief Executive Officer of Kotak Investment Bank. She is currently the founder and Chief Executive Officer 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 was appointed as an Independent Director of our Company with effect from May 29, 2013.

Ravindra Pisharody is the Executive Director (Commercial Vehicles) of our Company. He is an alumnus of Indian Institute of Technology, Kharagpur and Indian Institute of Management, Kolkata. He 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 our Company, he worked with Castrol Limited, a subsidiary of BP Plc, and with Philips India, a subsidiary of the Dutch company in various roles. He was appointed as the Executive Director (Commercial Vehicles) of our Company with effect from June 21, 2012.

Satish B Borwankar is the Executive Director (Quality) of our Company. He holds a bachelor's degree in Mechanical Engineering from Indian Institute of Technology, Kanpur. He started his career with Tata Motors in 1974, as a graduate engineer trainee. He has worked in various executive positions, for overseeing and implementing product development, manufacturing operations and quality control initiatives of the commercial vehicles business unit. He has played a significant role in setting up greenfield projects of our Company. He was appointed as the Executive Director (Quality) with effect from June 21, 2012.

Confirmations

None of the Directors is or was a director of any listed company during the last five years preceding the date of filing of this Letter of Offer, whose shares have been or were suspended from being traded on the BSE or the NSE, during the term of their directorship in such company.

None of the Directors is or was a director of any listed company which has been or was delisted from any recognised stock exchange in India during the term of their directorship in such company:

Terms of appointment of the Executive Directors

Ravindra Pisharody

Ravindra Pisharody was appointed as the Executive Director (Commercial Vehicles) of our Company pursuant to resolution passed by the Board of our Company on June 21, 2012 and the resolution passed by the Shareholders of our Company on August 10, 2012 for a period of five years with effect from June 21, 2012. A service agreement dated September 18, 2012 had been entered into to govern the terms of his appointment. Pursuant to the resolution passed by the shareholders of our Company on January 19, 2015, Ravindra Pisharody is entitled to a remuneration of ₹ 520,000 per month up to a maximum of ₹ 700,000 per month in case of inadequacy of profits in the Fiscal 2015 and Fiscal 2016. The annual increments are effective April 1 each year and will be decided by the Board of our Company based on the recommendation of the Nomination and Remuneration Committee in consonance with individual performance and performance of our Company within the aforementioned maximum basic salary limit. The annual increment that would be effective on April 1, 2015, would be limited to an amount not exceeding 20% of the basic salary as may be decided by the Board. Further, he is entitled to incentive remuneration not exceeding 200% of basic salary to be paid at the discretion of the Board, based on certain performance criteria and other parameters as specified from time to time. Pursuant to the resolution passed on January 19, 2015 by the shareholders of our Company, Ravindra Pisharody is also entitled to the following, in case of inadequacy of profits in the Fiscal 2015 and Fiscal 2016:

Particulars	Remuneration
Accommodation	(i). Rent – free residential accommodation (furnished or otherwise) and our Company shall bear the cost of repairs, maintenance, society charges and utilities for the said accommodation; or (ii). House rent and maintenance allowance aggregating to 85% of the basic salary per annum
Hospitalisation, transport, telecommunication and other facilities	(i). Hospitalisation and major medical expenses incurred as per the rules of our Company (this includes mediclaim insurance premium. (ii). Car facility as per rules of our Company (iii). Telecommunication facility as per rules of our Company (iv). Housing loan facility as per the rules of our Company
Other perquisites and allowances	These perquisites and allowances are subject to a maximum of 55% of the basic salary per annum: (i). Medical allowance (ii). Leave travel concession / allowance (iii). Other Allowances (iv). Personal Accident Insurance Premium (v). Annual club membership fees

Particulars	Remuneration
Contribution	Contribution to provident fund, superannuation fund or annuity fund and gratuity fund as per the rules of our Company
Leave	Leave and encashment of unavailed leave as per rules of our Company.

The aforesaid agreement does not provide any termination benefits to Ravindra Pisharody.

Satish B Borwankar

Satish B Borwankar was appointed as the Executive Director (Quality) of our Company pursuant to resolution passed by the Board of our Company on June 21, 2012 and the resolution passed by the Shareholders of our Company on August 10, 2012 for a period of five years with effect from June 21, 2012. A service agreement dated September 18, 2012 was entered into to govern the terms of his appointment. Pursuant to a resolution passed by the shareholders of our Company on January 19, 2015, Satish B Borwankar is entitled to a remuneration of ₹ 410,000 per month up to a maximum of ₹ 700,000 per month, in case of inadequacy of profits in the Fiscal 2015 and Fiscal 2016. The annual increments are effective April 1 each year and will be decided by the Board of our Company based on the recommendation of the Nomination and Remuneration Committee in consonance with individual performance and performance of our Company within the aforementioned maximum basic salary limit. The annual increment that would be effective on April 1, 2015, would be limited to an amount not exceeding 20% of the basic salary as may be decided by the Board. Further, he is entitled to incentive remuneration not exceeding 200% of basic salary to be paid at the discretion of the Board annually, based on certain performance criteria and other parameters as specified from time to time. Pursuant to the resolution passed on January 19, 2015 by the shareholders of our Company, Satish B Borwankar is also entitled to the following, in case of inadequacy of profits in the Fiscal 2015 and Fiscal 2016:

Particulars	Remuneration
Accommodation	(i). Rent – free residential accommodation (furnished or otherwise) and our Company shall bear the cost of repairs, maintenance, society charges and utilities for the said accommodation; or (ii). House rent and maintenance allowance aggregating to 85% of the basic salary per annum
Hospitalisation, transport, telecommunication and other facilities	(i). Hospitalisation and major medical expenses incurred as per rules of our Company (this includes mediclaim insurance premium) (ii). Car facility as per rules of our Company (iii). Telecommunication facility as per rules of our Company (iv). Housing loan facility as per the rules of our Company
Other perquisites and allowances	These perquisites and allowances are subject to a maximum of 55% of the basic salary per annum: (i). Medical allowance (ii). Leave travel concession / allowance (iii). Other Allowances (iv). Personal Accident Insurance Premium (v). Annual club membership fees
Contribution	Contribution to provident fund, superannuation fund or annuity fund and gratuity fund as per the rules of

Particulars	Remuneration
	our Company
Leave	Leave and encashment of unavailed leave as per rules of our Company.

The aforesaid agreement does not provide any termination benefits to Satish B Borwankar.

Other than specified above, there are no other service contracts entered into with the Directors by our Company providing for benefits upon termination of employment.

Arrangement or understanding with major shareholders, customers, suppliers or others

As of the date of this Letter of Offer, other than Cyrus P. Mistry, who was appointed as a nominee Director of Tata Steel Limited, there are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which our Company has appointed a director or a member of the senior management.

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

TATA MOTORS LIMITED

CONDENSED BALANCE SHEET

(₹ in crores)

		Note	Page	As at December 31, 2014		As at March 31, 2014
I.	**EQUITY AND LIABILITIES**					
1.	**Shareholders' Funds**					
	(a) Share capital	2	6	**643.78**		643.78
	(b) Reserves and surplus	3	7	**15,145.52**		18,532.87
					15,789.30	19,176.65
2.	**Non-current Liabilities**					
	(a) Long-term borrowings	4	8	**13,317.26**		9,746.45
	(b) Deferred tax liabilities (net)			**-**		43.11
	(c) Other long- term liabilities	7	9	**1,125.90**		1,155.48
	(d) Long-term provisions	9	10	**1,884.62**		815.20
					16,327.78	11,760.24
3.	**Current Liabilities**					
	(a) Short-term borrowings	5	8	**6,910.85**		4,769.08
	(b) Trade payables	11	11	**8,478.82**		9,672.36
	(c) Other current liabilities	8	10	**3,108.07**		2,463.18
	(d) Short-term provisions	10	11	**1,253.62**		1,892.91
					19,751.36	18,797.53
	TOTAL				**51,868.44**	49,734.42
II.	**ASSETS**					
1.	**Non-current Assets**					
	(a) Fixed assets					
	(i) Tangible assets	12	12	**12,289.29**		12,133.50
	(ii) Intangible assets	13	12	**3,732.88**		3,107.07
	(iii) Capital work-in-progress			**1,304.30**		1,716.85
	(iv) Intangible assets under development			**4,570.28**		4,638.22
				21,896.75		21,595.64
	(b) Non-current investments	14	13	**16,962.70**		18,357.57
	(c) Long-term loans and advances	16	16	**2,407.76**		2,918.30
	(d) Other non-current assets	18	17	**160.89**		123.85
					41,428.10	42,995.36
2.	**Current Assets**					
	(a) Current investments	15	15	**622.87**		100.85
	(b) Inventories	20	18	**4,830.96**		3,862.53
	(c) Trade receivables	21	18	**1,523.99**		1,216.70
	(d) Cash and bank balances	22	18	**1,773.89**		226.15
	(e) Short-term loans and advances	17	16	**1,570.13**		1,223.77
	(f) Other current assets	19	17	**118.50**		109.06
					10,440.34	6,739.06
	TOTAL				**51,868.44**	49,734.42

III. NOTES FORMING PART OF CONDENSED FINANCIAL STATEMENTS

In terms of our report attached
For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

B P SHROFF
Partner

For and on behalf of the Board

R PISHARODY
Executive Director

S B BORWANKAR
Executive Director

C RAMAKRISHNAN
Chief Financial Officer

H K SETHNA
Company Secretary

Mumbai, February 5, 2015

Mumbai, February 5, 2015

TATA MOTORS LIMITED

CONDENSED STATEMENT OF PROFIT AND LOSS

(₹ in crores)

		Note	Page	For Three months ended December 31, 2014	For Three months ended December 31, 2013	For Nine months ended December 31, 2014	For Nine months ended December 31, 2013
I.	**REVENUE FROM OPERATIONS**	23 (1)	19	**9,794.43**	8,556.54	**27,611.75**	28,403.26
	Less : Excise duty			**(738.35)**	(786.87)	**(2,101.29)**	(2,660.64)
				9,056.08	7,769.67	**25,510.46**	25,742.62
II.	**OTHER INCOME**	23 (2)	19	**58.44**	1,988.05	**1,798.34**	3,684.79
III.	**TOTAL REVENUE (I + II)**			**9,114.52**	9,757.72	**27,308.80**	29,427.41
IV.	**EXPENSES :**						
	(a) Cost of materials consumed			**5,523.45**	4,514.52	**15,925.82**	15,474.67
	(b) Purchase of products for sale			**1,499.31**	1,032.49	**4,112.50**	3,647.52
	(c) Changes in inventories of finished goods, work-in-progress, and products for sale			**(31.57)**	415.82	**(701.65)**	34.61
	(d) Employee cost/ benefits expense	24	20	**764.71**	720.43	**2,255.26**	2,164.68
	(e) Finance cost	25	20	**418.41**	356.49	**1,103.03**	1,014.96
	(f) Depreciation and amortisation expense			**625.60**	512.18	**1,779.89**	1,531.01
	(g) Product development expense/ Engineering expenses			**97.66**	121.24	**297.18**	318.81
	(h) Other expenses	26	20	**2,341.00**	1,685.01	**5,899.49**	5,150.21
	(i) Expenditure transferred to capital and other accounts			**(266.99)**	(260.76)	**(843.89)**	(775.31)
	TOTAL EXPENSES			**10,971.58**	9,097.42	**29,827.63**	28,561.16
V.	**PROFIT/ (LOSS) BEFORE EXCEPTIONAL ITEMS, EXTRAORDINARY ITEMS AND TAX (III - IV)**			**(1,857.06)**	660.30	**(2,518.83)**	866.25
VI.	**EXCEPTIONAL ITEMS**						
	(a) Exchange loss (net) including on revaluation of foreign currency borrowings, deposits and loans			**247.52**	11.87	**299.34**	246.09
	(b) Provision for loan given and costs associated with closure of operations of a subsidiary			**-**	-	**-**	202.00
	(c) Diminution in the value of investments in a subsidiary			**-**	27.03	**-**	27.03
	(d) Employee separation cost			**-**	-	**0.13**	-
				247.52	**38.90**	**299.47**	**475.12**
VII.	**PROFIT/ (LOSS) BEFORE EXTRAORDINARY ITEMS AND TAX (V - VI)**			**(2,104.58)**	621.40	**(2,818.30)**	391.13
VIII.	Extraordinary Items			**-**	-	**-**	-
IX.	**PROFIT/ (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS (VII - VIII)**			**(2,104.58)**	621.40	**(2,818.30)**	391.13
X.	Tax expense / (credit) (net)	6 (a)	9	**18.14**	(630.00)	**756.40**	(760.00)
XI.	**PROFIT/ (LOSS) AFTER TAX FOR THE PERIOD FROM CONTINUING OPERATIONS (IX - X)**			**(2,122.72)**	1,251.40	**(3,574.70)**	1,151.13
XII.	**EARNINGS PER SHARE**	27	21				
	A. Ordinary Shares (Face value of ₹ 2 per share)						
	a. Basic	₹		**(6.60)**	3.87	**(11.11)**	3.57
	b. Diluted	₹		**(6.60)**	3.87	**(11.11)**	3.57
	B. 'A' Ordinary Shares (Face value of ₹ 2 per share)						
	a. Basic	₹		**(6.60)**	3.97	**(11.11)**	3.67
	b. Diluted	₹		**(6.60)**	3.97	**(11.11)**	3.67

XIII. NOTES FORMING PART OF CONDENSED FINANCIAL STATEMENTS

In terms of our report attached

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

B P SHROFF
Partner

For and on behalf of the Board

R PISHARODY
Executive Director

S B BORWANKAR
Executive Director

C RAMAKRISHNAN
Chief Financial Officer

H K SETHNA
Company Secretary

Mumbai, February 5, 2015

Mumbai, February 5, 2015

TATA MOTORS LIMITED

CONDENSED CASH FLOW STATEMENT FOR NINE MONTHS ENDED DECEMBER 31, 2014

(₹ in crores)

		For Nine months ended December 31, 2014		For Nine months ended December 31, 2013
A.	**Cash flows from Operating Activities**			
	Profit / (Loss) after tax		**(3,574.70)**	1,151.13
	Adjustments for:			
	Depreciation / amortisation	**1,779.89**		1,531.01
	Lease equalisation adjusted in income	**(2.24)**		(3.39)
	(Profit) / Loss on sale of assets (net) (including assets scrapped / written off)	**310.49**		6.34
	Profit on sale of investments (net)	**(47.91)**		(1,980.63)
	Sale of ocuupancy rights	**(36.60)**		-
	Provision for loan given and cost associated with closure of operations of a subsidiary	**-**		202.00
	Provision for investments, loans and inter-corporate deposits (net)	**-**		27.03
	Tax (credit) / expense	**756.40**		(760.00)
	Interest / dividend (net)	**(647.40)**		(689.20)
	Exchange differences (net)	**269.17**		251.87
			2,381.80	(1,414.97)
	Operating Profit/(Loss) before working capital changes		**(1,192.90)**	(263.84)
	Adjustments for:			
	Inventories	**(968.43)**		152.60
	Trade receivables	**(307.29)**		178.09
	Finance receivables	**1.14**		13.70
	Other current and non-current assets	**(411.49)**		22.46
	Trade payables & acceptances	**(1,231.10)**		(1,093.29)
	Other current and non-current liabilities	**(204.40)**		(143.32)
	Provisions	**1,198.38**		220.48
			(1,923.19)	(649.28)
	Cash used in operations		**(3,116.09)**	(913.12)
	Income taxes credit / (paid) (net)		**(25.43)**	(41.42)
	Net cash used in operating activities		**(3,141.52)**	(954.54)
B.	**Cash flows from Investing Activities**			
	Payments for fixed assets		**(2,132.64)**	(1,956.43)
	Proceeds from sale of fixed assets		**9.76**	1.70
	Refund received against loan to associates and subsidiaries		**-**	290.66
	Loans to associates and subsidiaries		**-**	(22.91)
	Advance towards investments in subsidiary companies		**(36.49)**	(206.73)
	Investments in joint venture		**-**	(325.00)
	Investments in subsidiary companies		**(81.85)**	(243.28)
	Investments in associate companies		**(159.00)**	-
	Investments in Mutual Fund sold / (purchased) (net)		**(568.24)**	(1,832.89)
	Sale / redemption of investments in subsidiary companies		**1,803.90**	3,608.48
	Decrease in short term Inter-corporate deposits		**5.00**	-
	Realisation of margin money / cash collateral		**0.08**	-
	Fixed/restricted deposits with scheduled banks made		**(625.19)**	(530.14)
	Fixed/restricted deposits with scheduled banks realised		**124.92**	230.15
	Fixed deposits with Financial Institution made		**(200.00)**	(200.00)
	Interest received		**42.41**	124.71
	Sale of occupancy rights		**7.32**	-
	Dividend received		**1,682.59**	1,583.75
	Net cash (used in) / generated from investing activities		**(127.43)**	522.07

TATA MOTORS LIMITED
CONDENSED CASH FLOW STATEMENT FOR NINE MONTHS ENDED DECEMBER 31, 2014

(₹ in crores)

	For Nine months ended December 31, 2014	For Nine months ended December 31, 2013
C. **Cash flows from Financing Activities**		
Expenses on Foreign Currency Convertible Notes (FCCN) conversion	**-**	(0.35)
Brokerage and other expenses on Non-Convertible Debentures (NCD)	**(32.52)**	(66.11)
Proceeds from issue of shares held in abeyance	**-**	0.09
Repayment of fixed deposits	**(7.15)**	(359.45)
Proceeds from long term borrowings	**7,479.33**	1,629.38
Repayment of long term borrowings	**(3,244.80)**	(330.63)
Proceeds from short term borrowings	**4,715.58**	6,795.55
Repayment of short term borrowings	**(4,641.22)**	(5,392.48)
Net change in other short term borrowings (with maturity up to three months)	**1,998.23**	121.33
Dividend paid	**(648.63)**	(648.56)
Interest paid [including discounting charges paid, ₹**320.63 crores** (December 31, 2013 ₹248.77 crores)]	**(1,291.07)**	(1,287.74)
Net cash from financing activities	**4,327.75**	461.03
Net increase in cash and cash equivalents	**1,058.80**	28.56
Cash and cash equivalents as at April 01, (opening balance)	**198.68**	205.57
Exchange fluctuation on foreign currency bank balances	**(11.24)**	7.26
Cash and cash equivalents as at December 31, (closing balance)	**1,246.24**	241.39
Non-cash transactions :		
Foreign Currency Convertible Notes (FCCN) converted to ordinary shares	**-**	413.34

In terms of our report attached

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

B P SHROFF
Partner

Mumbai, February 5, 2015

For and on behalf of the Board

R PISHARODY
Executive Director

S B BORWANKAR
Executive Director

C RAMAKRISHNAN
Chief Financial Officer

H K SETHNA
Company Secretary

Mumbai, February 5, 2015

NOTES FORMING PART OF CONDENSED FINANCIAL STATEMENTS

1. Basis of Condensed Financial Statements and Significant Accounting Policies

(a) The accounting policies followed in these condensed financial statements are the same as those followed in the audited financial statements of the Company for the year ended March 31, 2014 and should be read in conjunction with the said audited financial statements.

(b) **Basis of preparation**

These condensed financial statements have been prepared in accordance with the requirements of Accounting Standard 25 (AS 25) 'Interim Financial Reporting', as notified under the Companies Act, 1956 (which is deemed to be applicable as per Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014) and other accounting principles generally accepted in India. In the opinion of the management, all adjustments which are necessary for a fair presentation have been included. The results of interim periods are not necessarily indicative of the results that may be expected for any other interim period or for the full year.

(c) **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.

(d) **Taxes on income**

Income tax expense is recognised in each interim period based on the best estimate of the weighted average annual income tax rate expected for the full financial year.

(e) **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 (AS 17) 'Segment Reporting', as notified under the Companies Act, 1956 (which is deemed to be applicable as per Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014) are considered to constitute one single primary segment. Further, there is no reportable secondary segment i.e. Geographical segment.

(f) **Depreciation and amortisation**

In terms of the proviso to clause 3(i) of Part A of Schedule II to the Companies Act, 2013 (the Act), the Company has decided to retain the useful life hitherto adopted for various categories of fixed assets, which are in certain cases, different from those prescribed in Schedule II to the Act. Based on the policy followed by the Company of continuous and periodic assessment, the estimated useful life and residual value adopted so far is appropriate.

(₹ in crores)

2. Share Capital	As at December 31, 2014	As at March 31, 2014
(a) Authorised :		
350,00,00,000 Ordinary shares of ₹ 2 each		
(as at March 31, 2014: 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, 2014: 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, 2014: 30,00,00,000 shares of ₹ 100 each)	**3,000.00**	3,000.00
	3,900.00	3,900.00
(b) Issued :		
273,71,97,592 Ordinary shares of ₹ 2 each		
(as at March 31, 2014: 273,71,97,592 Ordinary shares of ₹ 2 each)	**547.44**	547.44
48,22,06,515 'A' Ordinary shares of ₹ 2 each		
(as at March 31, 2014: 48,22,06,515 'A' Ordinary shares of ₹ 2 each)	**96.44**	96.44
	643.88	643.88
(c) Subscribed and called up :		
273,67,13,122 Ordinary shares of ₹ 2 each		
(as at March 31, 2014: 273,67,13,122 Ordinary shares of ₹ 2 each)	547.34	547.34
48,19,66,945 'A' Ordinary shares of ₹ 2 each		
(as at March 31, 2014: 48,19,66,945 'A' Ordinary shares of ₹ 2 each)	96.40	96.40
	643.74	643.74
(d) Calls unpaid - Ordinary shares	**(0.01)**	(0.01)
(e) Paid-up (c+d)	**643.73**	643.73
(f) Forfeited Shares - Ordinary shares	**0.05**	0.05
Total (e + f)	**643.78**	643.78

(g) Movement of number of shares and share capital :

	December 31, 2014		March 31, 2014		
	No. of Shares	**(₹ in crores)**	No. of Shares	(₹ in crores)	
(i) Ordinary shares					
Shares as on April 1,	**273,67,13,122**	**547.34**	270,81,56,151	541.63	
Add: Shares issued out of held in abeyance	-	-	7,405	-	*
Add: Shares issued through conversion of Foreign Currency Convertible Notes (FCCN)	-	-	2,85,49,566	5.71	
Shares as on December 31 / March 31	**273,67,13,122**	**547.34**	273,67,13,122	547.34	
(ii) 'A' Ordinary shares					
Shares as on April 1	**48,19,66,945**	**96.40**	48,19,59,620	96.40	
Add: Shares issued out of held in abeyance	-	-	7,325	-	*
Shares as on December 31 / March 31	**48,19,66,945**	**96.40**	48,19,66,945	96.40	

* Less than ₹ 50,000/-

The entitlements to 4,84,470 Ordinary shares of ₹ 2 each (as at March 31, 2014: 4,84,470 Ordinary shares of ₹ 2 each) and 2,39,570 'Ä' Ordinary shares of ₹ 2 each (as at March 31, 2014: 2,39,570 'Á' 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.

(₹ in crores)

3. Reserves and surplus

	As at March 31, 2014	Additions	Deductions	As at December 31, 2014
(a) Capital Redemption Reserve	**2.28**	**-**	**-**	**2.28**
	2.28	-	-	2.28
(b) Securities Premium Account [Note (i) and (ii)]	**11,683.09**	**-**	**31.49**	**11,651.60**
	11,328.57	441.93	87.41	11,683.09
(c) Debenture Redemption Reserve	**1,042.15**	-	**-**	**1,042.15**
	1,042.15	-	-	1,042.15
(d) Revaluation Reserve [Note (iii)]	**22.87**	**-**	**-**	**22.87**
	23.31	-	0.44	22.87
(e) Amalgamation Reserve	**0.05**	**-**	**-**	**0.05**
	0.05	-	-	0.05
(f) General Reserve [Note (iv)]	**5,006.07**	**-**	-	**5,006.07**
	4,972.62	33.45	-	5,006.07
(g) Foreign Currency Monetary Item Translation Difference Account (net) [Note (v)]	**(201.23)**	**(101.61)**	**(234.20)**	**(68.64)**
	(215.00)	(100.34)	(114.11)	(201.23)
(h) Hedging Reserve Account [Note (vi)]	-	-	**7.15**	**(7.15)**
	-	-	-	-
(i) Profit and Loss Account (Surplus) [Note (vii)]	**977.59**	**93.40**	**3,574.70**	**(2,503.71)**
	1,342.79	413.55	778.75	977.59
	18,532.87	**(8.21)**	**3,379.14**	**15,145.52**
	18,496.77	788.59	752.49	18,532.87

Notes -

(i) The opening and closing balances of Securities Premium Account are net of calls in arrears of ₹ 0.03 crore

	December 31, 2014 Additions	December 31, 2014 Deductions	March 31, 2014 Additions	March 31, 2014 Deductions
(ii) Securities Premium Account :				
(a) Premium on shares issued on conversion of Foreign Currency Convertible Notes (FCCN) and held in abeyance out of rights issue of shares	-	-	407.72	-
(b) Share issue expenses and brokerage, stamp duty and other fees on Non-Convertible Debentures [net of tax **₹ 1.03 crore** (2013-14 ₹ 0.48 crore)]	-	**31.49**	-	87.41
(c) Premium on redemption of FCCN, exchange differences and withholding tax	**-**	**-**	34.21	-
	-	**31.49**	441.93	87.41
(iii) Revaluation Reserve :				
Depreciation on revalued portion of assets taken over on amalgamation of a company	**-**	**-**	-	0.44
	-	**-**	-	0.44
(iv) General Reserve :				
Amount transferred from Profit and Loss Account (Surplus)	**-**	-	33.45	**-**
	-	**-**	33.45	**-**
(v) Foreign Currency Monetary Item Translation Difference Account (net) :				
(a) Exchange loss during the period (net)	**(101.61)**	**-**	(100.34)	-
(b) Amortisation of exchange fluctuation for the period	-	**(234.20)**	-	(114.11)
	(101.61)	**(234.20)**	(100.34)	(114.11)
(vi) Hedging Reserve Account :				
Fair value loss [net of tax ₹ **3.68 crores**]	-	**7.15**	-	-
	-	**7.15**	-	**-**
(vii) Profit and Loss Account (Surplus) :				
(a) Profit / (Loss) after tax for the period	**-**	**3,574.70**	334.52	**-**
(b) Dividend paid (2012-13)	**-**	**-**	-	3.34
(c) Proposed dividend	**-**	**-**	-	648.56
(d) Tax on proposed dividend	**-**	**-**	-	93.40
(e) Reversal of dividend distribution tax of earlier year	**93.40**	**-**	79.03	-
(f) General Reserve	**-**	**-**	-	33.45
	93.40	**3,574.70**	413.55	778.75

(₹ in crores)

4. Long-term borrowings	As at December 31, 2014	As at March 31, 2014
(A) Secured		
(a) Privately placed Non-Convertible Debentures	**1,950.00**	1,950.00
(b) Term loans from banks : Buyers' line of credit (at floating interest rate)	**45.64**	121.03
(c) Term loans from others	**447.60**	419.54
(d) Finance lease obligations	**12.53**	14.80
	2,455.77	2,505.37
(B) Unsecured		
(a) Privately placed Non-Convertible Debentures	**4,700.00**	3,300.00
(b) Term loans from banks :		
(i) External Commercial Borrowings - **Nil** (as at March 31, 2014- USD 500 million)(at floating interest rate)	**-**	2,995.00
(ii) Buyers' line of credit (at floating interest rate)	**1,432.74**	946.08
(c) Senior Notes- **USD 750 million** (as at March 31, 2014- Nil)	**4,728.75**	-
	10,861.49	7,241.08
	13,317.26	9,746.45

5. Short-term borrowings	As at December 31, 2014	As at March 31, 2014
(A) Secured		
From banks		
(a) Loans, cash credit, overdraft accounts	**2,052.23**	1,796.31
(b) Buyers' line of credit (at floating interest rate)	**-**	148.33
	2,052.23	1,944.64
(B) Unsecured		
(a) From banks	**1,322.00**	2,000.00
(b) Loans and advances from subsidiaries and associates (repayable on demand)	**413.95**	31.00
(c) Commercial paper [maximum balance outstanding during the period **₹ 3,555 crores** (2013-2014 : ₹ 3,715 crores)	**3,122.67**	793.44
	4,858.62	2,824.44
	6,910.85	4,769.08

(₹ in crores)

6. (a) **Tax expense / (credit)**

	For Three months ended December 31, 2014		2013	For Nine months ended December 31, 2014		2013
(i) **Current tax**						
Current tax	**17.62**		-	**17.62**		-
Less : Minimum Alternate Tax (MAT credit)	**-**		-	**777.18**		-
		17.62	-		**794.80**	-
(ii) **Deferred tax expense / (credit)**		**0.52**	(630.00)		**(38.40)**	(760.00)
Total (i+ii)		**18.14**	(630.00)		**756.40**	(760.00)

(b) **Deferred tax expense / (credit) for the period**

	For Three months ended December 31, 2014		2013	For Nine months ended December 31, 2014		2013
Opening net deferred tax asset / (liability)	**-**		1,833.60	**(43.11)**		1,963.91
Debited /(Credited) to Securities Premium Account	**0.71**		(0.08)	**1.03**		(0.39)
Debited /(Credited) to Hedging Reserve Account	**(0.19)**		-	**3.68**		-
	0.52		1,833.52	**(38.40)**		1,963.52
Closing net deferred tax asset	**-**		1,203.52	**-**		1,203.52
Deferred tax expense / (credit) for the period		**0.52**	(630.00)		**(38.40)**	(760.00)

7. Other long-term liabilities

		As at December 31, 2014	As at March 31, 2014
(a)	Liability towards premium on redemption of Non-Convertible Debentures	**919.23**	919.23
(b)	Deferred payment liabilities	**122.57**	183.83
(c)	Interest accrued but not due on borrowings	**0.66**	0.34
(d)	Derivative financial instruments	**9.34**	1.85
(e)	Deferred revenue	**26.86**	15.65
(f)	Others	**47.24**	34.58
		1,125.90	1,155.48

(₹ in crores)

8. Other current liabilities	**As at December 31, 2014**	As at March 31, 2014
(a) Interest accrued but not due on borrowings	**357.22**	267.43
(b) Current maturities of long-term borrowings [Note below]	**1,365.28**	537.27
(c) Liability for capital expenditure	**76.40**	107.59
(d) Liability for deposits and retention	**203.70**	159.92
(e) Deferred payment liabilities	**59.75**	65.83
(f) Advance and progress payments from customers	**351.23**	547.80
(g) Deferred revenue	**68.11**	49.70
(h) Statutory dues (VAT, Excise, Service tax, Octroi, etc)	**519.60**	598.40
(i) Liability towards Investors Education and Protection Fund under Section 205C of the Companies Act, 1956 not due		
(i) Unpaid dividends	**17.32**	17.40
(ii) Unclaimed matured deposits	**21.58**	28.74
(iii) Unclaimed matured debentures	**0.21**	0.21
(iv) Unclaimed interest on deposits and debentures	**2.42**	3.14
(j) Derivative financial instruments	**23.91**	0.24
(k) Others	**41.34**	79.51
	3,108.07	2,463.18

Note :
Current maturities of long-term borrowings consist of :

(i) Non-Convertible Debentures	**1,200.00**	300.00
(ii) Buyers' line of credit (at floating rate interest)	**148.65**	215.34
(iii) Finance lease obligations	**16.63**	21.93
	1,365.28	537.27

9. Long-term provisions	**As at December 31, 2014**	As at March 31, 2014
(a) Employee benefit obligation	**450.88**	422.25
(b) Product warranty	**196.31**	146.24
(c) Provision for delinquency	**1,222.84**	246.67
(d) Others	**14.59**	0.04
	1,884.62	815.20

(₹ in crores)

10. Short term provisions	As at December 31, 2014	As at March 31, 2014
(a) Employee benefit obligation	**101.88**	64.47
(b) Product warranty	**285.72**	263.24
(c) Current income tax (net of payment)	**22.93**	49.22
(d) Provision for delinquency	**832.42**	770.94
(e) Proposed dividend	**-**	648.56
(f) Provision for tax on dividends	**-**	93.40
(g) Others	**10.67**	3.08
	1,253.62	1,892.91

11. Trade payables	As at December 31, 2014	As at March 31, 2014
(a) Acceptances	**3,673.40**	4,955.54
(b) Other than acceptances *	**4,805.42**	4,716.82
	8,478.82	9,672.36
* Includes payable to subsidiary companies :		
Concorde Motors (India) Ltd	**18.15**	3.51
TAL Manufacturing Solutions Ltd	**5.45**	7.60
Tata Motors European Technical Centre Plc	**114.35**	124.09
Tata Motors Finance Ltd	**22.78**	45.02
Tata Technologies Ltd	**41.00**	29.27
TML Distribution Company Ltd	**-**	28.31
Jaguar Land Rover Ltd	**83.34**	132.26
Tata Marcopolo Motors Ltd	**-**	2.96
Trilix Srl, Turin (Italy)	**4.94**	-

(₹ in crores)

12. Tangible assets

	Particulars	Cost as at April 1, 2014	Additions / adjustments [Note (iv)]	Deductions / adjustments	Cost as at December 31, 2014	Accumulated depreciation as at April 1, 2014	Depreciation for the period / year [Note (v)]	Deductions / adjustments	Accumulated depreciation up to December 31, 2014	Net book value as at December 31, 2014
[I]	**Owned assets :**									
(i)	Land	**519.76**	**-**	**-**	**519.76**	**-**	**-**	**-**	**-**	**519.76**
		519.76	-	-	519.76	-	-	-	-	519.76
(ii)	Buildings [Note (i) & (ii) (a)]	**2,718.42**	**74.24**	**0.09**	**2,792.57**	**620.16**	**59.17**	**0.08**	**679.25**	**2,113.32**
		2,533.82	186.78	2.18	2,718.42	543.50	77.11	0.45	620.16	2,098.26
(iii)	Plant, machinery and equipment [Note (ii) (a) & (iii)]	**17,920.39**	**1,038.35**	**59.29**	**18,899.45**	**9,021.04**	**876.90**	**55.94**	**9,842.00**	**9,057.45**
		17,134.19	868.63	82.43	17,920.39	7,989.70	1,108.45	77.11	9,021.04	8,899.35
(iv)	Furniture and fixtures [Note (iii)]	**132.23**	**12.53**	**0.77**	**143.99**	**56.25**	**5.08**	**0.58**	**60.75**	**83.24**
		121.69	11.09	0.55	132.23	50.06	6.60	0.41	56.25	75.98
(v)	Vehicles [Note (iii)]	**163.96**	**16.96**	**15.93**	**164.99**	**104.57**	**17.22**	**12.76**	**109.03**	**55.96**
		158.56	17.98	12.58	163.96	89.30	24.42	9.15	104.57	59.39
(vi)	Office equipment [Note (iii)]	**49.67**	**0.59**	**0.03**	**50.23**	**21.13**	**17.65**	**0.01**	**38.77**	**11.46**
		49.25	1.72	1.30	49.67	19.57	2.28	0.72	21.13	28.54
(vii)	Computers and other IT assets [Note (iii)]	**564.38**	**29.90**	**0.02**	**594.26**	**458.52**	**21.13**	**(0.09)**	**479.74**	**114.52**
		569.47	34.17	39.26	564.38	467.36	30.10	38.94	458.52	105.86
(viii)	Water system and sanitation [Note (ii)(a)]	**217.57**	**3.62**	**-**	**221.19**	**64.92**	**7.41**	**-**	**72.33**	**148.86**
		205.30	12.27	-	217.57	55.15	9.77	-	64.92	152.65
[II]	**Assets given on lease :**									
(i)	Plant, machinery and equipment	**392.79**	**-**	**0.01**	**392.78**	**377.00**	**2.24**	**2.24**	**377.00**	**15.78**
		392.79	-	-	392.79	377.00	4.52	4.52	377.00	15.79
[III]	**Assets taken on lease :**									
(i)	Leasehold land [Note (ii)(b)]	**121.38**	**-**	**-**	**121.38**	**13.80**	**0.91**	**-**	**14.71**	**106.67**
		118.73	2.65	-	121.38	12.44	1.36	-	13.80	107.58
(ii)	Buildings	**31.28**	**-**	**-**	**31.28**	**4.74**	**0.38**	**-**	**5.12**	**26.16**
		31.28	-	-	31.28	4.25	0.05	(0.44)	4.74	26.54
(iii)	Plant, machinery and equipment	**36.43**	**-**	**-**	**36.43**	**33.23**	**1.38**	**-**	**34.61**	**1.82**
		36.43	-	-	36.43	31.77	1.46	-	33.23	3.20
(iv)	Computers & other IT assets	**155.49**	**8.97**	**-**	**164.46**	**114.89**	**15.28**	**-**	**130.17**	**34.29**
		151.43	4.06	-	155.49	94.89	20.00	-	114.89	40.60
	TOTAL TANGIBLE ASSETS	**23,023.75**	**1,185.16**	**76.14**	**24,132.77**	**10,890.25**	**1,024.75**	**71.52**	**11,843.48**	**12,289.29**
		22,022.70	1,139.35	138.30	23,023.75	9,734.99	1,286.12	130.86	10,890.25	12,133.50

Notes :

(i) Buildings include ₹ **8,631** (as at March 31, 2014 ₹ 8,631) being value of investments in shares of Co-operative Housing Societies.

(ii) (a) Buildings, water system and sanitation and plant and machinery include gross block of ₹ **4.76 crores**, ₹ **19.19 crores** and ₹ **22.84 crores** (as at March 31, 2014 ₹ 4.76 crores, ₹ 18.15 crores and ₹ 22.84 crores) and net block of ₹ **0.08 crore**, ₹ **15.39 crores** and ₹ **8.57 crores** respectively (as at March 31, 2014 ₹ 0.08 crore, ₹ 14.97 crores and ₹ 11.75 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, 2014 ₹ 12.56 crores) is in process.

(iii) Includes plant, machinery and equipment, furniture fixtures, office equipment, vehicles and computers and other IT assets having gross block of **₹158.69 crores**, **₹0.14 crore**, **₹0.42 crore**, **₹1.46 crores** and **₹128.62 crores** (as at March 31, 2014 ₹192.46 crores, ₹0.14 crore, ₹0.43 crore, ₹1.77 crores and ₹128.64 crores), and net block of **₹8.17 crores, ₹0.01 crore, ₹0.03 crore, ₹0.03 crore and ₹0.23 crore** (as at March 31, 2014 ₹9.23 crores, ₹0.01 crore, ₹0.03 crore, ₹0.04 crore and ₹0.23 crore) respectively, held for disposal at lower of their net book value and net realisable value.

(iv) Additions / adjustments include capitalisation of exchange loss mainly on plant, machinery and equipment of ₹ **23.39 crores** (2013-2014 capitalisation of exchange loss of ₹ 111.13 crores).

(v) Depreciation excludes :

(a) Lease equalisation of ₹ **2.24 crores** (2013-2014 ₹ 4.52 crores) adjusted in lease rental income.

(b) Depreciation of ₹ **Nil** (2013-2014 ₹ 0.44 crore) on revalued portion of gross block transferred to Revaluation Reserve.

13. Intangible assets

	Particulars	Cost as at April 1, 2014	Additions / adjustments **	Deductions / adjustments	Cost as at December 31, 2014	Accumulated amortisation as at April 1, 2014	Amortisation for the year	Deductions / adjustments	Accumulated amortisation up to December 31, 2014	Net book value as at December 31, 2014
(i)	Technical Know-how #	**275.81**	**-**	**-**	**275.81**	**45.30**	**19.42**	**-**	**64.72**	**211.09**
		34.51	241.30	-	275.81	34.51	10.79	-	45.30	230.51
(ii)	Computer software #	**439.15**	**20.40**	**-**	**459.55**	**360.30**	**33.92**	**0.11**	**394.11**	**65.44**
		417.04	22.11	-	439.15	317.84	42.46	-	360.30	78.85
(iii)	Product development cost *	**5,052.74**	**1,360.44**	**-**	**6,413.18**	**2,255.03**	**701.80**	**-**	**2,956.83**	**3,456.35**
		4,592.93	459.81	-	5,052.74	1,524.10	730.93	-	2,255.03	2,797.71
	TOTAL INTANGIBLE ASSETS	**5,767.70**	**1,380.84**	**-**	**7,148.54**	**2,660.63**	**755.14**	**0.11**	**3,415.66**	**3,732.88**
		5,044.48	723.22	-	5,767.70	1,876.45	784.18	-	2,660.63	3,107.07

Notes :

* internally generated intangible asset

\# other than internally generated intangible asset

** Additions / adjustments include capitalisation of exchange loss mainly on product development cost of ₹ **27.69 crores** (2013-2014 capitalisation of exchange loss of ₹ 26.24 crores).

(₹ in crores)

14. Non-current investments

Number		Face value per unit			Description	As at December 31, 2014		As at March 31, 2014	
			I.		**Long-term investments (at cost)**				
				(A)	**Trade investments**				
				(1)	**Fully paid Ordinary / Equity shares (quoted)**				
				(i)	**Associates**				
2,982,214		10			Automobile Corporation of Goa Ltd	**108.22**		108.22	
				(ii)	**Others**				
4,432,497		10			Tata Steel Ltd	**245.04**		245.04	
70,249		10			Tata Chemicals Ltd	**0.24**		0.24	
							353.50		353.50
				(2)	**Fully paid Ordinary / Equity shares (unquoted)**				
				(i)	**Subsidiaries**				
7,500,000		100			Sheba Properties Ltd	**75.00**		75.00	
3,03,00,600		10			Tata Technologies Ltd	**224.10**		224.10	
1,86,97,694		10			Concorde Motors (India) Ltd [Note 9, page 14] (1,49,99,574 shares acquired during the period)	**64.63**		49.63	
10,00,00,000		10			TAL Manufacturing Solutions Ltd (3,50,00,000 shares acquired during the period)	**185.00**		150.00	
7,70,00,000		10			TML Drivelines Ltd	**448.85**		448.85	
2,500,000		10			Tata Motors Insurance Broking and Advisory Services Ltd [Note 5 page 14]	**19.31**		19.31	
2,85,29,085	(GBP)	1			Tata Motors European Technical Centre Plc, UK [Note 6, page 14]	**234.02**		234.02	
7,900		-			Tata Technologies Inc	**0.63**		0.63	
131,90,20,771		10			Tata Motors Finance Ltd (2,96,73,590 shares acquired during the period)	**2,500.00**		2,400.00	
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	
251,16,59,418	(USD)	1			TML Holdings Pte Ltd, (Singapore) (3,50,00,000 shares sold during the period)	**10,158.52**		11,816.76	
1,34,523	(EUR)	31.28			Tata Hispano Motors Carrocera S.A.	**17.97**		17.97	
1,83,59,203	(SGD)	1			Tata Precision Industries Pte. Ltd (Singapore)	**40.53**		40.53	
					Trilix Srl., Turin (Italy) [Note 7, page 14]	**11.94**		11.94	
							14,292.20		15,800.44
				(ii)	**Associates**				
16,000	(TK)	1,000			NITA Co. Ltd (Bangladesh)	**1.27**		1.27	
5,23,33,170		10			Tata AutoComp Systems Ltd	**77.47**		77.47	
3,97,50,000		10			Tata Hitachi Construction Machinery Company Ltd	**79.50**		79.50	
							158.24		158.24
				(iii)	**Joint venture (JV)**				
12,22,57,983		100			Fiat India Automobiles Ltd [Note 8, page 14]	**1,567.04**		1,567.04	
9,00,00,000		10			Tata Cummins Ltd	**90.00**		90.00	
							1,657.04		1,657.04
				(iv)	**Others**				
50,000		1,000			Tata International Ltd	**28.85**		28.85	
1,383		1,000			Tata Services Ltd	**0.14**		0.14	
350		900			The Associated Building Company Ltd	**0.01**		0.01	
1,03,10,242		100			Tata Industries Ltd	**183.19**		183.19	
					Tata Projects Ltd [Note 11, page 14]	**-**		4.68	
33,600		100			Kulkarni Engineering Associates Ltd	**0.67**		0.67	
12,375		1,000			Tata Sons Ltd	**68.75**		68.75	
22,500,001		10			Haldia Petrochemicals Ltd	**22.50**		22.50	
240,000		10			Oriental Floratech (India) Pvt. Ltd	**0.24**		0.24	
4,326,651		15			Tata Capital Ltd	**6.70**		6.70	
							311.05		315.73
				(3)	**Fully paid Cumulative Redeemable Preference shares (unquoted)**				
					Subsidiaries				
1,354,195		100			7% Concorde Motors (India) Ltd [Note 9, page 14]		**13.54**		13.54
				(4)	**Fully paid Optionally Convertible Preference shares (unquoted)**				
					Associates				
15,900,000		100			9% Tata Hitachi Construction Machinery Co. Ltd. [Note 10, page 14] (1,59,00,000 shares acquired during the period)		**159.00**		-
					Carried Forward		**16,944.57**		18,298.49

(₹ in crores)

Number	Face value per unit	Description		As at December 31, 2014		As at March 31, 2014
		I. Long-term investments (at cost) (contd.)				
		Brought forward		**16,944.57**		18,298.49
		(B) **Other investments**				
		Fully paid Equity shares (unquoted)				
50,000	10	NICCO Jubilee Park Ltd.		**0.05**		0.05
				16,944.62		18,298.54
		Less : Provision for Diminution other than temporary in value of long term investments		**55.97**		55.97
		II. Advance towards investments				
		Tata Motors Finance Ltd	**-**		100.00	
		Tata Hispano Motors Carrocera Maghreb	**53.94**		-	
		Tata Motors European Technical Centre Plc, UK	**20.11**		-	
		Concorde Motors (India) Ltd	**-**		15.00	
				74.05		115.00
		Total Non-current investments		**16,962.70**		18,357.57

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	**16,609.20**	18,004.07
(4)	Market value of quoted investments	**336.66**	253.07

(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 and Advisory Services Ltd. 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 (₹147.43 crores as on December 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) Trilix Srl., Turin (Italy) is a limited liability company.

(8) 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 (₹ 996.40 crores as on December 31, 2014). The Letter of Comfort is restricted to 50% of the value of credit facilities extended i.e. ₹1,298.20 crores.

(9) The Company has given a letter of comfort to Tata Capital Financial Services Limited amounting to ₹15 crores against Credit Facility extended to Concorde Motors (India) Limited.

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

(11) The Company is in the process of selling the investment in Tata Projects Ltd. Consequently, these investments are classified as current investments.

(12) Trade Investments also include :

Number	Face value per unit	Description	₹	₹
		(i) Investments in subsidiary companies		
100	(SGD) 1	TML Holdings Pte Ltd, (Singapore)	**2,778.73**	2,778.73
		(ii) Investments in other companies		
20,000	10	Metal Scrap Trade Corporation Ltd	**25,000**	25,000
50	5	Jamshedpur Co-operative Stores Ltd	**250**	250
16,56,517	(M$) 1	Tatab Industries Sdn. Bhd. Malaysia	**1**	1
4	25,000	ICICI Money Multiplier Bond	**1**	1
100	10	Optel Telecommunications	**1,995**	1,995
200	10	Punjab Chemicals	**1**	1

(₹ in crores)

15. Current investments

Number	Face value per unit		Description	As at December 31, 2014		As at March 31, 2014	
		I	**Current investments - others (at cost or fair value whichever is lower)**				
		(A)	**Trade investments**				
		(1)	**Fully paid Ordinary / Equity shares (unquoted)**				
		(i)	**Subsidiaries**				
33,83,918 (IDR)	8,855		PT Tata Motors Indonesia (Note 5 below) (1,45,27,036 shares acquired and 2,66,83,855 shares sold during the period)	**15.54**		80.70	
					15.54		80.70
		(B)	**Other investments**				
		(1)	**Investments in mutual fund (unquoted)**				
			Liquid/liquid plus schemes				
3,76,094	1,000		Principal Cash Mngt Fund - Regular Plan - Growth	**50.00**		-	
1,22,443	1,000		Franklin India Treasury Management Account-Super Instl Plan -Growth	**25.00**		-	
2,65,723	1,000		Religare Liquid Fund-Super IP Growth	**50.00**		-	
2,81,99,517	10		JPMorgan India Liquid Fund Super Institutional - Growth	**50.00**		-	
5,80,76,233	10		Templeton India Ultra Short Bond Fund Super Institutional Plan - Growth	**102.49**		-	
54,42,901	100		ICICI Prudential Money Market Plan - Growth	**100.00**		-	
1,16,096	1,000		Tata Money Market Fund Plan A - Growth	**25.00**		-	
5,53,552	1,000		UTI Treasury Advantage Fund - IP - Growth	**100.16**		-	
7,44,77,910	10		ICICI Prudential Ultra Short Term - Regular Plan - Growth	**100.00**		-	
					602.65		-
		(2)	**Investments in Equity shares (unquoted)**				
35,000	10		Elcot Power Control Ltd	-		-	
91,800	10		Munis Forge Ltd.	-		-	
1,35,000	100		Tata Projects Ltd [Note 11, page 14]	4.68		-	
30,997	10		Roofit Industries Ltd.	-		-	
					4.68		-
		(3)	**Investments in Preference shares (unquoted)**				
1,00,000	100		15.50% Pennar Paterson Securities Ltd	-		-	
2,00,000	100		15.00% Atcom Technologies Ltd. - Cumulative Preference Shares	-		-	
					-		-
					622.87		-
		II	**Advance towards current investments**				
			PT Tata Motors Indonesia	**-**		20.15	
					-		20.15
			Total current investments		**622.87**		100.85

Notes:

		December 31, 2014	March 31, 2014
(1)	Face value per unit is in Rupees unless stated otherwise		
(2)	Book value of quoted investments	**-**	-
(3)	Book value of unquoted investments	**622.87**	100.85
(4)	Market value of quoted investments	**-**	-

(5) The Company is in the process of divesting the holding of investment by transferring this investment to a wholly owned subsidiary. Consequently, the investment is classified as Current investment.

(₹ in crores)

16. Long-term loans and advances		As at December 31, 2014	As at March 31, 2014
Unsecured (considered good unless stated otherwise)			
(a) Loans to employees		**36.55**	37.01
(b) Loan to a Joint Venture (FIAT India Automobiles Ltd)		**265.00**	265.00
(c) Loans to subsidiaries :			
Considered good	**22.11**		22.39
Considered doubtful	**539.40**		539.40
	561.51		561.79
Less : Allowances for doubtful loans	**(539.40)**		(539.40)
		22.11	22.39
(d) Dues from subsidiary (Tata Hispano Motors Carrocera S.A.)			
Considered good	**-**		-
Considered doubtful	**54.79**		55.13
	54.79		55.13
Less : Allowances for doubtful debts	**(54.79)**		(55.13)
		-	-
(e) Taxes recoverable, statutory deposits and dues from government		**1,055.93**	845.34
(f) Capital advances		**271.92**	242.11
(g) Credit entitlement of Minimum Alternate Tax (MAT)		**-**	777.18
(h) Non-current income tax assets (net of provisions)		**561.13**	581.16
(i) Others :			
Considered good	**195.12**		148.11
Considered doubtful	**8.91**		9.69
	204.03		157.80
Less : Allowances for doubtful loans and advances	**(8.91)**		(9.69)
		195.12	148.11
		2,407.76	2,918.30

17. Short-term loans and advances		As at December 31, 2014	As at March 31, 2014
(A) Secured			
(a) Finance receivables #			
Vehicle loans *			
Considered good	**21.05**		22.19
Considered doubtful	**222.15**		225.47
	243.20		247.66
Less: Allowances for doubtful loans	**(222.15)**		(225.47)
		21.05	22.19
(B) Unsecured (considered good unless stated otherwise)			
(a) Advances and other receivables recoverable			
Considered good	**335.04**		196.39
Considered doubtful	**77.95**		69.89
	412.99		266.28
Less : Allowances for doubtful loans and advances	**(77.95)**		(69.89)
		335.04	196.39
(b) Inter corporate deposits			
Considered good	**35.00**		40.00
Considered doubtful	**6.51**		6.51
	41.51		46.51
Less : Allowances for doubtful loans	**(6.51)**		(6.51)
		35.00	40.00
(c) Fixed deposits with others (other than banks)		**200.00**	-
(d) Dues from subsidiary companies [Note (i), page 17]		**65.10**	38.51
(e) VAT, other taxes recoverable, statutory deposits and dues from Government		**852.74**	887.50
(f) Current income tax assets (net of provisions)		**26.28**	24.73
(g) Others		**34.92**	14.45
		1,549.08	1,201.58
Total (A + B)		**1,570.13**	1,223.77

(₹ in crores)

Note :	As at December 31, 2014	As at March 31, 2014
(i) Dues from subsidiary companies		
(a) TML Drivelines Ltd	**22.00**	25.83
(b) Tata Daewoo Commercial Vehicle Co. Ltd	**1.72**	0.33
(c) Tata Marcopolo Motors Ltd	**26.76**	0.02
(d) Tata Motors (Thailand) Ltd	**2.25**	-
(e) Tata Motors (SA) (Proprietary) Ltd	**2.93**	3.69
(f) PT Tata Motors Distribusi-Indonesia	**1.41**	0.82
(g) Tata Hispano Motors Carrocera Maghreb	**1.16**	-
(h) Jaguar Land Rover Ltd	**0.51**	0.44
(i) PT Tata Motors Indonesia	**6.13**	7.15
(j) JLR Automotive Plc	**0.23**	0.23
	65.10	**38.51**

* Includes ₹ **0.16 crore** (as at March 31, 2014 ₹ 0.16 crore) on account of overdue securitised receivables

\# Loans are secured against hypothecation of vehicles.

18. Other non-current assets	As at December 31, 2014	As at March 31, 2014
(a) Prepaid debt issue cost	**42.92**	21.37
(b) Prepaid expenses	**0.41**	0.17
(c) Interest accrued on deposits / loans	**97.77**	81.60
(d) Derivative financial instruments	**19.79**	20.71
	160.89	123.85

19. Other current assets	As at December 31, 2014	As at March 31, 2014
(a) Prepaid debt issue cost	**6.85**	12.09
(b) Prepaid expenses	**95.01**	94.85
(c) Interest accrued on deposits / loans	**9.33**	0.06
(d) Derivative financial instruments	**7.31**	2.06
	118.50	109.06

NOTES FORMING PART OF CONDENSED FINANCIAL STATEMENTS

(₹ in crores)

20. Inventories	As at December 31, 2014	As at March 31, 2014
(a) Stores and spare parts	**140.31**	136.81
(b) Consumable tools	**20.60**	20.56
(c) Raw materials and components	**1,316.05**	1,085.57
(d) Work-in-progress	**562.97**	375.59
(e) Finished goods	**2,492.23**	1,969.47
(f) Stock-in-trade (in respect of goods acquired for trading)	**128.84**	137.33
(g) Goods-in-transit		
(i) Raw materials and components	**168.41**	114.63
(ii) Stock-in-trade	**1.55**	22.57
	4,830.96	3,862.53

21. Trade receivables	As at December 31, 2014	As at March 31, 2014
(a) **Due over six months :**		
Considered good (unsecured)	**275.04**	292.86
Considered doubtful	**511.04**	493.35
	786.08	786.21
Less : Provision for doubtful debts	**(511.04)**	(493.35)
	275.04	292.86
(b) **Others :**		
Considered good (unsecured)	**1,248.95**	923.84
Considered doubtful	**16.63**	18.01
	1,265.58	941.85
Less : Provision for doubtful debts	**(16.63)**	(18.01)
	1,248.95	923.84
	1,523.99	1,216.70

22. Cash and bank balances	As at December 31, 2014	As at March 31, 2014
(A) Cash and cash equivalents		
(a) Cash on hand	**0.35**	0.65
(b) Cheques on hand	**68.02**	25.63
(c) Current account with banks #	**977.87**	172.40
(d) Bank deposits with upto 3 months maturity	**200.00**	-
	1,246.24	198.68
(B) Other bank balances		
(a) Earmarked balance with banks	**17.05**	17.11
	17.05	**17.11**
(C) Other bank balances (with more than 3 months but less than 12 months maturity)		
(a) Earmarked balance with banks	**56.55**	6.26
(b) Bank deposits	**400.13**	0.08
	456.68	6.34
(D) Other bank balances (with more than 12 months maturity)		
(a) Margin money / cash collateral with banks	**-**	0.11
(b) Bank deposits with maturity more than 12 months	**3.91**	3.91
(c) Earmarked balance with banks	**50.01**	-
	53.92	4.02
	1,773.89	**226.15**

# Includes		
- Remittances in transit	**181.46**	144.56
- In foreign currencies	**786.12**	4.72

(₹ in crores)

23. Total revenue	For Three months ended December 31, 2014	2013	For Nine months ended December 31, 2014	2013
1. **Revenue from operations**				
(a) Sale of products (Note 1 below)	**9,606.35**	8,392.68	**27,090.88**	27,928.46
(b) Sale of services	**74.68**	61.68	**219.65**	185.99
(c) Income from vehicle loan contracts	**0.89**	3.91	**5.07**	14.30
	9,681.92	8,458.27	**27,315.60**	28,128.75
(d) Other operating revenues (Note 2 below)	**112.51**	98.27	**296.15**	274.51
	9,794.43	8,556.54	**27,611.75**	28,403.26
2. **Other income**				
(a) Interest income	**35.72**	27.33	**67.84**	120.41
(b) Dividend income [Note 3 and 4 below]	**0.32**	9.40	**1,682.59**	1,583.75
(c) Profit on sale of Investments (current) (net) [Note 5 below]	**22.40**	1,951.32	**47.91**	1,980.63
	58.44	1,988.05	**1,798.34**	3,684.79
Note :				
(1) Includes exchange (loss) / gain (net)	**2.71**	(10.97)	**10.54**	(37.87)
(2) Sale of occupancy rights	**36.60**	-	**36.60**	-
(3) Includes dividend on				
(a) Trade investments (non-current)	**0.32**	0.31	**30.09**	27.95
(b) Dividend from subsidiary companies	**-**	9.09	**1,623.41**	1,555.80
(4) Includes exchange gain	**-**	-	**29.09**	-
(5) Profit on sale of investment in a subsidiary	**13.49**	1,947.90	**13.49**	1,947.90

NOTES FORMING PART OF CONDENSED FINANCIAL STATEMENTS

(₹ in crores)

24. Employee cost/ benefits expense	For Three months ended December 31, 2014	For Three months ended December 31, 2013	For Nine months ended December 31, 2014	For Nine months ended December 31, 2013
(a) Salaries, wages and bonus	**615.66**	595.11	**1,841.18**	1,786.43
(b) Contribution to provident fund and other funds	**68.67**	47.57	**181.80**	155.50
(c) Staff welfare expenses	**80.38**	77.75	**232.28**	222.75
	764.71	720.43	**2,255.26**	2,164.68

25. Finance cost	For Three months ended December 31, 2014	For Three months ended December 31, 2013	For Nine months ended December 31, 2014	For Nine months ended December 31, 2013
(a) Interest	**417.76**	365.83	**1,098.23**	1,032.63
Less: Transferred to capital account	**(108.16)**	(90.74)	**(348.73)**	(265.51)
	309.60	275.09	**749.50**	767.12
(b) Discounting charges	**108.81**	81.40	**353.53**	247.84
	418.41	356.49	**1,103.03**	1,014.96

26. Other expenses	For Three months ended December 31, 2014	For Three months ended December 31, 2013	For Nine months ended December 31, 2014	For Nine months ended December 31, 2013
(a) Processing charges	347.35	272.89	**1,062.71**	1,068.00
(b) Consumption of stores and spare parts	118.13	115.88	**339.82**	373.23
(c) Power and fuel	97.42	86.20	**285.36**	299.27
(d) Rent	24.05	22.47	**74.63**	68.73
(e) Repairs to buildings	13.17	11.91	**38.14**	27.79
(f) Repairs to plant, machinery etc.	24.42	23.82	**70.23**	68.69
(g) Insurance	19.28	15.90	**55.20**	59.87
(h) Rates and taxes	18.29	19.05	**54.13**	61.52
(i) Freight, transportation, port charges, etc.	259.17	203.43	**751.29**	668.08
(j) Publicity	152.86	145.37	**530.95**	393.93
(k) Excise duty on closing stock	(7.75)	(21.02)	**50.90**	(9.85)
(l) Works operation and other expenses [note below]	1,274.61	789.11	**2,586.13**	2,070.95
	2,341.00	1,685.01	**5,899.49**	5,150.21
Note:				
Works operation and other expenses include				
(a) Warranty expenses	130.75	103.36	**318.15**	262.84
(b) Computer expenses	150.42	144.81	**478.93**	436.63
(c) Consultancy	36.04	48.91	**102.85**	135.23
(d) Provisions and write off for sundry debtors, vehicle loans and advances	43.34	40.61	**65.02**	157.51

(₹ in crores)

27. Earnings Per Share		For Three Months Ended December 31, 2014	For Three Months Ended December 31, 2013	For Nine Months Ended December 31, 2014	For Nine Months Ended December 31, 2013
(a) Profit / (Loss) after tax	₹ crores	**(2,122.72)**	1,251.40	**(3,574.70)**	1,151.13
(b) The weighted average number of Ordinary shares for Basic EPS	Nos.	**273,66,78,812**	273,66,74,685	**273,66,78,812**	273,09,28,545
(c) The weighted average number of 'A' Ordinary shares for Basic EPS	Nos.	**48,19,66,945**	48,19,62,898	**48,19,66,945**	48,19,60,717
(d) The nominal value per share (Ordinary and 'A' Ordinary)	₹	**2.00**	2.00	**2.00**	2.00
(e) Share of profit for Ordinary shares for Basic EPS	₹ crores	**(1,804.86)**	1,059.92	**(3,039.42)**	974.35
(f) Share of profit for 'A' Ordinary shares for Basic EPS *	₹ crores	**(317.86)**	191.48	**(535.28)**	176.78
(g) Earnings Per Ordinary share (Basic)	₹	**(6.60)**	3.87	**(11.11)**	3.57
(h) Earnings Per 'A' Ordinary share (Basic)	₹	**(6.60)**	3.97	**(11.11)**	3.67
(i) Profit after tax for Diluted EPS	₹ crores	#	1,251.40	#	1,151.13
(j) The weighted average number of Ordinary shares for Basic EPS	Nos.	#	273,66,74,685	#	273,09,28,545
(k) Add: Adjustment for Options relating to warrants and shares held in abeyance, Foreign Currency Convertible Notes and Convertible Alternative Reference Securities	Nos.	#	4,88,597	#	4,90,778
(l) The weighted average number of Ordinary shares for Diluted EPS	Nos.	#	273,71,63,282	#	273,14,19,323
(m) The weighted average number of 'A' Ordinary shares for Basic EPS	Nos.	#	48,19,62,898	#	48,19,60,717
(n) Add: Adjustment for 'A' Ordinary shares held in abeyance	Nos.	#	2,43,617	#	2,45,798
(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	#	1,059.86	#	974.30
(q) Share of profit for 'A' Ordinary shares for Diluted EPS *	₹ crores	#	191.54	#	176.83
(r) Earnings Per Ordinary share (Diluted)	₹	**(6.60)**	3.87	**(11.11)**	3.57
(s) Earnings Per 'A' Ordinary share (Diluted)	₹	**(6.60)**	3.97	**(11.11)**	3.67

* '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 quarter and nine months ended December 31, 2014, potential equity shares are not considered as dilutive and hence Diluted EPS is same as Basic EPS.

(₹ in crores)

28. Contingent liabilities, commitments (to the extent not provided for)

Description of claims and assertions where a potential loss is possible, but not probable is reported under note (1) and (2) below :

		As at December 31, 2014	As at March 31, 2014
1	Claims against the Company not acknowledged as debts -		
	(i) Sales tax - Gross	**796.36**	869.50
	- Net of tax	**525.68**	573.96
	(ii) Excise duty - Gross	**861.09**	856.67
	- Net of tax	**568.40**	565.49
	(iii) Others - Gross	**269.16**	250.34
	- Net of tax	**177.67**	157.52
	(iv) Income Tax in respect of matters pending in appeal / others	**92.58**	92.58
2	The claims / liabilities in respect of excise duty, sales tax and other matters where the issues were decided in favour of the Company for which the Department is in further appeal	**70.66**	71.42
3	Other money for which the Company is contingently liable in respect of bills discounted and export sales on deferred credit	**203.71**	348.39
4	Estimated amount of contracts remaining to be executed on capital account and not provided for	**1,568.68**	1,629.65
5	Purchase commitments	**7,210.11**	9,597.72

29 Other Notes

(i) Capital work-in-progress as at March 31, 2014 included building under construction at Singur in West Bengal of ₹309.88 crores for the purposes of manufacturing automobiles. In October 2008, the Company moved the Nano project from Singur in West Bengal to Sanand in Gujarat. In June 2011, the newly elected Government of West Bengal (State Government) enacted a law cancelling the land lease agreement at Singur, and took over possession of the land. The Company challenged the constitutional validity of the law. In June 2012, the Calcutta High Court declared the law unconstitutional and restored Company's rights under the land lease agreement. The State Government filed an appeal in the Supreme Court of India in August 2012, which is pending disposal. Though the Company continues to rigorously press its rights, contentions and claims in the matter, the Company has been advised that the time it may take in disposal of the appeal is uncertain. The Company has also been advised that it has a good case and can strongly defend the appeal, but the questions that arise are issues of constitutional law and thus the result of the appeal cannot be predicted. In these circumstances, in view of the uncertainty on the timing of resolution, following the course of prudence, the management has during the quarter ended December 31, 2014, made a provision for carrying capital cost of buildings at Singur amounting to Rs.309.88 crores included under the head "works operations and other expenses" excluding other assets (electrical installations etc.) and expenses written off / provided in earlier years, security expenses, lease rent and claim for interest on the whole amount (including Rs.309.88 crores). The Company shall however continue to pursue the case and assert its rights and its claims in the Courts.

(ii) During the quarter ended December 31, 2014, the Company has issued USD 500 million Senior Unsecured Notes due 2020 at a coupon of 4.625% per annum and USD 250 million Senior Unsecured Notes due 2024 at a coupon of 5.750% per annum. The proceeds have been used to refinance existing External Commercial Borrowing (ECB) of the Company of USD 500 million and is being used to incur new additional capital expenditure and for general corporate purposes. As the ECB has been prepaid, the unamortised exchange loss (net) of ₹216.07 crores and the borrowing cost of ₹27.08 crores as at September 30, 2014, have been debited to Profit and Loss Statement during the quarter ended December 31, 2014.

(iii) Current period figures are shown in bold print.

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

For and on behalf of the Board

R. PISHARODY
Executive Director

S B BORWANKAR
Executive Director

C RAMAKRISHNAN
Chief Financial Officer

H K SETHNA
Company Secretary

Mumbai, February 5,2015

TATA MOTORS LIMITED

Unaudited Condensed Consolidated Balance Sheet as at December 31, 2014

(₹ in crores)

	Note	Page	As at December 31, 2014		As at March 31, 2014
I. EQUITY AND LIABILITIES					
1. SHAREHOLDERS' FUNDS					
(a) Share capital	2	8	**643.78**		643.78
(b) Reserves and surplus	3	9	**68,178.87**		64,959.67
				68,822.65	65,603.45
2. MINORITY INTEREST				**433.42**	420.65
3. NON-CURRENT LIABILITIES					
(a) Long-term borrowings	4	11	**54,843.47**		45,258.61
(b) Deferred tax liabilities (net)	6	12	**3,094.96**		1,572.33
(c) Other long-term liabilities	7	13	**4,630.22**		2,596.86
(d) Long-term provisions	9	14	**12,540.16**		12,190.29
				75,108.81	61,618.09
4. CURRENT LIABILITIES					
(a) Short-term borrowings	5	11	**12,908.35**		9,695.86
(b) Trade payables	11	14	**53,632.48**		57,315.73
(c) Other current liabilities	8	13	**19,724.87**		17,373.86
(d) Short-term provisions	10	14	**9,050.78**		7,970.68
				95,316.48	92,356.13
TOTAL				**239,681.36**	219,998.32
II. ASSETS					
1. NON-CURRENT ASSETS					
(a) Fixed assets					
(i) Tangible assets	12	15	**50,564.84**		40,694.29
(ii) Intangible assets	13	15	**26,435.82**		23,418.55
(iii) Capital work-in-progress			**10,461.80**		10,137.30
(iv) Intangible assets under development			**25,340.38**		23,125.26
			112,802.84		97,375.40
(b) Goodwill (on consolidation)	14	16	**4,938.17**		4,978.83
(c) Non-current investments	15	16	**1,239.17**		1,114.39
(d) Deferred tax assets (net)	6	12	**2,789.57**		2,347.08
(e) Long-term loans and advances	17	17	**13,874.03**		13,268.84
(f) Other non-current assets	19	18	**1,787.02**		5,068.45
				137,430.80	124,152.99
2. CURRENT ASSETS					
(a) Current investments	16	17	**14,632.97**		9,572.28
(b) Inventories	21	18	**29,064.73**		27,270.89
(c) Trade receivables	22	18	**11,319.90**		10,574.23
(d) Cash and bank balances	23	18	**30,987.02**		29,711.79
(e) Short-term loans and advances	18	17	**12,623.51**		14,055.24
(f) Other current assets	20	18	**3,622.43**		4,660.90
				102,250.56	95,845.33
TOTAL				**239,681.36**	219,998.32

III. NOTES FORMING PART OF CONDENSED FINANCIAL STATEMENTS

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

B P SHROFF
Partner

Mumbai, February 5, 2015

For and on behalf of the Board

R PISHARODY
Executive Director

S B BORWANKAR
Executive Director

H K SETHNA
Company Secretary

C RAMAKRISHNAN
Chief Financial Officer

Mumbai, February 5, 2015

TATA MOTORS LIMITED

Unaudited Condensed Consolidated Statement of Profit and Loss

(₹ in crores)

		Note	Page	For Three Months Ended December 31, 2014	For Three Months Ended December 31, 2013	For Nine Months Ended December 31, 2014	For Nine Months Ended December 31, 2013
I.	**REVENUE FROM OPERATIONS**	24 (I)	19	**70,793.15**	64,718.41	**197,538.51**	170,408.90
	Less: Excise duty			**(819.89)**	(865.13)	**(2,318.22)**	(2,892.38)
				69,973.26	63,853.28	**195,220.29**	167,516.52
II.	**OTHER INCOME**	24 (II)	19	**221.97**	157.95	**653.57**	573.75
III.	**TOTAL REVENUE (I + II)**			**70,195.23**	64,011.23	**195,873.86**	168,090.27
IV.	**EXPENSES :**						
	(a) Cost of materials consumed			**40,003.84**	37,340.23	**111,805.29**	97,654.08
	(b) Purchases of products for sale			**2,951.26**	1,967.72	**9,314.75**	7,748.86
	(c) Changes in inventories of finished goods, work-in-progress and products for sale			**(257.43)**	588.93	**(1,718.48)**	(2,100.29)
	(d) Employee cost / benefits expense	25	20	**6,712.18**	5,865.26	**18,765.84**	15,529.11
	(e) Finance costs	26	20	**1,060.43**	1,004.83	**2,929.20**	3,066.23
	(f) Depreciation and amortisation expense			**3,338.88**	2,860.29	**9,531.87**	7,952.68
	(g) Product development / Engineering expenses			**722.04**	616.66	**2,063.18**	1,788.63
	(h) Other expenses	27	20	**13,767.36**	11,115.08	**35,633.54**	31,934.19
	(i) Expenditure transferred to capital and other accounts			**(3,979.68)**	(3,598.72)	**(11,406.44)**	(9,875.98)
	TOTAL EXPENSES			**64,318.88**	57,760.28	**176,918.75**	153,697.51
V.	**PROFIT BEFORE EXCEPTIONAL, EXTRA ORDINARY ITEMS AND TAX (III - IV)**			**5,876.35**	6,250.95	**18,955.11**	**14,392.76**
VI.	**EXCEPTIONAL ITEMS**						
	(a) Exchange loss / (gain) (net) including on revaluation of foreign currency borrowings, deposits and loans			**143.98**	102.18	**23.43**	352.66
	(b) Provision for costs associated with closure of operations and impairment of intangibles			**-**	22.16	**-**	224.16
	(c) Employee separation cost			**-**	-	**0.13**	-
				143.98	124.34	**23.56**	576.82
VII.	**PROFIT BEFORE EXTRA ORDINARY ITEMS AND TAX (V - VI)**			**5,732.37**	6,126.61	**18,931.55**	13,815.94
VIII.	Extraordinary items			**-**	-	**-**	-
IX.	**PROFIT BEFORE TAX FROM CONTINUING OPERATIONS (VII - VIII)**			**5,732.37**	6,126.61	**18,931.55**	13,815.94
X.	Tax expense	6 (b)	12	**2,140.37**	1,308.30	**6,619.33**	3,667.86
XI.	**PROFIT AFTER TAX FROM CONTINUING OPERATIONS (IX - X)**			**3,592.00**	4,818.31	**12,312.22**	10,148.08
XII.	Share of profit / (loss) of associates (net)			**2.20**	(5.01)	**10.47**	(36.41)
XIII.	Minority interest			**(13.48)**	(8.50)	**(52.90)**	(38.94)
XIV.	**PROFIT FOR THE PERIOD (XI + XII + XIII)**			**3,580.72**	4,804.80	**12,269.79**	10,072.73
XV.	**EARNINGS PER SHARE**	28	21				
	A. Ordinary shares (Face value of ₹ 2 each)						
	a. Basic	₹		**11.11**	14.91	**38.11**	31.34
	b. Diluted	₹		**11.11**	14.91	**38.10**	31.33
	B. 'A' Ordinary shares (Face value of ₹ 2 each)						
	a. Basic	₹		**11.21**	15.01	**38.21**	31.44
	b. Diluted	₹		**11.21**	15.01	**38.20**	31.43

XVI. NOTES FORMING PART OF CONDENSED FINANCIAL STATEMENTS

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

B P SHROFF
Partner

For and on behalf of the Board

R PISHARODY
Executive Director

S B BORWANKAR
Executive Director

H K SETHNA
Company Secretary

C RAMAKRISHNAN
Chief Financial Officer

Mumbai, February 5, 2015

Mumbai, February 5, 2015

TATA MOTORS LIMITED

Unaudited Condensed Consolidated Cash Flow Statement

(₹ in crores)

		For Nine Months Ended		
		December 31, 2014		December 31, 2013
A.	**Cash flow from operating activities**			
	Profit for the period		**12,269.79**	10,072.73
	Adjustments for:			
	Depreciation (including lease equalisation adjusted in income)	**9,529.63**		7,949.29
	Loss on sale of assets (including assets scrapped / written off)	**319.34**		21.18
	Profit on sale of investments (net)	**(68.35)**		(59.04)
	Provision for costs associated with closure of operations and impairment of intangibles	**-**		224.16
	Reversal of provision for diminution in value of investments	**-**		(0.41)
	Gain on settlement of deferred sales tax liability	**(127.73)**		(104.14)
	Share of (profit) / loss in respect of investments in associate companies (net)	**(10.47)**		36.41
	Share of minority interest	**52.90**		38.94
	Tax expenses	**6,619.33**		3,667.86
	Interest / dividend (net)	**2,343.98**		2,549.93
	Exchange difference (net)	**296.14**		257.09
			18,954.77	14,581.27
	Operating profit before working capital changes		**31,224.56**	24,654.00
	Adjustments for:			
	Inventories	**(2,045.48)**		(2,042.04)
	Trade receivables	**(840.35)**		1,923.68
	Finance receivables	**1,270.50**		(645.24)
	Other current and non-current assets	**(1,165.41)**		1,809.91
	Trade payables	**(3,214.39)**		(5,002.37)
	Other current and non-current liabilities	**(717.72)**		(409.27)
	Provisions	**1,622.01**		1,295.91
			(5,090.84)	(3,069.42)
	Cash generated from operations		**26,133.72**	21,584.58
	Income taxes paid (net)		**(2,612.37)**	(2,927.53)
	Net cash from operating activities		**23,521.35**	18,657.05
B.	**Cash flow from investing activities**			
	Payment for fixed assets		**(23,955.45)**	(19,292.03)
	Proceeds from sale of fixed assets		**22.24**	27.84
	Investments in mutual fund (made) / sold (net)		**(5,232.87)**	(2,179.33)
	Acquisition of subsidiary company		**-**	(190.45)
	Investment in associate companies		**(160.00)**	-
	Investments in retained interests in securitisation transactions made		**-**	(38.00)
	Investments in retained interests in securitisation transactions realized		**44.14**	36.51
	Investments - others		**(3.76)**	(3.28)
	Sale / redemption of investments - others		**42.19**	2.45
	Fixed deposits with financial institutions made		**(200.00)**	(202.50)
	Fixed deposits from financial institutions realized		**32.50**	-
	Deposits of margin money / cash collateral		**(0.19)**	(182.88)
	Realisation of margin money / cash collateral		**3.05**	882.42
	Fixed / restricted deposits with banks made		**(964.55)**	(3,345.43)
	Fixed / restricted deposits with banks realised		**1,332.12**	289.97
	Interest received		**462.91**	426.75
	Dividend received from associate companies		**14.52**	13.50
	Dividend / income on investments received		**58.06**	24.53
	(Increase) / decrease in short term Inter-corporate deposit		**(95.00)**	-
	Net cash used in investing activities		**(28,600.09)**	(23,729.93)

TATA MOTORS LIMITED

Unaudited Condensed Consolidated Cash Flow Statement

(₹ in crores)

		For Nine Months Ended	
		December 31, 2014	December 31, 2013
C.	**Cash flow from financing activities**		
	Expenses on Foreign Currency Convertible Notes (FCCN) conversion	**-**	(0.35)
	Brokerage and other expenses on Non-Convertible Debentures (NCD)	**(32.53)**	(66.11)
	Proceeds from issue of shares held in abeyance	-	0.09
	Proceeds from other long-term borrowings (net of issue expenses)	**15,386.77**	16,190.28
	Repayment of long-term borrowings	**(7,172.68)**	(5,802.34)
	Proceeds from short-term borrowings	**7,310.48**	10,054.13
	Repayment of short-term borrowings	**(6,324.46)**	(8,835.75)
	Net change in other short-term borrowings (with maturity up to three months)	**2,039.51**	265.54
	Repayment of fixed deposits	**(7.15)**	(359.45)
	Dividend paid (including dividend distribution tax)	**(676.35)**	(684.53)
	Dividend paid to minority shareholders	**(33.35)**	(26.21)
	Interest paid [including discounting charges paid ₹ **576.69 crores** (December 31, 2013 ₹ 469.72 crores)]	**(3,860.08)**	(4,086.28)
	Net cash from financing activities	**6,630.16**	6,649.02
	Net increase in cash and cash equivalents	**1,551.42**	1,576.14
	Cash and cash equivalents as at April 1 (Opening balance)	**16,627.98**	12,350.98
	Cash and cash equivalent on acquisition of subsidiary	**-**	41.80
	Effect of foreign exchange on cash and cash equivalents	**(106.81)**	2,501.68
	Cash and cash equivalents as at December 31 (Closing balance)	**18,072.59**	16,470.60
	Previous period's figures have been restated, wherever necessary, to conform to this period's classification.		
	Non-cash transactions :		
	FCCN converted to Ordinary shares	**-**	413.34

In terms of our report attached

For and on behalf of the Board

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

R PISHARODY
Executive Director

B P SHROFF
Partner

S B BORWANKAR
Executive Director

C RAMAKRISHNAN
Chief Financial Officer

H K SETHNA
Company Secretary

Mumbai, February 5, 2015

Mumbai, February 5, 2015

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) Principles of consolidation:

The consolidated financial statements have been prepared on the following basis:

i. 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. nine months ended December 31, 2014.

ii. 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.

iii. 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.

iv. 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.

v. 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.

vi. 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.

(b) 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 December 31, 2014	 As at March 31, 2014
	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	**100**	100
11	TML Distribution Company Ltd	India	**100**	100
12	Tata Hispano Motors Carrocera S.A	Spain	**100**	100
13	Tata Hispano Motors Carroceries Maghreb S.A (Direct subsidiary w.e.f. June 23, 2014)	Morocco	**100**	**-**
14	Trilix S.r.l	Italy	**80**	80
15	Tata Precision Industries Pte Ltd	Singapore	**78.39**	78.39
16	PT Tata Motors Indonesia (Indirect subsidiary w.e.f. October 20,2014)	Indonesia	**-**	100

Sr No.	Name of the subsidiary company	Country of incorporation	% of holding either directly or through subsidiaries As at December 31, 2014	As at March 31, 2014
	Indirect subsidiaries *			
17	Tata Daewoo Commercial Vehicle Co. Ltd	South Korea	**100**	100
18	Tata Motors (Thailand) Ltd	Thailand	**94.36**	94.36
19	Tata Motors (SA) (Proprietary) Ltd	South Africa	**60**	60
20	Tata Technologies (Thailand) Ltd	Thailand	**72.32**	72.32
21	Tata Technologies Pte. Ltd, Singapore	Singapore	**72.32**	72.32
22	INCAT International Plc	UK	**72.32**	72.32
23	Tata Technologies Europe Ltd	UK	**72.32**	72.32
24	INCAT GmbH.	Germany	**72.32**	72.32
25	Tata Technologies Inc	USA	**72.52**	72.52
26	Tata Technologies de Mexico, S.A. de C.V.	Mexico	**72.52**	72.52
27	Tata Technologies (Canada) Inc.	Canada	**72.52**	72.52
28	Cambric Holdings Inc.	USA	**72.32**	72.32
29	Cambric Corporation, Delaware	USA	**72.32**	72.32
30	Cambric Limited, Bahama	USA	**72.32**	72.32
31	Cambric UK Ltd.	UK	**72.32**	72.32
32	Cambric Managed Services Inc, Utah (Disssloved w.e.f September 29,2014)	USA	**72.32**	72.32
33	Cambric GmbH	Germany	**72.32**	72.32
34	Midwest Managed Services, Utah	USA	**72.32**	72.32
35	Cambric Consulting SRL, Romania	Romania	**72.32**	72.32
36	Cambric Manufacturing Technologies (Shanghai) Co. Ltd	China	**72.32**	72.32
37	Jaguar Land Rover Automotive Plc	UK	**100**	100
38	Jaguar Land Rover Ltd	UK	**100**	100
39	Jaguar Land Rover Austria GmbH	Austria	**100**	100
40	Jaguar Land Rover Belux NV	Belgium	**100**	100
41	Jaguar Land Rover Japan Ltd	Japan	**100**	100
42	Jaguar Cars South Africa (pty) Ltd	South Africa	**100**	100
43	JLR Nominee Company Limited	UK	**100**	100
44	The Daimler Motor Company Ltd	UK	**100**	100
45	The Jaguar Collection Ltd	UK	**100**	100
46	Daimler Transport Vehicles Ltd	UK	**100**	100
47	S.S. Cars Ltd	UK	**100**	100
48	The Lanchester Motor Company Ltd	UK	**100**	100
49	Jaguar Land Rover Deutschland GmbH	Germany	**100**	100
50	Jaguar Land Rover Holdings Limited	UK	**100**	100
51	Land Rover Group Ltd (Liquidated w.e.f. June 30, 2014)	Jersey	**100**	100
52	Jaguar Land Rover North America LLC	USA	**100**	100
53	Land Rover Ireland Ltd	Ireland	**100**	100
54	Jaguar Land Rover Nederland BV	Netherlands	**100**	100
55	Jaguar Land Rover Portugal - Veiculos e Pecas, LDA	Portugal	**100**	100
56	Jaguar Land Rover Australia Pty Ltd	Australia	**100**	100
57	Jaguar Land Rover Italia SpA	Italy	**100**	100
58	Jaguar Land Rover Espana SL	Spain	**100**	100
59	Jaguar Land Rover Korea Co. Ltd	South Korea	**100**	100
60	Jaguar Land Rover Automotive Trading (Shanghai) Co. Ltd	China	**100**	100
61	Jaguar Land Rover Canada ULC	Canada	**100**	100
62	Jaguar Land Rover France, SAS	France	**100**	100
63	Jaguar Land Rover (South Africa) (pty) Ltd	South Africa	**100**	100
64	Jaguar Land Rover Brazil LLC	Brazil	**100**	100
65	Limited Liability Company "Jaguar Land Rover" (Russia)	Russia	**100**	100
66	Land Rover Parts Ltd	UK	**100**	100
67	Jaguar Land Rover (South Africa) Holdings Ltd.	UK	**100**	100
68	Jaguar Land Rover India Ltd	India	**100**	100
69	Tata Daewoo Commercial Vehicle Sales and Distribution Co. Ltd.	South Korea	**100**	100
70	Tata Hispano Motors Carroceries Maghreb S.A (Direct subsidiary w.e.f. June 23, 2014)	Morocco	**-**	100
71	PT Tata Motors Distribusi Indonesia (Indirect subsidiary w.e.f October 20,2014)	Indonesia	**100**	-
72	PT Tata Motors Indonesia	Indonesia	**100**	99.99
73	Jaguar Cars Ltd (dormant)	UK	**100**	100
74	Land Rover Exports Ltd (non-trading)	UK	**100**	100

* Effective holding % of the Company directly and through its subsidiaries.

(c) 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 December 31, 2014	As at March 31, 2014
1	Fiat India Automobiles Private Limited	India	**50**	50
2	Tata Cummins Private Ltd	India	**50**	50
3	Tata HAL Technologies Ltd **	India	**36.16**	36.16
4	Spark 44 (JV) Ltd	UK	**50**	50
5	Chery Jaguar Land Rover Automotive Co Ltd	China	**50**	50
6	Suzhou Chery Jaguar Land Rover Trading Company Ltd	China	**50**	50

** Effective holding % of the Company as it is a Joint Venture of Tata Technologies Ltd

(II) Significant Accounting Policies :

(a) The accounting policies followed in these condensed consolidated financial statements are the same as those followed in the audited financials statements of the Company for the year ended March 31, 2014 and should be read in conjunction with the said audited financial statements except for -

a subsidiary company (NBFC) hitherto made provision on assigned / securitised receivables in the same manner as done for finance receivables based on the prudential norms issued by the RBI relating to income recognition, asset classification and provisioning for non-performing assets. In addition to the provisioning as per the RBI norms, provision is also being made for the anticipated non recoverable principal, where any of the installments are overdue for a period exceeding 11 months. During the quarter, the subsidiary has revised its accounting policy for recording loss on securitised receivables in line with RBI's securitization guidelines and RBI's observations. The subsidiary is of the opinion that the change would reflect a more appropriate presentation of the financial statements and also would be in line with the RBI observations. As per the new policy the subsidiary records loss on such receivables to the extent of utilization / draw down of the credit enhancement by writing-off by the amount to the profit and loss account as per RBI Guidelines and has discontinued with the provision on securitised receivables. Had the subsidiary followed its earlier policy the profit for the quarter and nine months ended December 31, 2014 and the Reserves as at December 31, 2014 would have been lower by ₹33.41 crores.

(b) **Basis of preparation:**
These condensed consolidated financial statements have been prepared in accordance with the requirements of Accounting Standard 25 (AS 25) 'Interim Financial Reporting', as notified under the Companies Act, 1956 (which is deemed to be applicable as per Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules,2014) and other accounting principles generally accepted in India. In the opinion of the management, all adjustments which are necessary for a fair presentation have been included. The results of interim periods are not necessarily indicative of the results that may be expected for any other interim period or for the full year.

(c) **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 and liabilities and disclosures of contingent 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 on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

(d) **Income taxes :**
Income tax expense is recognised in each interim period based on the best estimate of the weighted average annual income tax rate expected for the full financial year. 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.

(e) **Pension plans :**
During the nine months ended and as at December 31, 2014, an amount of ₹26.52 crores (net of tax) has been credited and ₹7,541.86 crores (net of tax) has been debited respectively, 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 permitted by AS 21 in the consolidated financial statements.

(f) In terms of the proviso to clause 3 (i) of Part A of Schedule II to the Companies Act, 2013 (the Act), the Company and its domestic group companies have decided to retain the useful life hitherto adopted for various categories of fixed assets, which are in certain cases, different from those prescribed in Schedule II to the Act. Based on the policy followed by the Company of continuous and periodic assessment, the estimated useful life and residual value adopted so far is appropriate.

(₹ in crores)

	As at December 31, 2014	As at March 31, 2014
2. Share Capital		
(a) Authorised :		
350,00,00,000 Ordinary shares of ₹ 2 each (as at March 31, 2014: 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, 2014: 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, 2014: 30,00,00,000 shares of ₹ 100 each)	**3,000.00**	3,000.00
	3,900.00	3,900.00
(b) Issued :		
273,71,97,592 Ordinary shares of ₹ 2 each (as at March 31, 2014: 273,71,97,592 shares of ₹ 2 each)	**547.44**	547.44
48,22,06,515 'A' Ordinary shares of ₹ 2 each (as at March 31, 2014: 48,22,06,515 shares of ₹ 2 each)	**96.44**	96.44
	643.88	643.88
(c) Subscribed and called-up :		
273,67,13,122 Ordinary shares of ₹ 2 each (as at March 31, 2014: 273,67,13,122 shares of ₹ 2 each)	**547.34**	547.34
48,19,66,945 'A' Ordinary shares of ₹ 2 each (as at March 31, 2014: 48,19,66,945 shares of ₹ 2 each)	**96.40**	96.40
	643.74	643.74
(d) Calls unpaid - Ordinary shares	**(0.01)**	(0.01)
(e) Paid-up (c+d)	**643.73**	643.73
(f) Forfeited shares - Ordinary shares	**0.05**	0.05
Total (e + f)	**643.78**	643.78

(g) Movement of number of shares and share capital :

	April - December 2014		April 13 - March 14		
	No. of Shares	(₹ in crores)	No. of Shares	(₹ in crores)	
(i) Ordinary shares :					
Shares as on April 1	**273,67,13,122**	**547.34**	270,81,56,151	541.63	
Add: Shares issued out of held in abeyance	**-**	**-**	7,405	-	*
Add: Shares issued through conversion of Foreign Currency Convertible Notes (FCCN)	**-**	**-**	2,85,49,566	5.71	
Shares as on December 31 / March 31	**273,67,13,122**	**547.34**	273,67,13,122	547.34	
(ii) 'A' Ordinary shares :					
Shares as on April 1	**48,19,66,945**	**96.40**	48,19,59,620	96.40	
Add: Shares issued out of held in abeyance	**-**	**-**	7,325	-	*
Shares as on December 31 / March 31	**48,19,66,945**	**96.40**	48,19,66,945	96.40	

* Less than ₹ 50,000/-

(h) The entitlements to 4,84,470 Ordinary shares ₹ 2 each (as at March 31, 2014 : 4,84,470 Ordinary shares of ₹ 2 each) and 2,39,570 'A' Ordinary shares of ₹ 2 each (as at March 31, 2014 : 2,39,570 'A' Ordinary shares of ₹ 2 each) are subject matter of various suits filed in the courts / forums by third parties for which final order is awaited and kept in abeyances.

(₹ in crores)

	As at March 31, 2014	Additions	Deductions	As at December 31, 2014
3. Reserves and surplus				
(a) Capital Redemption Reserve	**2.28**	**-**	**-**	**2.28**
	2.28	-	-	2.28
(b) Securities Premium Account [Notes (i) and (ii)]	**11,683.09**	**-**	**31.49**	**11,651.60**
	11,328.57	441.93	87.41	11,683.09
(c) Debenture Redemption Reserve	**1,042.15**	**-**	**-**	**1,042.15**
	1,042.15	-	-	1,042.15
(d) Capital Reserve (on consolidation) [Note (iii)]	**504.56**	**16.08**	**-**	**520.64**
	440.21	64.35	-	504.56
(e) Revaluation Reserve [Note (iv)]	**22.87**	-	**-**	**22.87**
	39.60	-	16.73	22.87
(f) Amalgamation Reserve	**0.05**	**-**	**-**	**0.05**
	0.05	-	-	0.05
(g) Special Reserve	**229.97**	-	**-**	**229.97**
	208.19	21.78	-	229.97
(h) Hedging Reserve Account [Note (v)]	**5,399.55**	**1,431.74**	**7,158.71**	**(327.42)**
	(1,578.07)	8,813.62	1,836.00	5,399.55
(i) Pension Reserve [Note (vi)]	**(7,568.38)**	**33.52**	**7.00**	**(7,541.86)**
	(6,224.71)	-	1,343.67	(7,568.38)
(j) Earned Surplus Reserve [Note (vii)]	**14.51**	**-**	**-**	**14.51**
	14.51	-	-	14.51
(k) Reserves on Research and Human Resource Development [Note (viii)]	**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**	**0.09**	**-**	**0.42**
	-	0.33	-	0.33
(n) Translation Reserve [Note (x)]	**7,173.03**	**-**	**755.04**	**6,417.99**
	282.27	6,890.76	-	7,173.03
(o) General Reserve [Note (xi), page 10]	**5,181.62**	**21.34**	**-**	**5,202.96**
	5,102.50	79.12	-	5,181.62
(p) Foreign Currency Monetary Item Translation Difference Account (Net) [Note (xii), page 10]	**573.88**	**278.55**	**2,967.69**	**(2,115.26)**
	(1,133.87)	1,795.86	88.11	573.88
(q) Profit and Loss Account / Surplus [Note (xiii), page 10]	**40,530.48**	**12,363.19**	**5.38**	**52,888.29**
	27,305.87	14,070.05	845.44	40,530.48
	64,959.67	**14,144.51**	**10,925.31**	**68,178.87**
	36,999.23	32,177.80	4,217.36	64,959.67

Notes:-

	April - December 2014		April 13 - March 14	
	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) and held in abeyance out of rights issue of shares	**-**	**-**	407.72	-
(b) Share issue expenses and brokerage, stamp duty and other fees on Non-Convertible Debentures [net of tax **₹1.03 crores** (2013-14 ₹ 0.48 crore)]	**-**	**31.49**	-	87.41
(c) Premium on redemption of FCCN (including exchange differences and withholding tax)	**-**	**-**	34.21	-
	-	**31.49**	441.93	87.41
(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
(b) Depreciation on revalued portion of assets of a subsidiary company	**-**	**-**	**-**	16.29
	-	**-**	-	16.73
(v) **Hedging Reserve Account :**				
(a) Fair value gains / losses	-	**7,158.71**	8,813.62	-
(b) Deferred tax on fair value gains / losses	**1,431.74**	-	-	1,836.00
	1,431.74	**7,158.71**	8,813.62	1,836.00
(vi) **Pension Reserve :**				
(a) Actuarial losses (net)	**29.42**	**-**	**-**	1,280.68
(b) Movement in restriction of pension assets	**4.10**	**-**	-	22.60
(c) Tax impact on actuarial losses (net) and movement in restriction of pension assets	**-**	**7.00**	-	40.39
	33.52	**7.00**	-	1,343.67

(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 off-set 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.

NOTES FORMING PART OF UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

		April - December 2014		April 13 - March 14	
		Additions	Deductions	Additions	Deductions
(xi)	**General Reserve :**				
	(a) Government grants / incentives received	**21.34**	**-**	24.67	-
	(b) Amount transferred from Profit and Loss Account / Surplus	**-**	**-**	54.45	-
		21.34	**-**	79.12	-
(xii)	**Foreign Currency Monetary Item Translation Difference Account :**				
	(a) Exchange gain / (loss) during the period / year (net)	**-**	**2,967.69**	1,795.86	-
	(b) Amortisation of exchange fluctuation for the period / year	**278.55**	**-**	-	88.11
		278.55	**2,967.69**	1,795.86	88.11
(xiii)	**Profit and Loss Account / Surplus :**				
	(a) Profit for the period / year	**12,269.79**	**-**	13,991.02	-
	(b) Tax on interim dividend by subsidiaries (including Group's share of subsidiaries' dividend tax)	**-**	**5.29**	-	6.35
	(c) Proposed dividend	**-**	**-**	-	648.56
	(d) Dividend paid (2012-13)	**-**	**-**	-	3.34
	(e) Tax on proposed dividend (including Group's share of subsidiaries' dividend tax)	**-**	**-**	-	110.86
	(f) Reversal of dividend distribution tax of earlier year	**93.40**	**-**	79.03	-
	(g) General Reserve	**-**	**-**	-	54.45
	(h) Special Reserve	**-**	**-**	-	21.78
	(i) Legal Reserve	**-**	**0.09**	-	0.10
		12,363.19	**5.38**	14,070.05	845.44

(₹ in crores)

4. Long-term Borrowings	**As at December 31, 2014**	As at March 31, 2014
(A) Secured :		
(a) Privately placed Non-Convertible Debentures	**3,797.81**	4,315.43
(b) Term loans :		
(i) from banks	**4,156.25**	4,604.60
(ii) from others	**458.60**	419.54
(c) Finance lease obligations	**13.10**	15.64
	8,425.76	9,355.21
(B) Unsecured :		
(a) Privately placed Non-Convertible Debentures	**5,829.90**	4,194.90
(b) Subordinated perpetual debentures	**375.30**	325.00
(c) Term loans :		
(i) from banks	**9,515.50**	10,875.38
(ii) from others	**239.08**	252.37
(d) Senior Notes (Note below)	**30,457.93**	20,255.75
	46,417.71	35,903.40
Total (A+B)	**54,843.47**	45,258.61

5. Short-term borrowings	**As at December 31, 2014**	As at March 31, 2014
(A) Secured :		
(a) Loan from banks	**4,783.92**	5,159.11
(b) Loan from others	**79.97**	94.43
	4,863.89	5,253.54
(B) Unsecured :		
(a) (i) Loan from banks	**2,051.51**	2,506.46
(ii) Loan from others	**40.99**	17.92
(b) Inter corporate deposits from associates	**63.00**	26.00
(c) Commercial paper	**5,888.96**	1,891.94
	8,044.46	4,442.32
Total (A+B)	**12,908.35**	9,695.86

Note : Schedule of repayment of Senior notes :

	Currency	**Amount in million**	**Amount (₹ in crores)**
5.750% Senior notes due 2024	USD	250	1,576.25
5.625% Senior notes due 2023	USD	500	3,155.66
5.000% Senior notes due 2022	GBP	400	3,933.76
8.125% Senior notes due 2021	USD	410	2,587.92
5.75% Senior notes due 2021	USD	300	1,891.31
8.25% Senior notes due 2020	GBP	500	4,916.82
4.625% Senior notes due 2020	USD	500	3,152.50
4.25% Senior notes due 2019	USD	500	3,155.66
4.125% Senior notes due 2018	USD	700	4,417.32
4.25% Senior notes due 2018	SGD	350	1,670.73
			30,457.93

(₹ in crores)

		As at December 31, 2014	As at March 31, 2014
6. (a)	**Deferred tax assets and liabilities (net) classified on a company wise basis :**		
(i)	Deferred tax asset	**2,789.57**	2,347.08
(ii)	Deferred tax liability	**(3,094.96)**	(1,572.33)
	Net deferred tax assets / (liability)	**(305.39)**	774.75

	For Three Months Ended December 31, 2014	For Three Months Ended December 31, 2013	For Nine Months Ended December 31, 2014	For Nine Months Ended December 31, 2013
(b) Tax Expenses :				
(i) Current tax				
Current tax	**1,142.15**	1,138.18	**3,255.16**	2,739.81
Less : MAT credit (entitlement) / reversal	**-**	-	**777.18**	-
Current tax (including Minimum Alternate Tax/credit)	**1,142.15**	1,138.18	**4,032.34**	2,739.81
(ii) Deferred tax	**998.22**	170.12	**2,586.99**	928.05
Total (i + ii)	**2,140.37**	1,308.30	**6,619.33**	3,667.86

(c) Deferred tax charge for the period	For Nine Months Ended December 31, 2014	For Nine Months Ended December 31, 2013
Opening net deferred tax assets / (liability)	**774.75**	2,380.72
(Debited) / Credited to Securities Premium Account	**1.03**	0.39
(Debited) / Credited to Hedging Reserve	**1,431.74**	(1,815.96)
(Debited) / Credited to Pension Reserve	**(7.00)**	20.92
Research and Development tax credit	**-**	101.20
Translation differences in respect of foreign subsidiaries	**81.08**	880.87
	2,281.60	1,568.14
Closing net deferred tax assets / (liability)	**(305.39)**	640.09
Deferred tax charge for the period	**2,586.99**	928.05

NOTES FORMING PART OF UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

7. Other long-term liabilities

		As at December 31, 2014	As at March 31, 2014
(a)	Liability towards premium on redemption of Non-Convertible Debentures	**919.23**	919.23
(b)	Deferred payment liabilities	**122.57**	183.83
(c)	Interest accrued but not due on borrowings	**24.19**	2.57
(d)	Derivative financial instruments	**2,487.16**	548.36
(e)	Deferred revenue	**772.01**	640.64
(f)	Others	**305.06**	302.23
		4,630.22	2,596.86

8. Other current liabilities

		As at December 31, 2014	As at March 31, 2014
(a)	Liability towards vehicles sold under repurchase arrangements	**1,849.00**	1,827.74
(b)	Liability for capital expenditure	**4,049.20**	2,580.20
(c)	Deposits and retention money	**220.89**	169.91
(d)	Interest accrued but not due on borrowings	**1,049.68**	821.52
(e)	Current maturities of long term borrowings (Note below)	**5,076.13**	5,687.81
(f)	Deferred payment Liabilities	**59.75**	65.83
(g)	Advance and progress payments from customers	**2,207.61**	3,118.67
(h)	Statutory dues (VAT, Excise, Service Tax, Octroi etc)	**1,604.51**	1,815.68
(i)	Employee benefit obligations	**11.83**	45.41
(j)	Liability towards Investors Education and Protection Fund under Section 205C of the Companies Act, 1956 (IEPF) not due	**42.84**	50.51
(k)	Derivative financial instruments	**2,849.36**	643.87
(l)	Deferred revenue	**461.79**	331.34
(m)	Others	**242.28**	215.37
		19,724.87	17,373.86

Note :

Current maturities of long term borrowings consists of :

		As at December 31, 2014	As at March 31, 2014
(i)	Privately placed Non-Convertible Debentures	**2,805.38**	2,163.32
(ii)	Term loans from banks and others	**2,253.73**	3,502.19
(iii)	Finance lease obligations	**17.02**	22.30
		5,076.13	5,687.81

(₹ in crores)

9. Long-term provisions

		As at December 31, 2014	As at March 31, 2014
(a)	Employee benefit obligations	**6,029.96**	6,287.44
(b)	Warranty and product liability	**5,997.08**	5,505.53
(c)	Residual risk	**192.39**	130.99
(d)	Environmental cost	**238.75**	206.68
(e)	Others	**81.98**	59.65
		12,540.16	12,190.29

10. Short term provisions

		As at December 31, 2014	As at March 31, 2014
(a)	Employee benefit obligations	**2,501.78**	1,778.52
(b)	Warranty and product liability	**4,619.40**	3,976.69
(c)	Current income tax (net of payment)	**1,848.11**	1,396.94
(d)	Proposed dividend	**-**	648.56
(e)	Provision for tax on dividends	**-**	114.12
(f)	Residual risk	**45.22**	17.95
(g)	Others	**36.27**	37.90
		9,050.78	7,970.68

11. Trade payables

		As at December 31, 2014	As at March 31, 2014
(a)	Acceptances	**3,776.00**	5,162.04
(b)	Other than acceptances	**49,856.48**	52,153.69
		53,632.48	57,315.73

12. Tangible assets

(₹ in crores)

	Particulars	Cost as at April 1, 2014	Acquisitions	Additions/ adjustments [Note (ii)]	Translation adjustment	Deductions/ adjustments	Cost as at December 31, 2014	Accumulated depreciation as at April 1, 2014	Accumulated depreciation on acquisitions during the period / year	Depreciation for the period / year	Translation adjustment- accumulated depreciation	Deductions/ adjustments	Accumulated depreciation up to December 31, 2014 [Note (iii)]	Net book value as at December 31, 2014
[I]	**Owned assets :**													
(i)	Land	**2,027.99**	**-**	**185.97**	**(8.03)**	**1.76**	**2,204.17**	**-**	**-**	**-**	**-**	**-**	**-**	**2,204.17**
		1,693.61	-	86.78	256.26	8.66	2,027.99	-	-	-	-	-	-	2,027.99
(ii)	Buildings	**10,946.48**	**-**	**2,915.69**	**(117.31)**	**45.52**	**13,699.34**	**4,313.93**	**-**	**226.42**	**(41.25)**	**42.11**	**4,456.99**	**9,242.35**
		8,267.89	-	1,723.03	1,055.07	99.51	10,946.48	3,534.03	-	273.70	599.96	93.76	4,313.93	6,632.55
(iii)	Plant, machinery and equipment [Note (i)]	**79,061.70**	**-**	**10,793.15**	**(793.57)**	**631.83**	**88,429.45**	**48,411.14**	**-**	**4,154.57**	**(530.59)**	**617.05**	**51,418.07**	**37,011.38**
		63,036.91	-	7,448.90	9,087.43	511.54	79,061.70	37,827.79	-	4,997.08	6,054.21	467.94	48,411.14	30,650.56
(iv)	Furniture, fixtures and office appliances [Note (i)]	**1,010.56**	**-**	**156.19**	**(8.56)**	**33.00**	**1,125.19**	**476.04**	**-**	**88.42**	**(4.13)**	**31.20**	**529.13**	**596.06**
		709.86	2.45	234.79	87.55	24.09	1,010.56	375.69	2.16	69.22	51.15	22.18	476.04	534.52
(v)	Vehicles [Note (i)]	**270.33**	**-**	**555.47**	**(8.67)**	**25.52**	**791.61**	**142.83**	**-**	**26.64**	**1.57**	**18.29**	**152.75**	**638.86**
		251.35	0.08	44.38	8.75	34.23	270.33	121.89	0.03	38.98	2.74	20.81	142.83	127.50
(vi)	Computers & other IT assets [Note (i)]	**1,125.82**	**-**	**232.95**	**(4.35)**	**6.34**	**1,348.08**	**757.04**	**-**	**79.71**	**(1.74)**	**12.93**	**822.08**	**526.00**
		928.19	8.66	185.70	53.89	50.62	1,125.82	666.62	6.74	89.69	30.62	36.63	757.04	368.78
[II]	**Assets given on lease :**													
(i)	Plant & machinery	**404.32**	**-**	**5.22**	**-**	**0.01**	**409.53**	**380.92**	**-**	**3.47**	**-**	**2.27**	**382.12**	**27.41**
		402.19	-	2.13	-	-	404.32	380.15	-	5.58	-	4.81	380.92	23.40
[III]	**Assets taken on lease :**													
(i)	Leasehold land	**268.47**	**-**	**2.35**	**(0.36)**	**-**	**270.46**	**32.32**	**-**	**2.81**	**0.71**	**-**	**35.84**	**234.62**
		265.82	-	2.65	-	-	268.47	28.44	-	3.88	-	-	32.32	236.15
(ii)	Buildings	**63.65**	**-**	**3.47**	**-**	**0.01**	**67.11**	**14.85**	**-**	**4.31**	**0.05**	**-**	**19.21**	**47.90**
		55.06	1.47	6.81	0.74	0.43	63.65	9.24	0.79	4.07	0.50	(0.25)	14.85	48.80
(iii)	Plant & machinery	**38.96**	**-**	**0.11**	**(0.03)**	**0.53**	**38.51**	**36.64**	**-**	**1.63**	**0.09**	**0.53**	**37.83**	**0.68**
		38.89	-	0.30	(0.23)	-	38.96	34.63	-	2.02	(0.01)	-	36.64	2.32
(iv)	Computers & other IT assets	**157.73**	**-**	**8.97**	**(0.01)**	**-**	**166.69**	**116.01**	**-**	**15.28**	**(0.01)**	**-**	**131.28**	**35.41**
		153.79	-	4.06	-	0.12	157.73	96.13	-	20.00	-	0.12	116.01	41.72
	TOTAL TANGIBLE ASSETS	**95,376.01**	**-**	**14,859.54**	**(940.89)**	**744.52**	**108,550.14**	**54,681.72**	**-**	**4,603.26**	**(575.30)**	**724.38**	**57,985.30**	**50,564.84**
		75,803.56	12.66	9,739.53	10,549.46	729.20	95,376.01	43,074.61	9.72	5,504.22	6,739.17	646.00	54,681.72	40,694.29

(i) Includes buildings, plant, machinery and equipment, furniture, fixtures and office equipments, vehicles and computers having gross block of **₹ 0.64 crores**, **₹ 249.71 crores**, **₹6.54 crores**, **₹ 0.90 crore**, **₹ 1.49 crores and ₹ 136.59 crores** (as at March 31, 2014 ₹ 0.69 crores, ₹ 290.44 crores, ₹ 7.79 crores, ₹ 1.88 crores and ₹ 137.16 crores) and net block of **₹ 0.58 crore**, **₹ 16.55 crores, ₹ 0.55 crore, ₹ 0.04 crore, ₹ 0.03 crore and ₹ 0.65 crore** (as at March 31, 2014 ₹ 0.62 crores, ₹ 18.13 crores, ₹ 0.63 crore, ₹ 0.04 crore and ₹ 0.68 crore) respectively, held for disposal.

(ii) Additions / adjustments include capitalisation of exchange loss of **₹ 23.39 crores** (2013-14 capitalisation of exchange loss of ₹ 111.13 crores).

(iii) Accumulated depreciation includes :

(a) Lease equalisation of **₹ 2.24 crores** (2013-14 ₹ 4.52 crores) adjusted in lease rental income.

(b) Depreciation of **₹ Nil crore** (2013-14 ₹ 16.73 crores) on revalued portion of gross block transferred to Revaluation Reserve.

13. Intangible assets

	Particulars	Cost as at April 1, 2014	Acquisitions	Additions/ adjustments *	Translation adjustment	Deductions/ adjustments	Cost as at December 31, 2014	Accumulated amortisation as at April 1, 2014	Accumulated amortisation on acquisitions during the period / year	Amortisation for the period / year	Translation adjustment- accumulated amortisation	Deductions/ adjustments	Accumulated amortisation up to December 31, 2014	Net book value as at December 31, 2014
(i)	Technical know-how	**56.65**	**-**	**0.14**	**0.04**	**-**	**56.83**	**46.13**	**-**	**0.29**	**(0.48)**	**-**	**45.94**	**10.89**
		56.37	-	0.23	0.05	-	56.65	45.76	-	0.37	-	-	46.13	10.52
(ii)	Computer software	**3,118.71**	**-**	**1,481.71**	**(50.28)**	**12.94**	**4,537.20**	**1,555.64**	**-**	**368.65**	**(16.99)**	**9.42**	**1,897.88**	**2,639.32**
		1,984.35	20.91	881.33	345.00	112.88	3,118.71	1,121.68	14.02	338.74	167.47	86.27	1,555.64	1,563.07
(iii)	Product development cost	**29,229.51**	**-**	**6,861.04**	**(365.23)**	**1,621.82**	**34,103.50**	**11,833.55**	**-**	**4,469.93**	**(98.15)**	**1,587.45**	**14,617.88**	**19,485.62**
		21,018.31	-	6,063.38	3,580.54	1,432.72	29,229.51	6,988.46	-	5,119.44	1,168.55	1,442.90	11,833.55	17,395.96
(iv)	Trade marks & brand	**3,958.94**	**-**	**-**	**(48.67)**	**-**	**3,910.27**	**-**	**-**	**-**	**-**	**-**	**-**	**3,910.27**
		3,264.48	-	1.13	693.33	-	3,958.94	-	-	-	-	-	-	3,958.94
(v)	Developed technologies	**1,188.40**	**-**	**0.14**	**(12.35)**	**0.13**	**1,176.06**	**698.34**	**-**	**89.74**	**(4.92)**	**(3.18)**	**786.34**	**389.72**
		1,004.94	-	-	183.46	-	1,188.40	492.14	-	115.39	90.81	-	698.34	490.06
	TOTAL INTANGIBLE ASSETS	**37,552.21**	**-**	**8,343.03**	**(476.49)**	**1,634.89**	**43,783.86**	**14,133.66**	**-**	**4,928.61**	**(120.54)**	**1,593.69**	**17,348.04**	**26,435.82**
		27,328.45	20.91	6,946.07	4,802.38	1,545.60	37,552.21	8,648.04	14.02	5,573.94	1,426.83	1,529.17	14,133.66	23,418.55

* Additions / Adjustments include capitalisation of exchange loss of **₹ 27.69 crores** (2013-14 capitalisation of exchange loss of ₹ 26.24 crores).

NOTES FORMING PART OF UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

		As at December 31, 2014	As at March 31, 2014
14. Goodwill (on consolidation)			
Opening balance		**4,978.83**	4,102.37
Add:	Addition due to acquisition of subsidiary	**-**	139.60
Less:	Impairment	**-**	(22.16)
Add:	Impact of foreign currency translation	**(40.66)**	759.02
Closing balance		**4,938.17**	4,978.83

	As at December 31, 2014	As at March 31, 2014
15. Non-current investments		
(A) Investments in associates		
(a) Carrying amount of investments in associates (Note 4 below)	**378.88**	382.98
(b) 9% optionally convertible preference shares	**160.00**	-
	538.88	382.98
(B) Others (at cost)		
(i) Quoted		
(a) Equity shares	**297.09**	299.11
(ii) Unquoted		
(a) Equity Shares	**384.73**	385.45
(b) Non cumulative redeemable preference shares	**2.00**	2.00
(c) Cumulative redeemable non-participating preference shares	**6.00**	6.00
(d) Fully paid secured redeemable non-convertible debentures	**3.50**	-
(e) Retained interest in securitisation transactions	**11.13**	40.01
	704.45	732.57
(C) Provision for diminution in value of Investments (net)	**(4.16)**	(4.16)
(D) Advance against investments	**-**	3.00
Total	**1,239.17**	1,114.39
Notes:		
(1) Book value of quoted investments (other than in associates)	**297.09**	299.11
(2) Book value of unquoted investments (other than in associates)	**403.20**	432.30
(3) Market value of quoted investments (other than in associates)	**250.10**	252.49

(4) The particulars of investments in associate companies as of December 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
1)	Tata AutoComp Systems Ltd	India	**26.00**	**77.47**	**-**	**136.57**	**214.04**
			26.00	77.47	-	142.88	220.35
2)	NITA Company Ltd	Bangladesh	**40.00**	**1.27**	**(0.43)**	**20.42**	**21.69**
			40.00	1.27	(0.43)	18.27	19.54
3)	Automobile Corporation of Goa Ltd	India	**47.19**	**109.63**	**55.28**	**29.61**	**139.24**
			47.19	109.63	55.28	29.55	139.18
4)	Jaguar Cars Finance Ltd	UK	**49.90**	**3.91**	**-**	**-**	**3.91**
			49.90	3.91	-	-	3.91
5)	Tata Hitachi Construction Machinery Company Ltd	India	**40.00**	**80.20**	**0.20**	**(80.20)**	**-**
			40.00	80.20	0.20	(80.20)	-
	Total			**272.48**	**55.05**	**106.40**	**378.88**
				272.48	55.05	110.50	382.98

NOTES FORMING PART OF UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

	As at December 31, 2014	As at March 31, 2014
16. Current investments		
(at cost or fair value whichever is lower) (fully paid)		
A. Quoted		
(a) Equity shares	**-**	19.60
(b) Bonds	**-**	2.25
	-	21.85
B. Unquoted		
(a) Mutual funds	**14,587.51**	9,494.06
(b) Optionally convertible debentures	**1.33**	1.66
(c) Equity shares	**4.68**	-
(d) Retained interest in securitisation transactions	**39.45**	54.71
	14,632.97	9,550.43
Total	**14,632.97**	9,572.28
Note:		
(1) Book value of quoted investments	**-**	21.85
(2) Book value of unquoted investments	**14,632.97**	9,550.43
(3) Market value of quoted investments	**-**	27.90

	As at December 31, 2014	As at March 31, 2014
17. Long-term loans and advances		
(A) Secured :		
Finance Receivables (Note below)	**10,343.17**	9,788.93
	10,343.17	9,788.93
(B) Unsecured:		
(a) Loans to employees	**43.26**	44.80
(b) Loan to Joint Venture (FIAT India Automobile Private Ltd)	**132.50**	132.50
(c) Taxes recoverable, statutory deposits and dues from government	**1,102.74**	988.87
(d) Capital advances	**313.64**	321.55
(e) Credit entitlement of Minimum Alternate Tax (MAT)	**14.84**	787.59
(f) Non-current income tax assets (net of provision)	**965.16**	855.96
(g) Others	**958.72**	348.64
	3,530.86	3,479.91
	13,874.03	13,268.84
Note :		
Finance receivables (Gross) *	**11,976.92**	10,589.61
Less : Allowances for doubtful loans **	**(1,633.75)**	(800.68)
Total	**10,343.17**	9,788.93
* Loans are secured against hypothecation of vehicles		
Includes on account of overdue securitised receivables	**-**	4.65
** Includes on account of securitised receivables	**-**	(4.35)

	As at December 31, 2014	As at March 31, 2014
18. Short-term loans and advances		
(A) Secured :		
Finance Receivables (Note below)	**6,680.65**	8,505.39
	6,680.65	8,505.39
(B) Unsecured:		
(a) Advances and other receivables	**1,019.64**	803.21
(b) Inter corporate deposits	**95.30**	0.30
(c) Fixed deposit with financial institutions	**205.00**	37.50
(d) VAT, other taxes recoverable, statutory deposits and dues from government	**4,378.92**	4,274.57
(e) Current income tax assets (net of provisions)	**165.78**	385.28
(f) Others	**78.22**	48.99
	5,942.86	5,549.85
	12,623.51	14,055.24
Note :		
Finance receivables (Gross) *	**7,599.30**	9,343.73
Less : Allowances for doubtful loans **	**(918.65)**	(838.34)
Total	**6,680.65**	8,505.39
* Loans are secured against hypothecation of vehicles		
Includes on account of overdue securitised receivables	**2.91**	9.47
** Includes on account of securitised receivables	**-**	(4.25)

(₹ in crores)

19. Other non-current assets

	As at December 31, 2014	As at March 31, 2014
(a) Prepaid expenses	**255.42**	268.84
(b) Prepaid debt issue cost / loan arrangement fees	**376.86**	384.44
(c) Interest accrued on loans and deposits	**107.79**	50.47
(d) Derivative financial instruments	**1,046.95**	4,364.70
	1,787.02	5,068.45

20. Other current assets

	As at December 31, 2014	As at March 31, 2014
(a) Prepaid expenses	**1,332.33**	958.29
(b) Prepaid debt issue cost / loan arrangement fees	**111.27**	103.66
(c) Interest accrued on loans and deposits	**10.03**	7.71
(d) Derivative financial instruments	**2,168.79**	3,591.24
	3,622.42	4,660.90

21. Inventories

	As at December 31, 2014	As at March 31, 2014
(a) Stores and spare parts	**209.75**	192.84
(b) Consumable tools	**206.42**	132.96
(c) Raw materials and components	**2,145.98**	1,777.24
(d) Work-in-progress	**3,828.40**	2,657.04
(e) Finished goods	**22,069.28**	21,771.33
(f) Goods in-transit - Raw materials and components	**604.90**	739.48
	29,064.73	27,270.89

22. Trade receivables (unsecured)

	As at December 31, 2014	As at March 31, 2014
(a) Over six months	**1,121.83**	951.85
(b) Others	**10,874.72**	10,244.08
	11,996.55	11,195.93
Less : Allowances for doubtful debts	**(676.65)**	(621.70)
	11,319.90	10,574.23

23. Cash and bank balances

	As at December 31, 2014	As at March 31, 2014
(A) Cash and cash equivalents		
(a) Cash on hand	**34.00**	38.63
(b) Cheques on hand	**99.27**	122.24
(c) Current account with banks #	**7,782.25**	7,568.61
(d) Bank deposits with upto 3 months maturity	**10,157.07**	8,898.50
	18,072.59	16,627.98
(B) Other bank balances		
(a) Earmarked balances with banks	**18.37**	18.15
	18.37	18.15
(C) Other bank balances (with more than 3 months but less than 12 months maturity)		
(a) Bank deposits	**12,291.48**	12,477.64
(b) Earmarked balances with banks	**205.67**	199.42
(c) Margin money / cash collateral with banks	**35.17**	35.26
	12,532.32	12,712.32
(D) Other bank balances (with more than 12 months maturity)		
(a) Bank deposits	**0.11**	0.06
(b) Other restricted deposits	**265.38**	252.45
(c) Margin money / cash collateral with banks	**98.25**	100.83
	363.74	353.34
Total (A + B + C + D)	**30,987.02**	29,711.79
# Includes remittances in transit	**185.48**	146.04

(₹ in crores)

	For Three Months Ended December 31,		For Nine Months Ended December 31,	
	2014	2013	**2014**	2013
24. Total revenue				
(I) Revenue from operations				
(a) Sale of products	**69,203.72**	63,534.16	**193,318.85**	166,000.10
(b) Sale of services	**184.57**	152.59	**784.43**	649.13
(c) Income from vehicle loan contracts (Note 1 below)	**553.21**	690.89	**1,651.28**	2,204.44
	69,941.50	64,377.64	**195,754.56**	168,853.67
(d) Other operating revenues (Note 2 below)	**851.65**	340.77	**1,783.95**	1,555.23
	70,793.15	64,718.41	**197,538.51**	170,408.90
(II) Other income				
(a) Interest income	**196.52**	142.09	**523.03**	479.49
(b) Dividend income	**0.22**	5.24	**58.30**	31.79
(c) Profit on sale of investments (net)	**24.99**	9.85	**68.35**	59.04
(d) Other non-operating income	**0.24**	0.77	**3.89**	3.43
	221.97	157.95	**653.57**	573.75
Note :				
1) Includes :				
(a) Income from securitisation / sale of receivables of loan contracts (net)	**1.24**	1.31	**(0.11)**	56.19
(b) Interest income from loan contracts (net)	**509.25**	623.93	**1,534.24**	1,962.61
2) Includes MTM gains / (loss) on commodity derivatives	**(238.69)**	(75.24)	**(160.97)**	(153.59)

NOTES FORMING PART OF UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

	For Three Months Ended December 31,		For Nine Months Ended December 31,	
	2014	2013	**2014**	2013
25. Employee cost / benefits expenses				
(a) Salaries, wages and bonus	**5,074.48**	4,600.72	**14,520.87**	12,078.86
(b) Contribution to provident fund and other funds	**751.89**	684.94	**2,132.40**	1,933.94
(c) Staff welfare expenses	**885.81**	579.60	**2,112.57**	1,516.31
	6,712.18	5,865.26	**18,765.84**	15,529.11

	For Three Months Ended December 31,		For Nine Months Ended December 31,	
	2014	2013	**2014**	2013
26. Finance cost				
(a) Interest	**1,279.21**	1,243.01	**3,610.28**	3,643.19
Less: Transferred to capital account	**(412.57)**	(405.82)	**(1,291.52)**	(1,065.17)
	866.64	837.19	**2,318.76**	2,578.02
(b) Discounting charges	**193.79**	167.64	**610.44**	488.21
	1,060.43	1,004.83	**2,929.20**	3,066.23

	For Three Months Ended December 31,		For Nine Months Ended December 31,	
	2014	2013	**2014**	2013
27. Other expenses				
(a) Processing charges	**258.45**	216.66	**783.00**	834.84
(b) Consumption of stores & spare parts	**478.90**	455.44	**1,330.74**	1,193.91
(c) Power & fuel	**295.48**	285.45	**807.90**	802.93
(d) Rent	**136.74**	125.29	**383.37**	338.46
(e) Repairs to buildings	**33.39**	22.75	**81.41**	57.08
(f) Repairs to plant, machinery etc.	**130.76**	61.76	**346.11**	181.42
(g) Insurance	**84.77**	71.72	**202.05**	206.08
(h) Rates & taxes	**91.63**	76.53	**256.20**	196.32
(i) Freight, transportation, port charges etc.	**1,768.68**	1,853.33	**5,623.77**	4,847.48
(j) Publicity	**1,949.41**	1,975.34	**6,170.02**	5,919.90
(k) Excise duty on closing stock	**(9.94)**	(29.54)	**60.26**	11.50
(l) Works operation and other expenses (Note below)	**8,549.09**	6,000.35	**19,588.71**	17,344.27
	13,767.36	11,115.08	**35,633.54**	31,934.19
Note :				
Works operation and other expenses include:				
(i) Warranty and product liability expenses	**1,801.62**	1,683.07	**4,236.29**	4,275.04
(ii) Computer expenses	**501.52**	410.05	**1,603.18**	1,196.24
(iii) Engineering expenses	**1,589.36**	1,441.46	**4,325.45**	3,886.90
(iv) Misc.contract jobs / Outsourcing expenses	**1,128.34**	1,937.20	**3,138.06**	3,517.50
(v) Lease rentals in respect of plant, machinery and equipment	**61.95**	191.31	**176.83**	331.40
(vi) Provision and write off of sundry debtors, vehicle loans and advances (net)	**577.77**	284.03	**1,667.76**	719.66
(vii) Exchange loss / (gain) on Maturity and MTM on trading forward and options	**554.01**	(673.15)	**(1,444.67)**	(319.18)

(₹ in crores)

			For Three Months Ended December 31,		For Nine Months Ended December 31,	
			2014	2013	**2014**	2013
28. Earnings Per Share						
(a)	Profit for the period	₹ in crores	**3,580.72**	4,804.80	**12,269.79**	10,072.73
(b)	The weighted average number of Ordinary shares for Basic EPS	Nos.	**273,66,78,812**	273,66,74,685	**273,66,78,812**	273,09,28,545
(c)	The weighted average number of 'A' Ordinary shares for Basic EPS	Nos.	**48,19,66,945**	48,19,62,898	**48,19,66,945**	48,19,60,717
(d)	The nominal value per share (Ordinary and 'A' Ordinary)	₹	**2.00**	2.00	**2.00**	2.00
(e)	Share of profit for Ordinary shares for Basic EPS	₹ in crores	**3,040.44**	4,081.23	**10,428.39**	8,557.64
(f)	Share of profit for 'A' Ordinary shares for Basic EPS *	₹ in crores	**540.28**	723.57	**1,841.40**	1,515.09
(g)	Earnings Per Ordinary share (Basic)	₹	**11.11**	14.91	**38.11**	31.34
(h)	Earnings Per 'A' Ordinary share (Basic)	₹	**11.21**	15.01	**38.21**	31.44
(i)	Profit for the period for Basic EPS	₹ in crores	**3,580.72**	4,804.80	**12,269.79**	10,072.73
(j)	Profit for the period for Diluted EPS	₹ in crores	**3,580.72**	4,804.80	**12,269.79**	10,072.73
(k)	The weighted average number of Ordinary shares for Basic EPS	Nos.	**273,66,78,812**	273,66,74,685	**273,66,78,812**	273,09,28,545
(l)	Add: Adjustment for options relating to warrants, shares held in abeyance and FCCN	Nos.	**4,84,470**	4,88,597	**4,84,470**	4,90,778
(m)	The weighted average number of Ordinary shares for Diluted EPS	Nos.	**273,71,63,282**	273,71,63,282	**273,71,63,282**	273,14,19,323
(n)	The weighted average number of 'A' Ordinary shares for Basic EPS	Nos.	**48,19,66,945**	48,19,62,898	**48,19,66,945**	48,19,60,717
(o)	Add: Adjustment for 'A' Ordinary shares held in abeyance	Nos.	**2,39,570**	2,43,617	**2,39,570**	2,45,798
(p)	The weighted average number of 'A' Ordinary shares for Diluted EPS	Nos.	**48,22,06,515**	48,22,06,515	**48,22,06,515**	48,22,06,515
(q)	Share of Profit for Ordinary shares for Diluted EPS	₹ in crores	**3,040.29**	4,081.02	**10,427.89**	8,557.21
(r)	Share of Profit for 'A' Ordinary shares for Diluted EPS *	₹ in crores	**540.43**	723.78	**1,841.90**	1,515.52
(s)	Earnings Per Ordinary share (Diluted)	₹	**11.11**	14.91	**38.10**	31.33
(t)	Earnings Per 'A' Ordinary share (Diluted)	₹	**11.21**	15.01	**38.20**	31.43

* '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.

29. Contingent liabilities, commitments (to the extent not provided for) :

Description of claims and assertions where a potential loss is possible, but not probable is reported under notes (1), (2) and (3) below :

(₹ in crores)

	As at December 31, 2014	As at March 31, 2014
(1) Claims against the company not acknowledged as debt	**2,491.33**	2,403.57
(2) Provision not made for income tax matters in dispute	**124.08**	123.74
(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	**71.14**	72.00
(4) The Company has given guarantees for liability in respect of receivables assigned by way of securitisation	**368.27**	503.94
(5) Other money for which the Company is contingently liable :		
(i) In respect of bills discounted and export sales on deferred credit	**393.41**	730.57
(ii) Cash margin / collateral	**132.29**	153.38
(iii) In respect of subordinated receivables	**0.97**	1.04
(iv) Others	**54.33**	45.65
(6) Estimated amount of contracts remaining to be executed on capital account and not provided for	**9,693.49**	12,243.98
(7) Purchase commitments	**10,356.21**	11,913.23

(₹ in crores)

30. Consolidated Segment Information for the period ended December 31, 2014

Primary segment	Automotive				Others	Inter-Segment Eliminations	Total
	Tata and other brands vehicles and financing thereof *	Jaguar and Land Rover	Intra Segment Eliminations	Total			
(a) Revenue							
External sales and income from other operations	**32,115.13**	**162,136.66**	-	**194,251.79**	**968.50**	-	**195,220.29**
	31,589.59	135,052.49	-	166,642.08	874.44	-	167,516.52
Inter segment/Intra segment sales and other income	**88.62**	**-**	**(85.38)**	**3.24**	**1,028.28**	**(1,031.52)**	**-**
	43.69	-	(40.30)	3.39	946.56	(949.95)	-
Total revenue	**32,203.75**	**162,136.66**	**(85.38)**	**194,255.03**	**1,996.78**	**(1,031.52)**	**195,220.29**
	31,633.28	135,052.49	(40.30)	166,645.47	1,821.00	(949.95)	167,516.52
(b) Segment results before other income, finance cost, tax and exceptional items	**(2,059.65)**	**23,144.57**	**-**	**21,084.92**	**253.43**	**(107.61)**	**21,230.74**
	(355.28)	17,155.87	-	16,800.59	174.55	(89.90)	16,885.24
(c) (i) Other income							**653.57**
							573.75
(ii) Finance cost							**(2,929.20)**
							(3,066.23)
(iii) Exceptional items :							
- Exchange gain / (loss) (net) on revaluation of foreign currency borrowings, deposits and loans							**(23.43)**
							(352.66)
- Impairment of Intangibles and other costs							**-**
							(224.16)
- Employee separation cost							**(0.13)**
							-
(d) Profit before Tax							**18,931.55**
							13,815.94
Tax expense							**6,619.33**
							3,667.86
(e) Profit after tax							**12,312.22**
							10,148.08
(f) Segment assets	**57,906.64**	**143,658.80**	**-**	**201,565.44**	**2,056.84**	**(1,019.51)**	**202,602.77**
	56,604.23	125,497.12	-	182,101.35	1,999.40	(841.46)	183,259.29
(g) Segment liabilities	**13,509.92**	**71,243.25**	**-**	**84,753.17**	**620.64**	**(267.79)**	**85,106.02**
	14,910.19	70,974.22	-	85,884.41	687.35	(198.90)	86,372.86
(h) Other information							
Depreciation and amortisation expense	**2,101.91**	**7,388.69**	**-**	**9,490.60**	**41.27**	**-**	**9,531.87**
	1,869.87	6,048.55	-	7,918.42	34.26	-	7,952.68
(i) Segment assets exclude:							
(i) Deferred tax assets							**2,789.57**
							2,347.08
(ii) Current and non-current investments							**15,872.14**
							10,686.67
(iii) Income tax assets (net of provision) including MAT credit							**1,145.78**
							2,028.83
(iv) Other unallocated assets							**17,271.10**
							21,676.45
							37,078.59
							36,739.03

* Other brands vehicles includes Tata Daewoo and Fiat traded vehicles

(₹ in crores)

(j) Segment liabilities exclude:	
(i) Minority interest	**433.42**
	420.65
(ii) Long-term borrowings	**54,843.47**
	45,258.61
(iii) Short-term borrowings	**12,908.35**
	9,695.86
(iv) Current maturities of long term debt	**5,076.13**
	5,687.81
(v) Deferred tax liability	**3,094.96**
	1,572.33
(vi) Proposed dividend and tax thereon	**-**
	762.68
(vii) Provision for income tax	**1,848.11**
	1,396.94
(viii) Other unallocated liabilities	**7,548.25**
	3,227.13
	85,752.69
	68,022.01

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.

31. Other notes

(a) Previous period / year's figures have been regrouped / reclassified wherever necessary to correspond with the current period classification / disclosure.

(b) Capital work-in-progress as at March 31, 2014 included building under construction at Singur in West Bengal of ₹309.88 crores for the purposes of manufacturing automobiles. In October 2008, the Company moved the Nano project from Singur in West Bengal to Sanand in Gujarat. In June 2011, the newly elected Government of West Bengal (State Government) enacted a law cancelling the land lease agreement at Singur, and took over possession of the land. The Company challenged the constitutional validity of the law. In June 2012, the Calcutta High Court declared the law unconstitutional and restored Company's rights under the land lease agreement. The State Government filed an appeal in the Supreme Court of India in August 2012, which is pending disposal. Though the Company continues to rigorously press its rights, contentions and claims in the matter, the Company has been advised that the time it may take in disposal of the appeal is uncertain. The Company has also been advised that it has a good case and can strongly defend the appeal, but the questions that arise are issues of constitutional law and thus the result of the appeal cannot be predicted. In these circumstances, in view of the uncertainty on the timing of resolution, following the course of prudence, the management has during the quarter ended December 31, 2014, made a provision for carrying capital cost of buildings at Singur amounting to ₹309.88 crores included under the head “works operations and other expenses” excluding other assets (electrical installations etc.) and expenses written off / provided in earlier years, security expenses, lease rent and claim for interest on the whole amount (including ₹309.88 crores). The Company shall however continue to pursue the case and assert its rights and its claims in the Courts.

(c) During the quarter ended December 31, 2014

(i) the Company has issued USD 500 million Senior Unsecured Notes due 2020 at a coupon of 4.625% per annum and USD 250 million Senior Unsecured Notes due 2024 at a coupon of 5.750% per annum. The proceeds have been used to refinance existing External Commercial Borrowing (ECB) of the Company of USD 500 million and is being used to incur new additional capital expenditure and for general corporate purposes. As the ECB has been prepaid, the unamortised exchange loss (net) of ₹216.07 crores and the borrowing cost of ₹27.08 crores as at September 30, 2014 have been debited to Profit and Loss Statement during the quarter ended December 31, 2014.

(ii) Jaguar Land Rover Automotive Plc (JLR), an indirect subsidiary of the Company, issued USD 500 million 4.250% Senior Notes due 2019. The proceeds are used for general corporate purposes, including support for the on-going growth and capital spending plan.

(d) Current period figures are shown in bold print.

For and on behalf of the Board

R PISHARODY
Executive Director

S B BORWANKAR
Executive Director

H K SETHNA
Company Secretary

C RAMAKRISHNAN
Chief Financial Officer

Mumbai, February 5, 2015

INDEPENDENT AUDITORS' REPORT ON THE ABRIDGED FINANCIAL STATEMENTS

TO THE MEMBERS OF
TATA MOTORS LIMITED

The accompanying abridged financial statements, which comprise the abridged Balance Sheet as at March 31, 2014, the abridged Statement of Profit and Loss, and abridged Cash Flow Statement for the year then ended, and related notes, are derived from the audited financial statements of **TATA MOTORS LIMITED** ("the Company") for the year ended March 31, 2014. We expressed an unmodified audit opinion on the audited financial statements vide our report dated May 29, 2014.

The abridged financial statements do not contain all the disclosures required by the Companies Act, 1956 ("the Act") and the Accounting Standards referred to in sub-section (3C) of Section 211 of 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), as applied in the preparation of the audited financial statements of the Company. Reading the abridged financial statements, therefore, is not a substitute for reading the audited financial statements of the Company.

Management's Responsibility for the Abridged Financial Statements

Management is responsible for the preparation / presentation of the said abridged financial statements in accordance with Rule 7A of the Companies (Central Government's) General Rules and Forms, 1956 (as amended), which are based on the audited financial statements of the Company, prepared in accordance with the Accounting Standards referred to in Section 211 (3C) of 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 accounting principles generally accepted in India.

Auditors' Responsibility

Our responsibility is to express an opinion on the said abridged financial statements based on our procedures conducted in accordance with the Standard on Auditing (SA) 810, "Engagements to Report on Summary Financial Statements" issued by the Institute of Chartered Accountants of India.

Opinion

In our opinion, the abridged financial statements prepared / presented in accordance with Rule 7A of the Companies (Central Government's) General Rules and Forms, 1956 (as amended), which are derived from the audited financial statements of the Company for the year ended March 31, 2014, prepared in accordance with Accounting Standards referred to in Section 211 (3C) of 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 accounting principles generally accepted in India, are a fair summary of those financial statements.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm Registration No. 117366W / W-100018)

B. P. SHROFF
Partner
(Membership No. 34382)

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

ABRIDGED BALANCE SHEET

AS AT MARCH 31, 2014

(Statement containing salient features of Balance Sheet as per section 219(1)(b)(iv) of the Companies Act, 1956)

(₹ in crores)

		As at March 31, 2014		As at March 31, 2013
I	**EQUITY AND LIABILITIES**			
1.	**SHAREHOLDERS' FUNDS**			
	(a) Share Capital	643.78		638.07
	(b) Reserves and surplus			
	(i) Capital Redemption Reserve	2.28		2.28
	(ii) Securities Premium Account	11,683.09		11,328.57
	(iii) Debenture Redemption Reserve	1,042.15		1,042.15
	(iv) Revaluation Reserve	22.87		23.31
	(v) Amalgamation Reserve	0.05		0.05
	(vi) General Reserve	5,006.07		4,972.62
	(vii) Foreign Currency Monetary Item Translation Difference Account (net)	(201.23)		(215.00)
	(viii) Profit and Loss Account (Surplus)	977.59		1,342.79
			19,176.65	19,134.84
2.	**NON-CURRENT LIABILITIES**			
	(a) Long-term borrowings	9,746.45		8,051.78
	(b) Deferred tax liabilities (net)	43.11		1,963.91
	(c) Other long term liabilities	1,155.48		1,238.44
	(d) Long-term provisions	815.20		691.19
			11,760.24	11,945.32
3.	**CURRENT LIABILITIES**			
	(a) Short-term borrowings	4,769.08		6,216.91
	(b) Trade payables	9,672.36		8,455.02
	(c) Other current liabilities	2,463.18		4,923.10
	(d) Short-term provisions	1,892.91		1,509.58
			18,797.53	21,104.61
	TOTAL		49,734.42	52,184.77
II	**ASSETS**			
1.	**NON-CURRENT ASSETS**			
	(a) Fixed assets			
	(i) Tangible assets (Original cost less accumulated depreciation)	12,133.50		12,287.71
	(ii) Intangible assets (Original cost less accumulated amortisation)	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
		21,595.64		20,208.54
	(b) Non-current investments	18,357.57		18,171.71
	(c) Long-term loans and advances	2,918.30		3,575.24
	(d) Other non-current assets	123.85		94.32
			42,995.36	42,049.81
2.	**CURRENT ASSETS**			
	(a) Current investments	100.85		1,762.68
	(b) Inventories	3,862.53		4,455.03
	(c) Trade receivables	1,216.70		1,818.04
	(d) Cash and bank balances	226.15		462.86
	(e) Short-term loans and advances	1,223.77		1,532.09
	(f) Other current assets	109.06		104.26
			6,739.06	10,134.96
	TOTAL		49,734.42	52,184.77

ANNEXURE I forms an integral part of the Abridged financial statements

Note : Complete Balance Sheet, Statement of Profit and Loss, other statements and notes thereto prepared as per the requirements of Schedule VI to the Companies Act, 1956 are available at the Company's website **www.tatamotors.com**

In terms of our report attached

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

B P SHROFF
Partner

Mumbai, May 29, 2014

For and on behalf of the Board

CYRUS P MISTRY
Chairman

RAVI KANT
Vice-Chairman

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

ABRIDGED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2014

(Statement containing salient features of Statement of Profit and loss as per section 219(1)(b)(iv) of the Companies Act, 1956)

(₹ in crores)

				2013-2014		2012-2013
I.	**REVENUE FROM OPERATIONS**				**37,758.00**	49,319.73
	Less : Excise duty				**(3,469.89)**	(4,554.01)
	Net Revenue From Operations				**34,288.11**	44,765.72
II.	**OTHER INCOME**				**3,833.03**	2,088.20
III.	**TOTAL REVENUE (I + II)**				**38,121.14**	46,853.92
IV.	**EXPENSES :**					
	(a)	Cost of materials consumed		**20,492.87**		27,244.28
	(b)	Purchase of products for sale		**5,049.82**		5,864.45
	(c)	Changes in inventories of finished goods, work-in-progress, and products for sale		**371.72**		(143.60)
	(d)	Employee cost / benefits expense		**2,877.69**		2,837.00
	(e)	Finance cost		**1,337.52**		1,387.76
	(f)	Depreciation and amortisation expense		**2,070.30**		1,817.62
	(g)	Product development expense / Engineering expenses		**428.74**		425.76
	(h)	Other expenses		**6,987.53**		7,783.32
	(i)	Expenditure transferred to capital and other accounts		**(1,009.11)**		(953.80)
		TOTAL EXPENSES			**38,607.08**	46,262.79
V.	**PROFIT / (LOSS) BEFORE EXCEPTIONAL ITEMS, EXTRAORDINARY ITEMS AND TAX (III - IV)**				**(485.94)**	591.13
VI.	**EXCEPTIONAL ITEMS**					
	(a)	Exchange loss (net) including on revaluation of foreign currency borrowings, deposits and loans		**273.06**		263.12
	(b)	Provision for loan given and costs associated with closure of operations of a subsidiary		**202.00**		245.00
	(c)	Diminution in the value of investments in a subsidiary		**17.52**		(9.67)
	(d)	Employee separation cost		**47.28**		-
	(e)	Profit on sale of a division		**-**		(82.25)
					539.86	416.20
VII.	**PROFIT / (LOSS) BEFORE EXTRAORDINARY ITEMS AND TAX (V - VI)**				**(1,025.80)**	174.93
VIII.	Extraordinary items				**-**	-
IX.	**PROFIT / (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS (VII - VIII)**				**(1,025.80)**	174.93
X.	**TAX EXPENSES / (CREDIT)**					
	Current tax expense (net of MAT)			**560.00**		0.56
	Deferred tax expense / (credit)			**(1,920.32)**		(127.44)
					(1,360.32)	(126.88)
XI.	**PROFIT AFTER TAX FOR THE YEAR FROM CONTINUING OPERATIONS (IX - X)**				**334.52**	301.81
XII.	**EARNINGS PER SHARE**					
	A.	Ordinary shares (Face value of ₹ 2 each)				
		a. Basic	₹		**1.03**	0.93
		b. Diluted	₹		**1.03**	0.93
	B.	'A' Ordinary shares (Face value of ₹ 2 each)				
		a. Basic	₹		**1.13**	1.03
		b. Diluted	₹		**1.13**	1.03

ANNEXURE I forms an integral part of the Abridged financial statements

In terms of our report attached

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

B P SHROFF
Partner

Mumbai, May 29, 2014

For and on behalf of the Board

CYRUS P MISTRY
Chairman

RAVI KANT
Vice-Chairman

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

ABRIDGED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2014

(₹ in crores)

		2013-2014	2012 - 2013
a.	Cash flows from operating activities	**2,463.46**	2,258.44
b.	Cash flows from investing activities	**2,552.91**	991.50
c.	Cash flows used in financing activities	**(5,033.81)**	(4,045.69)
d.	Net decrease in cash and cash equivalents (a + b + c)	**(17.44)**	(795.75)
e.	Cash and cash equivalents as at March 31, (opening balance)	**205.57**	919.64
f.	Exchange fluctuation on foreign currrency bank balances	**10.55**	81.68
g.	Cash and cash equivalents as at March 31, (closing balance) [d + e + f]	**198.68**	205.57
	Non-cash transactions :		
	Foreign Currency Convertible Notes / Convertible Alternative Reference Securities 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

For and on behalf of the Board

CYRUS P MISTRY
Chairman

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N N WADIA
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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 TO ABRIDGED FINANCIAL STATEMENTS

ANNEXURE I

(The note numbers appearing in brackets "[ ]" are as they appear in the complete set of financial statements)

1. **Basis of preparation**

   These abridged financial statements have been prepared on the basis of the complete set of financial statements for the year ended March 31,2014, in accordance with the requirements of Rule 7A of the Companies (Central Government's) General Rules and Forms, 1956 (as amended).

2. **Investments**

   (a) As at March 31, 2014, the book value of quoted investments is ₹**353.50 crores** (as at March 31,2013 ₹353.50 crores) and the market value of quoted investments is ₹**253.07 crores** (as at March 31, 2013 ₹204.82 crores)

   (b) The Company holds investment of **254,66,59,318** equity shares of USD 1 each amounting to ₹**11,816.76 crores** (as at March 31,2013 : 254,66,59,318 equity shares amounting to ₹11,816.76 crores) and **Nil** 6.25% Cumulative Redeemable Preference shares of USD 100 each (as at March 31, 2013 : 25,85,463 shares amounting to ₹1,403.26 crores) in TML Holdings Pte Ltd, (Singapore), a wholly-owned subsidiary company.

3. **[1.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.

(₹ in crores)

4. [22] Cash and bank balances	As at March 31, 2014	As at March 31, 2013
(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
	198.68	205.57
(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
	23.45	253.36
(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
	4.02	3.93
	226.15	462.86
# includes		
- Remittances in transit	**144.56**	116.17
- In foreign currencies	**4.72**	0.29

NOTES TO ABRIDGED FINANCIAL STATEMENTS

(₹ in crores)

5.	[23 (i)] Total revenue	2013-2014	2012-2013
	Details of Revenue from Operations		
(a)	Sale of products (Note 6 below)	**37,101.74**	48,665.28
(b)	Sale of services	**256.90**	222.29
(c)	Income from hire purchase / loan contracts	**18.22**	39.48
		37,376.86	48,927.05
(d)	Other operating revenues	**381.14**	392.68
		37,758.00	49,319.73

6.	[38] Information in regard to Sale of Products effected by the Company	2013-2014	2012-2013
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
		37,101.74	48,665.28

7. [39] Information in regard to raw materials and components consumed	2013-2014	2012-2013
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
	20,492.87	27,244.28

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 TO ABRIDGED FINANCIAL STATEMENTS

(₹ in crores)

8.	[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
	(ii) 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 TO ABRIDGED FINANCIAL STATEMENTS

9. [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)
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

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)*

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

(₹ in crores)

2013-2014

(b) Transactions with the related parties	Subsidiaries	Joint Venture	Associates	Key Management Personnel	Total
Purchase of goods	**1,107.46**	**4,319.52**	**478.51**	**-**	**5,905.49**
	1,203.03	5,225.26	626.51	-	7,054.80
Sale of goods (inclusive of sales tax)	**1,109.86**	**1,110.63**	**135.58**	**-**	**2,356.07**
	4,338.79	622.21	125.73	-	5,086.73
Purchase of fixed assets	**263.21**	**-**	**-**	**-**	**263.21**
	32.64	-	-	-	32.64
Redemption / buy back of investments	**1,415.17**	**-**	**-**	**-**	**1,415.17**
	1,378.95	-	31.00	-	1,409.95
Sale of investment	**2,563.31**	**-**	**-**	**-**	**2,563.31**
	-	-	-	-	-
Services received	**2,663.14**	**0.40**	**12.27**	**19.42 #**	**2,695.23**
	1,761.27	0.48	17.53	23.45	1,802.73
Services rendered	**260.29**	**11.58**	**10.29**	**-**	**282.16**
	266.03	57.85	10.89	-	334.77
Finance given (including loans and equity)	**518.55**	**325.00**	**26.86**	**-**	**870.41**
	862.88	-	0.01	-	862.89
Loans repaid by the related parties	**377.83**	**-**	**-**	**-**	**377.83**
	487.80	-	23.83	-	511.63
Loans taken	**2,154.82**	**-**	**23.50**	**-**	**2,178.32**
	2,029.30	-	50.00	-	2,079.30
Loans repaid by the Company	**1,801.21**	**-**	**37.00**	**-**	**1,838.21**
	1,771.05	-	25.50	-	1,796.55
Interest / dividend paid / (received) (net)	**(1,552.91)**	**(22.70)**	**119.45**	**- ***	**(1,456.16)**
	(1,562.99)	(71.01)	245.10	- *	(1,388.90)

(c) Balances with related parties (as at March 31, 2014)	Subsidiaries	Joint Venture	Associates	Key Management Personnel	Total
Amount receivable	**303.54**	**16.25**	**7.78**	**-**	**327.57**
	460.57	79.91	10.10	-	550.58
Amount payable	**1,106.45**	**349.82**	**41.91**	**-**	**1,498.18**
	293.05	36.87	42.88	-	372.80
Amount receivable (in respect of loans and interest)	**602.08**	**346.60**	**-**	**-**	**948.68**
	748.38	325.14	-	-	1,073.52
Provision for amount receivable (in respect of loans and interest)	**539.40**	**-**	**-**	**-**	**539.40**
	398.95	-	-	-	398.95
Amount payable (in respect of loans and interest)	**15.00**	**-**	**16.00**	**-**	**31.00**
	321.10	-	29.50	-	350.60
Bills discounted (in respect of amount receivable)	-	-	**7.60**	**-**	**7.60**
	-	-	5.12	-	5.12
Bank guarantee / Other assets given as security	**2.35**	**-**	**3.00**	**-**	**5.35**
	2.54	-	3.00	-	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 TO ABRIDGED 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	Tata Motors Finance Ltd	**300.00**	150.00
	Investment in equity	Fiat India Automobiles Ltd	**325.00**	-
	Investment in equity	PT Tata Motors Indonesia	**70.47**	30.38
	Inter corporate deposit	TML Distribution Company Ltd	**80.00**	480.00
	Others	Tata AutoComp Systems Ltd	**26.86**	-

NOTES TO ABRIDGED FINANCIAL STATEMENTS

(₹ in crores)

			2013-2014	2012-2013
(ix)	**Loans repaid by related parties**			
	Inter corporate deposit	TML Distribution Company Ltd	**80.00**	480.00
	Loan	Tata Motors (Thailand) Ltd	**290.66**	-
(x)	**Loans taken**			
	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)	**Loans repaid by the Company**			
	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)	**Interest / dividend paid / (received)**			
	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)

NOTES TO ABRIDGED FINANCIAL STATEMENTS

10. [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 Enterprise Development Act, 2006 :**

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

(₹ in crores)

			2013-2014	2012-2013
(a)	Amounts outstanding but not due as at March 31,		**141.65**	184.41
(b)	Amounts due but unpaid as at March 31,	-Principal	**-**	-
(c)	Amounts paid after appointed date during the year	-Principal	**18.21**	8.43
(d)	Amount of interest accrued and unpaid as at March 31,	-Interest	**1.07**	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	**0.03**	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.

For and on behalf of the Board

CYRUS P MISTRY
Chairman

RAVI KANT
Vice-Chairman

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.

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
I. EQUITY AND LIABILITIES					
1. SHAREHOLDERS' FUNDS					
(a) Share capital	2	120	**643.78**		638.07
(b) Reserves and surplus	3	122	**64,959.67**		36,999.23
				65,603.45	37,637.30
2. MINORITY INTEREST				**420.65**	370.48
3. NON-CURRENT LIABILITIES					
(a) Long-term borrowings	4	124	**45,258.61**		32,155.29
(b) Deferred tax liabilities (net)	6	126	**1,572.33**		2,048.21
(c) Other long-term liabilities	7	127	**2,596.86**		3,284.06
(d) Long-term provisions	9	128	**12,190.29**		8,337.24
				61,618.09	45,824.80
4. CURRENT LIABILITIES					
(a) Short-term borrowings	5	124	**9,695.86**		11,620.21
(b) Trade payables	11	128	**57,315.73**		44,912.35
(c) Other current liabilities	8	127	**17,373.86**		22,224.94
(d) Short-term provisions	10	128	**7,970.68**		7,788.16
				92,356.13	86,545.66
TOTAL				**219,998.32**	170,378.24
II. ASSETS					
1. NON-CURRENT ASSETS					
(a) Fixed Assets					
(i) Tangible assets	12	129	**40,694.29**		32,728.95
(ii) Intangible assets	13	129	**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	130	**4,978.83**		4,102.37
(c) Non-current investments	15	130	**1,114.39**		1,222.41
(d) Deferred tax assets (net)	6	126	**2,347.08**		4,428.93
(e) Long-term loans and advances	17	131	**13,268.84**		15,584.12
(f) Other non-current assets	19	132	**5,068.45**		1,023.95
				124,152.99	96,224.69
2. CURRENT ASSETS					
(a) Current investments	16	131	**9,572.28**		7,542.32
(b) Inventories	21	132	**27,270.89**		21,036.82
(c) Trade receivables	22	132	**10,574.23**		10,959.60
(d) Cash and bank balances	23	132	**29,711.79**		21,114.82
(e) Short-term loans and advances	18	131	**14,055.24**		12,667.05
(f) Other current assets	20	132	**4,660.90**		832.94
				95,845.33	74,153.55
TOTAL				**219,998.32**	170,378.24
III. NOTES FORMING PART OF FINANCIAL STATEMENTS					

In terms of our report attached

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

B P SHROFF
Partner

Mumbai, May 29, 2014

For and on behalf of the Board

CYRUS P MISTRY
Chairman

RAVI KANT
Vice-Chairman

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 STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2014

(₹ in crores)

		Note	Page	2013-2014	2013-2014	2012-2013
I.	REVENUE FROM OPERATIONS	24 (I)	133		236,626.43	193,698.47
	Less : Excise duty				(3,792.77)	(4,905.78)
					232,833.66	188,792.69
II.	OTHER INCOME	24 (II)	133		828.59	815.59
III.	TOTAL REVENUE (I + II)				233,662.25	189,608.28
IV.	EXPENSES :					
	(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	134	21,556.42		16,632.19
	(e) Finance cost	26	134	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	134	43,825.77		35,648.33
	(i) Expenditure transferred to capital and other accounts			(13,537.85)		(10,193.45)
	TOTAL EXPENSES				213,807.90	175,358.24
V.	PROFIT BEFORE EXCEPTIONAL ITEMS, EXTRAORDINARY ITEMS AND TAX (III - IV)				19,854.35	14,250.04
VI.	EXCEPTIONAL ITEMS					
	(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		-
					985.38	602.71
VII.	PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX (V -VI)				18,868.97	13,647.33
VIII.	Extraordinary items				-	-
IX.	PROFIT BEFORE TAX FROM CONTINUING OPERATIONS (VII - VIII)				18,868.97	13,647.33
X.	Tax expense	6	126		4,764.79	3,776.66
XI.	PROFIT AFTER TAX FROM CONTINUING OPERATIONS (IX - X)				14,104.18	9,870.67
XII.	Share of profit / (loss) of associates (net)				(53.71)	105.61
XIII.	Minority interest				(59.45)	(83.67)
XIV.	PROFIT FOR THE YEAR				13,991.02	9,892.61
XV.	EARNINGS PER SHARE	28	135			
	A. Ordinary shares (Face value of ₹ 2 each)					
	a. Basic	₹			43.51	31.02
	b. Diluted	₹			43.50	30.94
	B. 'A' Ordinary shares (Face value of ₹ 2 each)					
	a. Basic	₹			43.61	31.12
	b. Diluted	₹			43.60	31.04
XVI.	NOTES FORMING PART OF FINANCIAL STATEMENTS					

In terms of our report attached

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

B P SHROFF
Partner

Mumbai, May 29, 2014

For and on behalf of the Board

CYRUS P MISTRY
Chairman

RAVI KANT
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N N WADIA
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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
A. Cash flows from operating activities			
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
		20,694.06	14,512.93
Operating profit before working capital changes		**34,685.08**	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
		5,774.41	(2.86)
Cash generated from operations		**40,459.49**	24,402.68
Income taxes paid (net)		**(4,308.33)**	(2,240.07)
Net cash from operating activities		**36,151.16**	22,162.61
B. Cash flows from investing activities			
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		**(29,893.02)**	(23,491.37)

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2014

(₹ in crores)

		2013 -2014		2012 - 2013
C.	**Cash flows from financing activities**			
	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)
	Net (decrease) / increase in cash and cash equivalents (A+B+C)		**2,374.90**	(3,020.84)
	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
	Cash and cash equivalents as at March 31 (Closing balance)		**16,627.98**	12,350.97
	Previous year figures have been restated, wherever necessary, to conform to this period's classification.			
	Non-cash transactions :			
	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

For and on behalf of the Board

CYRUS P MISTRY
Chairman

RAVI KANT
Vice-Chairman

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:

i. 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.

ii. 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.

iii. 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.

iv. 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.

v. 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.

vi. 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

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
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, 20*13)*	Romania	**72.32**	-
35	Cambric Manufacturing Technologies (Shangai) Co. Ltd *(incorprated 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**	99.59

* 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 March 31, 2014	As at 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

(II) 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.

(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 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.

(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)

	2. Share Capital	As at March 31, 2014	As at March 31, 2013
(a)	**Authorised :**		
	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
		3,900.00	3,900.00
(b)	**Issued [Note (k)] :**		
	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
		643.88	638.17
(c)	**Subscribed and called-up :**		
	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
		643.74	638.03
(d)	**Calls unpaid -** Ordinary shares	**(0.01)**	(0.01)
(e)	**Paid-up (c + d)**	**643.73**	638.02
(f)	**Forfeited shares -** Ordinary shares	**0.05**	0.05
	Total (e + f)	**643.78**	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)
(i) Ordinary shares :				
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
(ii) 'A' Ordinary shares :				
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.

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

- Each ADS and GDS underlying the ADR and GDR respectively represents five Ordinary shares of ₹2 each. A holder of ADS and GDS is not entitled to attend or vote at shareholders meetings. An ADS holder is entitled to issue voting instructions to the Depositary with respect to the Ordinary shares represented by ADSs only in accordance with the provisions of the Company's 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 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
(i)	**Ordinary shares :**				
	(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
(ii)	**'A' Ordinary shares :**				
	(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

(i) The Company has not issued any shares without payment being received in cash.

(ii) There has been no issue of bonus shares.

(iii) 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)

		As at March 31, 2013	Additions	Deductions	As at March 31, 2014
3. Reserves and surplus					
(a)	Capital Redemption Reserve	**2.28**	**-**	**-**	**2.28**
		2.28	-	-	2.28
(b)	Securities Premium Account [Notes (i) and (ii)]	**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)	Capital Reserve (on consolidation) [Note (iii)]	**440.21**	**64.35**	**-**	**504.56**
		405.36	34.85	-	440.21
(e)	Revaluation Reserve [Note (iv)]	**39.60**	**-**	**16.73**	**22.87**
		92.90	-	53.30	39.60
(f)	Amalgamation Reserve	**0.05**	**-**	**-**	**0.05**
		0.05	-	-	0.05
(g)	Special Reserve	**208.19**	**21.78**	**-**	**229.97**
		145.05	63.14	-	208.19
(h)	Hedging Reserve Account [Note (v)]	**(1,578.07)**	**8,813.62**	**1,836.00**	**5,399.55**
		(161.17)	423.35	1,840.25	(1,578.07)
(i)	Pension Reserve [Note (vi)]	**(6,224.71)**	**-**	**1,343.67**	**(7,568.38)**
		(3,870.58)	1,618.47	3,972.60	(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 123]	**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**	**6,890.76**	**-**	**7,173.03**
		177.46	104.81	-	282.27
(o)	General Reserve [Note (xi), page 123]	**5,102.50**	**79.12**	**-**	**5,181.62**
		5,018.71	83.79	-	5,102.50
(p)	Foreign Currency Monetary Item Translation Difference Account (Net) [Note (xii), page 123]	**(1,133.87)**	**1,795.86**	**88.11**	**573.88**
		(451.43)	562.73	1,245.17	(1,133.87)
(q)	Profit and Loss Account / Surplus [Note (xiii), page 123]	**27,305.87**	**14,070.05**	**845.44**	**40,530.48**
		18,162.02	10,022.61	878.76	27,305.87
		36,999.23	**32,177.80**	**4,217.36**	**64,959.67**
		32,063.75	13,147.06	8,211.58	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 acturial 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 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 117]

(₹ 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)

4. Long-term Borrowings		As at March 31, 2014	As at March 31, 2013
(A)	**Secured :**		
	(a) Privately placed Non-Convertible Debentures [Notes 1(a) below, 2(a), 2(b) and 2(c), page 125]	**4,315.43**	4,108.21
	(b) Term loans :		
	(i) From banks [Notes 1(b) below, 2(d) and 2(e), page 125]	**4,604.60**	4,894.04
	(ii) From others [Note 2(f), page 125]	**419.54**	167.20
	(c) Finance Lease Obligations [Note 30(A) (a) (ii), page 136]	**15.64**	33.14
		9,355.21	9,202.59
(B)	**Unsecured :**		
	(a) Foreign Currency Convertible Notes (FCCN) [Note 3, page 125]	**-**	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
		35,903.40	22,952.70
	Total (A+B)	**45,258.61**	32,155.29

5. Short-term borrowings		As at March 31, 2014	As at March 31, 2013
(A)	**Secured :**		
	(a) Loan from banks [Note 2(d), page 125]	**5,159.11**	7,752.41
	(b) Loan from others	**94.43**	79.26
		5,253.54	7,831.67
(B)	**Unsecured :**		
	(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
		4,442.32	3,788.54
	Total (A+B)	**9,695.86**	11,620.21

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 :

(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.

(₹ in crores)

			As at March 31, 2014	As at March 31, 2013
6.	**(a)**	**Deferred tax assets and liabilities (net) classified on a company wise basis :**		
		(i) Deferred tax asset	**2,347.08**	4,428.93
		(ii) Deferred tax liability	**(1,572.33)**	(2,048.21)
		Net deferred tax asset	**774.75**	2,380.72
	(b)	**Major components of deferred tax arising on account of timing differences are:**		
		Liabilities:		
		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)
			(11,889.29)	(8,661.06)
		Assets:		
		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
			12,664.04	11,041.78
		Net deferred tax asset	**774.75**	2,380.72
	(c)	**Tax expense :**	**2013 - 2014**	2012 - 2013
		(i) Current tax		
		Current tax [including Minimum Alternate Tax / (credit)]	**4,368.42**	2,716.74
		(ii) Deferred tax charge	**396.37**	1,059.92
		Total (i + ii)	**4,764.79**	3,776.66
	(d)	**Deferred tax charge for the year**	**2013 - 2014**	2012 - 2013
		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
			1,171.12	3,440.64
		Closing net deferred tax assets	**774.75**	2,380.72
		Deferred tax charge for the year	**396.37**	1,059.92

(₹ in crores)

7. Other long-term liabilities		As at March 31, 2014	As at March 31, 2013
(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
	Total	**2,596.86**	3,284.06

8.	Other current liabilities	As at March 31, 2014	As at March 31, 2013
(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
	Total	**17,373.86**	22,224.94
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
	Total	**5,687.81**	9,940.21

(₹ in crores)

9. Long-term provisions		As at March 31, 2014	As at March 31, 2013
(a)	Employee benefit obligations	6,287.44	4,386.53
(b)	Warranty and product liability [Note 34(i), page 143]	5,505.53	3,573.60
(c)	Premium on redemption of Foreign Currency Convertible Notes (FCCN) [Note 34(ii), page 143]	-	34.21
(d)	Residual risk [Note 34(iii), page 143]	130.99	106.27
(e)	Environmental cost [Note 34(iv), page 143]	206.68	179.32
(f)	Others	59.65	57.31
	Total	**12,190.29**	8,337.24

10. Short term provisions		As at March 31, 2014	As at March 31, 2013
(a)	Employee benefit obligations	1,778.52	2,032.59
(b)	Warranty and product liability [Note 34(i), page 143]	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 143]	17.95	13.40
(g)	Others	37.90	49.95
	Total	**7,970.68**	7,788.16

11. Trade payables		As at March 31, 2014	As at March 31, 2013
(a)	Acceptances	5,162.04	4,393.13
(b)	Other than acceptances	52,153.69	40,519.22
	Total	**57,315.73**	44,912.35

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
[I] Owned assets :													
(i) Land	**1,693.61**	**-**	**86.78**	**256.26**	**8.66**	**2,027.99**	**-**	**-**	**-**	**-**	**-**	**-**	**2,027.99**
	1,697.51	-	27.51	30.50	61.91	1,693.61	-	-	-	-	-	-	1,693.61
(ii) Buildings	**8,267.89**	**-**	**1,723.03**	**1,055.07**	**99.51**	**10,946.48**	**3,534.03**	**-**	**273.70**	**599.96**	**93.76**	**4,313.93**	**6,632.55**
	9,048.51	-	513.50	124.72	1,418.84	8,267.89	4,621.01	-	211.59	93.34	1,391.91	3,534.03	4,733.86
(iii) Plant, machinery and equipment [Note (i)]	**63,036.91**	**-**	**7,448.90**	**9,087.43**	**511.54**	**79,061.70**	**37,827.79**	**-**	**4,997.08**	**6,054.21**	**467.94**	**48,411.14**	**30,650.56**
	57,285.41	-	8,780.55	128.84	3,157.89	63,036.91	37,021.57	-	3,582.57	272.71	3,049.06	37,827.79	25,209.12
(iv) Furniture, fixtures and office appliances [Note (i)]	**709.86**	**2.45**	**234.79**	**87.55**	**24.09**	**1,010.56**	**375.69**	**2.16**	**69.22**	**51.15**	**22.18**	**476.04**	**534.52**
	610.61	-	163.13	3.20	67.08	709.86	384.91	-	44.99	5.40	59.61	375.69	334.17
(v) Vehicles [Note (i)]	**251.35**	**0.08**	**44.38**	**8.75**	**34.23**	**270.33**	**121.89**	**0.03**	**38.98**	**2.74**	**20.81**	**142.83**	**127.50**
	357.77	-	98.11	9.83	214.36	251.35	148.82	-	50.54	3.14	80.61	121.89	129.46
(vi) Computers and other IT assets [Note (i)]	**928.19**	**8.66**	**185.70**	**53.89**	**50.62**	**1,125.82**	**666.62**	**6.74**	**89.69**	**30.62**	**36.63**	**757.04**	**368.78**
	1,315.78	-	48.17	28.63	464.39	928.19	1,027.85	-	72.00	26.84	460.07	666.62	261.57
[II] Assets given on lease :													
(i) Plant and machinery	**402.19**	**-**	**2.13**	**-**	**-**	**404.32**	**380.15**	**-**	**5.58**	**-**	**4.81**	**380.92**	**23.40**
	395.93	-	6.26	-	-	402.19	380.15	-	4.52	-	4.52	380.15	22.04
[III] Assets taken on lease :													
(i) Leasehold land	**265.82**	**-**	**2.65**	**-**	**-**	**268.47**	**28.44**	**-**	**3.88**	**-**	**-**	**32.32**	**236.15**
	266.03	-	1.86	(0.69)	1.38	265.82	55.65	-	3.65	1.69	32.55	28.44	237.38
(ii) Buildings	**55.06**	**1.47**	**6.81**	**0.74**	**0.43**	**63.65**	**9.24**	**0.79**	**4.07**	**0.50**	**(0.25)**	**14.85**	**48.80**
	46.27	-	11.62	0.21	3.04	55.06	10.11	-	2.92	0.20	3.99	9.24	45.82
(iii) Plant and machinery	**38.89**	**-**	**0.30**	**(0.23)**	**-**	**38.96**	**34.63**	**-**	**2.02**	**(0.01)**	**-**	**36.64**	**2.32**
	39.15	-	-	(0.16)	0.10	38.89	31.40	-	3.33	-	0.10	34.63	4.26
(iv) Computers and other IT assets	**153.79**	**-**	**4.06**	**-**	**0.12**	**157.73**	**96.13**	**-**	**20.00**	**-**	**0.12**	**116.01**	**41.72**
	115.57	-	38.22	-	-	153.79	64.86	-	31.27	-	-	96.13	57.66
TOTAL TANGIBLE ASSETS	**75,803.56**	**12.66**	**9,739.53**	**10,549.46**	**729.20**	**95,376.01**	**43,074.61**	**9.72**	**5,504.22**	**6,739.17**	**646.00**	**54,681.72**	**40,694.29**
	71,178.54	-	9,688.93	325.08	5,388.99	75,803.56	43,746.33	-	4,007.38	403.32	5,082.42	43,074.61	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**	**-**	**0.23**	**0.05**	**-**	**56.65**	**45.76**	**-**	**0.37**	**-**	**-**	**46.13**	**10.52**
	56.37	-	-	-	-	56.37	43.26	-	2.50	-	-	45.76	10.61
(ii) Computer software	**1,984.35**	**20.91**	**881.33**	**345.00**	**112.88**	**3,118.71**	**1,121.68**	**14.02**	**338.74**	**167.47**	**86.27**	**1,555.64**	**1,563.07**
	2,257.51	-	392.22	31.94	697.32	1,984.35	1,460.08	-	329.52	27.14	695.06	1,121.68	862.67
(iii) Product development cost	**21,018.31**	**-**	**6,063.38**	**3,580.54**	**1,432.72**	**29,229.51**	**6,988.46**	**-**	**5,119.44**	**1,168.55**	**1,442.90**	**11,833.55**	**17,395.96**
	12,538.61	-	9,011.35	(324.33)	207.32	21,018.31	4,066.28	-	3,160.54	(93.12)	145.24	6,988.46	14,029.85
(iv) Trade marks and brand	**3,264.48**	**-**	**1.13**	**693.33**	**-**	**3,958.94**	**-**	**-**	**-**	**-**	**-**	**-**	**3,958.94**
	3,241.66	-	-	22.82	-	3,264.48	-	-	-	-	-	-	3,264.48
(v) Developed technologies	**1,004.94**	**-**	**-**	**183.46**	**-**	**1,188.40**	**492.14**	**-**	**115.39**	**90.81**	**-**	**698.34**	**490.06**
	1,021.65	-	5.89	(22.60)	-	1,004.94	395.09	-	101.34	(4.29)	-	492.14	512.80
TOTAL INTANGIBLE ASSETS	**27,328.45**	**20.91**	**6,946.07**	**4,802.38**	**1,545.60**	**37,552.21**	**8,648.04**	**14.02**	**5,573.94**	**1,426.83**	**1,529.17**	**14,133.66**	**23,418.55**
	19,115.80	-	9,409.46	(292.17)	904.64	27,328.45	5,964.71	-	3,593.90	(70.27)	840.30	8,648.04	18,680.41

* Additions / Adjustments include capitalisation of exchange loss of **₹26.24 crores** (2012-2013 capitalisation of exchange loss of ₹19.50 crores).

(₹ 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
	382.98	451.74
(B) Others (at cost)		
(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

(₹ 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)	**Quoted**		
(a)	Equity shares	19.60	-
(b)	Bonds	2.25	-
		21.85	-
(B)	**Unquoted**		
(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)	**Provision for diminution in value of Investments (net)**	(3.93)	(4.34)
	Total (A+B+C)	9,572.28	7,542.32
	Note:		
(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)	**Secured :**		
	Finance receivables [Note below]	9,788.93	11,825.93
	Total	9,788.93	11,825.93
(B)	**Unsecured:**		
(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
	Total	3,479.91	3,758.19
	Total (A + B)	13,268.84	15,584.12
	Note :		
	Finance receivables (Gross) *	10,589.61	12,145.36
	Less : Allowances for doubtful loans **	(800.68)	(319.43)
	Total	9,788.93	11,825.93
*	Loans are secured against hypothecation of vehicles		
	Includes on account of overdue securitised receivables	4.65	35.38
**	Includes on account of securitised receivables	(4.35)	(7.02)

18.	Short-term loans and advances	As at March 31, 2014	As at March 31, 2013
(A)	**Secured :**		
	Finance receivables [Note below]	8,505.39	6,400.85
	Total	8,505.39	6,400.85
(B)	**Unsecured:**		
(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
	Total	5,549.85	6,266.20
	Total (A + B)	14,055.24	12,667.05
	Note :		
	Finance receivables (Gross) *	9,343.73	7,041.06
	Less : Allowances for doubtful loans **	(838.34)	(640.21)
	Total	8,505.39	6,400.85
*	Loans are secured against hypothecation of vehicles		
	Includes on account of overdue securitised receivables	9.47	37.25
**	Includes on account of securitised receivables	(4.25)	(12.97)

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(₹ in crores)

19.	Other non-current assets	As at March 31, 2014	As at March 31, 2013
(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
	Total	5,068.45	1,023.95

20.	Other current assets	As at March 31, 2014	As at March 31, 2013
(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
	Total	4,660.90	832.94

21.	Inventories	As at March 31, 2014	As at March 31, 2013
(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
	Total	27,270.89	21,036.82

22.	Trade receivables (unsecured)	As at March 31, 2014	As at March 31, 2013
(a)	Over six months	951.85	821.16
(b)	Others	10244.08	10,460.15
		11,195.93	11,281.31
	Less : Allowances for doubtful debts	(621.70)	(321.71)
	Total	10,574.23	10,959.60

23.	Cash and bank balances	As at March 31, 2014	As at March 31, 2013
(A)	Cash and cash equivalents		
(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
	Total	16,627.98	12,350.97
(B)	Other bank balances (with more than 3 months but less than 12 months maturity)		
(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
	Total	12,730.47	8,290.85
(C)	Other bank balances (with more than 12 months maturity)		
(a)	Bank deposits	0.06	-
(b)	Other restricted deposits	252.45	403.69
(c)	Margin money / cash collateral with banks	100.83	69.31
	Total	353.34	473.00
	Total (A + B + C)	29,711.79	21,114.82
#	Includes remittances in transit	146.04	118.81

(₹ in crores)

24.	Total revenue	2013-2014	2012-2013
	(I) Revenue from operations		
	(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
	Total	**2,36,626.43**	1,93,698.47
	(II) Other income		
	(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
	Total	**828.59**	815.59
	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

(₹ in crores)

25.	Employee cost / benefits expenses		2013-2014	2012-2013
	(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
		Total	21,556.42	16,632.19

26.	Finance cost		2013-2014	2012-2013
	(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
		Total	4,733.78	3,560.25

27.	Other expenses		2013-2014	2012-2013
	(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
		Total	43,825.77	35,648.33
	Note :			
	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

(₹ 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.

(₹ in crores)

29.	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 notes (1), (2) and (3) below :			
	(1)	Claims against the company not acknowledged as debt	**2,403.57**	1,698.03
	(2)	Provision not made for income tax matters in dispute	**123.74**	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	**72.00**	74.91
	(4)	The Company has given guarantees for liability in respect of receivables assigned by way of securitisation	**503.94**	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	**730.57**	493.66
		(ii) Cash margin / collateral	**153.38**	203.31
		(iii) In respect of subordinated receivables	**1.04**	2.95
		(iv) Others	**45.65**	59.26
	(6)	Estimated amount of contracts remaining to be executed on capital account and not provided for	**12,243.98**	4,105.72
	(7)	Purchase commitments	**11,913.23**	13,351.71

30.	Disclosure in respect of leases :		As at March 31, 2014	As at March 31, 2013
	(A)	**Finance leases :**		
		Assets taken on lease:		
		(a) (i) Total of minimum lease payments	**42.14**	56.82
		The total of minimum lease payments for a period :		
		Not later than one year	**24.75**	22.78
		Later than one year and not later than five years	**17.39**	33.86
		Later than five years	**-**	0.18
		(ii) Present value of minimum lease payments	**37.94**	50.55
		Present value of minimum lease payments for a period :		
		Not later than one year	**22.30**	17.41
		Later than one year and not later than five years	**15.64**	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)	**Operating leases :**		
		Assets taken on lease:		
		(a) Total of minimum lease payments	**912.77**	380.99
		The total of minimum lease payments for a period :		
		Not later than one year	**299.13**	101.96
		Later than one year and not later than five years	**427.60**	190.08
		Later than five years	**186.04**	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.		

31. Related party disclosures for the year ended March 31, 2014

(A) **Related parties and their relationship**

Associates :	**Joint Ventures :**	**Key Management Personnel :**
Tata AutoComp Systems Ltd	Fiat India Automobiles Ltd	Mr. Karl Slym (upto January 26, 2014)
Tata Sons Ltd (Investing Party)	Tata Cummins Ltd	Mr. R Pisharody
Nita Company Ltd	Tata HAL Technologies Ltd	Mr. S B Borwankar
Tata Precision Industries (India) Ltd	Chery Jaguar Land Rover Automotive Co. Ltd	
Automobile Corporation of Goa Ltd	Suzhou Chery Jaguar Land Rover Trading Co. Ltd	
Jaguar Cars Finance Limited	(Ownership transferred to Chery Jaguar Land Rover	**In Subsidiary Companies :**
Tata Hitachi Construction Machinery Company Ltd	Automotive Co. Ltd w.e.f. November 2013)	Dr. Ralf Speth

(₹ in crores)

(B) Transactions with the related parties	Joint Venture	Associates	Key Management Personnel	2013 - 2014 Total
Purchase of goods	**2,159.77**	**481.23**	**-**	**2,641.00**
	2,612.64	637.89	-	3,250.53
Sale of goods (inclusive of sales tax)	**556.96**	**137.41**	**-**	**694.37**
	311.60	126.80	-	438.40
Services received	**90.68**	**18.96**	**41.34#**	**150.98**
	0.26	26.26	39.98	66.50
Services rendered	**256.81**	**13.17**	**-**	**269.98**
	66.18	13.14	-	79.32
Redemption / buy back of investments	**9.62**	**-**	**-**	**9.62**
	-	31.00	-	31.00
Finance given (including loans and equity)	**1,063.26**	**26.86**	**-**	**1,090.12**
	35.51	0.01	-	35.52
Finance given, taken back (including loans and equity)	-	-	-	-
	-	23.83	-	23.83
Finance taken (including loans and equity)	-	**33.50**	**-**	**33.50**
	-	50.00	-	50.00
Finance taken, paid back (including loans and equity)	**-**	**37.00**	**-**	**37.00**
	-	50.50	-	50.50
Interest / Dividend paid/(received) (net)	**(11.35)**	**119.20**	**-**	**107.85**
	(18.78)	210.48	-*	191.70
(C) Balances with the related parties				
Amount Receivable	**155.10**	**23.21**	**-**	**178.31**
	71.78	14.25	-	86.03
Amount Payable	**176.56**	**48.21**	**-**	**224.77**
	18.44	48.49	-	66.93
Amount Receivable (in respect of loans, interest and dividend)	**173.30**	**-**	**-**	**173.30**
	162.57	3.80	-	166.37
Amount Payable (in respect of loans, interest and dividend)	-	**16.00**	**-**	**16.00**
	-	29.50	-	29.50
Bills discounted (in respect of amount receivable)	**-**	**7.60**	**-**	**7.60**
	-	5.12	-	5.12
Bank Guarantee / Other assets given as security	**-**	**3.00**	**-**	**3.00**
	-	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	**910.77**	1,149.46
		Fiat India Automobiles Ltd	**1,249.00**	1,463.18
		Automobile Corporation of Goa Ltd	**282.21**	272.93
		Tata AutoComp Systems Ltd	**198.26**	425.80
(ii)	Sale of Goods	Tata Cummins Ltd	**72.26**	-
		Fiat India Automobiles Ltd	**483.05**	311.11
		Nita Company Ltd	**108.60**	94.19
		Tata Hitachi Construction Machinery Co. Ltd	**21.15**	31.56
(iii)	Services received	Tata Sons Ltd	**18.31**	26.11
		Fiat India Automobiles Ltd	**0.20**	0.24
(iv)	Services rendered	Tata Cummins Ltd	**3.23**	-
		Fiat India Automobiles Ltd	**2.56**	28.93
		Tata Hitachi Construction Machinery Co. Ltd	**10.27**	10.34
(v)	Finance given including Loan and Equity	Tata AutoComp Systems Ltd	**26.86**	-
		Chery Jaguar Land Rover Automotive Co. Ltd	**900.76**	-
(vi)	Finance taken including Loan and Equity	Automobile Corporation of Goa Ltd	**33.50**	50.00
(vii)	Finance taken, paid back (including loans and equity)	Automobile Corporation of Goa Ltd	**(37.00)**	(50.50)
(viii)	Interest/Dividend paid/(received)			
	Dividend paid	Tata Sons Limited	**140.89**	282.99
	Dividend received	Tata Sons Limited	**(9.90)**	(11.20)
	Interest paid	Fiat India Automobiles Ltd	**15.44**	75.96
	Interest received	Fiat India Automobiles Ltd	**(26.79)**	(93.47)

32. Consolidated segment information for the year ended March 31, 2014

(₹ in crores)

	Primary segment	Automotive: Tata Vehicles / spares and financing thereof *	Automotive: Jaguar and Land Rover	Automotive: Intra Segment Eliminations	Automotive: Total	Others	Inter-Segment Eliminations	Total
(a)	**Revenue**							
	External sales and income from other operations	**41,209.86**	**190,378.50**	**-**	**231,588.36**	**1,245.30**	**-**	**232,833.66**
		50,796.18	136,822.17	-	187,618.35	1,174.34	-	188,792.69
	Inter segment/Intra segment sales and other income	**89.58**	**-**	**(76.14)**	**13.44**	**1,273.69**	**(1,287.13)**	**-**
		98.87	-	(93.31)	5.56	1,091.58	(1,097.14)	-
	Total revenue	**41,299.44**	**190,378.50**	**(76.14)**	**231,601.80**	**2,518.99**	**(1,287.13)**	**232,833.66**
		50,895.05	136,822.17	(93.31)	187,623.91	2,265.92	(1,097.14)	188,792.69
(b)	**Segment results before other income, finance cost, tax and exceptional items**	**(966.93)**	**24,561.20**	**-**	**23,594.27**	**282.66**	**(117.39)**	**23,759.54**
		1,753.59	14,975.61	-	16,729.20	375.68	(110.18)	16,994.70
(c)	(i) Other income							**828.59**
								815.59
	(ii) Finance cost							**(4,733.78)**
								(3,560.25)
	(iii) Exceptional items :							
	- Exchange loss (net) on revaluation of foreign currency borrowings, deposits and loans							**(707.72)**
								(515.09)
	- Provision for costs associated with closure of operations and impairment of intangibles							**(224.16)**
								(87.62)
	- Employee separation cost							**(53.50)**
								-
(d)	**Profit before tax**							**18,868.97**
								13,647.33
	Tax expense							**4,764.79**
								3,776.66
(e)	**Profit after tax**							**14,104.18**
								9,870.67
(f)	**Segment assets**	**56,604.23**	**125,497.12**	**-**	**182,101.35**	**1,999.40**	**(841.46)**	**183,259.29**
		56,494.47	87,318.03	-	143,812.50	1,632.27	(692.66)	144,752.11
(g)	**Segment liabilities**	**14,910.19**	**70,974.22**	**-**	**85,884.41**	**687.35**	**(198.90)**	**86,372.86**
		14,942.20	52,422.39	-	67,364.59	660.58	(168.05)	67,857.12
(h)	**Other information**							
	(a) Depreciation and amortisation expense	**2,534.07**	**8,498.47**	**-**	**11,032.54**	**45.62**	**-**	**11,078.16**
		2,282.83	5,303.43	-	7,586.26	15.02	-	7,601.28
	(b) Capital expenditure	**3,814.29**	**24,506.13**	**-**	**28,320.42**	**76.34**	**(117.77)**	**28,278.99**
		3,375.76	18,161.52	-	21,537.28	40.78	(110.76)	21,467.30
(i)	**Segment assets exclude:**							
	(i) Deferred tax assets							**2,347.08**
								4,428.93
	(ii) Current and non-current investments							**10,686.67**
								8,764.73
	(iii) Income tax assets (net of provision) including MAT credit							**2,028.83**
								2,479.87
	(iv) Other unallocated assets							**21,676.45**
								9,952.60
								36,739.03
								25,626.13

* Other brand vehicles includes Tata Daewoo and Fiat traded vehicles

(₹ 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
		68,022.01
		64,883.82

(B) Secondary segment

	United States	UK	Rest of Europe	India	China	Rest of World	Total
Revenue from external customers	**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
Carrying amount of segment assets	**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
Capital expenditure	**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.

33. (a) Defined benefit plans / Long term compensated absences

(₹ in crores)

		Gratuity, Superannuation and BKY / PSY					Compensated Absences					Post-retirement Medicare scheme				
	As at / for the year ended on March 31,	**2014**	2013	2012	2011	2010	**2014**	2013	2012	2011	2010	**2014**	2013	2012	2011	2010
(i)	**Components of employer expense**															
	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)
	Total expense recognised in the Statement of Profit and Loss in note 25, page 134 :	**65.13**	64.11	74.46	99.56	86.04	**34.52**	61.09	69.01	76.81	59.98	**17.44**	14.40	6.34	14.70	10.18
		(b) & (c)					(a)					(c)				
(ii)	**Actual contribution and benefit payments**															
	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
(iii)	**Net asset / (liability) recognised in Balance Sheet**															
	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	**-**	-	-	-	-	**-**	-	-	-	-
	Net asset / (liability) recognised in Balance Sheet	**(105.64)**	(75.97)	(79.84)	(73.30)	(58.86)	**(267.06)**	(282.53)	(262.73)	(225.76)	(181.95)	**(124.05)**	(110.51)	(100.18)	(97.74)	(87.17)
	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	**-**	-	-	-	-
(iv)	**Change in Defined Benefit Obligations (DBO)**															
	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)
	Present value of DBO at the end of year	**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
(v)	**Change in fair value of assets**															
	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)**	-	-	-	-	**-**	-	-	-	-	**-**	-	-	-	-
	Plan assets at the end of year	**720.63**	737.38	676.74	618.02	550.07	**-**	-	-	-	-	**-**	-	-	-	-
(vi)	**Actuarial assumptions**															
	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
(vii)	**The major categories of plan assets as percentage to total plan assets**															
	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
(viii)	**Effect of one percentage point change in assumed medical inflation rate**	**One percentage point increase in medical inflation rate**										**One percentage point decrease in medical inflation rate**				
		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 134.

(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.

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
i	**Components of employer expense**					
	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
	Total expense recognised in the Statement of Profit and Loss in Note 25, page 134 :	**37.21**	(22.03)	23.05	7.22	46.14
ii	**Actual Contribution and Benefit Payments**					
	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
iii	**Net liability recognised in Balance Sheet**					
	Present value of Defined Benefit Obligation	**219.54**	164.44	252.58	220.62	217.23
	Fair value of plan assets	**129.43**	-	-	-	-
	Net liability recognised in Balance Sheet	**(90.11)**	(164.44)	(252.58)	(220.62)	(217.23)
	Experience adjustment on plan liabilities	**6.54**	79.62	19.01	5.56	(20.09)
	Experience adjustment on plan assets	**-**	-	-	-	-
iv	**Change in Defined Benefit Obligations**					
	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
	Present Value of DBO at the end of the year	**219.54**	164.44	252.58	220.62	217.23
v	**Change in fair value of assets**					
	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**	-	-	-	-
vi	**Actuarial assumptions**					
	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.

33. (c) Details of Defined benefit plans applicable to Jaguar and Land Rover group

(₹ in crores)

		Post-retirement Pension scheme					Post-retirement Medicare scheme				
	As at / for the year ended on March 31,	**2014**	2013	2012	2011	2010	**2014**	2013	2012	2011	2010
(i)	**Components of employer expense**										
	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	**-**	-	-	-	-	**-**	-	-	-	-
	Total expense recognised in the Statement of Profit and Loss in Note 25, page 134 :	**2,066.95**	1,317.95	889.40	605.04	728.38	**1.06**	0.60	0.99	1.35	1.14
(ii)	**Actual contribution and benefit payments**										
	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)	**Amount recognised in Pension Reserve**										
	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	**-**	-	-	-	-
	Amount recognised in Pension Reserve	**1,264.87**	2,354.03	(128.96)	2,280.53	263.73	**(2.40)**	0.86	0.84	(4.39)	1.67
(iv)	**Net liability recognised in Balance Sheet**										
	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	**-**	-	-	-	-
	Net (Liability) recognised in Balance Sheet	**(6,707.12)**	(5,390.39)	(2,654.65)	(2,068.07)	(680.70)	**(9.15)**	(9.60)	(10.76)	(7.69)	(10.76)
	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)	**Change in Defined Benefit Obligations (DBO)**										
	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)
	Present Value of DBO at the end of year	**60,249.67**	49,426.92	40,065.65	30,723.35	26,340.24	**9.15**	9.60	10.32	7.69	10.76
(vi)	**Change in fair value of assets**										
	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)	**Actuarial assumptions**										
	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)	**The major categories of plan assets as percentage to total plan assets**										
	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 134.
(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.

(₹ in crores)

			2013 - 2014	2012 - 2013
34.	(i)	**Movement of provision for warranty and product liability**		
		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.		
	(ii)	**Movement of provision for redemption of FCCN / CARS**		
		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
	(iii)	**Movement of provision for residual risk**		
		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.		
	(iv)	**Movement of provision towards environmental cost**		
		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.

35. The additional disclosure as required by AS 7 (Revised) on Construction Contracts:

(a) Advance received is ₹ **7.75 crores** (as at March 31, 2013 ₹ 14.01 crores)

(b) Retention money is ₹ **8.79 crores** (as at March 31, 2013 ₹ 13.28 crores)

(c) Contract revenue recognised during the year is ₹ **49.46 crores** (2012-13 ₹ 54.36 crores)

(d) 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

(a) The following subsidiaries / joint venture have been considered on Unaudited basis. Details for the same as per individual entity's financials are as under :

(₹ in crores)

	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
(i) Subsidiaries :			
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)**
(ii) Joint venture :			
Fiat India Automobiles Ltd	**1,032.66**	**1,928.74**	**(74.19)**
Total (i + ii)	**438.21**	**2,438.99**	**(110.90)**
For the year ended / as at March 31, 2013	51.43	2,357.32	(261.40)

(b) 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 :

(₹ in crores)

	Profit / (Loss) for the year ended March 31, 2014
Tata Hitachi Construction Machinery Company Ltd	**(76.14)**
Nita Company Ltd.	**5.13**
	(71.01)
For the year ended March 31, 2013	(48.58)

(c) 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.

(d) 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.

(e) Previous year figures have been regrouped / reclassified whereever necessary to correspond with the current year classification / disclosure.

(f) 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.

(g) Current year figures are shown in bold prints

For and on behalf of the Board

CYRUS P MISTRY
Chairman

RAVI KANT
Vice-Chairman

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

SUBSIDIARY COMPANIES : FINANCIAL HIGHLIGHTS- 2013-14

(₹ in crores)

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	EURO	3.70	(679.82)	152.00	828.12	59.96	(94.79)	-	(94.79)	(94.79)	-	-
16	Trilix S.r.l	Italy	EURO	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	EURO	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	Cambric Holdings Inc.	USA	USD	38.60	5.31	176.01	132.10	6.44	(9.23)	(8.32)	(0.91)	(0.91)	-	-
28	Cambric Corporation, Delaware	USA	USD	-	1.01	11.74	10.73	101.65	53.29	0.01	53.28	53.28	-	-
29	Cambric Ltd, Bahama	USA	USD	16.17	(0.22)	15.95	-	3.95	(4.17)	-	(4.17)	(4.17)	-	-
30	Cambric UK Ltd.	U.K.	USD	-	1.06	6.01	4.95	49.29	(4.79)	0.24	(5.03)	(5.03)	-	-
31	Cambric Managed Services Inc, Utah	USA	USD	-	(0.01)	-	0.01	-	(0.01)	-	(0.01)	(0.01)	-	-
32	Cambric 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	Cambric Consulting SRL, Romania	Romania	USD	9.83	1.45	15.38	4.10	43.45	(36.29)	0.30	(36.59)	(36.59)	-	-
35	Cambric 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	-	-

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)
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	19.74	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 Carroceries Maghreb	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)	-	-
Details of Direct subsidiaries, on consolidated basis including their respective subsidiaries included above :														
1	Tata Technologies Ltd (Note A, page 147)			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 147)			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 147)**			-	-	-	-	-	-	-	-	-	-	-
4	PT Tata Motors Indonesia (Note D, page 147)			100.85	(81.30)	61.36	41.81	14.14	(45.50)	-	(45.50)	(45.50)	-	-
**** TML Holdings Pte Ltd, Singapore holds fully Jaguar Land Rover Automtive Plc and Tata Daewoo Commercial Vehicle Co. Ltd., the consolidated accounts of which are given below. :**														
1	Jaguar Land Rover Automotive Plc Consolidated			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 (Shangai) Co. Ltd (incorprated 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
(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

The financial statements of subdsidiaries 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

This section includes the following:

1. *Management's discussion and analysis of financial conditions and results of operation prepared on the limited reviewed consolidated financial statements of our Company for the nine month period ended December 31, 2014 prepared in accordance with the Indian GAAP; and*

2. *Management's discussion and analysis of financial conditions and results of operation prepared on the audited consolidated financial statements of our Company as at and for the year ended March 31, 2014 in accordance with the Indian GAAP.*

1. Management's discussion and analysis of financial conditions and results of operation prepared on the limited reviewed consolidated financial statements of our Company for the nine month period ended December 31, 2014 prepared in accordance with the Indian GAAP

All financial information discussed in this section is derived from our Company's limited reviewed consolidated financial results for the nine month period ended December 31, 2014, included in this report, which has been reviewed by the Auditor.

Overview

We primarily operate in the automotive segment. The acquisition of Jaguar Land Rover business has enabled us to enter the premium car market. We continue to focus on profitable growth opportunities in global automotive business, through new products and market expansion. We 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.

During the nine month period ended December 31, 2014 our total revenue (net of excise duties) including finance revenues increased by 16.5% or ₹ 27,703.77 crore to ₹ 195,220.29 crore from ₹ 167,516.52 crore during the nine month period ended December 31, 2013. During the nine month period ended December 31, 2014, net profit after tax (post minority interest and share of profit / loss (net) of associates) increased by 21.8% or ₹ 2,197.06 crore to ₹ 12,269.79 crore from ₹ 10,072.73 crore during the nine month period ended December 31, 2013. Our business segments are (i) automotive operations; and (ii) other operations as described further below. The table below sets forth the breakdown in revenue between automotive operations and other operations for the nine month period ended December 31, 2014 and 2013 and the percentage change from period to period.

	Nine month period ended December 31,		
	2014	**2013**	**% of Change**
	(₹ in crore)		
Automotive operations	1,94,255.03	1,66,645.47	16.6
Other Operations	1,996.78	1,821.00	9.7
Inter-segment-eliminations	(1,031.52)	(949.95)	8.6
Total	**1,95,220.29**	**1,67,516.52**	**16.5**

(i). Automotive operations

Automotive operations are most significant segment, accounting for 99.6% and 99.5% of our total revenues during the nine month period ended December 31, 2014 and 2013 respectively. For the nine month period ended December 31, 2014, revenue from automotive operations before inter-segment eliminations increased by 16.6% or ₹ 27,654.64 crore to ₹ 194,340.41 crore as compared to ₹ 166,685.77 crore during the nine month period ended December 31, 2013.

Automotive operations include:

- activities relating to the development, design, manufacture, assembly and sale of vehicles as well as related spare parts and accessories;

- distribution and service of vehicles; and
- financing of our vehicles in certain markets.

Our total sales (including international business sales and Jaguar Land Rover sales) during the nine month period ended December 31, 2014 and 2013 are set forth in the table below:

Category	**Nine month period ended December 31,**				
	2014			**2013**	
	Units	%		Units	%
Passenger Cars	1,45,296	19.9		1,52,763	20.0
Utility Vehicles	3,05,683	42.0		2,76,292	36.3
Light Commercial Vehicles	1,67,702	23.0		2,35,879	30.9
Medium and Heavy Commercial Vehicles	1,09,795	15.1		97,761	12.8
Total	**7,28,476**	**100.0**		**7,62,695**	**100.0**

Our automotive operations segment is further divided into (i) Tata and other brand vehicles (including vehicle financing thereof); and (ii) Jaguar Land Rover. During the nine month period ended December 31, 2014, Jaguar Land Rover contributed 83.4% of our total automotive revenue (before intra-segment elimination), compared to 81.0% of total automotive revenue (before intra-segment elimination) during the nine month period ended December 31, 2013. The remaining 16.6% of total automotive revenue (before intra-segment elimination) was contributed by Tata and other brand vehicles, compared to 19.0% of total automotive revenue (before intra-segment elimination) for the nine month period ended December 31, 2013.

Revenue from Tata and other brand vehicles (including vehicle financing thereof) and Jaguar Land Rover for nine month period ended December 31, 2014 and 2013 and the percentage change from period to period (before intra-segment eliminations) is set forth in the below table.

	Nine month period ended December 31,		
	2014	**2013**	**% of Change**
	(₹ in crore)		
Tata and other brand vehicles	32,203.75	31,633.28	1.8
Jaguar Land Rover	1,62,136.66	1,35,052.49	20.1

Tata and other brands vehicles (including vehicle financing thereof)

India is a major market for us and other brand vehicles (including vehicle financing thereof). During the nine month period ended December 31, 2014, generally, there was a slight and gradual economic recovery in the geographic markets in which we and other brands vehicles segment has operations. However, competitive pressure continues across all major products of the Tata and other brands vehicle segment leading to decrease in vehicles sales volumes.

During the nine month period ended December 31, 2014, the Indian economy experienced a GDP growth of 7.4%, compared to 6.9% in Fiscal 2014 (based on data from the Ministry of Statistics and Program Implementation). The IIP in India grew by 2.1% during the nine month period ended December 31, 2014, compared to flat growth during the nine month period ended December 31, 2013. Relatively low growth in industrial activity in India was broad-based and was mainly due to factors such as the poor growth of consumer goods sector, where consumer durables contracted by 15.2% during the nine month period ended December 31, 2014 compared to 12.9% during the nine month period ended December 31, 2013. Further, aggregate demand has experienced sluggish growth as measured by factors such as demand for capital goods, which grew by 4.8% during the nine month period ended December 31, 2014 compared to 0.4% during the nine month period ended December 31, 2013.

The Indian automobile industry experienced a growth of 1.8% in the nine month period ended December 31, 2014, as compared to negative growth of 7.3% for the nine month period ended December 31, 2013. Falling crude oil prices, lower inflation, resumption of manufacturing and mining activities and lower interest rates appear to be helping the Indian auto industry revive after two years of decline.

Nevertheless, demand in the LCV product category was affected due to the lack of financing for potential customers in the nine month period ended December 31, 2014. Further, high default rates for loans along with early delinquencies has led financiers to tighten lending norms. For example, by lowering the loan-to-value ratio on new financing and by focusing on collection of existing loans instead of extending new loans for small commercial vehicles.

The following table sets forth our total sales and sales of other brand vehicles:

Category	**Nine month period ended December 31,**				
	2014			**2013**	
	Units	**%**		**Units**	**%**
Passenger Cars	87,756	22.8		94,107	20.8
Utility Vehicles	20,227	5.2		24,709	5.5
Light Commercial Vehicles	1,67,702	43.5		2,35,879	52.1
Medium and Heavy Commercial Vehicles	1,09,795	28.5		97,761	21.6
Total	**3,85,480**	**100.0**		**4,52,456**	**100.0**

Our Company's overall vehicle sales decreased by 14.8% to 3,85,480 units during the nine month period ended December 31, 2014 from 4,52,456 units during the nine month period ended December 31, 2013, resulting in a revenue (before inter-segment elimination) decrease of 1.4% to ₹ 32,139.0 crore during the nine month period ended December 31, 2014, compared to ₹ 32,600.4 crore during the nine month period ended December 31, 2013.

Commercial vehicles in India

Industry sales in the M&HCV category grew by 15,334 units or 10.6% to 1,60,189 units in the nine month period ended December 31, 2014 as compared to sales of 1,44,855 units for the nine month period ended December 31, 2013, due to stable freight rates across key routes, lowering of diesel prices, increased quantity of cargo transported and a renewal of mining activities in states of Karnataka and Goa. However, the LCV segment for the nine month period ended December 31, 2014 contracted by 20.2% to 3,06,127 units from 3,83,846 units for the nine month period ended December 31, 2013, mainly led by lower availability of freight, financing defaults and tightened lending norms all of which continues to impede the recovery in the LCV segment. These factors resulted in decline in the industry-wide sales of commercial vehicles by 11.8% in the nine month period ended December 31, 2014, compared to the nine month period ended December 31, 2013.

Sales of our Company's commercial vehicles in India decreased by 20.5% to 2,34,522 units for the nine month period ended December 31, 2014 from 2,95,013 units for the nine month period ended December 31, 2013. Our Company's sales in the M&HCV category grew by 8,533 units or 10.6% to 88,840 units in the nine month period ended December 31, 2014 as compared to sales of 80,307 units for the nine month period ended December 31, 2013. However, our Company's sales in the LCV segment for the nine month period ended December 31, 2014 declined by 32.1% to 1,45,682 units from 2,14,706 units for the nine month period ended December 31, 2013.

Passenger vehicles in India

The passenger vehicle industry in India experienced growth of 5.8% for the nine month period ended December 31, 2014, compared to a decline of 4.9% for the nine month period ended December 31, 2013. The growth in sales volumes was reflected across passenger vehicle segments. Increased demand in the passenger vehicle industry was primarily attributable to reduced fuel prices and improvement in consumer sentiment.

Notwithstanding growth in the Indian passenger vehicle sector, our passenger vehicle sales in India decreased by 10.8% to 101,204 units for the nine month period ended December 31, 2014 from 113,500 units for the nine month period ended December 31, 2013 due to fewer new product offerings compared to our competitors and a clearing of inventory which led to discounting in sales prices. Our Company's passenger vehicle categories consist of: (i) UVs and (ii) passenger cars. In the UV category, our Company sold 19,139 units for the nine month period ended December 31, 2014, representing a decrease of 20.2% from 23,971 units for the nine month period ended December 31, 2013. Our Company sold 82,065 units in the passenger car category in the nine month period ended December 31, 2014, representing a decrease of 8.3% compared to 89,529 units in the nine month period ended December 31, 2013. Our Company sold 16,060 Nano cars during the nine month period ended December 31, 2014, a decrease of 9.4% compared to 17,730 units for the nine month period ended December 31, 2013.

In August 2014, our Company launched Zest, the all new stylish compact sedan and sold 16,027 vehicles during the period August 2014 to December 2014.

International Markets

Our Company's overall sales in international markets increased by 13.2% to 49,754 units for the nine month period ended December 31, 2014 compared to 43,943 units for the nine month period ended December 31, 2013. Our Company's exports of vehicles manufactured in India increased by 17.7% for the nine month period ended December 31, 2014 to 39,213 units from 33,317 units for the nine month period ended December 31, 2013. The improvement of the geo-political situation in the SAARC region has contributed to an upsurge in investment in capital goods, which has helped our Company to improve volumes in this region generally, particularly in Bangladesh. Additionally, launch of new models in the Middle East and Africa region along with opening up of new markets in these regions contributed to an increase in international sales volumes.

TDCV which is engaged in design, development and manufacturing of M&HCVs, recorded a 1.5% increase in its overall vehicle sales to 7,968 units for the nine month period ended December 31, 2014, from 7,851 units for the nine month period ended December 31, 2013. TDCV exported 2,841 units for the nine month period ended December 31, 2014, compared to 3,125 units for the nine month period ended December 31, 2013, a fall of 9.1%. Sluggish market conditions in Russia, South Africa, Algeria and Laos due to adverse socio-political conditions were partially offset by increase in volumes in Vietnam. Market conditions in Russia were sluggish due to the Ukraine crisis and financial sanctions against Russia affecting currency exchange rates and lesseneddemand for automobiles and for new large projects. The over-all sales in South Africa have been affected by the depreciation of the South African Rand and overall limited economic growth. In Algeria and Laos, vehicle demand has been affected by continued political and economic uncertainties and general economic conditions and the absence of major projects. In Vietnam, TDCV has been able to develop new fleet customers to take advantage of shift in demand to more lightweight commercial vehicles due to stricter application of vehicles weight regulations. In the South Korean market, TDCV's sales have increased by 8.5% from 4,726 units for the nine month period ended December 31, 2013 to 5,127 units for the nine month period ended December 31, 2014, primarily due to higher sales in October to December 2014, due to emission effective from January 1, 2015.

Jaguar Land Rover

The total sales of Jaguar Land Rover during nine month period ended December 31, 2014 and 2013 are set forth in the table below:

Category	**Nine month period ended December 31,**				
	2014			**2013**	
	Units	**%**		**Units**	**%**
Jaguar	57,540	16.8		58,656	18.9
Land Rover	2,85,456	83.2		2,51,583	81.1
Total	**3,42,996**	**100.0**		**3,10,239**	**100.0**

In the nine month period ended December 31, 2014, Jaguar Land Rover continued to experience growth in all its geographical markets; including both developing and developed markets, and particularly in the United Kingdom. However, economic conditions have been unfavorable in Europe and in some other markets, particularly Russia. Overall, the volume growth has been driven by the strong sales of Range Rover, Range Rover Sport and the Jaguar F-TYPE.

Retail volumes for the nine month period ended December 31, 2014 were 3,37,902 units, an increase of 9.2% compared to the nine month period ended December 31, 2013. Retail volumes for the nine month period ended December 31, 2014 were 57,539 units for Jaguar and 2,80,363 units for Land Rover, a growth of 1.9% and 10.8%, respectively from 56,491 units and 2,53,044 units respectively, for the nine month period ended December 31, 2013. Retail volumes in China increased by 25.8% in the nine month period ended December 31, 2014 from 73,510 units to 92,443 units, as compared to the nine month period ended December 31, 2013. Retail volumes in the Asia Pacific region increased by 17.7% to 19,460 units in the nine month period ended

December 31, 2014 from 16,539 units for the nine month period ended December 31, 2013. Retail volumes in the United Kingdom increased by 11.9% to 58,041 units for the nine month period ended December 31, 2014 from 51,890 units for the nine month period ended December 31, 2013. Retail volumes in North America decreased by 1.2% to 55,058 units for the nine month period ended December 31, 2014 compared to 55,748 units for the nine month period ended December 31, 2013, primarily due to the lack of available Freelander inventory and a production scheduling mismatch between supply and demand. Retail volumes in the rest of Europe market, increased by 6.0% to 61,384 units for the nine month period ended December 31, 2014 compared to 57,928 units for the nine month period ended December 31, 2013, primarily due to the strong sales of the Range Rover, Range Rover Sport and the Jaguar F-TYPE, partially offset by the lack of available Freelander inventory. Retail volumes in the rest of the world market, declined by 4.5% to 51,516 units for the nine month period ended December 31, 2014 compared to 53,920 units for the nine month period ended December 31, 2013, primarily as a consequence of adverse economic and political conditions impacting sales in Russia, Brazil and South Africa.

Wholesale volumes for the nine month period ended December 31, 2014 was 3,42,996 units, an increase of 10.6% from 3,10,239 units for the nine month period ended December 31, 2013. Wholesale volumes for Jaguar in the nine month period ended December 31, 2014 declined by 1.9% to 57,540 units from 58,656 units sold during nine month period ended December 31, 2013. Wholesale volumes for Land Rover for the nine month period ended December 31, 2014 was 285,456 units, an increase of 13.5% from 2,51,583 units for the nine month period ended December 31, 2013, driven by the strong sales of all models partially offset by Production run out of the Freelander and a favorable market mix, most notably strong sales in China.

The premium and luxury vehicles sector in India has experienced a growth in an otherwise declining year. We sold 2,046 units of Jaguar and Land Rover in India in the nine month period ended December 31, 2014 as compared to 1,992 units in the nine month period ended December 31, 2013 resulting in an increase of 2.7%.

(ii). Other operations

The other operations business segment includes IT, machine tools and factory automation solutions, and investment business. During the nine month period ended December 31, 2014, revenue from other operations before inter-segment eliminations was ₹ 1,996.78 crore compared to ₹ 1,821.00 crore in nine month period ended December 31, 2013. Segment results before other income, finance cost, tax and exceptional items (before inter-segment eliminations) was ₹ 253.43 crore for the nine month period ended December 31, 2014 as compared to ₹ 174.55 crore for nine month period ended December 31, 2013.

Results of operation

The following table sets forth selected line items from our Company's condensed consolidated statements of income for the periods indicated and shows these items as a percentage of total revenues.

(₹ in crore)

	Percentage to Revenue from operations For nine month period ended December 31,	
	2014	**2013**
Revenue from operations net of excise duty	100	100
Expenditure:		
Cost of material consumed (including change in stock)	61.2	61.7
Employee Cost	9.6	9.3
Manufacturing and other expenses (net)	18.3	19.1
Amount Capitalised	(5.8)	(5.9)
Total Expenditure	83.2	84.1
Other Income	0.3	0.3
Profit before Exceptional Items, Depreciation, Interest and Tax	17.1	16.2
Depreciation and Amortisation (including product development / engineering expenses written off)	5.9	5.8
Finance costs	1.5	1.8
Exceptional Item – Loss	0.0	0.3
Profit before Tax	9.7	8.2

Revenue

During the nine month period ended December 31, 2014, our total revenue (net of excise duties, where applicable) including finance revenues increased by 16.5% or ₹ 27,703.77 crore to ₹ 1,95,220.29 crore from ₹ 1,67,516.52 crore for the nine month period ended December 31, 2013.

The increase for revenue was primarily driven by our Jaguar Land Rover business, where revenue increased by 20.1% from ₹ 1,35,052.49 crore for the nine month period ended December 31, 2013 to ₹ 1,62,136.66 crore for the nine month period ended December 31, 2014, due to sales volume increases across products and markets most notably in China and United Kingdom. The revenue also reflect an increase on account of currency translation from GBP to Indian Rupees of ₹ 7,880.07 crore pertaining to Jaguar Land Rover.

The revenue for Tata and other brand vehicles (including financing thereof) also marginally increased by 1.8% from ₹ 31,633.28 crore for the nine month period ended December 31, 2013 to ₹ 32,203.75 crore for the nine month period ended December 31, 2014. This was due to increase in sales outside India (of vehicles manufactured in India) by 17.8% to ₹ 2,650.12 crore for the nine month period ended December 31, 2014 from ₹ 2,250.57 crore for the nine month period ended December 31, 2013. Revenue from vehicles sales of TDCV increased by 12.2% from ₹ 3,569.19 crore for the nine month period ended December 31, 2013 to ₹ 4,002.86 crore for the nine month period ended December 31, 2014. However, revenues (net of excise duty) from vehicle sales manufactured in India decreased to ₹ 27,090.88 crore for the nine month period ended December 31, 2014 from ₹ 27,928.46 crore for the nine month period ended December 31, 2013, due to lower sales volume of commercial and passenger vehicles in India as explained above. Further, revenue from our vehicle financing operations decreased by 25.1% to ₹ 1,651.28 crore for the nine month period ended December 31, 2014 from ₹ 2,204.44 crore for the nine month period ended December 31, 2013, arising primarily due to generation of fewer automotive financing in India resulting in reduction of finance revenue.

Cost of materials consumed (including change in stock)

	For nine month period ended December 31,	
	2014	**2013**
	(₹ in crore)	
Consumption of raw materials and components	1,11,805.29	97,654.08
Purchase of product for sale	9,314.75	7,748.86
Change in finished goods and Work-in-progress	(1,718.48)	(2,100.29)
Total	**1,19,401.56**	**1,03,302.65**

Cost of material consumed has remained flat at 62.5% compared to 62.4% of total revenue (excluding income from vehicle financing). At our Company, raw material cost was 75.8% of net revenue as compared to 74.4%, representing an increase of 140 basis points, mainly attributable to higher M&HCV sales and increase in variable marketing expenses. For Jaguar Land Rover, the raw material cost was 60.5% of revenue in the nine month period ended December 31, 2014 compared to 60.8% in the nine month period ended December 31, 2013, representing a reduction of 30 basis points. The reduction is mainly attributable to product mix and cost reduction programmes.

Employee Cost was ₹ 18,765.84 crore for the nine month period ended December 31, 2014 as compared to ₹ 15,529.11 crore for the nine month period ended December 31, 2013 an increase of ₹ 3,236.73 crore. Of the increase ₹ 738.71 crore (approximately) relates to unfavourable translation of Jaguar Land Rover from UK Pounds to Indian Rupee. At Jaguar Land Rover the increase in employee cost is attributable to increases in the permanent and contractual head count to support the increase in sales volume, new launches and product development projects. At our Company, the employee cost was increased to ₹ 2,255.26 crore as compared to ₹ 2,164.68 crore during the nine month period ended December 31, 2013, mainly related to normal yearly revisions. Due to lower volumes at our Company, salary cost as a % to revenue is higher at 8.8% as compared to 8.4% in the nine month period ended December 31, 2013. Our Company has initiated steps to rationalize the manpower strength for our Company.

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 ₹ 35,633.54 crore from ₹ 31,934.19 crore in the nine month period ended December 31, 2013. As explained above, each line item includes the element of unfavourable translation of Jaguar Land Rover (approximately ₹ 1,585.73 crore). The increases are mainly driven by increased volumes at Jaguar Land Rover.

The breakup is given below -

	For nine months period ended December 31,	
	2014	**2013**
	(₹ in crore)	
Processing charges	783.00	834.84
Stores, spare parts and tools consumed	1,330.74	1,193.91
Freight, transportation, port charges, etc.	5,623.77	4,847.48
Repairs to buildings	81.41	57.08
Repairs to plant, machinery, etc.	346.11	181.42
Power and fuel	807.90	802.93
Rent	383.37	338.46
Rates and taxes	256.20	196.32
Insurance	202.05	206.08
Publicity	6,170.02	5,919.90
Works operation and other expenses	19,588.71	17,344.27
Excise Duty on change in Stock-in-trade	60.26	11.50
Manufacturing and Other Expenses	**35,633.54**	**31,934.19**

However, in terms of % to revenue, this has remained flat at 18.9% as compared to 18.8% in the nine month period ended December 31, 2013.

i. Processing charges were mainly incurred by our Company, where mainly due to volume contraction, the expenditure was lower.

ii. Freight, transportation, port charges etc. have increased, mainly at Jaguar Land Rover, in view of increase in volumes in the overseas markets predominantly in China.

iii. The publicity expenses increase, mainly related to new product launches (new Range Rover, the new Range Rover Sport, The Range Rover Evoque, the F-Type, smaller powertrain derivatives of XF and XJ models as well as the XF Sport brake at Jaguar Land Rover and the Prima LX series of trucks, Tata Zest and Bolt at our Company) and ongoing product / brand campaigns.

iv. The works operation and other expenses have decreased to 10.0% from 10.4% of net revenue. While a part of revenue relates to volumes, the increase were in engineering expenses at Jaguar Land Rover, computer expenses, provision and write off of finance receivable partly offset by exchange gain on trading activities at Jaguar Land Rover.

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 ₹ 11,406.40 crore from ₹ 9,875.98 crore in nine month period ended December 31, 2013, mainly on account of various product development projects undertaken by our Company and Jaguar Land Rover, for introduction of new products, development of engine and products variants.

Other Income was ₹ 653.57 crore from ₹ 573.75 crore in nine month period ended December 31, 2014 and mainly includes interest income of ₹ 523.03 crore (nine month period ended December 31, 2013 was ₹ 479.49 crore), dividend income of ₹ 58.30 crore (nine month period ended December 31, 2013 was ₹ 31.79 crore) and profit on sale of investment of ₹ 68.35 crore (nine month period ended December 31, 2013 was ₹ 59.04 crore).

Profit before Interest, Depreciation, Exceptional Items and Tax has increased from ₹ 27,200.30 crore in the nine month period ended December 31, 2013 to ₹ 33,479.36 crore in the nine month period ended December 31, 2014, and represented 17.1% of revenue.

Depreciation and Amortization (including product development / engineering expenses written off): During nine month period ended December 31, 2014, expenditure increased to ₹ 13,643.37 crore from ₹ 11,595.06 crore for nine month period ended December 31, 2013. The increase in depreciation expenses during the nine month period ended December 31, 2014 was on account of asset additions mainly, the launch of "Ingenium" engines at Wolverhampton and expenses attributable to plant and equipment and tooling (mainly towards capacity and new products). The amortization expenses have gone up from ₹ 4,928.61 crore in nine month period ended December 31, 2013 to ₹ 5,721.26 crore in nine month period ended December 31, 2014, mainly relates to product development cost capitalized and new products introduced during the nine month period ended December 31, 2014 and Fiscal 2014, primarily, the Jaguar F-TYPE coupe and all-wheel drive derivatives, the new Discovery Sport, the Tata Zest and Ultra Trucks. The expenditure on product development / engineering cost written off has increased by ₹ 502.03 crore. As explained above, there was an element of increase representing translation impact of ₹ 501.19 crore of GBP to Indian Rupee.

Finance Cost decreased by 4.5% to ₹ 2,929.30 crore from ₹ 3,066.23 crore in the nine month period ended December 31, 2013. The decrease in finance cost is primarily at Jaguar Land Rover from ₹ 622.00 crore in the nine month period ended December 31, 2013 to ₹ 184.00 crore in the nine month period ended December 31, 2014 which mainly represented refinancing of 8.125% senior notes due 2018 in March 2014 at lower interest rates which was partially offset by the issuance of additional 4.25% senior notes due 2019 in October 2014. At TML Holdings Pte Ltd Singapore, it has increased by 169.20 crore to ₹ 230.80 crore from ₹ 61.59 crore in the nine month period ended December 31, 2013 due to issue of US$ 300 million, 5.75% Senior Notes due 20121 in nine month period ended December 31, 2014 and issuance of SG$ 350 million 4.25% Senior Notes due 2018 and US$ 600 million syndicated loan facility with equivalent US$ 300 million in November 2019 during nine month period ended December 31, 2013. At our Company, it has increased by Rs.88.07 crores to Rs.1,103.03 crores from Rs.1,014.96 crores in the nine month ended December 31, 2013.

Exceptional Items

	For the nine month period ended December 31,		
	2014	**2013**	**Change**
	(Rs. in crores)		
Exchange loss (net) including on revaluation of foreign currency borrowings, deposits and loans	23.43	352.66	(329.23)
Impairment of intangibles and other costs	-	224.16	(224.16)
Employee separation cost	0.13	-	(0.13)
Total	**23.56**	**576.82**	(553.52)

i. 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.

ii. 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.

Consolidated Profit Before Tax (PBT) increased to Rs.18,931.54 crores in the nine month period ended December 31, 2014, compared to Rs.13,815.94 crores in the nine month period ended December 31, 2013, representing an increase of Rs.5,115.64 crores. Due to severe contraction in domestic volumes, Our Company's contribution to PBT was negative. Jaguar Land Rover by virtue of its strong performance, contributed to PBT. The increase also includes translation impact.

Tax Expense represents a net charge of Rs.6,619.33 crores in nine month period ended December 31, 2014, as compared to net charge of Rs.3,667.86 crores in the nine month period ended December 31, 2013.

Effective tax rate in nine month period ended December 31, 2014 is 35.0% as compared to 26.5% in nine month period ended December 31, 2013.

Our Company, on a standalone basis, had written off credit entitlement of Minimum Alternate Tax (MAT) of Rs. 777.18 crores during the nine month period ended December 31, 2014 in view of an amendment in Indian income tax laws extending the concessional tax rate of 15% on dividend received from foreign subsidiaries for indefinite period. This amendment will result in lower payment of taxes on such dividend income which, along with lower expected future taxable profit, will further reduce the probability of utilizing the available MAT credit.

Further, Deferred Tax Asset (DTA) not created for standalone operation for the nine month period ended December 31, 2014, as DTA should be recognized only when there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such DTA can be realized.

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.

Consolidated Profit for the year increased to Rs.12,269.79 crores from Rs.10,072.73 crores in the nine months ended December 31, 2013, 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 at Jaguar Land Rover.

Consolidated Balance Sheet

Shareholders' fund was Rs.68,822.65 crores and Rs.65,603.45 crores as at December 31, 2014 and March 31, 2014, respectively.

Reserves increased to Rs.68,178.87 crores as at December 31, 2014 from Rs.64,959.67 crores as of March 31, 2014. The increase represents strong performance on a consolidated basis as explained above.

- Balance in Profit & Loss Account and General Reserve has gone up by Rs.12,357.81 crores, representing results from operations for the period.

These increase reserves was offset by:-

- As at December 31, 2014, Rs.327.42 crores (as at March 31, 2014 credit of Rs.5,399.55 crores), being debit balance in hedging reserves account, representing marked to market impact on the derivative financial instruments.

- As at December 31, 2014, Rs.2,115.26 crores (as at March 31, 2014 credit of Rs.573.88 crores), being debit balance in Foreign Currency Monetary Item Translation Difference account, representing unamortised exchange loss on foreign currency borrowings. The swing was due to strengthening of USD as compared to GBP, resulting in exchange loss of Senior Notes of Jaguar Land Rover.

- Translation Reserve decreased by Rs.755.04 crores and is at Rs.6,417.99 crores as at December 31, 2014 (as at March 31, 2014 of Rs.7,173.03 crores) which mainly represents conversion of balances in functional currency of foreign subsidiaries (net of minority share) and associates.

Borrowings:

	As at December 31, 2014	As at March 31, 2014	Change
	(Rs. in crores)		
Long term borrowings	54,843.47	45,258.61	9,584.86
Short term borrowings	12,908.35	9,695.86	3,212.49
Current maturities of long term borrowings	5,076.13	5,687.81	611.68
Total	**72,827.95**	**60,642.28**	**12,185.67**

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 Rs.8,973.18 crores to Rs.59,919.60 crores.

During nine months ended December 31, 2014,

- Jaguar Land Rover had issued US$ 500 million 4.25% Senior Notes, due 2018.

- Our Company has also issued US$ 500 million 4.625% Senior Unsecured Notes due 2020 and US$ 250 million 5.750% Senior Unsecured Notes due 2024 and repaid External Commercial Borrowing of USD 500 million. The Company also issued rated, listed, unsecured non-convertible debentures of Rs.2,300 crores with maturities of 2-4 years as a step to raise long term resources and optimize the loan maturity profile.

- TML Holdings Pte Ltd Singapore, issued US$ 300 million, 5.75% Senior Notes due 2021.

iii. Short term borrowings increased Rs.3,212.49 crores primarily due to increase in commercial papers at TML.

Other Long term liabilities increased by ₹ 2,033.36 crore as at December 31, 2014 to ₹ 4,630.22 crore as compared to ₹ 2,596.86 crore as at March 31, 2014. These include ₹ 2,487.16 crore of derivative financial instruments, mainly Jaguar Land Rover as at March 31, 2014 (₹ 548.36 crore as at March 31, 2014), reflecting increased notional liability consequent to valuation of derivative contracts.

Trade payables were ₹ 53,632.48 crore as at December 31, 2014, as compared to ₹ 57,315.73 crore as at March 31, 2014. There has been decrease in acceptances by ₹ 1,282.13 crore due to decrease in the term from 84 days to 49 days. Creditors for goods supplied at Jaguar Land Rover has decreased by ₹ 1,783.25 crore due to better working capital management.

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:

	As at December 31, 2014	As at March 31, 2014	Change
	(₹ in crores)		
Long term provisions (Non-current)	12,540.16	12,190.29	349.87
Short term provisions (Current)	9,050.78	7,970.68	1,080.10
Total	**21,590.94**	**20,160.97**	**1,429.97**

i. Provision for warranty and product liability increased by ₹ 1,134.26 crore mainly on account of volumes at Jaguar Land Rover.

ii. The provision for employee benefits schemes increased by ₹ 465.78 crore primarily at Jaguar Land Rover ₹ 464.04 crore and our Company ₹ 66.04 crore on account of change in actuarial factors which is offset by decrease at TDCV due to reversal of ₹ 153.2 crore in December 2014, due to a favorable decision by the Supreme Court of South Korea for TDCV and resolution of the lawsuit filed by the union employees who had demanded inclusion of some elements of salary and bonuses as part of ordinary wages for the period December 2007 to May 2011.

iii. The provision for income tax increased by ₹ 451.17 crore mainly at Jaguar Land Rover by ₹ 561.94 crore offset by reduction at TMFL by ₹ 140.81 crore.

iv. These were offset by the payment of dividend of ₹ 762.68 crore (including reversal of dividend distribution tax of ₹ 93.40 crore) by our Company.

Other current liabilities were ₹ 19,724.87 crore as at December 31, 2014 as compared to ₹ 17,373.86 crore as at March 31, 2014. This mainly included 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 increase was mainly due to increase in liability for capital expenditure, interest accrued but not due on borrowings and derivative financial instruments which was partially offset by decrease in advance/ progress payment from customers.

Fixed Assets:

	As at December 31, 2014	As at March 31, 2014	Change
	(₹ in crore)		
Tangible assets (including capital work-in-progress)	61,026.64	50,831.59	10,195.05
Intangible assets (including assets under development)	51,776.20	46,543.81	5,232.39
Total	**1,12,802.84**	**97,375.40**	**15,427.44**

The increase (net of depreciation) in the tangible assets, was ₹ 10,195.05 crore, mainly relates to Jaguar Land Rover's investment in plants, machinery and tooling's to support the growing demand for vehicles as well as the new "Ingenium" engine plant. The increase (net of amortization) in the intangible assets mainly reflects product development projects, brand development and other intangible assets at our Company and Jaguar Land Rover.

Investments (Current + Non-current) were ₹ 15,872.14 crore as at March 31, 2014, as compared to ₹ 10,686.67 crore as at March 31, 2014. The break-up is as follows:

	As at December 31, 2014	As at March 31, 2014	Change
	(₹ in crore)		
Mutual Funds	14,587.51	9,494.06	5,093.45
Investments in equity accounted investees (associate companies)	538.88	382.98	155.90
Quoted Equity shares	297.09	318.71	(21.62)
Unquoted Equity shares	389.41	386.38	3.03
Others	63.41	112.63	(49.22)
Provision for diminution in value of investments (net)	(4.16)	(8.09)	(3.93)
Total	**15,872.14**	**10,686.67**	**5,185.47**

Investments mainly comprised mutual fund investments of ₹ 14,587.51 crore as at December 31, 2014 as compared to ₹ 9,494.06 crore as at March 31, 2014. Of such investments, ₹ 13,811.98 crore were attributable to Jaguar Land Rover as at December 31, 2014 as compared to ₹ 8,709.32 crore as at March 31, 2014. Our Company has parked surplus fund in Mutual Funds of ₹ 602.65 crore as at December 31, 2014.

During nine months ended December 31, 2014, our Company has invested in 9% Optionally Cumulative Preference Shares (OCPS) as per the rights offered by Tata Hitachi Construction Machinery Co. Ltd to existing shareholders in the ratio of 4 OCPS for every 10 equity shares. These OCPS are redeemable at par or can be converted into equity shares after a period of seven years.

Deferred tax assets / liability:

	As at December 31, 2014	As at March 31, 2014
	(₹ in crore)	
Deferred tax assets	2,789.57	2,347.08
Deferred tax liability	(3,094.96)	(1,572.33)

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. However, for our Company on a standalone basis we have not created a deferred tax assets with respect to the tax losses and other deductible temporary differences, during the nine months ended December 31, 2014 due to uncertainty of future taxable profit against which tax losses can be utilized.

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

Loans and Advances

	As at December 31, 2014	As at March 31, 2014	Change
	(₹ in crore)		
Long term loans and advances	13,874.03	13,268.84	605.19
Short term loans and advances	12,623.51	14,055.24	(1,431.73)
Total	**26,497.54**	**27,324.08**	**(826.54)**

Loans and advances includes

i. Credit entitlement of Minimum Alternate Tax (MAT) of ₹ 19.15 crore as at December 31, 2014, as compared to ₹ 792.41 crore as at March 31, 2014. The Company, on a standalone basis, had written off MAT Credit entitlement of ₹ 777.18 crore in the nine month period ended December 31, 2014.

ii. Receivables towards vehicle financing by TMFL was at ₹ 17,023.82 crore as at December 31, 2014, as compared to ₹ 18,294.32 crore as at March 31, 2014. Decrease of ₹ 1,270.50 crore is mainly due to the generation of fewer automotive financing loans, attributable to lower volumes in LCV category.

Inventories as of December 31, 2014, stood at ₹ 29,064.73 crore as compared to ₹ 27,270.89 crore as at March 31, 2014. Inventory at our Company was ₹ 4,830.96 crore as compared to ₹ 3,862.53 crore as at March 31, 2014. Inventory at Jaguar Land Rover was ₹ 22,219.40 crore as compared to ₹ 21,634.06 crore as at March 31, 2014. The increase at Jaguar Land Rover is consistent with the volume growth whereas at our Company it has increased due to buildup on account of recent new launches and increase in M&HCV volumes. In terms of number of days of sales, finished goods represented 31 inventory days in nine months ended December 31, 2014 as compared to 30 days in FY 2013-14.

Trade Receivables (net of allowance for doubtful debts) were ₹ 11,319.90 crore as at December 31, 2014, representing an increase of ₹ 745.67 crore. Trade Receivables have increased in our Company by ₹ 307.29 crore and by ₹ 393.81 crore at Jaguar Land Rover. The allowances for doubtful debts were ₹ 676.65 crore as at December 31, 2014 against ₹ 621.70 crore as at March 31, 2014.

Cash and bank balances were ₹ 30,987.02 crore, as at December 31, 2014 compared to ₹ 29,711.79 crore as at March 31, 2014. Our Company holds cash and bank balances in Indian Rupees, US$, GB£, and Chinese Renminbi etc. At our Company, the cash and bank balances were ₹ 1,773.89 crore as at December 31, 2014 (unutilized proceeds of US$ 250 million Senior Notes) compared to ₹ 226.15 crore as at March 31, 2014. At Jagaur Land Rover, the cash and bank balances were ₹ 26,892.53 crore as at December 31, 2014 compared to ₹ 26,584.27 crore as at March 31, 2014.

Consolidated Cash Flow

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

	For nine months ended December 31,		
	2014	2013	Change
	(₹ in crore)		
Cash from operating activity	**23,521.35**	**18,657.05**	**4,864.30**
Profit for the period	12,269.79	10,072.73	
Adjustments for cash flow from operations	18,954.77	14,581.27	

Changes in working capital	(5,090.84)	(3,069.42)	
Direct taxes paid	(2,612.37)	(2,927.53)	
Cash from/(used in) investing activity	**(28,600.09)**	**(23,729.93)**	**(4,870.16)**
Payment for Assets	(23,933.21)	(19,264.19)	
Net investments, short term deposit, margin money and loans given	(5,202.37)	(4,930.52)	
Dividend and interest received	535.49	464.78	
Net Cash from Financing Activities	**6,630.16**	**6,649.02**	**(18.86)**
Proceeds from issue of share to minority shareholders	-	0.09	
Dividend Paid (including paid to minority shareholders	(709.70)	(710.74)	
Interest paid	(3,860.08)	(4,086.28)	
Net Borrowings (net of issue expenses)	11,199.94	11,445.95	
Net increase / (decrease) in cash and cash equivalent	**1,551.42**	**1,576.14**	
Cash and cash equivalent, beginning of the year	16,627.98	12,350.98	
Effect of exchange fluctuation on cash flows	(106.81)	2,501.68	
Cash and cash equivalent on acquisition of subsidiary	-	41.80	
Cash and cash equivalent, end of the year	**18,072.59**	**16,470.60**	

Analysis:

a. Cash generated from operations before working capital changes and change in finance receivable was ₹ 31,224.56 crore as compared to ₹ 24,654.00 crore in the nine month period ended December 31, 2013, 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 ₹ 26,133,72 crore as compared to ₹ 21,584.58 crore in the nine month period ended December 31, 2013. The following factors contributed to net increase in working capital for the period –

Inventories has increased by ₹ 2,045.48 crore for the nine month period ended December 31, 2014 as compared to ₹ 2,042.04 crore for the nine month period ended December 31, 2013. Trade Receivables has increased by ₹ 840.35 crore for the nine month period ended December 31, 2014 as compared to a decrease of ₹ 1,923.68 crore for the nine month period ended December 31, 2013. Further, other assets has increased by ₹ 1,165.41 crore for the nine month period ended December 31, 2014 as compared to a decrease of ₹ 1,809.91 crore for the nine month period ended December 31, 2013.

- There was decrease in trade payables and other liabilities by ₹ 3,932.11 crore for nine month period ended December 31, 2014 as compared to ₹ 5,411.64 crore.

b. The above were offset by

- Decrease in finance receivables amounting to ₹ 1,270.50 crore due to lower financing.
- Decrease in provisions by ₹ 1,622.01 crore for the nine month period ended December 31, 2014 as compared to ₹ 1,295.91 crore for the nine month period ended December 31, 2013 (mainly payment of dividends).

c. The net cash outflow from investing activity increased during the current year to Rs.28,600.09 crores from Rs.23,729.93 crores for the nine months ended December 31, 2013.

- Capital expenditure was at Rs.23,933.21 crores during the year as against Rs.19,264.19 crores for the nine months ended December 31, 2013, related mainly to capacity / expansion of facilities, quality and reliability projects and product development projects.

d. The change in financing activity was an inflow of Rs.6,630.16 crores as compared to Rs.6,649.02 crores for the nine months ended December 31, 2013.

- During nine months ended December 31, 2014, Rs.8,214.09 crores were raised from long term borrowings (net) as compared to Rs.10,387.94 crores in the nine months ended December 31, 2013. (Refer discussion below).

- Net increase in short term borrowings of Rs.3,025.53 crores as compared to decrease of Rs.1,483.92 crores.

As of December 31, 2014, our borrowings (including short term debt) were Rs.72,827.95 crores compared with Rs.60,642.28 crores as of December 31, 2013.

Our 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 our Company is present such as China. A decrease in the demand for our 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, our Company continued to raise funds in the nine months ended December 31, 2014, through issue of various equity, equity linked and debt securities described below.

During the nine months ending December 31, 2014, our Company issued rated, listed, unsecured, non-convertible debentures of Rs.2,300 crores, the proceeds of which have been utilized for general corporate purposes. Further, during the nine months ended December 31, 2014 our Company issued an unsecured capital expenditure loan of Rs.492.4 crores, the duration of which ranges from 3 years to 5 years.

In October 2014, our Company issued US$500 million senior unsecured notes due 2020 at a coupon of 4.625% per annum and US$250 million senior unsecured notes due 2024 at a coupon of 5.75% per annum. The proceeds have been used to refinance the syndicated foreign currency term loans of US$500 million raised in September 2011, to incur new additional capital expenditure and for other permitted purposes as per RBI ECB guidelines.

Jaguar Land Rover entered into a committed revolving credit facility for three and five years under a facility agreement in December 2011 with a syndicate of banks. In July 2013, Jaguar Land Rover amended and restated the facility to GBP 1,250 million at better pricing and terms and conditions, which has since been upsized to GBP 1,485 million. As at December 31, 2014, the facility is fully undrawn. The facility has two tranches: a three year tranche of GBP 371 million (maturing in 2016) and a five-year tranche of GBP 1,114 million (maturing in 2018). Jaguar Land Rover is subject to certain customary financial and other covenants under this facility described in further detail below.

During the nine month period ended December 31, 2014, TMFL raised commercial paper in an aggregate principal amount of ₹ 5,123.4 crore and issued an aggregate principal amount of ₹ 319.0 crore secured NCDs. Bank borrowings through secured and unsecured term loans, continued to remain as the major source of funds for long term borrowing. Further, during the year TMFL issued unsecured perpetual NCDs in an aggregate principal amount of ₹ 50.3 crore towards Tier 1 Capital and unsecured long term NCDs worth ₹ 235.0 crore as Tier 2 Capital to enhance its Capital Adequacy ratio based on the Reserve Bank of India guidelines.

We fund our 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. Our Company had short-term borrowings of ₹ 12,908.35 crore and ₹ 9,695.86 crore as of December 31, 2014 and March 31, 2014, respectively.

Our Company plan to refinance and raise long term funding through borrowings or equity issuances, on the basis of a review of business plans, operating results and the covenant requirements of our existing borrowings. Our cash and bank balances were ₹ 30,987.02 crore as at December 31, 2014, as compared to ₹ 29,711.79 crore as at March 31, 2014. These enable the Group to cater to business needs in the event of changes in market conditions.

We will continue to invest in new products and technologies to meet consumer and regulatory requirements. Our Company is currently investing in a new assembly plant in Brazil, our joint venture in China, our "Ingenium" engine plant at Wolverhampton and capacity expansion at Solihull among other projects. These investments are intended to enable us to pursue further growth opportunities and improve our competitive positioning. Our Company expect to meet most of its investments out of operating cash flows and cash liquidity available to Company. In order to meet the remaining funding requirements, our Company may be required to raise funds through additional loans and by accessing capital markets from time to time, as deemed necessary.

In view of the prolonged economic downturn in India, the operating margins for our Company on a standalone basis are expected to remain under pressure. With the ongoing need for investments in products and technologies, we were free cash flow (Cash flow from operating activities less Purchase of property, plant and equipment and Intangible assets) negative for the nine months ended December 31, 2014. Our Company expect that with an improvement in macro-economic conditions and business performance, combined with steps like raising funds at subsidiary levels, reviewing non-core investments, and raising additional long term resources at our Company on a standalone basis, the funding gap could be appropriately addressed.

The following table provides information for the credit rating of our Company short-term borrowing and long-term borrowing from the following rating agencies as of December 31, 2014: Credit Analysis and Research Ltd Ratings (CARE), Information and Credit Rating Agency of India Limited (ICRA), CRISIL Limited (CRISIL), Standard & Poor's Ratings Group (S&P) and Moody's Investor Services (Moody's). A credit rating is not a recommendation to buy, sell or hold securities. A credit rating may be subject to withdrawal or revision at any time. Each rating should be evaluated separately of any other rating:

	CARE	**ICRA**	**CRISIL**	**S&P**	**Moody's**
Long- term borrowings	AA+	AA	AA	BB	Ba2
Short-term borrowings	—	A1+	A1+	—	—

We believe that we have sufficient liquidity available to meet our planned capital requirements. However, our sources of funding could be adversely affected by an economic slowdown, as was witnessed in Fiscal 2009, or other macroeconomic factors in India and abroad, such as in the United Kingdom, the United States, Europe, Russia and China, which are beyond our control. A decrease in the demand for our vehicles could affect our ability to obtain funds from external sources on acceptable terms or in a timely manner.

Our cash is located at our various subsidiaries. There may also be legal, contractual or economic restrictions on the ability of subsidiaries to transfer funds to us in the form of cash dividends, loans, or advances. Brazil, Russia, South Africa and other locations have regulatory restrictions disincentives or costs on pooling or transferring of cash. However such restrictions have not had and are not estimated to have a significant impact on our ability to meet our cash obligations.

Some of our financing agreements and debt arrangements set limits on and/or require prior lender consent for, among other things, undertaking new projects, issuing new securities, changes in management, mergers, sales of undertakings and investment in subsidiaries. In addition, certain negative covenants may limit our ability to borrow additional funds or to incur additional liens, and/or provide for increased costs in case of breach. Certain of our financing arrangements also include financial covenants to maintain certain debt-to-equity ratios, debt-to-earnings ratios, liquidity ratios, capital expenditure ratios and debt coverage ratios.

Our Company monitors compliance with its financial covenants on an ongoing basis. Our Company also reviews our refinancing strategy and continues to plan for deployment of long term funds to address any potential non-compliance.

In Fiscal 2014, our Company did not comply with one covenant relating to our ratio of total outstanding liabilities to tangible net worth, which was waived by the lenders and has not resulted in any default or penalties. As per the terms of the bank guarantee agreement, a breach of one covenant is not an event of default and also does not require us to pay increased costs for these guarantees.

Considering the continuing weak economic and business environment in India, our Company expect that it will be unable to comply with this covenant and another covenant relating to debt service coverage ratio in Fiscal 2015. Such non-compliance with loan covenants has not triggered and is not expected to trigger any cross-default provisions under any of the Company's financing documents. However, it may lead to payment of additional costs as a consequence of such breaches unless waived by the lenders. We believe that the above non-compliance will not affect our ability to raise funds in the future, but may possibly increase the cost of the borrowings and/or offering and credit enhancements.

Certain debt issued at Jaguar Land Rover is subject to customary covenants and events of default which include, among other things, restrictions or limitations on the amount of cash which can be transferred outside the Jaguar Land Rover group of companies in the form of dividends, loans or investments. These are referred to as restricted payments in the Jaguar Land Rover loan documentation. In general, the amount of cash which can be transferred outside the Jaguar Land Rover group is limited to 50% of its cumulative consolidated net income (as defined in the relevant documentation) from January 2011. As at December 31, 2014, the estimated amount that is available for dividend payments, other distributions and restricted payments outside the Jaguar Land Rover Group of companies is approximately GBP 2,319 million.

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.

2. Management's discussion and analysis of financial conditions and results of operation prepared on the audited consolidated financial statements as at and for the year ended March 31, 2014 in accordance with the Indian GAAP.

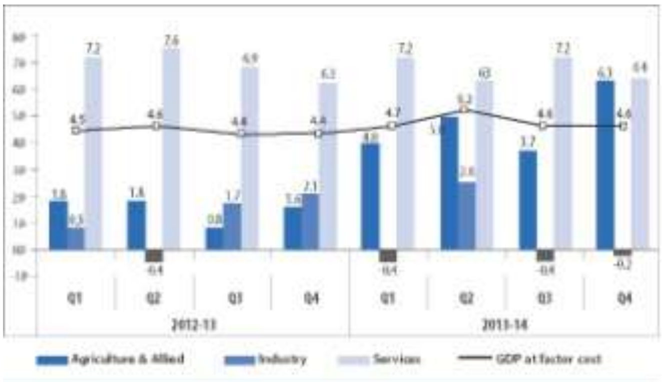
BUSINESS OVERVIEW

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
	4.5	**4.7**

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 201314 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%
Total	**3,137,409**	**3,457,999**	**-9.3%**	**519,755**	**765,557**	**-32.1%**	**16.6%**	**22.1%**

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:-

Categosry	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%
Total	**698,907**	**900,433**	**-22.4%**	**377,909**	**536,232**	**-29.5%**	**54.1%**	**59.6%**

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 growthin market share for the Company, due to intensive sales efforts coupled with launch of buses with mechanical 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 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 Companyalso 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%
Total	**2,438,502**	**2,557,566**	**-4.7%**	**141,846**	**229,325**	**-38.1%**	**5.8%**	**9.0%**

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 decor 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. 1st 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%
Total	**429,861**	**100.0%**	**372,062**	**100.0%**	**15.5%**

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 201314 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 coupe 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_2 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 Coupe 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 aluminium 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_2 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_2 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 realizationvalue 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 ‘187,623.91crores 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)
Total	**231,601.80**	**187,623.91**
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 - -		
Total	**23,594.27**	**16,729.20**

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 intersegment 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	100	100
duty		
Expenditure:		
Cost of material consumed (including	61.7	63.6
change in stock)		
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 Exceptional Items, Depreciation, Interest and Tax	16.4	14.5
Depreciation and Amortisation (including product development / engineering	5.9	5.1

	FY 2013-14	FY 2012-13
expenses written off)		
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)
Total	**143,586.41**	**120,088.05**

Cost of material consumed decreased from 64.6% to 62.4% of total revenue (excluding income from vehicle financing). At TML raw material 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 raw material 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 6,632.19 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
Manufacturing and Other Expenses	**43,825.77**	**35,648.33**

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.

i. Processing charges were mainly incurred by TML, where mainly due to volume contraction, the expenditure was lower.

ii. Freight, transportation, port charges etc. have increased, mainly at JLR, in view of increase in volumes in the overseas markets.

iii. The publicity expenses increase, mainly related to new product launches (Range Rover Sport and the F-Type launch) and ongoing product / brand campaigns.

iv. 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 0,193.45 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 3,643.37 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
Total	**985.38**	**602.71**	**382.67**

i. 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.

ii. 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.

iii. 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 3,647.33

crores in FY 201213, 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 201213. 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 3,991.02 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. 4 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.

4 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.

4 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
Total	**60,642.28**	**53,715.71**

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
Total	**20,160.97**	**16,125.40**

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 7,373.86 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
Total	**97,375.40**	**69,862.91**	**27,512.49**

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 3,754.96 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)
Total	**10,686.67**	**8,764.73**

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

	As at March 31, 2014	As at March 31, 2013
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
Total	**27,324.08**	**28,251.17**

Loans and advances include

i. 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.

ii. Receivables towards vehicle financing by Tata Motors Finance Ltd was almost same at 8,294.32 crores as at March 31, 2014, as compared to ‘18,226.78 crores as at March 31, 2013; and

iii. 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 4,726.76 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
Cash from Operating Activities	**36,151.16**	**22,162.61**	**13,988.55**
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)	

	FY 2013-14	FY 2012-13	Change
Cash used in Investing Activities	**(29,893.02)**	**(23,491.37)**	**(6,401.65)**
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	
Net Cash used in Financing Activities	**(3,883.24)**	**(1,692.08)**	**(2,191.16)**
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	
Net increase / (decrease) in cash and cash equivalent	**2,374.90**	**(3,020.84)**	
Cash and cash equivalent, begining 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	-	
Cash and cash equivalent, end of the year	**16,627.98**	**12,350.97**	

Analysis:

a. 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.

b. 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.

c. 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)
Total	**25,914.41**	**32,965.13**
% of revenue	**75.6%**	**73.6%**

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 ,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 201213). For FY 2013-14, it includes dividends from subsidiary companies of ,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 78.02 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.

a) Depreciation increased by ‘36.25 crores, reflecting impact of additions to fixed assets towards plant and facilities for expansion and new products introduction.

b) Amortization increased by ‘216.43 crores related to product development projects capitalized for products launched in recent years.

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

Exceptional Items

a) 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.

b) 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 form 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 ‘18,532.87crores 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).

4 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
Total	**15,052.80**	**16,798.95**

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 ,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 ‘2,708.11 crores 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 3,795.55 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.

4 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.

4 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 ,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
Net Cash from Operating	**2,463.46**	**2,258.44**	**205.02**
Activities			
Profit for the year	334.52	301.81	
Adjustment for cash flow from	(1,273.34)	1,346.51	
operations			

	FY 2013-14	FY 2012-13	Change
Change in working capital	3,458.34	502.79	
Direct taxes paid / (credit)(net)	(56.06)	107.33	
Net Cash from Investing	**2,552.91**	**991.50**	**1,561.41**
Activities			
Payments for fixed assets (net)	(3,094.05)	(2,588.44)	
Proceeds from sale of a division	-	110.00	
Net investments, short term	635.88	403.42	
deposit, margin money and			
loans given			
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	
Net Cash from Financing Activities	**(5,033.81)**	**(4,045.69)**	**(988.12)**
Dividend and interest paid	(2,398.71)	(3,269.83)	
Net borrowings (net of issue expenses)	(2,635.10)	(775.86)	
Net decrease in cash and cash equivalent	**(17.44)**	**(795.75)**	
Cash and cash equivalent, beginging of the year	205.57	919.64	
Effect of exchange fluctuation on cash flows	10.55	81.68	
Cash and cash equivalent, end of the year	**198.68**	**205.57**	

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 201314 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 201314, 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 (T51.00 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 201213. 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 theXF Sportbrake adds a premium estate model to the portfolio, and of course the Jaguar F TYPE, available in both soft top and now coupe, provides a vivid representation of the confidence and ambition of thebrand. 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 midsized 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 andto 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 dealernetwork 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 201314 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 201213, current account deficit during the first three quarters of FY 201314 (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 cyclicality and seasonality of demand for these products. The automotive industry has been cyclical in the past and the Company expects this cyclicality to continue. In the Indian market, demand for 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 201415 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
Total	**66,593**

Location	No. of Employees
India	41,376

Location	No. of Employees
Abroad	25,217
Total	**66,593**

(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 Companyalso 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_2 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 and 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 NavigationSatellite 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_2 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 our 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.

WORKING RESULTS

In accordance with circular no.F.2/5/SE/76 dated February 5, 1977 issued by the Ministry of Finance, Government of India, as amended by Ministry of Finance, Government of India through its circular dated March 8, 1977, our working results on a standalone basis for the period from April 1, 2014 to January 31, 2015 are set out in the table below:

(in ₹crore)

Particulars	For the period April 1, 2014 to January 31, 2015
Sales / Turnover	[●]
Other Income	[●]
Total Income	[●]
Estimated gross profit / loss (excluding depreciation and taxes)	[●]
Provision for depreciation	[●]
Provision for taxes (net)	[●]
Estimated Net Profit / (Loss)	[●]

Material changes and commitments, if any, affecting our financial position

There are no material changes affecting the financial position of our Company after the last date of the financial statements included in this Letter of Offer.

MATERIAL DEVELOPMENTS

In addition to the discussions in "Management's Discussion and Analysis of Financial Conditions and Results of Operations" beginning on page [●], the following are the material developments in respect of our operations, performance, prospects or profitability, or the value of our assets or our ability to pay material liabilities since April 1, 2014.

Trading Update

We sold 83,951 vehicles in February 2015 on a consolidated basis, representing an increase of 5% over last February 2014. However, on a cumulative basis, as of February 28, 2015, we had sold only 8,77,968 vehicles for the fiscal year ended March 31, 2015, representing a decrease of 4% over last fiscal year ended March 31, 2014. The table below sets forth the breakdown in sales date among the passenger and commercial vehicles on a consolidated basis as determined under Indian GAAP for the periods indicated.

	Month ended February 28,		**% change from 2014 to 2015**	**Eleven months ended February 28,**		**% change from 2014 to 2015**
	2015	**2014**		**2015**	**2014**	
Passenger Vehicles	52,477	[●]	Growth of 3%	538,613		Growth of 4%
Commercial Vehicles	[●]	[●]	Growth of ●%	339,355		Growth of ●%
Total	[●]	[●]		877,968		

We sold [●] Tata Motors passenger vehicles in February 2015, representing an [●] % increase over [●] in February 2014. The increase was primarily due to [●].

Our Jaguar Land Rover business sold [●] vehicles in February 2015 compared to [●] vehicles in February 2014, reflecting a decline of [●] %. However, as of February 28, 2015, on a cumulative basis our Jaguar Land Rover business had sold [●] vehicles for the Fiscal 2015, as compared to [●] vehicles in the equivalent period in the Fiscal 2014, representing an increase of [●] %. The increase is primarily attributable to [●].

Buy-back of Non-Convertible Debentures

On March 25, 2015, our Board authorized the buy-back of ₹ 12.5 billion of secured non-convertible debentures with a maturity date of March 31, 2016, as part of our debt restructuring program which is intended to ensure a healthy debt equity mix, a balanced maturity profile, and better terms including lower cost of debt.

2015 Notes and Sterling Tender Offer

On February 19, 2015, Jaguar Land Rover commenced a tender offer and a consent solicitation, referred to as the Sterling Tender Offer, in respect of its outstanding £500,000,000 8.250% Senior Notes due 2020 issued March 27, 2012, referred to as the 2012 Notes.

On February 24, 2015, JLR issued £400,000,000 aggregate principal amount of 3.875% Senior Notes due 2023, referred to as the 2015 Notes.

Jaguar Land Rover intends to use certain of the proceeds of the 2015 Notes, together with cash on hand, to repurchase the 2012 Notes tendered pursuant to the Sterling Tender Offer. There is no assurance that the Sterling Tender Offer will be subscribed for in any amount. Jaguar Land Rover may, in its sole discretion, from time to time, purchase the 2012 Notes after the Sterling Tender Offer, through open market or privately negotiated transactions, by one or more additional tender or exchange offers, or by redemption under the terms of the governing indenture or otherwise, in each case upon terms that may or may not differ from the terms of the Sterling Tender Offer.

On March 3, 2015, Jaguar Land Rover commenced a tender offer and a consent solicitation, referred to as the Dollar Tender Offer, in respect of its outstanding $410,000,000 8.125% Senior Notes due 2021 issued May 19, 2011, or the 2011 Notes. There is no assurance that the Dollar Tender Offer will be subscribed for in any amount. JLR may, in its sole discretion, from time to time, purchase any 2011 Notes after the Dollar Tender Offer, through open market or privately negotiated transactions, by one or more additional tender or exchange offers, or by redemption under the terms of the governing indenture or otherwise, in each case upon terms that may or may not differ from the terms of the Dollar Tender Offer.

The Hoegh Osaka Grounding

On January 3, 2015, a large car transporter ship named Hoegh Osaka, carrying approximately 1,143 export Jaguar and Land Rover vehicles bound for the Middle East, was grounded in the Solent (body of water close to the Port of Southampton in the United Kingdom). A salvage operation is currently underway. This incident had no impact on the results for the third quarter of Fiscal 2015.

ACCOUNTING RATIOS AND CAPITALISATION STATEMENT

The following tables present certain accounting and other ratios computed on the basis of (i) audited standalone and consolidated financial statements of our Company as at and for the year ended March 31, 2014 included in "Financial Statements" beginning on pages [●] and [●], respectively, and (ii) audited standalone financial results of our Company as at and for the nine months period ended December 31, 2014 and limited reviewed financial results of our Company as at and for the nine month period ended December 31, 2014 included in "Financial Statements" beginning on pages [●] and [●], respectively:

Accounting Ratios (based on standalone financial statements)

Ratio	As at and for the nine month period ended December 31, 2014	As at and for the financial period ended March 31, 2014
	(Audited)	**(Audited)**
Net Asset Value per share (In ₹)	49.06	59.58
Return on Net Worth	(27.3)%	1.7%
Earnings Per Ordinary Share (Basic) (In ₹)	(11.11)	1.03
Earnings Per 'A' Ordinary Share (Basic) (In ₹)	(11.11)	1.13
Earnings Per Ordinary Share (Diluted) (In ₹)	(11.11)	1.03
Earnings Per 'A' Ordinary Share (Diluted) (In ₹)	(11.11)	1.13

Accounting Ratios (based on consolidated financial statements)

Ratio	As at and for the nine month period ended December 31, 2014	As at and for the financial period ended March 31, 2014
	(Unaudited)	**(Audited)**
Net Asset Value per share (In ₹)	213.82	203.8
Return on Net Worth	24.3%	27.1%
Earnings Per Ordinary Share (Basic) (In ₹)	38.11	43.51
Earnings Per 'A' Ordinary Share (Basic) (In ₹)	38.21	43.61
Earnings Per Ordinary Share (Diluted) (In ₹)	38.10	43.50
Earnings Per 'A' Ordinary Share (Diluted) (In ₹)	38.20	43.60

The ratios have been computed below:

Ratios	Computation
Net assets value per share	$\dfrac{\text{Net Worth at the end of the period}}{\text{Total number of weighted average equity share outstanding at the end of the year/ period}}$
Return on Net worth %	$\dfrac{\text{Net profit / (loss) after tax attributable to equity shareholders}}{\text{Average net worth}}$
Basic and diluted earnings per share	$\dfrac{\text{Net profit / (loss) after tax attributable to equity shareholders}}{\text{Total number of weighted average equity shares outstanding at the end of the year/period}}$

Capitalization Statement

The following tables present the capitalisation statement based on (i) the audited standalone financial statements as at and for the nine month period ended December 31, 2014, and (ii) as adjusted for the Issue:

(in ₹ crore)

Particulars	As at December, 2014	As adjusted for the Issue
Share Capital		
Ordinary Share Capital	547.38	[●]
'A' Ordinary Share Capital	96.40	[●]
Reserves and Surplus	15,145.52	[●]
Total Shareholders' Funds	15,789.30	[●]
Debt		
Long Term Borrowings	13,317.26	[●]
Short Term Borrowings	6,910.85	[●]
Current maturities of long term debt	1,365.28	[●]
Total Debt	21,593.39	[●]
Long-term debt/equity ratio	1.37	[●]

The following tables present the capitalisation statement based on (i) the unaudited consolidated financial statements as at and for the nine month period ended December 31, 2014, and (ii) as adjusted for the Issue:

(in ₹ crore)

Particulars	As at December, 2014	As adjusted for the Issue
Share Capital		
Ordinary Share Capital	547.38	[●]
'A' Ordinary Share Capital	96.40	[●]
Reserves and Surplus	68,178.87	**[●]**
Total Shareholders' Funds	68,822.65	[●]
Debt		
Long Term Borrowings	54,843.47	[●]
Short Term Borrowings	12,908.35	[●]
Current maturities of long term debt	5,076.13	[●]
Total Debt	72,827.95	[●]
Long-term debt/equity ratio	1.06	[●]

STOCK MARKET DATA FOR SECURITIES OF OUR COMPANY

The Securities are listed on the BSE and NSE. American Depositary Shares representing Ordinary Shares are listed on the New York Stock Exchange. For further details, see "Terms of the Issue" on page [●]. We have received in-principle approvals for listing of the Securities to be issued pursuant to this Issue from the BSE and the NSE by letters dated [●], 2015 and [●], 2015, respectively.

For the purpose of this section:

- Year is a fiscal year;
- Average price is the average of the daily closing prices of the Ordinary Shares or the 'A' Ordinary Shares, as the case may be, for the year, or the month, as the case may be;
- High price is the maximum of the daily high prices and low price is the minimum of the daily low prices of the Ordinary Shares or the 'A' Ordinary Shares, as the case may be, for the year, or the month, as the case may be; and
- In case of two days with the same high/low/closing price, the date with higher volume has been considered.

Ordinary Shares

The high, low and average market prices of the Ordinary Shares recorded on the BSE and the NSE during the preceding three years and the number of the Ordinary Shares traded on the days of the high and low prices were recorded are as stated below:

BSE							
Fiscal Year	**Date of High**	**High (₹)**	**Volume on date of High (No. of Ordinary Shares)**	**Date of Low**	**Low (₹)**	**Volume on date of Low (No. of Ordinary Shares)**	**Average (₹)**
2014	February 28, 2014	417.05	12,65,906	April 5, 2013	255.30	8,57,198	338.05
2013	January 10, 2013	333.40	20,30,176	July 26, 2012	204.85	18,46,524	272.13
September 12, 2011 to March 31, 2012 [(1)]	March 15, 2012	289.40	22,04,937	September 13, 2011	139.65	29,71,046	209.18
April 1, 2011 to September 11, 2011[(1)]	April 6, 2011	1,295.05	4,32,030	August 26, 2011	699.20	5,93,149	1,022.70

Source: www.bseindia.com

[(1)] *On September 12, 2011 our Company split the face value of its shares from ₹10 to ₹2.*

NSE							
Fiscal Year	**Date of High**	**High (₹)**	**Volume on date of High (No. of Ordinary Shares)**	**Date of Low**	**Low (₹)**	**Volume on date of Low (No. of Ordinary Shares)**	**Average (₹)**
2014	February 28, 2014	416.95	1,25,43,449	April 5, 2013	255.20	87,03,291	333.58
2013	January 10, 2013	333.70	1,26,17,893	July 26, 2012	205.10	1,44,17,520	267.94
September 12, 2011 to March 31, 2012 [(1)]	March 15, 2012	290.45	97,66,291	September 13, 2011	139.60	1,60,43,895	209.29
April 1, 2011 to September 11, 2011[(1)]	April 6, 2011	1,298.70	25,56,379	August 26, 2011	698.50	30,45,203	1,022.82

Source: www.nseindia.com

[(1)] *On September 12, 2011 our Company split the face value of its shares from ₹10 to ₹2.*

Monthly high and low prices and trading volumes on the BSE and NSE for the six months preceding the date of filing of this Letter of Offer are as stated below:

BSE							
Month	**Date of High**	**High (₹)**	**Volume on date of High (No. of Ordinary Shares)**	**Date of Low**	**Low (₹)**	**Volume on date of Low (No. of Ordinary Shares)**	**Average (₹)**
February 2015	February 3, 2015	602.05	6,58,975	February 9, 2015	542.60	3,32,707	573.46
January 2015	January 27, 2015	605.10	4,85,638	January 7, 2015	494.00	5,61,630	541.13
December 2014	December 1, 2014	536.15	3,24,160	December 17, 2014	475.80	6,62,599	501.83
November 2014	November 17, 2014	545.10	8,85,760	November 27, 2014	518.55	5,95,683	528.48
October 2014	October 31, 2014	535.65	4,47,578	October 17, 2014	475.75	4,87,488	505.94
September 2014	September 22, 2014	539.40	6,22,132	September 16, 2014	499.60	9,21,286	514.30

Source: www.bseindia.com

NSE							
Month	**Date of High**	**High (₹)**	**Volume on date of High (No. of Ordinary Shares)**	**Date of Low**	**Low (₹)**	**Volume on date of Low (No. of Ordinary Shares)**	**Average (₹)**
February 2015	February 3, 2015	603.30	60,35,606	February 9, 2015	542.65	45,79,430	573.57
January 2015	January 27, 2015	604.55	71,36,967	January 7, 2015	493.85	91,34,678	541.24
December 2014	December 1, 2014	536.00	50,93,458	December 17, 2014	475.80	61,72,599	501.79
November 2014	November 17, 2014	545.25	70,83,220	November 27, 2014	519.95	56,41,394	528.94
October 2014	October 31, 2014	535.85	39,14,563	October 17, 2014	475.80	61,72,599	505.89
September 2014	September 22, 2014	540.05	78,88,770	September 16, 2014	499.75	57,34,024	514.37

Source: www.nseindia.com

Week end prices of Ordinary Shares along with the highest and lowest closing prices on the BSE and NSE for the last four weeks preceding the date of filing of this Letter of Offer is as stated below:

BSE			
For the week ended on	**Closing Price (₹)**	**High (₹)**	**Low (₹)**
March 20, 2015	547.60	571.55	547.60
March 13, 2015	557.05	564.25	551.10
March 6, 2015	570.65	584.15	570.65
February 27, 2015	593.65	593.65	560.20

Source: www.bseindia.com

NSE			
For the week ended on	**Closing Price (₹)**	**High (₹)**	**Low (₹)**
March 20, 2015	547.60	571.55	547.60
March 13, 2015	558.35	565.10	550.90
March 6, 2015	570.70	585.00	570.70
February 27, 2015	593.35	593.35	560.65

Source: www.nseindia.com

The closing market price of the Ordinary Shares of our Company as on one day prior to the date of this Letter of Offer was ₹ [●] on the BSE and ₹ [●] on the NSE.

The Issue Price of ₹ 450 per Ordinary Share has been arrived at in consultation between our Company and the Lead Managers.

'A' Ordinary Shares

The high, low and average market prices of the 'A' Ordinary Shares recorded on the BSE and the NSE during the preceding three years and the number of the 'A' Ordinary Shares traded on the days of the high and low prices were recorded are as stated below:

BSE							
Fiscal Year	**Date of High**	**High (₹)**	**Volume on date of High (No. of 'A' Ordinary Shares)**	**Date of Low**	**Low (₹)**	**Volume on date of Low (No. of 'A' Ordinary Shares)**	**Average (₹)**
2014	November 19, 2013	207.95	3,19,543	August 7, 2013	124.55	1,85,458	172.66
2013	January 15, 2013	187.10	48,534	July 26, 2012	117.65	2,31,177	156.78
September 12, 2011 to March 31, 2012 (1)	March 14, 2012	167.95	11,07,829	October 5, 2011	81.60	1,44,636	110.91
April 1, 2011 to September 11, 2011(1)	April 7, 2011	711.50	1,68,254	August 24, 2011	402.65	45,990	578.10

Source: www.bseindia.com
(1) On September 12, 2011 our Company split the face value of its shares from ₹ 10 to ₹ 2.

NSE							
Fiscal Year	**Date of High**	**High (₹)**	**Volume on date of High (No. of 'A' Ordinary Shares)**	**Date of Low**	**Low (₹)**	**Volume on date of Low (No. of 'A' Ordinary Shares)**	**Average (₹)**
2014	November 19, 2013	208.10	12,48,422	August 7, 2013	124.50	43,87,277	169.98
2013	January 15, 2013	187.60	8,47,098	July 26, 2012	117.05	48,97,333	154.27
September 12, 2011 to March 31, 2012 (1)	March 14, 2012	168.05	88,04,195	October 5, 2011	81.65	21,83,907	110.95
April 1, 2011 to September 11, 2011(1)	April 7, 2011	711.20	3,87,280	August 24, 2011	401.65	3,66,731	577.89

Source: www.nseindia.com
(1) On September 12, 2011 our Company split the face value of its shares from ₹ 10 to ₹ 2.

Monthly high and low prices and trading volumes on the BSE and NSE for the six months preceding the date of filing of this Letter of Offer are as stated below:

BSE							
Month	**Date of High**	**High (₹)**	**Volume on date of High (No. of 'A' Ordinary Shares)**	**Date of Low**	**Low (₹)**	**Volume on date of Low (No. of 'A' Ordinary Shares)**	**Average (₹)**
February 2015	February 20, 2015	381.50	1,46,469	February 9, 2015	329.60	79,335	353.77
January 2015	January 27, 2015	380.20	1,24,929	January 6, 2015	329.00	85,311	348.53
December 2014	December 3, 2014	354.95	2,93,912	December 17, 2014	318.15	1,93,450	335.40

BSE							
Month	**Date of High**	**High (₹)**	**Volume on date of High (No. of 'A' Ordinary Shares)**	**Date of Low**	**Low (₹)**	**Volume on date of Low (No. of 'A' Ordinary Shares)**	**Average (₹)**
November 2014	November 28, 2014	339.40	2,60,389	November 13, 2014	321.30	66,727	328.44
October 2014	October 9, 2014	343.90	1,01,083	October 16, 2014	304.35	2,53,996	325.05
September 2014	September 12, 2014	388.25	98,146	September 25, 2014	342.70	2,12,026	369.34

Source: www.bseindia.com

NSE							
Month	**Date of High**	**High (₹)**	**Volume on date of High (No. of 'A' Ordinary Shares)**	**Date of Low**	**Low (₹)**	**Volume on date of Low (No. of 'A' Ordinary Shares)**	**Average (₹)**
February 2015	February 20, 2015	381.65	30,65,964	February 9, 2015	329.55	27,53,473	353.47
January 2015	January 27, 2015	380.50	20,97,895	January 6, 2015	328.75	14,57,991	349.73
December 2014	December 3, 2014	355.25	3,2,82,807	December 17, 2014	318.05	18,07,546	334.79
November 2014	November 28, 2014	339.70	27,99,022	November 13, 2014	321.35	11,82,277	329.38
October 2014	October 9, 2014	344.10	2,623,687	October 16, 2014	304.30	23,47,645	324.43
September 2014	September 12, 2014	388.00	3,065,423	September 25, 2014	341.90	50,85,607	367.68

Source: www.nseindia.com

Week end prices of 'A' Ordinary Shares along with the highest and lowest closing prices on the BSE and NSE for the last four weeks preceding the date of filing of this Letter of Offer is as stated below:

BSE			
For the week ended on	**Closing Price (₹)**	**High (₹)**	**Low (₹)**
March 20, 2015	327.20	344.70	327.20
March 13, 2015	337.70	344.20	337.70
March 6, 2015	354.80	370.00	354.80
February 27, 2015	373.50	373.50	351.40

Source: www.bseindia.com

NSE			
For the week ended on	**Closing Price (₹)**	**High (₹)**	**Low (₹)**
March 20, 2015	327.35	345.80	327.35
March 13, 2015	337.60	344.00	337.60
March 6, 2015	354.90	369.55	354.90
February 27, 2015	373.70	373.70	350.20

Source: www.nseindia.com

The closing market price of the 'A' Ordinary Shares of our Company as on one day prior to the date of this Letter of Offer was ₹ [●] on the BSE and ₹ [●] on the NSE.

The Issue Price of ₹ 271 per 'A' Ordinary Share has been arrived at in consultation between our Company and the Lead Managers

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND DEFAULTS

Except as disclosed below, there is no outstanding litigation against our Company and its Subsidiaries including, suits, criminal or civil prosecutions and taxation related proceedings that would have a material adverse effect on our operations or financial position.

In this regard, please note the following:

(i). in determining whether any outstanding litigation against our Company and / or our Subsidiaries other than litigation involving moral turpitude, criminal liability, material violations of statutory regulations or proceedings relating to economic offences would havea material advese effect on our business, the materiality threshold has been determined as per Clause XII sub-clause C in Part E of Schedule VIII of the SEBI Regulations, which stipulates that disclosure of outstanding litigation is required where (a) the aggregate amount in such individual litigation is likely to exceed 1% of the total revenue of our Company or 1% of the networth of our Company, as per the last completed financial year; (b) the decision in one case is likely to affect the decision in similar cases ,even though the amount involved in a single case individually may not exceed 1% of the total revenue of our Company or 1% of the networth of our Company, as per the last completed financial year, if similar cases put together collectively exceed such threshold; and

(ii). Except as stated below, neither our Company nor our Subsidiaries are aware of any litigation involving moral turpitude or criminal liability, material violations of statutory regulations or proceedings relating to economic offences, which have arisen in the last ten years.

In adition to the cases set out below, our Company and our Subsidiaries, from time to time, have been and continue to be involved in legal proceedings, arising in the ordinary course of their respective businesses. None of these legal proceedings filed against our Company or our Subsidiaries (excluding the cases set out below) are in the nature of criminal proceedings and we believe that the number of proceedings in which our Company and our Subsidiaries are / were involved is not unusual for a company of our size doing businesses in India.

Litigation involving our Company

Litigation filed against our Company

Regulatory proceedings

1. The CCI initiated an enquiry against our Company, FIAL and other car manufactures (collectively referred to as the "OEMs") pursuant to an allegation that genuine spare parts of automobiles manufactured by the OEMs were not made freely available in the open market and accordingly, anti-corruptive practices were carried out by the OEMs. The CCI through its order dated August 25, 2014, held that the OEMs had violated the provisions of Section 3 and Section 4 of the Competition Act and imposed a penalty of 2% of the average turnover for three years (the "CCI Order"). Subsequently, our Company and others filed a writ petition before the Delhi High Court challenging the constitutional validity of Section 22(3) and 27(b) of the Competition Act under which the CCI Order was passed and penalty was imposed. The Delhi High Court, through its interim order dated September 30, 2014, admitted the writ petition and granted stay on the CCI Order. The matter is currently pending.

Tax proceedings

1. A show cause notice dated October 16, 2009 was issued against our Company by Office of the Commissioner of Service Tax, Mumbai demanding payment of service tax aggregating to ₹ 325.7.4 crore for the period from Fiscal 2005 to Fiscal 2009 on (a) income derived from 'authorised service station services' for maintenance services provided to the customers during the warranty period through dealers (the "Claim 1"); (b) income derived from services categorized as 'banking and other financial services' as a result of merger of Tata Finance Limited with our Company (the "Claim 2"); and (c) amounts paid to foreign parties as commission in foreign currency for 'business auxiliary services' received by our

Company (the "Claim 3"). Two other show cause notices dated October 22, 2010 and October 19, 2011, respectively, were issued against our Company by Office of the Commissioner of Service Tax, Mumbai demanding payment of service tax aggregating to ₹ 66.63 crore on income derived from 'authorised service station services' for maintenance services provided to the customers during the warranty period through dealers during Fiscal 2010 and Fiscal 2011, respectively.

The Office of the Commissioner of Service Tax-II, Mumbai, through its order dated March 26, 2013 (the "Service Tax Order"), upheld the recovery demand raised through the aforementioned three show cause notices and directed our Company to pay the following amount:

(i). Claim 1: An amount of ₹ 312.45 crore payable towards service tax, along with a penalty of ₹ 312.45 million, an additional penalty amount of ₹500 along with ₹ 200 per day for the period in which the service charge liability is not discharged, starting from the first day after the due date and ending on the date of actual payment of outstanding service tax in respect of the service tax liability for the period from April 1, 2004 to April 17, 2006, subject to a maximum of total service tax not paid for the said period and a penalty of ₹ 200 for every day during which such failure continues or at the rate of 2% of such tax per month, whichever is higher, starting from the first day after the due date till the date of actual payment of the outstanding service tax in respect of the service tax liability for the period from April 18, 2006 to May 9, 2008, subject to a maximum of total service tax not paid for the said period with applicable interest.

(ii). Claim 2: An amount of ₹ 25.61 crore payable towards service tax, along with a penalty of ₹ 5,000 and ₹ 200 for per day during the period in which such failure continues or at the rate of 2% of such tax per month, whichever is higher, starting from the first day after the due date till the date of actual payment of the outstanding service tax during Fiscal 2010, subject to a maximum of total service tax not paid for the said period, with applicable interest; and

(iii). Claim 3: An amount of ₹ 4.10 crore along with a penalty of ₹ 5,000 and ₹ 200 for every day during which such failure continues or at the rate of 2% of such tax per month, whichever is higher, starting from the first day after the due date till the date of actual payment of the outstanding service tax during Fiscal 2011, subject to a maximum of total service tax not paid for the said period, with applicable interest.

Subsequently, our Company preferred an appeal along with an application for stay against the Service Tax Order before the Customs, Excise and Service Tax Appellate Tribunal, Mumbai (the "CESTAT"). The CESTAT, through its interim order dated October 22, 2013, granted a stay on recovery of amounts and penalties pending disposal of the appeal subject to our Company pre-depositing an amount of ₹0.55 crore. Our Company has deposited an amount of ₹ 0.55 crore and reported compliance to the CESTAT. The matter is currently pending.

2. Two show cause notices dated April 6, 2011 and February 29, 2012 were issued against our Company, by Customs & Central Excise Commissionerate, Meerut-II, demanding recovery of the amount aggregating to ₹ 369.38 crore that our Company had availed as CENVAT credit on certain inputs along with such interest as applicable for the period between March 2010 to July 2010 and February 2011 to October 2011, respectively (the "SCNs"). The Commissioner, Customs & Central Excise, Meerut-II, through its order dated December 13, 2012, upheld the recovery demand raised through the SCNs and imposed a penalty of ₹ 369.38 crore along with such interest as applicable on our Company (the "Service Tax Order"). Subsequently, our Company preferred an appeal along with an application for stay against the Service Tax Order before the Customs, Excise and Service Tax Appellate Tribunal, Delhi (the "CESTAT"). The CESTAT, through its interim order dated August 12, 2013, granted a stay and directed our Company to reverse the credit of an amount of ₹ 318.93 crore. Our Company has reversed the credit of an amount of ₹318.93 crore 'under protest' and has reported compliance to the CESTAT. The aggregate amount involved is ₹ 369.38 crore along with such interest as applicable. The matter is currently pending.

Arbitration proceedings

1. Our Company filed a statement of claim dated September 11, 2012 before the Arbitral Tribunal against the Delhi Transport Corporation (the "Respondent") for breach of an agreement dated October 18, 2008 due to failure on part of the Respondent to make timely payment of consideration for supply of buses. Our

Company has claimed an award of ₹ 253.13 crore along with an interest of ₹ 70.20 crore, aggregating to ₹ 323.33 crore. Our Company has also made a claim for wrongful imposition of liquidated damages of ₹ 8.70 crore for alleged delay in the supply of buses. The Respondent has filed its reply and counter-claim. The matter is currently pending.

Notices

1. A show cause notice dated October 17, 2012 was issued against our Company by Office of Commissioner of Service Tax demanding payment of service tax amount aggregating to ₹ 46.63 crore on income derived from 'authorised service station services' for reimbursements made by our Company to dealers for repair and maintenance services on vehicles under warranty during Fiscal 2012 . The aggregate amount involved is ₹ 46.63 crore. Our Company has replied to the said show cause notice on January 28, 2013. The matter is currently pending.

2. A show cause notice dated February 21, 2014 was issued against our Company by the Office of the Commissioner of Central Excise and Service Tax demanding payment of service tax amount aggregating to ₹ 46.01 crore on income derived from 'authorised service station services' for service charges reimbursed to dealers for carrying out service during the warranty for the Fiscal 2013.The aggregate amount involved is ₹ 46.01 crore. Our Company has replied to the said show cause notice on January 6, 2015. The matter is currently pending.

3. A show cause notice dated November 16, 2012 was issued against our Company by Customs & Central Excise Commissionerate, Meerut-II , demanding recovery of the amount that our Company had availed as CENVAT credit for certain input aggregating to ₹ 14.73 crore along with such interest as applicable for the period from November 2011 to July 2012. The aggregate amount involved is ₹ 14.73 crore along with such interest as applicable. Our Company has replied to the said show cause notice on May 5, 2014. The matter is currently pending.

4. A show cause notice dated September 4, 2013 was issued against our Company by Customs & Central Excise Commissionerate, Meerut-II, demanding recovery of the amount that our Company had availed as CENVAT credit for certain input aggregating to ₹ 61.61 crore for the period from August 2012 to November 2012. The aggregate amount involved is ₹ 61.61 crore. Our Company has replied to the said show cause notice on September 5, 2014. The matter is currently pending.

Criminal proceedings

1. 11 petitions were filed against our Company in different forums for violation of provisions under the Minimum Wages Act, 1948. The matters are currently pending.

2. 10 petitions were filed against our Company in different forums for violation of provisions under the Contract Labour (Regulation & Abolition) Act, 1970. The matters are currently pending.

3. Nine petitions were filed against our Company in different forums for offences under the Indian Penal Code, 1860. The matters are currently pending.

4. A petition was filed against our Company under Section 3 (x) of the Scheduled Castes and Scheduled Tribes (Prevention of Atrocities) Act, 1989. The case is currently pending.

5. Eight petitions were filed against our Company for alleged violation of the provisions of the Factories Act, 1948. The matter are currently pending.

6. Two petitions were filed against our Company for alleged violation of provisions of the Industrial Dispute Act, 1947. The matters are currently pending.

7. A petition was filed against our Company for alleged violation of the provisions of the Indian Forest Act, 1927. The case is currently pending.

8. A petition was filed against our Company for alleged violations of the terms and conditions of a hire purchase agreement involving TMFL. The case is currently pending.

Litigation filed by our Company

Civil proceedings

In October 2008, our Company moved the Nano project from Singur in West Bengal to Sanand in Gujarat. In June 2011, the newly elected Government of West Bengal enacted a law cancelling the land lease agreement at Singur, and took over possession of the land. Our Company challenged the constitutional validity of the law. In June 2012, the Calcutta High Court declared the law unconstitutional and restored our Company's rights under the land lease agreement. The government of West Bengal filed an appeal in the Supreme Court of India in August 2012, which is pending disposal. The matter is currently pending.

Criminal proceedings

1. Our Company has filed 10 petitions in different forums for quashing the proceedings under the Minimum Wages Act, 1948. The matters are currently pending.

2. Our Company has filed 11 petitions in different forums for quashing the proceedings under the Contract Labour (Regulation & Abolition) Act, 1970. The matters are currently pending.

3. Our Company has filed seven petitions in different forums for quashing of proceedings under the Indian Penal Code, 1860. The matters are currently pending.

4. Our Company has filed two petitions in different forums under Section 66 of the Information Technology Act, 2000. The matters are currently pending.

5. Our Company has filed three petitions in different forums for quashing the proceedings under the Factories Act, 1948. The matters are currently pending.

6. Our Company has filed a petition before the Jharkhand High Court for quashing the prosecution / proceeding before the Judicial Magistrate, Hazaribagh. The case is currently pending.

7. Our Company has filed a petition before the Jharkhand High Court for quashing the order passed by the vacation bench of the Additional District & Session Judge, Jamshedpur. The case is currently pending.

8. Our Company has filed a petition before the Patna High Court for quashing the complaint case pending before the Judicial Magistrate, First Class. The case is currently pending.

GOVERNMENT AND OTHER APPROVALS

We are required to obtain approvals, registrations, permits and licenses under the provisions of various laws and regulations for conducting our business which include license to operate factories, registration as a dealer, registration for manufacturing of excisable goods, environmental licenses and other approvals. The requirement for approvals for a particular plant may vary based on factors such as the legal requirements in the state in which the plant is located. Further, our obligation to obtain and renew such approvals arises periodically and applications for such approvals are made at the appropriate stage.

We have obtained necessary consents, licenses, permissions and approvals from governmental and regulatory authorities that are required for carrying on our present business activities. Some of the approvals and licenses that we require for our business operations may expire in the ordinary course of business, and we will apply for their renewal from time to time.

We have set out below, details of pending approvals and pending renewal of licenses in relation to our business:

I. <u>Pending Approvals</u>

Company

Jamshedpur plant

1. Application dated November 12, 2014 made to the Jharkhand State Pollution Control Board, under the Water Act for renewal of consent to operate for trade effluent discharge for the period starting from January 1, 2015 to December 31, 2015.

2. Application dated November 12, 2014 made to the Jharkhand State Pollution Control Board, under the Air Act for renewal of consent to operate for air emission for the period starting from January 1, 2015 to December 31, 2015.

Pune plant – Chikali works

1. Application dated September 1, 2014 made to the Regional Officer, Maharashtra Pollution Control Board, Pune for renewal of consent to operate/authorization for our Passenger Car Unit- Chikhali Works for the period up to September 30, 2015.

Uttarakhand plant

1. Application dated December 13, 2014 made to the Assistant Labour Commissioner, Rudrapur for amendment to registration certificate under the CLRA.

2. Application dated October 10, 2014 made to the Assistant Director of Factories, Haldwani for renewal of factory license for the year 2015.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorised by a resolution of our Board passed at its meeting held on January 27, 2015 pursuant to Section 62 of the Companies Act, 2013. Further, the issue of 'A' Ordinary Shares has also been authorised by a resolution dated March 3, 2015 of the shareholders of our Company passed through postal ballot in terms of Rule 4(1)(b) of the Companies (Share Capital and Debentures) Rules, 2014. The Issue Price of ₹ 450 for the Ordinary Shares and ₹ 271 for 'A' Ordinary Shares has been arrived at in consultation with the Lead Managers.

Our Company has received in-principle approvals from the BSE and the NSE for listing of the Securities to be allotted in the Issue pursuant to letters dated [●] and [●], respectively.

RBI Approval for Renunciation

Our Company has, pursuant to its application dated February 26, 2015 (the "Application") applied to the RBI for seeking approval for renunciation of the Rights Entitlement by (a) the renunciation of rights entitlement in the Issue by a Shareholder of our Company resident in India to any person resident outside India (other than OCBs); (b) the renunciation of a Shareholder of our Company resident outside India (other than OCBs) to any person resident in India; and (c) the renunciation of rights entitlement in the Issue by a Shareholder of our Company resident outside India (other than OCBs) to any other person resident outside India (other than OCBs). Subsequently, in respect of the Application, on March 4, 2015 RBI advised our Company to furnish details of the ratio and the Issue Price in relation to the Issue once the same are approved by our Board. Accordingly, we submitted a letter dated March 25, 2015 with all the necessary details upon finalisation of the terms of the Issue by our Board at its meeting held on March 25, 2015. In case our Company does not receive such approval, the renouncer / renouncee is required to obtain such approval and attach the same to the CAF. All such renunciations shall be subject to any conditions that may be specified in the RBI approval. Applications not complying with conditions of the approval / not accompanied by such approval are liable to be rejected.

Prohibition by SEBI or Other Governmental Authorities

Our Company, the Promoter, the members of the Promoter Group, the Directors, persons in control of our Company and persons in control of the Promoter have not been prohibited from accessing or operating the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

The companies with which the Promoter, the Directors or the persons in control of our Company are or were associated as promoter, directors or persons in control have not been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.

None of the Directors are associated with the securities market in any manner.

Prohibition by RBI

None of our Company, the Promoter, the relatives (as defined under the Companies Act) of Promoters or Group Companies have been identified as wilful defaulters by the RBI or any other governmental authority.

Eligibility for the Issue

Our Company is a listed company was incorporated under the Companies Act, 1913. The Securities of our Company are presently listed on the BSE and NSE. It is eligible to offer Securities pursuant to this Issue in terms of Chapter IV of the SEBI Regulations.

Compliance with Regulation 4(2) of the SEBI Regulations

Our Company is in compliance with the conditions specified in Regulation 4(2), to the extent applicable. Further, in relation to compliance with Regulation 4(2)(d) of the SEBI Regulations, Company undertakes to make an application to the Stock Exchanges for listing of the Securities to be issued pursuant to this Issue. Our Company has chosen BSE as the Designated Stock Exchange for the Issue.

Compliance with Regulation 10 of the SEBI Regulations

Our Company satisfies the following conditions specified in Regulation 10 and accordingly, our Company is eligible to make this Issue by way of a 'fast track issue':

1. the Ordinary Shares and the 'A' Ordinary Shares have been listed on BSE and NSE, each being a recognised stock exchange having nationwide trading terminals, for a period of at least three years immediately preceding the date of this Letter of Offer;
2. the average market capitalisation of the public shareholding of our Company is at least ₹ 30,000 million;
3. the annualised trading turnover of the Ordinary Shares and 'A' Ordinary Shares of our Company during the six calendar months immediately preceding the month of this Letter of Offer with the Designated Stock Exchange has been at least 2% of the weighted average number of Ordinary Shares and 'A' Ordinary Shares, as applicable, available as free float during such six months' period;
4. our Company has redressed at least 95% of the complaints received from the investors till the end of the quarter immediately preceding the month of the date of this Letter of Offer;
5. our Company has been in compliance with the Listing Agreement for a period of at least three years immediately preceding the date of this Letter of Offer;
6. the impact of auditor qualifications, if any, on the audited accounts of our Company in respect of Fiscal 2014 does not exceed 5% of the net profit after tax for Fiscal 2014;
7. no show-cause notices have been issued or prosecution proceedings initiated by the SEBI or pending against our Company or the Promoter or whole time directors as of the date of this Letter of Offer; and
8. the entire shareholding of the Promoter Group is held in dematerialised form as on the date of this Letter of Offer.

Compliance with Part E of Schedule VIII of the SEBI Regulations

Our Company is in compliance with the provisions specified in Clause (1) of Part E of Schedule VIII of the SEBI Regulations as explained below:

1. Our Company has been filing periodic reports, statements and information in compliance with the listing agreement for the last three years immediately preceding the date of filing of this Letter of Offer with the Designated Stock Exchange.
2. The reports, statements and information referred to in sub-clause (a) above are available on the website of the BSE and the NSE or on a common e-filing platform specified by SEBI.
3. Our Company has an investor grievance-handling mechanism which includes meeting of the Shareholders / Investors' Grievance Committee at frequent intervals, appropriate delegation of power by our Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

As our Company satisfies the conditions specified in Clause (1) of Part E of Schedule VIII of SEBI Regulations, disclosures in this Letter of Offer have been made in terms of Clause (5) of Part E of Schedule VIII of the SEBI Regulations.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE SUBMISSION OF LETTER OF OFFER TO SEBI SHOULD NOT, IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE

ISSUE IS PROPOSED TO BE MADE, OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. THE LEAD MANAGERS, CITIGROUP GLOBAL MARKETS INDIA PRIVATE LIMITED, CREDIT SUISSE SECURITIES (INDIA) PRIVATE LIMITED, DSP MERRILL LYNCH LIMITED, HSBC SECURITIES AND CAPITAL MARKETS (INDIA) PRIVATE LIMITED, ICICI SECURITIES LIMITED, J. P. MORGAN INDIA PRIVATE LIMITED, KOTAK MAHINDRA CAPITAL COMPANY LIMITED AND SBI CAPITAL MARKETS LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE LETTER OF OFFER ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE LETTER OF OFFER, THE LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, LEAD MANAGERS CITIGROUP GLOBAL MARKETS INDIA PRIVATE LIMITED, CREDIT SUISSE SECURITIES (INDIA) PRIVATE LIMITED, DSP MERRILL LYNCH LIMITED, HSBC SECURITIES AND CAPITAL MARKETS (INDIA) PRIVATE LIMITED, ICICI SECURITIES LIMITED, J. P. MORGAN INDIA PRIVATE LIMITED, KOTAK MAHINDRA CAPITAL COMPANY LIMITED AND SBI CAPITAL MARKETS LIMITED, HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED [●] WHICH READS AS FOLLOWS:

(1) **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE LETTER OF OFFER PERTAINING TO THE ISSUE;**

(2) **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH OUR COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY OUR COMPANY, WE CONFIRM THAT:**

- **(a)** **THE LETTER OF OFFER FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**

- **(b)** **ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**

- **(c)** **THE DISCLOSURES MADE IN THE LETTER OF OFFER ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, AND THE COMPANIES ACT, 2013, TO THE EXTENT APPLICABLE, SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.**

(3) **WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT LETTER OF OFFER ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID.**

(4) **WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS – <u>COMPLIED WITH</u>.**

(5) WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF HIS SPECIFIED SECURITIES AS PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE LETTER OF OFFER WITH SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE LETTER OF OFFER – <u>NOT APPLICABLE</u>

(6) WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTER'S CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE LETTER OF OFFER – <u>NOT APPLICABLE</u>

(7) WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO OUR COMPANY ALONG WITH THE PROCEEDS OF THE ISSUE – <u>NOT APPLICABLE</u>

(8) WE CERTIFY THAT THE PROPOSED ACTIVITIES OF OUR COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF OUR COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.

(9) WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE LETTER OF OFFER. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND OUR COMPANY SPECIFICALLY CONTAINS THIS CONDITION - <u>NOT APPLICABLE FOR A RIGHTS ISSUE. TRANSFER OF MONIES RECEIVED PURSUANT TO THE ISSUE SHALL BE RELEASED TO OUR COMPANY AFTER FINALISATION OF THE BASIS OF ALLOTMENT IN COMPLIANCE WITH REGULATION 56 OF THE SEBI REGULATIONS.</u>

(10) WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE LETTER OF OFFER THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SECURITIES IN DEMAT OR PHYSICAL MODE.

(11) WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.

(12) WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE LETTER OF OFFER:

(a) AN UNDERTAKING FROM OUR COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE ORDINARY SHARES AND 'A' ORDINARY SHARES OF OUR COMPANY; AND

(b) AN UNDERTAKING FROM OUR COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI FROM TIME TO TIME.

(13) WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE – <u>NOTED FOR COMPLIANCE.</u>

(14) WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTER'S EXPERIENCE, ETC.

(15) WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE LETTER OF OFFER WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.

(16) WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY LEAD MANAGERS BELOW (WHO IS RESPONSIBLE FOR PRICING THIS ISSUE)', AS PER FORMAT SPECIFIED BY SEBI THROUGH CIRCULAR DATED SEPTEMBER 27, 2011. <u>NOT APPLICABLE</u>

(17) WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS. – <u>COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED, IN ACCORDANCE WITH ACCOUNTING STANDARD 18, IN THE FINANCIAL STATEMENTS OF OUR COMPANY INCLUDED IN THIS LETTER OF OFFER.</u>

THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER SECTION 34 OR SECTION 36 OF THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCE AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGERS ANY IRREGULARITIES OR LAPSES IN THE LETTER OF OFFER.

Disclaimer clauses from our Company and the Lead Managers

Our Company and the Lead Managers accept no responsibility for statements made otherwise than in this Letter of Offer or in any advertisement or other material issued by our Company or by any other persons at the instance of our Company and anyone placing reliance on any other source of information would be doing so at his own risk.

Investors who invest in the Issue will be deemed to have represented to our Company, the Lead Managers and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Securities, and are relying on independent advice / evaluation as to their ability and quantum of investment in the Issue.

CAUTION

Our Company and the Lead Managers shall make all information available to the Eligible Shareholders and no selective or additional information would be available for a section of the Eligible Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of this Letter of Offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Letter of Offer. You must not rely on any unauthorized information or representations. This Letter of Offer is an offer to sell only the Securities and rights to purchase the Securities offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Letter of Offer is current only as of its date.

Disclaimer with respect to jurisdiction

This Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Mumbai, India only.

Designated Stock Exchange

The Designated Stock Exchange for the purpose of the Issue will be BSE.

Disclaimer Clause of the BSE

As required, a copy of this Letter of Offer has been submitted to the BSE. BSE has, through its letter No. [●] dated [●], permitted our Company to use BSE's name in this Letter of Offer as one of the stock exchanges on which our Company's securities are listed. BSE has scrutinized this Letter of Offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to our Company. It is to be distinctly understood that this Letter of Offer has not been cleared or approved by the BSE. BSE does not in any manner:

Disclaimer Clause of the NSE

As required, a copy of this Letter of Offer has been submitted to the NSE. NSE has, through its letter No. [●] dated [●], permitted our Company to use NSE's name in this Letter of Offer as one of the stock exchanges on which our Company's securities are listed. NSE has scrutinized this Letter of Offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to our Company. It is to be distinctly understood that this Letter of Offer has not been cleared or approved by the NSE. NSE does not in any manner:

Selling Restrictions

The distribution of this Letter of Offer and the issue of Securities on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Shareholders of our Company and will dispatch this Letter of Offer/ Abridged Letter of Offer and CAF only to Eligible Shareholders. No action has been or will be taken to permit the Issue in any jurisdiction, or the possession, circulation, or distribution of this Letter of Offer or any other material relating to our Company, the Securities or Rights Entitlement in any jurisdiction, where action would be required for that purpose, except that this Letter of Offer has been filed with SEBI.

Accordingly, the Securities and Rights Entitlement may not be offered or sold, directly or indirectly, and none of this Letter of Offer or any offering materials or advertisements in connection with the Securities or Rights Entitlement may be distributed or published in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer.

This Letter of Offer and its accompanying documents are being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

If this Letter of Offer is received by any person in any jurisdiction where to do so would or might contravene local securities laws or regulation, or by their agent or nominee, they must not seek to subscribe to the Securities or the Rights Entitlement referred to in this Letter of Offer. Investors are advised to consult their legal counsel prior to applying for the Rights Entitlement and Securities or accepting any provisional allotment of Securities, or making any offer, sale, resale, pledge or other transfer of the Securities or Rights Entitlement.

Neither the delivery of this Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as of any time subsequent to this date or the date of such information.

Each person who exercises Rights Entitlement and subscribes for Securities or excess Securities, or who purchases Rights Entitlement or Securities shall do so in accordance with the restrictions set out below.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT, 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES, EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE RIGHTS ENTITILEMENTS AND THE SECURITIES REFERRED TO IN THIS LETTER OF OFFER ARE BEING OFFERED IN INDIA, BUT NOT IN THE UNITED STATES. THE OFFERING TO WHICH THIS LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY SECURITIES OR RIGHTS ENTITLEMENTS FOR SALE IN THE UNITES STATES OR AS A SOLITICATION THEREIN OF AN OFFER TO BUT ANY OF THE SAID SECURITIES. ACCORDINGLY, THE LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO THE UNITED STATES AT ANY TIME.

Filing

This Letter of Offer is being filed with the Designated Stock Exchange as per the provisions of the SEBI Regulations. Further, in terms of Regulation 6(4) of the SEBI Regulations, our Company will simulatenously while filing this Letter of Offer with the Designated Stock Exchange, file a copy of this Letter of Offer with SEBI.

Issue Related Expenses

The expenses of the Issue payable by our Company include brokerage, fees and reimbursement to the Lead Managers, Auditor, legal advisors, Registrar, printing and distribution expenses, publicity, listing fees, stamp duty and other expenses and will be met out of the Issue Proceeds.

Sr. No.	Activity Expense	Amount (in ₹ million)	Percentage of Total Estimated Issue Expenditure (%)	Percentage of Issue Size (%)
7.	Fees of the Lead Managers	[●]	[●]	[●]
8.	Fees to the legal advisors, monitoring agency other service providers and statutory fees	[●]	[●]	[●]
9.	Fees of Registrar to the Issue	[●]	[●]	[●]
10.	Advertising and marketing expenses	[●]	[●]	[●]
11.	Printing and stationery, distribution, postage etc.	[●]	[●]	[●]
12.	Other expenses	[●]	[●]	[●]
Total estimated Issue expenditure		[●]	**100.00**	[●]

Investor Grievances and Redressal System

Our Company has adequate arrangements for the redressal of investor complaints in compliance with the corporate governance requirements under the Listing Agreement.

Our Company has a Stakeholder Relationship Committee which currently comprises of Vinesh K Jairath and Falguni Nayar. The broad terms of reference include redressal of investors' complaints pertaining to share / debenture transfers, non-receipt of annual reports, interest / dividend payments, issue of duplicate certificates etc. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/ OIAE/ 2/ 2011 dated June 3, 2011. Consequently, investor grievances are tracked online by our Company.

The Investor complaints received by our Company are disposed off within 15 days from the date of receipt of the complaint.

Status of outstanding investor complaints in relation to our Company

As on the date of this Letter of Offer, there were no outstanding investor complaints.

Investor Grievances arising out of the Issue

Our Company's investor grievances arising out of the Issue will be handled by Link Intime India Private Limited, the Registrar to the Issue. The Registrar will have a separate team of personnel handling only post-Issue correspondence.

The agreement between our Company and the Registrar will provide for retention of records with the Registrar for a period of at least one year from the last date of dispatch of Allotment Advice/ demat credit/ refund order to enable the Registrar to redress grievances of Investors.

All grievances relating to the Issue may be addressed to the Registrar or the SCSB in case of ASBA Applicants giving full details such as folio no., name and address, contact telephone / cell numbers, e-mail id of the first Applicant, number and type of Securities applied for, CAF serial number, amount paid on application and the name of the bank and the branch where the application was deposited, along with a photocopy of the acknowledgement slip. In case of renunciation, the same details of the Renouncee should be furnished.

The average time taken by the Registrar for attending to routine grievances will be 7 to 10 days from the date of receipt of complaints. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavour of the Registrar to attend to them as expeditiously as possible. Our Company undertakes to resolve the investor grievances in a time bound manner.

Registrar to the Issue

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound, L.B.S. Marg
Bhandup (West), Mumbai 400 078
Tel: (91 22) 6171 5400
Fax: (91 22) 2596 0329
Website: www.linkintime.co.in
Email: tatamotors.rights@linkintime.co.in
Contact Person: Sachin Achar
SEBI Registration No: INR000004058

Investors may contact the Compliance Officer or the Registrar in case of any pre-Issue/ post -Issue related problems such as non-receipt of Allotment advice/ demat credit/refund orders etc. The contact details of the Compliance Officer are as follows:

H K Sethna
Bombay House
24, Homi Mody Street
Mumbai 400 001
Tel: (91 22) 6665 8282
Fax: (91 22) 6665 7799
E-mail: inv_rel@tatamotors.com

SECTION VII: ISSUE INFORMATION

TERMS OF THE ISSUE

The Securities proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Letter of Offer, the Abridged Letter of Offer, the CAF, the SAF, the Memorandum of Association and Articles of Association of our Company, and the provisions of the Companies Act, FEMA, the guidelines and regulations issued by SEBI, the guidelines, notifications and regulations for the issue of capital and for listing of securities issued by the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from the RBI or other regulatory authorities, the terms of listing agreements entered into by our Company with the Stock Exchanges and terms and conditions as stipulated in the allotment advice or security certificate.

Please note that in accordance with the provisions of the SEBI circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011 all QIBs and Non-Institutional Investors and Non Retail Individual Investors complying with the eligibility conditions prescribed under the SEBI circular no. SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009 must mandatorily invest through the ASBA process. All Retail Individual Investors complying with the conditions prescribed under the SEBI circular dated December 30, 2009 may optionally apply through the ASBA process. Investors who are not (i) QIBs, (ii) Non-Institutional Investors, or (iii) Investors whose Application Money is more than ₹ 200,000, can participate in the Issue either through the ASBA process or the non ASBA process. Eligible Shareholders holding Ordinary Shares or 'A' Ordinary Shares in physical form and Renouncees are not eligible ASBA Investors and must only apply for Securities through the non-ASBA process, irrespective of the Application Money. All non-retail Investors are encouraged to make use of ASBA process wherever such facility is available.

ASBA Investors should note that the ASBA process involves application procedures that may be different from the procedure applicable to non-ASBA process. ASBA Investors should carefully read the provisions applicable to such applications before making their application through the ASBA process. For details, see "Terms of the Issue - Procedure for Application through the ASBA Process" on page [●].

Please note that subject to SCSBs complying with the requirements of SEBI circular no. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at all branches of the SCSBs.

Further, in terms of the SEBI circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on own account using ASBA facility, SCSBs should have a separate account in their own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public issues/ rights issues and clear demarcated funds should be available in such account for ASBA applications. SCSBs applying in the Issue using the ASBA facility shall be responsible for ensuring that they have a separate account in their own name with any other SCSB having clear demarcated funds for applying in the Issue and that such separate account shall be used as the ASBA Account for the application, for ensuring compliance with the applicable regulations.

All rights/obligations of the Eligible Shareholders in relation to application and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.

Authority for the Issue

The Issue has been authorised by a resolution of our Board passed at its meeting held on January 27, 2015 pursuant to Section 62 of the Companies Act, 2013. Further, the issue of 'A' Ordinary Shares has also been authorised by a resolution dated March 3, 2015 of the shareholders of our Company passed through postal ballot in terms of Rule 4(1)(b) of the Companies (Share Capital and Debentures) Rules, 2014.

Approval in relation to the Issue

For details of the RBI approval obtained by our Company in relation to the Issue, see "Other Regulatory and Statutory Disclosures – RBI Approval for Renunciation" on page [●].

Basis for the Issue

The Ordinary Shares and/or 'A' Ordinary Shares are being offered for subscription for cash to the existing Eligible Ordinary Shareholders and Eligible 'A' Ordinary Shareholders, respectively, whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of the Securities held in the electronic form and on the register of members of our Company in respect of the Securities held in physical form at the close of business hours on the Record Date, i.e. April 8, 2015, fixed in consultation with the Designated Stock Exchange.

Rights Entitlement

As your name appears as a beneficial owner in respect of the Ordinary Shares and / or 'A' Ordinary Shares held in the electronic form or appears in the register of members as an Ordinary Shareholder and / or 'A' Ordinary Shareholder of our Company in respect of the Ordinary Shares and / or 'A' Ordinary Shares held in physical form as on the Record Date, i.e., April 8, 2015, you are entitled to the number of Ordinary Shares and / or 'A' Ordinary Shares as set out in Part A of the Ordinary Shares CAF or 'A' Ordinary Shares CAF, as the case may be.

Our Company is making this Issue on a rights basis to the Eligible Shareholders of our Company and will dispatch this Letter of Offer/ Abridged Letter of Offer and CAF only to Eligible Shareholders who have provided an Indian address to our Company. The distribution of this Letter of Offer/Abridged Letter of Offer and the issue of Securities on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Any person who acquires Rights Entitlements or Securities will be deemed to have declared, warranted and agreed, by accepting the delivery of this Letter of Offer/Abridged Letter of Offer/CAF, that such person is not and that at the time of subscribing for the Securities or the Rights Entitlements, will not be, in any restricted jurisdiction.

PRINCIPAL TERMS OF THE SECURITIES

Face Value

Each Ordinary Share will have the face value of ₹ 2 and each 'A' Ordinary Share will have the face value of ₹ 2.

Issue Price

Each Ordinary Share shall be offered at an Issue Price of ₹ 450 for cash at a premium of ₹ 448 per Ordinary Share. Each 'A' Ordinary Share shall be offered at an Issue Price of ₹ 271 for cash at a premium of ₹ 269 per 'A' Ordinary Share. The Issue Price for Ordinary Shares and 'A' Ordinary Shares has been arrived at after consultation between our Company and the Lead Managers and has been decided prior to the determination of the Record Date.

Rights Entitlement Ratio

The Ordinary Shares are being offered on a rights basis to the Eligible Ordinary Shareholders in the ratio of six Ordinary Share(s) for every 109 Ordinary Share(s) held on the Record Date and the 'A' Ordinary Shares are being offered on a rights basis to the Eligible 'A' Ordinary Shareholders in the ratio of six 'A' Ordinary Share(s) for every 109 'A' Ordinary Share(s) held on the Record Date.

Terms of Payment

Full amount of ₹ 450 per Ordinary Share and ₹ 271 per 'A' Ordinary Share, as applicable, is payable on application.

Fractional Entitlements

The Ordinary Shares are being offered on a rights basis to the Eligible Ordinary Shareholders in the ratio of six Ordinary Share(s) for every 109 Ordinary Share(s) held on the Record Date and the 'A' Ordinary Shares are being offered on a rights basis to the Eligible 'A' Ordinary Shareholders in the ratio of six 'A' Ordinary Share(s) for every 109 'A' Ordinary Share(s) held on the Record Date. For Securities being offered on a rights basis under this Issue, if the shareholding of any of the Eligible Shareholders is less than 109 Ordinary Shares or 109 'A' Ordinary Shares, as applicable, or not in the multiple of 109, the fractional entitlement of such Eligible Shareholders shall be ignored in the computation of the Rights Entitlement. However, Eligible Shareholders whose fractional entitlements are being ignored as above would be given preferential consideration for the Allotment of one additional Ordinary Share or 'A' Ordinary Share, as applicable, each if they apply for additional Securities over and above their Rights Entitlement, if any.

For example, if an Eligible Ordinary Shareholder holds between [●] and [●] Ordinary Shares, he will be entitled to [●] Ordinary Shares on a rights basis. He will also be given a preferential consideration for the Allotment of one additional Ordinary Share if he has applied for the same. Similarly, if an Eligible 'A' Ordinary Shareholder holds between [●] and [●] 'A' Ordinary Shares, he will be entitled to [●] 'A' Ordinary Shares on a rights basis. He will also be given a preferential consideration for the Allotment of one additional 'A' Ordinary Share if he has applied for the same.

Those Eligible Shareholders holding less than 19 Ordinary Shares and less than 19 'A' Ordinary Shares and therefore entitled to 'zero' Securities under this Issue shall be dispatched a CAF with 'zero' entitlement. Such Eligible Shareholders are entitled to apply for additional Securities and would be given preference in the allotment of one additional Ordinary Share or 'A' Ordinary Share, as applicable, if, such Eligible Shareholders have applied for the additional Securities. However, they cannot renounce the same in favour of third parties. CAFs with zero entitlement will be non-negotiable/non-renounceable.

For example, if an Eligible Ordinary Shareholder holds between one and [●] Ordinary Shares, he will be entitled to zero Ordinary Shares on a rights basis. He will be given a preference for Allotment of one additional Ordinary Share if he has applied for the same. Similarly, if an Eligible 'A' Ordinary Shareholder holds between one and [●] 'A' Ordinary Shares, he will be entitled to zero 'A' Ordinary Shares on a rights basis. He will be given a preference for Allotment of one additional 'A' Ordinary Share if he has applied for the same.

Ranking

The Securities of our Company Allotted in the Issue shall be subject to the provisions of the Memorandum of Association and the Articles of Association. The Ordinary Shares of our Company Allotted in the Issue shall rank *pari passu* with the existing Ordinary Shares of our Company. The 'A' Ordinary Shares of our Company Allotted in the Issue shall rank *pari passu* with the existing 'A' Ordinary Shares of our Company.

Mode of payment of dividend

In the event of declaration of dividend, we shall pay dividend to the Ordinary Shareholders and 'A' Ordinary Shareholders as per the provisions of the Companies Act and the provisions of the Articles of Association.

Listing and trading of the Securities issued pursuant to the Issue

Our Company's existing Ordinary Shares are currently traded on the BSE and NSE under the ISIN INE155A01022 and our Company's existing 'A' Ordinary Shares are currently traded on the BSE and NSE under the ISIN IN9155A01020. American Depositary Shares representing Ordinary Shares have been listed on the New York Stock Exchange since September 24, 2004. The Company does not intend to list the 'A' Ordinary Shares on the New York Stock Exchange.

The Securities proposed to be issued pursuant to the Issue shall, in terms of the SEBI circular no. CIR/MRD/DP/21/2012 dated August 2, 2012, be Allotted under a temporary ISIN shall be frozen till the time final listing/ trading approval is granted by the Stock Exchanges. Upon receipt of such listing and trading approval, the Securities proposed to be issued on a rights basis shall be debited from such temporary ISIN and credited in the existing ISIN and thereafter be available for trading.

The Securities allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of the necessary formalities for listing and commencement of trading of the Securities shall be taken within 12 Working Days of the Issue Closing Date. Our Company has received in-principle approval from the BSE through letter no. [●] dated [●] and from the NSE through letter no. [●] dated [●].

If permissions to list, deal in and for an official quotation of the Ordinary Shares and 'A' Ordinary Shares are not granted by any of the Stock Exchanges on the expiry of 15 days from the Issue Closing Date, our Company will forthwith repay, without interest, all Application Moneys received from the Investors in pursuance of this Letter of Offer. If such money is not repaid beyond eight days after our Company becomes liable to repay it, i.e., the date of refusal of an application for such a permission from a Stock Exchange, or on expiry of 15 days from the Issue Closing Date in case no permission is granted, whichever is earlier, then our Company and every Director who is an officer in default shall, on and from such expiry of eight days, be liable to repay the money, with interest as per applicable laws.

The listing and trading of the Securities issued pursuant to the Issue shall be based on the current regulatory framework applicable thereto. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

Rights of holders of Securities of our Company

Subject to applicable laws, the Ordinary Shareholders shall have the following rights:

1. Right to receive dividend, if declared;
2. Right to attend general meetings and exercise voting powers, unless prohibited by law;
3. Right to vote in person or by proxy;
4. Right to receive offers for rights shares and be allotted bonus shares, if announced;
5. Right to receive surplus on liquidation;
6. Right to free transferability of Ordinary Shares; and
7. Such other rights as may be available to a shareholder of a listed public company under the Companies Act and the Memorandum of Association and the Articles of Association.

The 'A' Ordinary Shareholders will *mutatis mutandis* enjoy all rights, and privileges that are enjoyed by the Ordinary Shareholders in law and under the Articles of Association, except as to voting and dividend as aforesaid or as provided in the Articles of Association or as may be permitted under applicable law from time to time. Particularly, the 'A' Ordinary Shareholders shall have the following rights:

1. The outstanding 'A' Ordinary Shares carry such voting rights as determined by the terms of issue of such 'A' Ordinary Shares. Presently, the 'A' Ordinary Shares have a voting right of one vote per 10 'A' Ordinary Shares held in case of voting by poll. In case of voting by show of hands, 'A' Ordinary Shares have the same number of votes available as Ordinary Shares in accordance with Article 111(1) i.e. every member is entitled to vote and present in person or by attorney shall have one vote;
2. In addition to normal dividend as may be recommended and declared for Ordinary Shares, the 'A' Ordinary Shares shall be entitled to an additional 5% dividend. If no dividend is recommended for Ordinary Shares, 'A' Ordinary Shares would also not receive any dividend.

General Terms and Conditions of the Issue for ASBA and Non-ASBA Investors

Market Lot

The Securities of our Company are tradable only in dematerialized form. The market lot for Securities in dematerialised mode is one Security. In case an Eligible Shareholder holds Securities in physical form, our Company would issue one certificate for the Ordinary Shares or the 'A' Ordinary Shares, as the case may be, allotted to each folio (the "Consolidated Certificate"). Such Consolidated Certificates may be split into smaller denominations at the request of the respective Eligible Shareholder.

Joint Holders

Where two or more persons are registered as the holders of any Security, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in the Articles of Association.

Nomination

Nomination facility is available in respect of the Securities in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014. An Investor can nominate any person by filling the relevant details in the CAF in the space provided for this purpose. In case of Eligible Shareholders who are individuals, a sole Eligible Shareholder or the first named Eligible Shareholder, along with other joint Eligible Shareholders, if any, may nominate any person(s) who, in the event of the death of the sole Eligible Shareholder or all the joint Eligible Shareholders, as the case may be, shall become entitled to the Securities offered in the Issue. A person, being a nominee, becoming entitled to the Securities by reason of death of the original Eligible Shareholder(s), shall be entitled to the same advantages to which he would be entitled if he were the registered Eligible Shareholder. Where the nominee is a minor, the Eligible Shareholder(s) may also make a nomination to appoint, in the prescribed manner, any person to become entitled to the Securities, in the event of death of the said Eligible Shareholder, during the minority of the nominee. A nomination shall stand rescinded upon the sale of the Securities by the person nominating. A transferee will be entitled to make a fresh nomination in the manner prescribed. Where the Securities are held by more than one person jointly, the nominee shall become entitled to all the rights in the Securities only in the event of death of all the joint holders. Fresh nominations can be made only in the prescribed form available on request at the Registered Office of our Company or such other person at such addresses as may be notified by our Company. In terms of Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014, any person who becomes a nominee shall upon the production of such evidence as may be required by the Board, elect either:

1. to register himself or herself as the holder of the Securities; or

2. to make such transfer of the Securities, as the deceased holder could have made.

If the person being a nominee, so becoming entitles, elects to be registered as holders of the Securities himself, he shall deliver to our Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased holder.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Securities, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Securities, until the requirements of the notice have been complied with.

Only one nomination would be applicable for one folio. Hence, in case the Investor(s) has already registered the nomination with our Company, no further nomination needs to be made for Securities that may be allotted in this Issue under the same folio.

In case the Allotment of Securities is in dematerialised form, there is no need to make a separate nomination for the Securities to be Allotted in this Issue. Nominations registered with respective DP of the Investor would prevail. Any investor desirous of changing the existing nomination is requested to inform its respective DP.

Notices

All notices to the Eligible Shareholder(s) required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi national daily newspaper with wide circulation and one Marathi language daily newspaper with wide circulation and/or, will be sent by post to the Indian address of the Eligible Shareholders provided to our Company. However, the distribution of this Letter of Offer/Abridged Letter of Offer and the issue of Securities on a rights basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions.

Procedure for Application

The CAF for the Securities offered as part of the Issue would be printed for all Eligible Shareholders. In case the original CAF is not received by the Eligible Shareholder or is misplaced by the Eligible Shareholder, the Eligible Shareholder may request the Registrar, for issue of a duplicate CAF, by furnishing the registered folio number, DP ID, Client ID and their full name and Indian address. In case the signature of the Investor(s) does not match with the specimen registered with our Company, the application is liable to be rejected.

Please note that neither our Company nor the Registrar shall be responsible for delay in the receipt of the CAF/duplicate CAF attributable to postal delays or if the CAF/duplicate CAF are misplaced in the transit.

Please note that in accordance with the provisions of the SEBI circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011 all QIBs, Non-Institutional Investors and Non Retail Individual Investors complying with the eligibility conditions prescribed under the SEBI circular no. SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009 must mandatorily invest through the ASBA process. All Retail Individual Investors complying with the conditions prescribed under the SEBI circular dated December 30, 2009 may optionally apply through the ASBA process. The Investors who are not (i) QIBs, (ii) Non-Institutional Investors, or (iii) Investors whose Application Money is more than ₹ 200,000, can participate in the Issue either through the ASBA process or the non ASBA process. Renouncees and Eligible Shareholders holding Ordinary Shares or 'A' Ordinary Shares in physical form are not eligible ASBA Investors and must only apply for Securities through the non-ASBA process, irrespective of the Application Money.

Please also note that by virtue of the Circular No. 14 dated September 16, 2003 issued by the RBI, Overseas Corporate Bodies ("OCBs") have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Eligible Shareholder being an OCB is required to obtain prior approval from RBI for applying to this Issue.

CAF

The Registrar to the Issue will dispatch separate Ordinary Shares CAF to Eligible Ordinary Shareholders and 'A' Ordinary Shares CAF to Eligible 'A' Ordinary Shareholders as per their Rights Entitlement on the Record Date. The Ordinary Shares CAF will clearly indicate the number of Ordinary Shares that the Eligible Ordinary Shareholder is entitled to and the 'A' Ordinary Shares CAF will clearly indicate the number of 'A' Ordinary Shares that the Eligible 'A' Ordinary Shareholder is entitled to. Applicants may also choose to accept the offer to participate in the Issue by making plain paper Applications. For more information, see "Terms of the Issue – Application on Plain Paper (Non-ASBA Process)" on page [●].

The prescribed colour of the CAFs for the Eligible Ordinary Shareholders and the Eligible 'A' Ordinary Shareholders is as follows:

Eligible Shareholders	Colour of the ink used in the CAF
Eligible Ordinary Shareholders	White
Eligible 'A' Ordinary Shareholder	Blue

Each of the Ordinary Shares CAF and the 'A' Ordinary Shares CAF consists of four parts:

Part A: Form for accepting the Securities (Ordinary Shares or 'A' Ordinary Shares, as the case may be) offered as a part of this Issue, in full or in part, and for applying for additional Ordinary Shares or 'A' Ordinary Shares, as applicable;

Part B: Form for renunciation of Securities (Ordinary Shares or 'A' Ordinary Shares, as the case may be);

Part C: Form for application of Securities (Ordinary Shares or 'A' Ordinary Shares, as the case may be) by Renouncee(s);

Part D: Form for request for split application forms.

Please note that Eligible Shareholders can apply for Ordinary Shares only through an Ordinary Shares CAF (or plain paper) and for 'A' Ordinary Shares only through 'A' Ordinary Shares CAF (or plain paper). Please also note that Renouncees can apply for Ordinary Shares only through Ordinary Shares CAF and for 'A' Ordinary Shares only through 'A' Ordinary Shares CAF.

Option available to the Eligible Shareholders

Ordinary Shares CAFs will be issued to Eligible Ordinary Shareholders.

The Ordinary Shares CAFs will clearly indicate the number of Ordinary Shares that the Eligible Ordinary Shareholder is entitled to.

An Eligible Ordinary Shareholder can:

1. Apply for his Rights Entitlement of Ordinary Shares in full;

2. Apply for his Rights Entitlement of Ordinary Shares in part;

3. Apply for his Rights Entitlement of Ordinary Shares in part and renounce the other part of the Ordinary Shares;

4. Apply for his Rights Entitlement in full and apply for additional Ordinary Shares;

5. Renounce his Rights Entitlement in full.

‘A’ Ordinary Shares CAFs will be issued to Eligible ‘A’ Ordinary Shareholders.

The ‘A’ Ordinary Shares CAF will clearly indicate the number of ‘A’ Ordinary Shares that the Eligible ‘A’ Ordinary Shareholder is entitled to.

An Eligible ‘A’ Ordinary Shareholder can:

1. Apply for his Rights Entitlement of ‘A’ Ordinary Shares in full;

2. Apply for his Rights Entitlement of ‘A’ Ordinary Shares in part;

3. Apply for his Rights Entitlement of ‘A’ Ordinary Shares in part and renounce the other part of the ‘A’ Ordinary Shares;

4. Apply for his Rights Entitlement in full and apply for additional ‘A’ Ordinary Shares;

5. Renounce his Rights Entitlement in full.

Acceptance of the Issue

You may accept the offer to participate and apply for the Ordinary Shares or ‘A’ Ordinary Shares, as applicable, offered, either in full or in part, by filling Part A of the Ordinary Shares CAF or ‘A’ Ordinary Shares CAF, as applicable and submit the same along with the application money payable to the Bankers to the Issue or any of the collection centers as mentioned on the reverse of the Ordinary Shares CAF and ‘A’ Ordinary Shares CAF, as the case may be, before close of the banking hours on or before the Issue Closing Date or such extended time as may be specified by our Board in this regard. Investors at centres not covered by the collection branches of the Bankers to the Issue can send the Ordinary Shares CAF or ‘A’ Ordinary Shares CAF, as applicable, together with the cheque drawn at par on a local bank at Mumbai or a demand draft payable at Mumbai to the Registrar by registered post so as to reach the Registrar prior to the Issue Closing Date. Please note that neither our Company nor the Lead Managers nor the Registrar shall be responsible for delay in the receipt of the Ordinary Shares CAF or the ‘A’ Ordinary Shares CAF, as the case may be, attributable to postal delays or if the Ordinary Shares CAF or the ‘A’ Ordinary Shares CAF, as the case may be, is misplaced in the transit. Applications sent to anyone other than the Registrar are liable to be rejected. For further details on the mode of payment, see “Terms of the Issue - Mode of Payment for Resident Investors” and “Terms of the Issue - Mode of Payment for Non-Resident Investors” on pages [●] and [●], respectively.

Additional Securities

You are eligible to apply for additional Ordinary Shares and ‘A’ Ordinary Shares, as applicable, over and above your Rights Entitlement, provided that you are eligible to apply under applicable law and have applied for all the Ordinary Shares and ‘A’ Ordinary Shares, as applicable, offered to you without renouncing them in whole or in part in favour of any other person(s). Applications for additional Ordinary Shares and ‘A’ Ordinary Shares, as applicable, shall be considered and Allotment shall be made at the sole discretion of the Board, subject to aggregate shareholding of FIIs and FPIs not exceeding 35% of the Ordinary Share paid-up capital and 75% of the 'A' Ordinary Share paid-up capital and in consultation if necessary with the Designated Stock Exchange and in the manner prescribed under "Terms of the Issue - Basis of Allotment" on page [●].

If you desire to apply for additional Ordinary Shares or 'A' Ordinary Shares, please indicate your requirement in the place provided for additional Securities in Part A of the respective CAF. Renouncee(s) applying for all the Ordinary Shares or 'A' Ordinary Shares, as the case may be, renounced in their favour may also apply for additional Ordinary Shares or 'A' Ordinary Shares, as the case may be.

Where the number of additional Ordinary Shares or 'A' Ordinary Shares applied for exceeds the number of Ordinary Shares or 'A' Ordinary Shares, as the case may be, available for Allotment, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange.

Renunciation

The Issue includes a right exercisable by you to renounce the Ordinary Shares or 'A' Ordinary Shares, as the case may be, offered to you either in full or in part in favour of any other person or persons. Your attention is drawn to the fact that our Company shall not Allot and/or register the Ordinary Shares or 'A' Ordinary Shares, as the case may be, in favour of the following Renouncees: (i) more than three persons (including joint holders); (ii) partnership firm(s) or their nominee(s); (iii) minors; (iv) HUF; or (v) any trust or society (unless the same is registered under the Societies Registration Act, 1860, as amended or the Indian Trust Act, 1882, as amended or any other applicable law relating to societies or trusts and is authorized under its constitution or bye-laws to hold Ordinary Shares or 'A' Ordinary Shares, as the case may be). Additionally, the Eligible Shareholders may not renounce in favour of persons or entities which would otherwise be prohibited from being offered or subscribing for Securities or Rights Entitlement under applicable securities or other laws. Eligible Shareholders may also not renounce in favour of persons or entities in the United States.

RBI Approval for Renunciation

Our Company has, pursuant to its application dated February 26, 2015 (the "Application") applied to the RBI for seeking approval for renunciation of the Rights Entitlement by (a) the renunciation of rights entitlement in the Issue by a Shareholder of our Company resident in India to any person resident outside India (other than OCBs); (b) the renunciation of a Shareholder of our Company resident outside India (other than OCBs) to any person resident in India; and (c) the renunciation of rights entitlement in the Issue by a Shareholder of our Company resident outside India (other than OCBs) to any other person resident outside India (other than OCBs). Subsequently, in respect of the Application, on March 4, 2015 RBI advised our Company to furnish details of the ratio and the Issue Price in relation to the Issue once the same are approved by our Board. Accordingly, we submitted a letter dated March 25, 2015 with all the necessary details upon finalisation of the terms of the Issue by our Board at its meeting held on March 25, 2015. In case our Company does not receive such approval, the renouncer / renouncee is required to obtain such approval and attach the same to the CAF. All such renunciations shall be subject to any conditions that may be specified in the RBI approval. Applications not complying with conditions of the approval / not accompanied by such approval are liable to be rejected.

By virtue of the Circular No. 14 dated September 16, 2003 issued by the RBI, OCBs have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies) Regulations, 2003. Accordingly, the Eligible Shareholders of our Company who do not wish to subscribe to the Securities being offered but wish to renounce the same shall not renounce the same (whether for consideration or otherwise) in favour of OCB(s).

The RBI has, however, clarified in its circular, A.P. (DIR Series) Circular no. 44 dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No. 20/2000-RB dated May 3, 2000 under the FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of the RBI if the investment is through the automatic route on case by case basis. Shareholders renouncing their rights in favour of OCBs may do so provided such Renouncee obtains a prior approval from the RBI. On submission of such approval to us at our Registered Office, the OCB shall receive the Abridged Letter of Offer and the CAF.

Part 'A' of the CAF must not be used by any person(s) other than those in whose favour this offer has been made. If used, this will render the application invalid. Submission of the CAF to the Bankers to the Issue at its collecting branches specified on the reverse of the CAF with the form of renunciation (Part 'B' of the CAF) duly filled in shall be the conclusive evidence for our Company of the fact of renouncement to the person(s) applying for Securities in Part 'C' of the CAF for the purpose of Allotment of such Securities. The Renouncees applying for all the Securities renounced in their favour may also apply for additional Securities. Part 'A' of the CAF must not be used by the Renouncee(s) as this will render the application invalid. Renouncee(s) will have no right to further renounce any Securities in favour of any other person.

Procedure for renunciation

The following procedure applies to renunciation of the Ordinary Shares and 'A' Ordinary Shares, as the case may be:

To renounce all the Securities offered to an Eligible Shareholder in favour of one Renouncee

If you wish to renounce the offer indicated in Part 'A', in whole, please complete Part 'B' of the CAF. In case of joint holding, all joint holders must sign Part 'B' of the CAF. The person in whose favour renunciation has been made should complete and sign Part 'C' of the CAF. In case of joint Renouncees, all joint Renouncees must sign Part 'C' of the CAF.

To renounce in part/or renounce the whole to more than one person(s)

If you wish to either (i) accept the offer in part and renounce the balance, or (ii) renounce the entire offer under this Issue in favour of two or more Renouncees, the CAF must be first split into requisite number of forms. Please indicate your requirement of SAFs in the space provided for this purpose in Part 'D' of the CAF and return the entire CAF to the Registrar so as to reach them latest by the close of business hours on the last date of receiving requests for SAFs as provided herein. On receipt of the required number of SAFs from the Registrar, the procedure as mentioned in paragraph above shall have to be followed.

In case the signature of the Eligible Shareholder(s), who has renounced the Securities, does not match with the specimen registered with our Company/ Depositories, the application is liable to be rejected.

Renouncee(s)

The person(s) in whose favour the Ordinary Shares or 'A' Ordinary Shares, as the case may be, are renounced should fill in and sign Part 'C' of the Ordinary Shares CAF or 'A' Ordinary Shares CAF, as the case may be, and submit the entire Ordinary Shares CAF or 'A' Ordinary Shares CAF, as the case may be, to the Bankers to the Issue or any of the collection branches as mentioned on the reverse of the Ordinary Shares CAF or 'A' Ordinary Shares CAF, as the case may be, on or before the Issue Closing Date along with the application money in full.

Change and/or introduction of additional holders

If you wish to apply for Ordinary Shares or 'A' Ordinary Shares, as the case may be, jointly with any other person(s), not more than three including you, who is/are not already a joint holder with you, it shall amount to renunciation and the procedure as stated above for renunciation shall have to be followed. Even a change in the sequence of the name of joint holders shall amount to renunciation and the procedure, as stated above shall have to be followed.

However, this right of renunciation is subject to the express condition that our Board shall be entitled in its absolute discretion to reject the request for Allotment from the Renouncee(s) without assigning any reason thereof.

Instructions for Options

The summary of options available to the Eligible Ordinary Shareholder and Eligible 'A' Ordinary Shareholder is presented below. You may exercise any of the following options with regard to the Securities offered, using the Ordinary Shares CAF or 'A' Ordinary Shares CAF, as the case may be. If you are both an Eligible Ordinary Shareholder and an Eligible 'A' Ordinary Shareholder, you may exercise the same or a different option with regard to the Ordinary Shares offered and the 'A' Ordinary Shares offered, using the corresponding CAF received from the Registrar:

Sr. No.	Option Available	Action Required
1.	Accept whole or part of your Rights Entitlement without renouncing the balance.	Fill in and sign Part A *(All joint holders must sign in the same sequence)*
2.	Accept your Rights Entitlement in full and apply for additional Ordinary Shares or 'A' Ordinary Shares, as the case may be.	Fill in and sign Part A including Block III relating to the acceptance of entitlement and Block IV relating to additional Ordinary Shares or 'A' Ordinary Shares, as the case may be *(All joint holders must sign in the same sequence)*
3.	Accept a part of your Rights Entitlement and renounce the balance to one or more Renouncee(s) OR Renounce your Rights Entitlement to all the Ordinary Shares or 'A' Ordinary Shares, as the case may be, offered to you to more than one Renouncee	Fill in and sign Part D *(all joint holders must sign in the same sequence)* requesting for SAFs. Send the CAF to the Registrar so as to reach them on or before the last date for receiving requests for SAFs. Splitting will be permitted only once. On receipt of the SAF take action as indicated below. (i) For the Ordinary Shares or 'A' Ordinary Shares, as the case may be, you wish to accept, if any, fill in and sign Part A. (ii) For the Ordinary Shares or 'A' Ordinary Shares, as the case may be, you wish to renounce, fill in and sign Part B indicating the number of Ordinary Shares or 'A' Ordinary Shares, as the case may be, renounced and hand it over to the Renouncees. (iii) Each Renouncee should fill in and sign Part C for the Ordinary Shares or 'A' Ordinary Shares, as the case may be, accepted by them.
4.	Renounce your Rights Entitlement in full to one person *(Joint Renouncees are considered as one)*.	Fill in and sign Part B *(all joint holders must sign in the same sequence)* indicating the number of Ordinary Shares or 'A' Ordinary Shares, as the case may be, renounced and hand it over to the Renouncee. The Renouncee must fill in and sign Part C *(all joint Renouncees must sign)*
5.	Introduce a joint holder or change the sequence of joint holders	This will be treated as renunciation. Fill in and sign Part B and the Renouncee must fill in and sign Part C.

Please note that:

1. Ordinary Shares CAF will be issued for Ordinary Shares and 'A' Ordinary Shares CAF will be issued for 'A' Ordinary Shares offered through this Issue.

2. Part 'A' of the Ordinary Shares CAF and the 'A' Ordinary Shares CAF, must not be used by any person(s) other than the Eligible Ordinary Shareholder or the Eligible 'A' Ordinary Shareholder, as the case may be, to whom this Letter of Offer has been addressed. If used, this will render the application invalid.

3. Applicants must provide the information in the Ordinary Shares CAF or 'A' Ordinary Shares CAF, as the case may be, as to their account number and the name of the bank, to enable Registrar to print the information on the refund orders where Ordinary Shares and 'A' Ordinary Shares are held in physical form.

4. Request for each Ordinary Shares SAF or ‘A’ Ordinary Shares SAF, as the case may be, should be made for a minimum of one Ordinary Shares or ‘A’ Ordinary Shares, as the case may be, in each case, in multiples thereof and one Ordinary Shares SAF or ‘A’ Ordinary Shares SAF for the balance corresponding Ordinary Shares and ‘A’ Ordinary Shares, if any.

5. Request by the Investor for the Ordinary Shares SAFs and the ‘A’ Ordinary Shares SAF should reach the Registrar on or before [●].

6. Only the Eligible Shareholder to whom this Letter of Offer has been addressed shall be entitled to renounce and to apply for Ordinary Shares SAF or ‘A’ Ordinary Shares SAF, as the case may be. Forms once split cannot be split further.

7. Ordinary Shares SAFs and ‘A’ Ordinary Shares SAFs, as the case may be, will be sent to the Investor(s) by post at the Applicant’s risk.

8. Eligible Ordinary Shareholders and Eligible ‘A’ Ordinary Shareholders may not renounce in favour of persons or entities who would otherwise be prohibited from being offered or subscribing for corresponding Ordinary Shares or ‘A’ Ordinary Shares or Rights Entitlement under applicable securities laws.

9. While applying for or renouncing their Rights Entitlement, all joint Eligible Ordinary Shareholders and Eligible ‘A’ Ordinary Shareholders, as the case may be, must sign the corresponding CAF and in the same order and as per specimen signatures recorded with our Company/ Depositories.

10. *Non-resident Eligible Shareholders*: Application(s) received from Non-Residents or NRIs, or persons of Indian origin residing abroad for allotment of Securities allotted as a part of this Issue shall, *inter alia*, be subject to conditions, as may be imposed from time to time by the RBI under FEMA in the matter of refund of application money, allotment of Securities, export of share certificates, etc. In case a Non-Resident or NRI Eligible Shareholder has specific approval from the RBI, in connection with his shareholding, he should enclose a copy of such approval with the CAF.

11. The RBI has mandated that CTS 2010 standard non-compliant cheques can be presented in clearing only in reduced frequency, specifically once a week, on Mondays of every week from November 1, 2014 onwards. This would have an impact on timelines for the issuance of final certificates, hence the CAFs accompanied by non-CTS cheques could get rejected.

Availability of duplicate CAF

In case the original CAF is not received, or is misplaced by the Eligible Shareholder, the Registrar will issue a duplicate CAF on the request of the Investor who should furnish the registered folio number/ DP and Client ID number and his/ her full name and Indian address to the Registrar. Please note that the request for duplicate CAF should reach the Registrar at least seven days prior to the Issue Closing Date. Please note that those who are making the application in the duplicate form should not utilize the original CAF for any purpose including renunciation, even if it is received/ found subsequently. If the Investor violates such requirements, he/ she shall face the risk of rejection of either original CAF or both the applications. Our Company or the Registrar will not be responsible for postal delays or loss of duplicate CAF in transit, if any.

Application on Plain Paper (Non-ASBA Process)

An Eligible Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF may make an application to subscribe to the Issue on plain paper, along with an account payee cheque/ demand draft, net of bank and postal charges payable at Mumbai and the Investor should send the same by registered post directly to the Registrar. For details of the mode of payment, see “Terms of the Issue - Modes of Payment” on page [●]. Applications on plain paper from any address outside India will not be accepted.

Please note that separate applications on plain paper will be required to be made by the Investors for the purposes of Ordinary Shares and ‘A’ Ordinary Shares.

The envelope should be super-scribed “Tata Motors Limited – Rights Issue” and should be postmarked in India. The application on plain paper, duly signed by the Eligible Shareholder including joint holders, in the same sequence and as per specimen recorded with our Company/ Depositories, must reach the office of the Registrar before the Issue Closing Date and should contain the following particulars:

1. Name of our Company, being Tata Motors Limited;

2. Name and address of the Eligible Shareholder including joint holders;

3. Registered Folio Number/ DP and Client ID No.;

4. Number of Ordinary Shares and / or 'A' Ordinary Shares held as on Record Date;

5. Share certificate numbers and distinctive numbers of Ordinary Shares and / or 'A' Ordinary Shares, if held in physical form;

6. Allotment option preferred - physical or demat form, if held in physical form;

7. Number of Ordinary Shares and / or 'A' Ordinary Shares entitled to;

8. Number of Ordinary Shares and / or 'A' Ordinary Shares applied for;

9. Number of additional Ordinary Shares and / or 'A' Ordinary Shares applied for, if any;

10. Total number of Ordinary Shares and / or 'A' Ordinary Shares applied for;

11. Total amount paid at the rate of ₹ 450 per Ordinary Share and ₹ 271 per 'A' Ordinary Share, as applicable;

12. Particulars of cheque/ demand draft;

13. Savings/ current account number and name and address of the bank where the Eligible Shareholder will be depositing the refund order. In case of Securities held in dematerialized form, the Registrar shall obtain the bank account details from the information available with the Depositories;

14. Except for applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Shareholder and for each Eligible Shareholder in case of joint names, irrespective of the total value of the Securities applied for pursuant to the Issue. Documentary evidence for exemption to be provided by the applicants;

15. If the payment is made by a draft purchased from NRE/FCNR/NRO account, as the case may be, an account debit certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE/FCNR/NRO account;

16. Signature of the Applicant (in case of joint holders, to appear in the same sequence and order as they appear in the records of our Company/Depositories);

17. For ASBA Investors, application on plain paper should have details of their ASBA Account; and

18. Additionally, all such Applicants are deemed to have accepted the following:

    ""I/ We understand that neither the Rights Entitlement nor the Securities have been, or will be, registered under the United States Securities Act of 1933, as amended (the "US Securities Act") or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the "United States"). I/ we understand the Securities referred to in this application are being offered in India but not in the United States. I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Securities or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Securities or Rights Entitlement in the United States. Accordingly, I/ we understand this application should not be forwarded to or transmitted in or to the United States at any time. I/ we confirm that I/ are not in the United States and understand that neither us, nor the Registrar, the Lead Managers or any other person acting on behalf of us will accept

subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, the Lead Managers or any other person acting on behalf of us have reason to believe is in the United States or is ineligible to participate in the Issue under the securities laws of their jurisdiction.

I/ We will not offer, sell or otherwise transfer any of the Securities which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/ We understand and agree that the Rights Entitlement and Securities may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

I/ We acknowledge that we, the Lead Managers, its affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements."

Please note that those who are making the application otherwise than on original CAF shall not be entitled to renounce their rights and should not utilize the original CAF for any purpose including renunciation even if it is received subsequently. If the Eligible Shareholder violates such requirements, he/ she shall face the risk of rejection of both the applications. Our Company shall refund Application Money to the Eligible Shareholder without any interest thereon and no liability shall arise on part of our Company and its Directors.

Last date for submission of Application

The last date for submission of the duly filled in CAF is [●]. The Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date.

If the CAF together with the amount payable is not received by the Bankers to the Issue/ Registrar on or before the close of banking hours on the aforesaid last date or such date as may be extended by the Board/ Committee of Directors, the invitation to offer contained in this Letter of Offer shall be deemed to have been declined and the Board/ Committee of Directors shall be at liberty to dispose off the Securities hereby offered, as provided under "Terms of the Issue - Basis of Allotment" on page [●].

Modes of Payment

Investors are advised to use CTS cheques or use the ASBA facility to make payment. Investors are cautioned that CAFs accompanied by non-CTS cheques are liable to be rejected due to any delay in clearing beyond six Working Days from the Issue Closing Date.

Mode of payment for Resident Investors

1. All cheques / demand drafts accompanying the CAF should be drawn in favour of "[●]" crossed 'A/c Payee only' and should be submitted along with the CAF to the Bankers to the Issue/ Collecting Bank or to the Registrar on or before Issue Closing Date;

2. Investors residing at places other than places where the bank collection centres have been opened by our Company for collecting applications, are requested to send their CAFs together with an account payee cheque/ demand draft for the full Application Money, net of bank and postal charges drawn in favour of "[●]", crossed 'A/c Payee only' and payable at Mumbai directly to the Registrar by registered post so as to reach them on or before the Issue Closing Date. The envelope should be super-scribed "Tata Motors Limited – Rights Issue". Our Company or the Registrar will not be responsible for postal delays or loss of applications in transit, if any.

Mode of payment for Non-Resident Investors

As regards the applications by non-resident Investor, the following conditions shall apply:

1. Individual non-resident Indian Applicants who are permitted to subscribe for Securities by applicable local securities laws can obtain application forms from the following address:

   Link Intime India Private Limited

   C-13, Pannalal Silk Mills Compound, L.B.S. Marg
   Bhandup (West), Mumbai 400 078
   Tel: (91 22) 6171 5400
   Fax: (91 22) 2596 0329
   Website: www.linkintime.co.in
   Email: tatamotors.rights@linkintime.co.in
   Contact Person: Sachin Achar
   SEBI Registration No: INR000004058

   Note: The Letter of Offer/ Abridged Letter of Offer and CAFs to NRIs shall be sent only to their Indian address, if provided.

2. Applications will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Securities may be restricted by applicable securities laws.

3. Non-resident investors applying from places other than places where the bank collection centres have been opened by our Company for collecting applications, are requested to send their CAFs together with Demand Draft for the full Application Money, net of bank and postal charges drawn in favour of "[●]", crossed 'A/c Payee only' payable at Mumbai directly to the Registrar by registered post so as to reach them on or before the Issue Closing Date. The envelope should be super-scribed "Tata Motors Limited – Rights Issue". Our Company or the Registrar will not be responsible for postal delays or loss of applications in transit, if any.

4. Payment by non-residents must be made by demand draft payable at Mumbai/ cheque drawn on a bank account maintained with the Banker to the Issue or funds remitted from abroad in any of the following ways:

   Application with repatriation benefits

1. By Indian Rupee drafts purchased from abroad and payable at Mumbai or funds remitted from abroad (submitted along with Foreign Inward Remittance Certificate); or

2. By cheque / bank drafts remitted through normal banking channel or out of funds in Non-Resident External Account (NRE) or FCNR Account maintained with banks authorised to deal in foreign currency in India, along with documentary evidence in support of remittance;

3. By Rupee draft purchased by debit to NRE/FCNR Account maintained elsewhere in India and payable at Mumbai;

4. FIIs registered with SEBI must utilise funds from special non-resident rupee account;

5. Non-resident investors with repatriation benefits should draw the cheques/ demand drafts in favour of "[●]", crossed "A/c Payee only" for the full Application Money, net of bank and postal charges and which should be submitted along with the CAF to the Bankers to the Issue/collection centres or to the Registrar;

6. Applicants should note that where payment is made through drafts purchased from NRE/ FCNR/ NRO account as the case may be, an account debit certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE/ FCNR/ NRO account should be enclosed with the CAF. In the absence of such an account debit certificate, the application shall be considered incomplete and is liable to be rejected.

Application without repatriation benefits

1. As far as non-residents holding Securities on non-repatriation basis are concerned, in addition to the modes specified above, payment may also be made by way of cheque drawn on Non-Resident (Ordinary) Account maintained in Mumbai or Rupee Draft purchased out of NRO Account maintained elsewhere in India but payable at Mumbai In such cases, the Allotment of Securities will be on non-repatriation basis.

2. Non-resident investors without repatriation benefits should draw the cheques/demand drafts in favour of "[●]", crossed "A/c Payee only" for the full Application Money, net of bank and postal charges and which should be submitted along with the CAF to the Bankers to the Issue/collection centres or to the Registrar;

3. Applicants should note that where payment is made through drafts purchased from NRE/ FCNR/ NRO accounts, as the case may be, an account debit certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE/ FCNR/ NRO account should be enclosed with the CAF. In the absence of such an account debit certificate, the application shall be considered incomplete and is liable to be rejected.

4. An Eligible Shareholder whose status has changed from resident to non-resident should open a new demat account reflecting the changed status. Any application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company and the Lead Managers.

Notes:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Securities can be remitted outside India, subject to tax, as applicable according to the IT Act.

2. In case Securities are allotted on a non-repatriation basis, the dividend and sale proceeds of the Securities cannot be remitted outside India.

3. The CAF duly completed together with the amount payable on application must be deposited with the collecting bank indicated on the reverse of the CAFs before the close of banking hours on or before the Issue Closing Date. A separate cheque or bank draft must accompany each CAF.

4. In case of an application received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines/ rules prescribed by the RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.

Procedure for Application through the ASBA Process

This section is for the information of the ASBA Investors proposing to subscribe to the Issue through the ASBA Process. Our Company and the Lead Managers are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors who are eligible to apply under the ASBA Process are advised to make their independent investigations and to ensure that the CAF is correctly filled up.

The Lead Managers, our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to applications accepted by SCSBs, Applications uploaded by SCSBs, applications accepted but not uploaded by SCSBs or applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for applications uploaded by SCSBs, the amount payable on application has been blocked in the relevant ASBA Account.

Please note that in accordance with the provisions of the SEBI circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011 all QIBs, Non-Institutional Investors and Non-Retail Individual Investors complying with the eligibility conditions prescribed under the SEBI circular no. SEBI/CFD/DIL/ASBA/1/2009/30/12

dated December 30, 2009 must mandatorily invest through the ASBA process. All Retail Individual Investors complying with the conditions prescribed under the SEBI circular dated December 30, 2009 may optionally apply through the ASBA process. The Investors who are not (i) QIBs, (ii) Non-Institutional Investors, or (iii) Investors whose Application Money is more than ₹ 200,000, can participate in the Issue either through the ASBA process or the non ASBA process. Renouncees and Eligible Shareholders holding Ordinary Shares or 'A' Ordinary Shares in physical form are not eligible ASBA Investors and must only apply for Securities through the non-ASBA process, irrespective of the Application Money. All non-retail Investors are encouraged to make use of ASBA process wherever such facilities is available.

Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at all branches of the SCSBs.

Further, in terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/rights issues and clear demarcated funds should be available in such account for ASBA applications. SCSBs applying in the Issue using the ASBA facility shall be responsible for ensuring that they have a separate account in its own name with any other SCSB having clear demarcated funds for applying in the Issue and that such separate account shall be used as the ASBA Account for the application, in accordance with the applicable regulations.

The list of banks which have been notified by SEBI to act as SCSBs for the ASBA Process is provided on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries. For details on Designated Branches of SCSBs collecting the CAF, please refer the above mentioned SEBI link.

Eligible Shareholders who are eligible to apply under the ASBA Process

The option of applying for Securities in the Issue through the ASBA Process is only available to the Eligible Shareholders of our Company on the Record Date and who:

1. hold the Securities in dematerialised form as on the Record Date and have applied towards his/her Rights Entitlements or additional Securities in the Issue in dematerialised form;

2. have not renounced his/her Rights Entitlements in full or in part;

3. are not a Renouncee;

4. are applying through a bank account maintained with SCSBs; and

5. are eligible under applicable securities laws to subscribe for the Rights Entitlement and the Securities in the Issue.

CAF

The Registrar will dispatch the Ordinary Shares CAF to all Eligible Ordinary Shareholders and 'A' Ordinary Shares CAF to all Eligible 'A' Ordinary Shareholders as per their Rights Entitlement on the Record Date for the Issue. Those Investors who wish to apply through the ASBA payment mechanism will have to select for this mechanism in Part A of the CAF and provide necessary details.

Investors desiring to use the ASBA Process are required to submit their applications by selecting the ASBA Option in Part A of the CAF only. Application in electronic mode will only be available with such SCSBs who provide such facility. The Investors shall submit the CAF to the Designated Branch of the SCSB for authorising such SCSB to block an amount equivalent to the amount payable on the application in the said ASBA Account. More than one ASBA Investor may apply using the same ASBA Account, provided that the SCSBs will not accept a total of more than five CAFs with respect to any single ASBA Account.

Acceptance of the Issue

You may accept the Issue and apply for the Securities either in full or in part, by filling Part A of the respective CAFs sent by the Registrar, selecting the ASBA process option in Part A of the CAF and submit the same to the Designated Branch of the SCSB before the close of the banking hours on or before the Issue Closing Date or such extended time as may be specified by our Board in this regard.

Additional Securities

You are eligible to apply for additional Securities over and above your Rights Entitlement, provided that you are eligible to apply for Securities under applicable law and you have applied for all the Securities offered without renouncing them in whole or in part in favour of any other person(s). Applications for additional Securities shall be considered and Allotment shall be made at the sole discretion of the Board, in consultation with the Designated Stock Exchange and in the manner prescribed under "Terms of the Issue-Basis of Allotment" on page [●].

If you desire to apply for additional Securities, please indicate your requirement in the place provided for additional Securities in Part A of the CAF.

Renunciation under the ASBA Process

ASBA Investors can neither be Renouncees, nor can renounce their Rights Entitlement.

Mode of payment

The Investor applying under the ASBA Process agrees to block the entire amount payable on application with the submission of the CAF, by authorizing the SCSB to block an amount, equivalent to the amount payable on application, in an ASBA Account.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the CAF, the SCSB shall block an amount equivalent to the amount payable on application mentioned in the CAF until it receives instructions from the Registrar. Upon receipt of intimation from the Registrar, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account. This amount will be transferred in terms of the SEBI Regulations, into a separate bank account maintained by our Company for the purpose of the Issue. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar and the Lead Managers to the respective SCSB.

The Investor applying under the ASBA Process would be required to give instructions to the respective SCSBs to block the entire amount payable on their application at the time of the submission of the CAF.

The SCSB may reject the application at the time of acceptance of CAF if the ASBA Account, details of which have been provided by the Investor in the CAF does not have sufficient funds equivalent to the amount payable on application mentioned in the CAF. Subsequent to the acceptance of the application by the SCSB, our Company would have a right to reject the application only on technical grounds.

Please note that in accordance with the provisions of the SEBI circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011, all QIBs and Non-Institutional Investors complying with the eligibility conditions prescribed under SEBI circular no. SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009 must mandatorily invest through the ASBA process.

Options available to the Eligible Shareholders applying under the ASBA Process

The summary of options available to the Eligible Ordinary Shareholders and Eligible 'A' Ordinary Shareholders is presented below. You may exercise any of the following options with regard to the Ordinary Shares and / or 'A' Ordinary Shares, using the respective CAFs received from Registrar:

	Option Available	Action Required
1.	Accept whole or part of your Rights Entitlement without renouncing the balance.	Fill in and sign Part A of the Ordinary Shares CAF or 'A' Ordinary Shares CAF, as the case may be *(All joint holders must sign in the same sequence)*
2.	Accept your Rights Entitlement in full and apply	Fill in and sign Part A of the Ordinary Shares CAF or

	Option Available	Action Required
	for additional Ordinary Shares and / or ‘A’ Ordinary Shares.	‘A’ Ordinary Shares CAF, as the case may be, including Block III relating to the acceptance of entitlement and Block IV relating to additional Securities *(All joint holders must sign in the same sequence)*

The Investors applying under the ASBA Process will need to select the ASBA option process in the CAF and provide required necessary details. However, in cases where this option is not selected, but the CAF is tendered to the Designated Branch of the SCSBs with the relevant details required under the ASBA process option and the SCSBs block the requisite amount, then that CAFs would be treated as if the Investor has selected to apply through the ASBA process option.

Application on Plain Paper (ASBA Process)

An Eligible Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF and who is applying under the ASBA Process may make an application to subscribe to the Issue on plain paper. Eligible Shareholders shall submit the plain paper application to the Designated Branch of the SCSB for authorising such SCSB to block an amount equivalent to the amount payable on the application in the said bank account maintained with the same SCSB. Applications on plain paper from any address outside India will not be accepted.

Please note that separate applications on plain paper will be required to be made by the Investors for the purposes of Ordinary Shares and ‘A’ Ordinary Shares.

The envelope should be super -scribed “Tata Motors Limited – Rights Issue” and should be postmarked in India. The application on plain paper, duly signed by the Eligible Shareholders including joint holders, in the same order and as per the specimen recorded with our Company/ Depositories, must reach the office of the Registrar before the Issue Closing Date and should contain the following particulars:

1. Name of Issuer, being Tata Motors Limited;

2. Name and address of the Eligible Shareholder including joint holders;

3. Registered Folio Number/ DP and Client ID No.;

4. Certificate numbers and distinctive numbers of Ordinary Shares and / or ‘A’ Ordinary Shares, if held in physical form;

5. Number of Ordinary Shares and / or ‘A’ Ordinary Shares held as on Record Date;

6. Number of Ordinary Shares and / or ‘A’ Ordinary Shares entitled to;

7. Number of Ordinary Shares and / or ‘A’ Ordinary Shares applied for;

8. Number of additional Ordinary Shares and / or ‘A’ Ordinary Shares applied for, if any;

9. Total number of Ordinary Shares and / or ‘A’ Ordinary Shares applied for;

10. Total amount paid at the rate of ₹ 450 per Ordinary Share and ₹ 271 per ‘A’ Ordinary Share, as applicable;

11. Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;

12. In case of non-resident investors, details of the NRE/FCNR/NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;

13. Except for applications on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Shareholder and for each Eligible Shareholder in

case of joint names, irrespective of the total value of the Securities applied for pursuant to the Issue;

14. Signature of the Eligible Shareholders to appear in the same sequence and order as they appear in our records; and

15. Additionally, all such Eligible Shareholders applying through ASBA are deemed to have accepted the following:

"I/ We understand that neither the Rights Entitlement nor the Securities have been, or will be, registered under the United States Securities Act of 1933, as amended (the "US Securities Act") or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the "United States"). I/ we understand the Securities referred to in this application are being offered in India but not in the United States. I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Securities or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Securities or Rights Entitlement in the United States. Accordingly, I/ we understand this application should not be forwarded to or transmitted in or to the United States at any time. I/ we confirm that I/ are not in the United States and understand that none of we, the Registrar, the Lead Managers or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who, we, the Registrar, the Lead Managers or any other person acting on behalf of we have reason to believe is in the United States or is ineligible to participate in the Issue under the securities laws of their jurisdiction.

"I/ We will not offer, sell or otherwise transfer any of the Securities which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/ We acknowledge that we, the Lead Managers, its affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements."

Option to receive Securities in Dematerialized Form

ELIGIBLE SHAREHOLDERS UNDER THE ASBA PROCESS MAY PLEASE NOTE THAT THE SECURITIES UNDER THE ASBA PROCESS CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH THE SECURITIES ARE HELD BY SUCH ASBA APPLICANT ON THE RECORD DATE.

General instructions for Eligible Shareholders applying under the ASBA Process

1. Please read the instructions printed on the respective CAF carefully.

2. Application should be made on the printed CAF only and should be completed in all respects. The CAF found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Letter of Offer, Abridged Letter of Offer are liable to be rejected. The CAF must be filled in English.

3. The CAF in the ASBA Process should be submitted at a Designated Branch of the SCSB and whose bank account details are provided in the CAF and not to the Banker to the Issue (assuming that such Banker is not a SCSB), to our Company or the Registrar or the Lead Managers to the Issue.

4. All Eligible Shareholders, and in the case of application in joint names, each of the joint Applicants, should mention his/her PAN allotted under the IT Act, irrespective of the amount of the application. Except for applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, **CAFs without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Eligible Shareholders for which PAN details have not been verified shall be "suspended for credit" and**

no allotment and credit of Securities pursuant to the Issue shall be made into the accounts of such Eligible Shareholders.

5. All payments will be made by blocking the amount in the ASBA Account. Cash payment or payment by cheque/demand draft/pay order is not acceptable. In case payment is affected in contravention of this, the application may be deemed invalid and the application money will be refunded and no interest will be paid thereon.

6. Signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in English or Hindi and thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Eligible Shareholders must sign the CAF as per the specimen signature recorded with our Company/or Depositories.

7. In case of joint holders, all joint holders must sign the relevant part of the CAF in the same sequence and as per the specimen signature(s) recorded with our Company/ Depositories. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.

8. All communication in connection with application for the Securities, including any change in address of the Eligible Shareholders should be addressed to the Registrar prior to the Allotment Date in this Issue quoting the name of the first/sole Applicant, folio numbers and CAF number.

9. Only the person or persons to whom the Securities have been offered and not renouncee(s) shall be eligible to participate under the ASBA process.

10. Only persons outside the restricted jurisdictions and who are eligible to subscribe for Rights Entitlement and Securities under applicable securities laws are eligible to participate.

11. Only the Eligible Shareholders holding securities in demat are eligible to participate through the ASBA process.

12. Eligible Shareholders who have renounced their entitlement in part/ full are not entitled to apply using the ASBA process.

13. Please note that in accordance with the provisions of the SEBI circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011 all QIBs, Non-Institutional Investors and Non-Retail Individual Investors complying with the eligibility conditions prescribed under the SEBI circular no. SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009 must mandatorily invest through the ASBA process. All Retail Individual Investors complying with the conditions prescribed under the SEBI circular dated December 30, 2009 may optionally apply through the ASBA process. The Investors who are not (i) QIBs, (ii) Non-Institutional Investors, or (iii) Investors whose Application Money is more than ₹ 2,00,000, can participate in the Issue either through the ASBA process or the non ASBA process.

    Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at all branches of the SCSBs.

    Further, in terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/ rights issues and clear demarcated funds should be available in such account for ASBA applications. SCSBs applying in the Issue using the ASBA facility shall be responsible for ensuring that they have a separate account in its own name with any other SCSB having clear demarcated funds for applying in the Issue and that such separate account shall be used as the ASBA Account for the application, in accordance with the applicable regulations.

14. In case of non – receipt of CAF, application can be made on plain paper mentioning all necessary details as mentioned under "Terms of the Issue - Application on Plain Paper" on pages [●].

Do's:

1. Ensure compliance with the eligibility conditions prescribed under the SEBI circular no. SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009.

2. Ensure that the ASBA Process option is selected in Part A of the CAF and necessary details are filled in.

3. Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as Securities will be allotted in the dematerialized form only.

4. Ensure that the CAFs are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the CAF.

5. Ensure that there are sufficient funds (equal to {number of Securities as the case may be applied for} X {Issue Price of Securities, as the case may be}) available in the ASBA Account mentioned in the CAF before submitting the CAF to the respective Designated Branch of the SCSB.

6. Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the CAF, in the ASBA Account, of which details are provided in the CAF and have signed the same.

7. Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the CAF in physical form.

8. Except for CAFs submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Eligible Shareholder should mention their PAN allotted under the IT Act.

9. Ensure that the name(s) given in the CAF is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the CAF is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the CAF.

10. Ensure that the Demographic Details are updated, true and correct, in all respects.

11. Ensure that the account holder in whose bank account the funds are to be blocked has signed authorising such funds to be blocked.

Don'ts:

1. Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.

2. Do not apply on duplicate CAF after you have submitted a CAF to a Designated Branch of the SCSB.

3. Do not pay the amount payable on application in cash, by money order, pay order or by postal order.

4. Do not send your physical CAFs to the Lead Managers / Registrar / Escrow Collection Banks (assuming that such Escrow Collection Bank is not a SCSB) / to a branch of the SCSB which is not a Designated Branch of the SCSB / Company; instead submit the same to a Designated Branch of the SCSB only.

5. Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.

6. Do not apply if the ASBA account has been used for five Eligible Shareholders.

7. Do not apply through the ASBA Process if you are not an ASBA Eligible Shareholder.

8. Do not instruct the SCSBs to release the funds blocked under the ASBA Process.

9. Do not submit CAF having the colour of ink specified for another class of Eligible Shareholders.

Grounds for Technical Rejection under the ASBA Process

In addition to the grounds listed under "Grounds for Technical Rejections for non-ASBA Investors" on page [●], applications under the ABSA Process are liable to be rejected on the following grounds:

1. Application on a SAF.

2. Application for allotment of Rights Entitlements or additional Securities which are in physical form.

3. DP ID and Client ID mentioned in CAF not matching with the DP ID and Client ID records available with the Registrar.

4. Sending an ASBA application on plain paper to person other than SCSB.

5. Sending CAF to Lead Managers / Registrar / Collecting Bank (assuming that such Collecting Bank is not a SCSB) / to a branch of a SCSB which is not a Designated Branch of the SCSB / Company.

6. Renouncee applying under the ASBA Process.

7. Submission of more than five CAFs per ASBA Account.

8. Insufficient funds are available with the SCSB for blocking the amount.

9. Funds in the ASBA Account whose details are mentioned in the CAF having been frozen pursuant to regulatory orders.

10. Account holder not signing the CAF or declaration mentioned therein.

11. CAFs that do not include the certification set out in the CAF to the effect that the subscriber does not have a registered address (and is not otherwise located) in any restricted jurisdiction and is authorized to acquire the rights and the Securities in compliance with all applicable laws and regulations.

12. CAFs which have evidence of being executed in/dispatched from any restricted jurisdiction.

13. QIBs, Non-Institutional Investors and other Eligible Shareholders applying for Securities in this Issue for value of more than ₹ 2,00,000 who hold Securities in dematerialised form and is not a Renouncer or a Renouncee not applying through the ASBA process.

14. Application by an Eligible Shareholder whose cumulative value of Securities applied for is more than ₹ 2,00,000 but has applied separately through split CAFs of less than ₹ 2,00,000 and has not done so through the ASBA process.

15. Multiple CAFs, including cases where an Eligible Shareholder submits CAFs along with a plain paper application.

16. Submitting the GIR instead of the PAN.

17. An Eligible Shareholder, who is not complying with any or all of the conditions for being an ASBA Investor, applies under the ASBA process.

18. Applications by persons not competent to contract under the Indian Contract Act, 1872, as amended, except applications by minors having valid demat accounts as per the demographic details provided by the Depositories.

19. ASBA Bids by SCSB on own account applying through ASBA process, other than through an ASBA

Account in its own name with any other SCSB.

20. Applications by Eligible Shareholders ineligible to make applications through the ASBA process, made through the ASBA process.

21. Non-Institutional Investors who have a bank account with an SCSB providing ASBA facility in the location of the Non-Institutional Investors and the application by the Non-Institutional Investors is not made through that SCSB providing ASBA facility in such location.

Depository account and bank details for Eligible Shareholders applying under the ASBA Process

IT IS MANDATORY FOR ALL THE ELIGIBLE SHAREHOLDERS APPLYING UNDER THE ASBA PROCESS TO RECEIVE THEIR SECURITIES IN DEMATERIALISED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH THE SECURITIES ARE HELD BY THE ELIGIBLE SHAREHOLDERS AS ON THE RECORD DATE. ALL ELIGIBLE SHAREHOLDERS APPLYING UNDER THE ASBA PROCESS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE CAF. ELIGIBLE SHAREHOLDERS APPLYING UNDER THE ASBA PROCESS MUST ENSURE THAT THE NAME GIVEN IN THE CAF IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE CAF IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE CAF/PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

Eligible Shareholders applying under the ASBA Process should note that on the basis of name of these Eligible Shareholders, Depository Participant's name and identification number and beneficiary account number provided by them in the CAF/plain paper applications, as the case may be, the Registrar to the Issue will obtain from the Depository, demographic details of these Eligible Shareholders such as address, bank account details for printing on refund orders and occupation ("Demographic Details"). Hence, Eligible Shareholders applying under the ASBA Process should carefully fill in their Depository Account details in the CAF.

These Demographic Details would be used for all correspondence with such Eligible Shareholders including mailing of the letters intimating unblocking of bank account of the respective Eligible Shareholder. The Demographic Details given by the Eligible Shareholders in the CAF would not be used for any other purposes by the Registrar. Hence, Eligible Shareholders are advised to update their Demographic Details as provided to their Depository Participants.

By signing the CAFs, the Eligible Shareholders applying under the ASBA Process would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

Letters intimating Allotment and unblocking or refund (if any) would be mailed at the address of the Eligible Shareholder applying under the ASBA Process as per the Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Securities are not allotted to such Eligible Shareholder. Eligible Shareholders applying under the ASBA Process may note that delivery of letters intimating unblocking of the funds may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Eligible Shareholder in the CAF would be used only to ensure dispatch of letters intimating unblocking of the ASBA Accounts.

Note that any such delay shall be at the sole risk of the Eligible Shareholders applying under the ASBA Process and none of our Company, the SCSBs or the Lead Managers shall be liable to compensate the Eligible Shareholder applying under the ASBA Process for any losses caused due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that matches three parameters, (a) names of the Eligible Shareholders (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such applications are liable to be rejected.

Underwriting

[●]

Issue Schedule

Issue Opening Date:	[●]
Last date for receiving requests for SAFs:	[●]
Issue Closing Date:	[●]

The Board may however decide to extend the Issue period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date.

Basis of Allotment

Subject to the provisions contained in this Letter of Offer, the Articles of Association of our Company and the approval of the Designated Stock Exchange, the Board will proceed to Allot the Ordinary Shares and 'A' Ordinary Shares in the following order of priority reckoned separately for Ordinary Shares and 'A' Ordinary Shares:

1. Full Allotment to those Eligible Shareholders who have applied for their Rights Entitlement either in full or in part and also to the Renouncee(s) who has/ have applied for Securities renounced in their favour, in full or in part. Allotment to NR Renouncees shall be subject to the permissible foreign investment limits application to our Company under FEMA.

2. Investors whose fractional entitlements are being ignored would be given preference in allotment of one additional Security each if they apply for additional Securities. Allotment under this head shall be considered if there are any unsubscribed Securities after allotment under (1) above. If number of Securities required for Allotment under this head are more than the number of Securities available after Allotment under (1) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.

3. Allotment to the Eligible Shareholders who having applied for all the Securities offered to them as part of the Issue, have also applied for additional Securities. The Allotment of such additional Securities will be made as far as possible on an equitable basis having due regard to the number of Securities held by them on the Record Date, provided there are any unsubscribed Securities after making full Allotment in (1) and (2) above. The Allotment of such Securities will be at the sole discretion of the Board in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.

4. Allotment to Renouncees who having applied for all the Securities renounced in their favour, have applied for additional Securities provided there is surplus available after making full Allotment under (1), (2) and (3) above. The Allotment of such Securities will be at the sole discretion of the Board in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.

5. Allotment to any other person that our Board as it may deem fit provided there is surplus available after making Allotment under (1), (2), (3) and (4) above, and the decision of the Board in this regard shall be final and binding.

After taking into account Allotment to be made under (1) to (4) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed' for the purpose of regulation 3(1)(b) of the Takeover Regulations.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the ASBA Investors who have been allocated Securities in the Issue, along with:

1. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for the Issue, for each successful ASBA;

2. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and

3. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

Allotment Advices / Refund Orders

Our Company will issue and dispatch Allotment advice/ demat credit and/or letters of regret along with refund order or credit the allotted Securities to the respective beneficiary accounts, if any, within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

Investors residing at centers where clearing houses are managed by the RBI will get refunds through National Electronic Clearing Service ("NECS") except where Investors have not provided the details required to send electronic refunds.

In case of those Investors who have opted to receive their Rights Entitlement in dematerialized form using electronic credit under the depository system, advice regarding their credit of the Securities shall be given separately. Investors to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post intimating them about the mode of credit of refund within 15 days of the Issue Closing Date.

In case of those Investors who have opted to receive their Rights Entitlement in physical form and our Company issues letter of allotment, the corresponding share certificates will be kept ready within two months from the date of Allotment thereof or such extended time as may be approved under Section 56 of the Companies Act, 2013 or other applicable provisions, if any. Investors are required to preserve such letters of allotment, which would be exchanged later for the share certificate.

The letter of allotment/ refund order would be sent by registered post/ speed post to the sole/ first Investor's Indian address provided by the Eligible Shareholders to our Company. Such refund orders would be payable at par at all places where the applications were originally accepted. The same would be marked 'Account Payee only' and would be drawn in favour of the sole/ first Investor. Adequate funds would be made available to the Registrar for this purpose.

In the case of non-resident shareholders or Investors who remit their Application Money from funds held in NRE/FCNR Accounts, refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts, the details of which should be furnished in the CAF. Subject to the applicable laws and other approvals, in case of Non-resident shareholders or Investors who remit their application money through Indian Rupee demand drafts purchased from abroad, refund and/or payment of dividend or interest and any other disbursement, shall be credited to such accounts and will be made after deducting bank charges or commission in U.S. dollars, at the rate of exchange prevailing at such time. Our Company will not be responsible for any loss on account of exchange rate fluctuations for conversion of the Indian Rupee amount into U.S. dollars. The letter of allotment will be sent by registered post / speed post to the Indian address of the Non Resident shareholders or Investors as provided to our Company.

Payment of Refund

Mode of making refunds

The payment of refund, if any, would be done through any of the following modes:

1. NECS – Payment of refund would be done through NECS for Investors having an account at any of the 68 centres where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories/the records of the Registrar. The payment of refunds is mandatory for Investors having a bank account at any centre where NECS facility has been made available (subject to availability of all information for crediting the refund through NECS).

2. National Electronic Fund Transfer ("**NEFT**") – Payment of refund shall be undertaken through NEFT wherever the Investors' bank has been assigned the Indian Financial System Code ("**IFSC Code**"), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped

with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.

3. Direct Credit – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.

4. RTGS – If the refund amount exceeds ₹ 200,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the CAF. In the event the same is not provided, refund shall be made through NECS or any other eligible mode. Charges, if any, levied by the refund bank(s) for the same would be borne by our Company. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.

5. For all other Investors the refund orders will be dispatched through speed post/ registered post. Such refunds will be made by cheques, pay orders or demand drafts drawn in favour of the sole/first Investor and payable at par.

6. Credit of refunds to Investors in any other electronic manner which is, permissible under the banking laws that are in force and is permitted by SEBI from time to time.

Refund payment to Non- residents

Where applications are accompanied by Indian rupee drafts purchased abroad and payable at Mumbai, refunds will be made in the Indian rupees based on the U.S. dollars equivalent which ought to be refunded. Indian rupees will be converted into U.S. dollars at the rate of exchange, which is prevailing on the date of refund. The exchange rate risk on such refunds shall be borne by the concerned Applicant and our Company shall not bear any part of the risk.

Where the applications made are accompanied by NRE/FCNR/NRO cheques, refunds will be credited to NRE/FCNR/NRO accounts respectively, on which such cheques were drawn and details of which were provided in the CAF.

Printing of Bank Particulars on Refund Orders

As a matter of precaution against possible fraudulent encashment of refund orders due to loss or misplacement, the particulars of the Investor's bank account are mandatorily required to be given for printing on the refund orders. Bank account particulars, where available, will be printed on the refund orders/refund warrants which can then be deposited only in the account specified. Our Company will, in no way, be responsible if any loss occurs through these instruments falling into improper hands either through forgery or fraud.

Allotment advice / Share Certificates/ Demat Credit

Allotment advice / share certificates / demat credit or letters of regret will be dispatched to the registered address of the first named Investor or respective beneficiary accounts will be credited within 15 days, from the Issue Closing Date. In case our Company issues Allotment advice, the respective share certificates will be dispatched within one month from the date of the Allotment. Allottees are requested to preserve such allotment advice (if any) to be exchanged later for share certificates.

Option to receive Securities in Dematerialized Form

Investors shall be allotted the Securities in dematerialized (electronic) form at the option of the Investor. Our Company has signed a tripartite agreement with NSDL on December 9, 1997 which enables the Investors to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Securities in the form of physical certificates. Our Company has also signed a tripartite agreement with CDSL on September 27, 1999 which enables the Investors to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Securities in the form of physical certificates.

In this Issue, the Allottees who have opted for Securities in dematerialized form will receive their Securities in the form of an electronic credit to their beneficiary account as given in the CAF, after verification with a depository participant. Investor will have to give the relevant particulars for this purpose in the appropriate place in the CAF. Allotment advice, refund order (if any) would be sent directly to the Investor by the Registrar to the Issue but the Investor's depository participant will provide to him the confirmation of the credit of such Securities to the Investor's depository account. CAFs, which do not accurately contain this information, will be given the Securities in physical form. No separate CAFs for Securities in physical and/or dematerialized form should be made. If such CAFs are made, the CAFs for physical Securities will be treated as multiple CAFs and is liable to be rejected. In case of partial Allotment, Allotment will be done in demat option for the Securities sought in demat and balance, if any, will be allotted in physical Securities. Eligible Shareholders of our Company holding Securities in physical form may opt to receive Securities in the Issue in dematerialized form.

INVESTORS MAY PLEASE NOTE THAT THE SECURITIES CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Securities in this Issue in the electronic form is as under:

1. Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. *Those Investors who have already opened such beneficiary account(s) need not adhere to this step.*

2. For Eligible Shareholders already holding Securities in dematerialized form as on the Record Date, the beneficial account number shall be printed on the CAF. For those who open accounts later or those who change their accounts and wish to receive their Securities pursuant to this Issue by way of credit to such account, the necessary details of their beneficiary account should be filled in the space provided in the CAF. It may be noted that the Allotment of Securities arising out of this Issue may be made in dematerialized form even if the Securities are not dematerialized. Nonetheless, it should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company/ Depositories.

3. The responsibility for correctness of information (including Investor's age and other details) filled in the CAF vis-à-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in CAF should be the same as registered with the Investor's depository participant.

4. If incomplete / incorrect beneficiary account details are given in the CAF, the Investor will get Securities in physical form.

5. The Securities allotted to Applicants opting for issue in dematerialized form, would be directly credited to the beneficiary account as given in the CAF after verification. Allotment advice, refund order (if any) would be sent directly to the Applicant by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Securities to the Applicant's depository account.

6. Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Securities in this Issue. In case these details are incomplete or incorrect, the application is liable to be rejected.

General instructions for non-ASBA Investors

1. Please read the instructions printed on the CAF carefully.

2. Applicants that are not QIBs or are not Non – Institutional Investor or those whose Application money does not exceed ₹ 200,000 may participate in the Issue either through ASBA or the non-ASBA process. Eligible Shareholders who have renounced their entitlement (in full or in part), Renouncees and Applicants holding Securities in physical form and/or subscribing in the Issue for Allotment in physical

form may participate in the Issue only through the non ASBA process.

3. Application should be made on the printed CAF, provided by our Company except as mentioned under the head "Terms of the Issue - Application on Plain Paper" from page [●] to [●] and should be completed in all respects. The CAF found incomplete with regard to any of the particulars required to be given therein, and/ or which are not completed in conformity with the terms of this Letter of Offer are liable to be rejected and the money paid, if any, in respect thereof will be refunded without interest and after deduction of bank commission and other charges, if any. The CAF must be filled in English and the names of all the Investors, details of occupation, address, father's / husband's name must be filled in block letters.

   The CAF together with the cheque/demand draft should be sent to the Bankers to the Issue/ Escrow Collection Bank or to the Registrar and not to our Company or the Lead Managers to the Issue. Investors residing at places other than cities where the branches of the Bankers to the Issue have been authorised by our Company for collecting applications, will have to make payment by demand draft payable at Mumbai of an amount net of bank and postal charges and send their CAFs to the Registrar by registered post. If any portion of the CAF is/are detached or separated, such application is liable to be rejected.

   Applications where separate cheques/demand drafts are not attached for amounts to be paid for the Securities are liable to be rejected. Applications accompanied by cash, postal order or stock invest are liable to be rejected.

4. Except for applications on behalf of the Central and State Government, the residents of Sikkim and the officials appointed by the courts, all Investors, and in the case of application in joint names, each of the joint Investors, should mention his/her PAN allotted under the IT Act, irrespective of the amount of the application. CAFs without PAN will be considered incomplete and are liable to be rejected.

5. Investors, holding Securities in physical form, are advised that it is mandatory to provide information as to their savings/current account number, the nine digit MICR number and the name of the bank with whom such account is held in the CAF to enable the Registrar to print the said details in the refund orders, if any, after the names of the payees. Application not containing such details is liable to be rejected.

6. All payment should be made by cheque or demand draft only. Cash payment is not acceptable. In case payment is effected in contravention of this, the application may be deemed invalid and the application money will be refunded and no interest will be paid thereon.

7. Signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in English or Hindi and thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/ her official seal. The Investors must sign the CAF as per the specimen signature recorded with our Company.

8. In case of an application under power of attorney or by a body corporate or by a society, a certified true copy of the relevant power of attorney or relevant resolution or authority to the signatory to make the relevant investment under this Issue and to sign the application and a copy of the Memorandum of Association and Articles of Association and / or bye laws of such body corporate or society must be lodged with the Registrar giving reference of the serial number of the CAF. In case the above referred documents are already registered with our Company, the same need not be a furnished again. In case these papers are sent to any other entity besides the Registrar or are sent after the Issue Closing Date, then the application is liable to be rejected. In no case should these papers be attached to the application submitted to the Bankers to the Issue.

9. In case of joint holders, all joint holders must sign the relevant part of the CAF in the same order and as per the specimen signature(s) recorded with our Company/Depositories. Further, in case of joint Investors who are Renouncees, the number of Investors should not exceed three. In case of joint Investors, reference, if any, will be made in the first Investor's name and all communication will be addressed to the first Investor.

10. Application(s) received from NRs/NRIs, or persons of Indian origin residing abroad for Allotment of

Ordinary Shares and / or 'A' Ordinary Shares, as the case may be, shall, *inter alia*, be subject to conditions, as may be imposed from time to time by the RBI under FEMA, in the matter of refund of application money, Allotment of Securities, interest, export of share certificates, etc. In case an NR or NRI Investor has specific approval from the RBI, in connection with his shareholding, he should enclose a copy of such approval with the CAF. Additionally, applications will not be accepted from NRs/NRIs in any jurisdiction where the offer or sale of the Rights Entitlements and issue of Securities of our Company may be restricted by applicable securities laws.

11. All communication in connection with application for the Securities, including any change in address of the Investors should be addressed to the Registrar prior to the Allotment Date in this Issue quoting the name of the first/sole Investor, folio numbers and CAF number. Please note that any intimation for change of address of Investors, after the Allotment Date, should be sent to the Registrar and transfer agents of our Company, in the case of Securities held in physical form and to the respective depository participant, in case of Securities held in dematerialized form.

12. SAFs cannot be re-split.

13. Only the person or persons to whom Securities have been offered and not Renouncee(s) shall be entitled to obtain SAFs.

14. Investors must write their CAF number at the back of the cheque /demand draft.

15. Only one mode of payment per application should be used. The payment must be by cheque / demand draft drawn on any of the banks, including a co-operative bank, which is situated at and is a member or a sub member of the bankers clearing house located at the centre indicated on the reverse of the CAF where the application is to be submitted.

16. A separate cheque / draft must accompany each CAF. Outstation cheques / demand drafts or post-dated cheques and postal / money orders will not be accepted and applications accompanied by such cheques / demand drafts / money orders or postal orders will be rejected. The Registrar will not accept payment against application if made in cash.

17. No receipt will be issued for application money received. The Bankers to the Issue / Escrow Collection Banks/ Registrar will acknowledge receipt of the same by stamping and returning the acknowledgment slip at the bottom of the CAF.

18. The distribution of this Letter of Offer and issue of Securities to persons in certain jurisdictions outside India may be restricted by legal requirements in those jurisdictions. Persons in such jurisdictions are instructed to disregard this Letter of Offer and not to attempt to subscribe for Securities.

19. Investors shall be given an option to get the Securities in demat or physical form.

20. Investors are requested to ensure that the number of Securities applied for by them do not exceed the prescribed limits under the applicable law.

Do's for non-ASBA Investors:

1. Check if you are eligible to apply i.e. you are an Eligible Shareholder on the Record Date.

2. Read all the instructions carefully and ensure that the cheque/ draft option is selected in Part A of the CAF and necessary details are filled in.

3. In the event you hold Securities in dematerialised form, ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Securities will be allotted in the dematerialized form only.

4. Ensure that your Indian address is available to us and the Registrar and transfer agent, in case you hold the Securities in physical form or the depository participant, in case you hold Securities in dematerialised form.

5. Ensure that the value of the cheque/ draft submitted by you is equal to the (number of Securities applied for) X (Issue Price of Securities, as the case may be) before submission of the CAF.

6. Ensure that you receive an acknowledgement from the collection branch of the Bankers to the Issue for your submission of the CAF in physical form.

7. Ensure that you mention your PAN allotted under the IT Act with the CAF, except for Applications on behalf of the Central and the State Governments, residents of the state of Sikkim and officials appointed by the courts.

8. Ensure that the name(s) given in the CAF is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the CAF is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the CAF.

9. Ensure that the demographic details are updated, true and correct, in all respects.

Don'ts for non-ASBA Investors:

1. Do not apply if you are not eligible to participate in the Issue the securities laws applicable to your jurisdiction.

2. Do not apply on duplicate CAF after you have submitted a CAF to a collection branch of the Bankers to the Issue.

3. Do not pay the amount payable on application in cash, by money order or by postal order.

4. Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.

5. Do not submit Application accompanied with stock invest.

6. Do not submit CAF having the colour of ink specified for another class of Eligible Shareholders.

Grounds for Technical Rejection for non-ASBA Investors

Investors are advised to note that applications are liable to be rejected on technical grounds, including the following:

1. Amount paid does not tally with the amount payable.

2. Bank account details (for refund) are not given and the same are not available with the DP (in the case of dematerialized holdings) or the Registrar and transfer agent (in the case of physical holdings).

3. Age of Investor(s) not given (in case of Renouncees).

4. Except for CAFs on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, PAN not given for application of any value.

5. In case of CAF under power of attorney or by limited companies, corporate, trust, relevant documents are not submitted.

6. If the signature of the Investor does not match with the one given on the CAF and for renounce(s) if the signature does not match with the records available with their depositories.

7. CAFs are not submitted by the Investors within the time prescribed as per the CAF and this Letter of Offer.

8. CAFs not duly signed by the sole/joint Investors.

9. CAFs/ SAFs by OCBs not accompanied by a copy of an RBI approval to apply in this Issue.

10. Submission of the CAFs to SCSBs.

11. Submission of plain paper Application to person other than Registrar.

12. CAFs accompanied by stock invest/ outstation cheques/ post-dated cheques/ money order/ postal order/ outstation demand drafts.

13. In case no corresponding record is available with the depositories that match three parameters, namely, names of the Investors (including the order of names of joint holders), DP ID and Client ID.

14. CAFs that do not include the certifications set out in the CAF to the effect that the subscriber does not have a registered address (and is not otherwise located) in any restricted jurisdictions and is authorised to acquire the Rights Entitlements and Securities in compliance with all applicable laws and regulations.

15. CAFs which have evidence of being executed in/dispatched from restricted jurisdictions.

16. CAFs by ineligible Non-Residents (including on account of restriction or prohibition under applicable local laws) and where an Indian address has not been provided.

17. CAFs where our Company believes that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements.

18. In case the GIR number is submitted instead of the PAN.

19. Applications by Renouncees who are persons not competent to contract under the Indian Contract Act, 1872, except applications by minors having valid demat accounts as per the demographic details provided by the Depositories.

20. Multiple CAFs, including cases where an Investor submits CAFs along with a plain paper application.

21. Applications from QIBs, Non-Institutional Investors or Investors applying in this Issue for Securities for an amount exceeding ₹ 200,000, not through ASBA process.

22. Application by an Eligible Shareholder whose cumulative value of Securities applied for is more than ₹ 200,000 but has applied separately through SAFs of less than ₹ 200,000 and has not been undertaken through the ASBA process.

Please read this Letter of Offer and the instructions contained therein and in the CAF carefully before filling in the CAF. The instructions contained in the CAF are an integral part of this Letter of Offer and must be carefully followed. The CAF is liable to be rejected for any non-compliance of the provisions contained in this Letter of Offer or the CAF.

Investments by FPIs and FIIs

In terms of the SEBI FPI Regulations, the issue of Securities to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to exceed 10% of our post-Issue Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board followed by a special resolution passed by the shareholders of our Company. In this regard, total permitted holding of FIIs in the Ordinary Share paid up capital has been increased to 35% by a resolution passed by our shareholders on January 22, 2004 and to 75% of the 'A' Ordinary Share paid-up capital approved by the Reserve Bank of India pursuant to their letter dated October 31, 2013.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

An FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or sub-account (other than a sub-account which is a foreign corporate or a foreign individual) may participate in the Issue, until the expiry of its registration as an FII or sub-account or until it obtains a certificate of registration as an FPI, whichever is earlier. If the registration of an FII or sub-account has expired or is about to expire, such FII or sub-account may subject to payment of conversion fees as applicable under the SEBI FPI Regulations, participate in the Issue. An FII or sub-account shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included.

Investment by NRIs

Investments by NRIs are governed by the portfolio investment scheme under Regulation 5(3)(i) of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended. Applications will not be accepted from NRIs in restricted jurisdictions.

Please note that pursuant to the applicability of the directions issued by SEBI *vide* its circular no. CIR/ CFD/ DIL/1/2011 dated April 29, 2011, all Applicants who are QIBs, Non-Institutional Investors or are applying in this Issue for Securities for an amount exceeding ₹ 200,000 shall mandatorily make use of ASBA facility.

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

Application made by asset management companies or custodian of a mutual fund shall clearly indicate the name of the concerned scheme for which Application is being made.

Please note that pursuant to the applicability of the directions issued by SEBI *vide* its circular bearing number CIR/ CFD/ DIL/ 1/ 2011 dated April 29, 2011, all Applicants who are QIBs, Non-Institutional Investors or are applying in this Issue for Securities for an amount exceeding ₹ 200,000 shall mandatorily make use of ASBA facility.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."

Dematerialized dealing

Our Company has entered into agreements, dated December 9, 1997 and September 27, 1999 with NSDL and CDSL, respectively, and the Ordinary Shares bear the ISIN INE155A01022 and the 'A' Ordinary Shares bear ISIN IN9155A01020.

Payment by stock invest

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest Scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

Disposal of application and application money

No acknowledgment will be issued for the application moneys received by our Company. However, the Bankers to the Issue / Registrar / Designated Branch of the SCSBs receiving the CAF will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each CAF.

The Board reserves its full, unqualified and absolute right to accept or reject any application, in whole or in part, and in either case without assigning any reason thereto.

In case an application is rejected in full, the whole of the application money received will be refunded. Wherever an application is rejected in part, the balance of application money, if any, after adjusting any money due on Securities allotted, will be refunded to the Investor within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the CAF carefully.

Utilisation of Issue Proceeds

Our Board declares that:

1. All monies received out of the Issue shall be transferred to a separate bank account;

2. Details of all monies utilised out of the Issue shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised;

3. Details of all unutilised monies out of the Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilised monies have been invested; and

4. Our Company may utilize the funds collected in the Issue only after the basis of Allotment is finalised.

Undertakings by our Company

Our Company undertakes the following:

1. The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily.

2. All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Securities are to be listed will be taken within seven working days of finalization of basis of allotment.

3. The funds required for making refunds to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.

4. Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.

5. Except as disclosed in section titled "Capital Structure" in this Letter of Offer, no further issue of securities affecting our Company's equity capital shall be made till the Securities issued/ offered in the Issue are listed or till the application money are refunded on account of non-listing, under-subscription etc.

6. Our Company accepts full responsibility for the accuracy of information given in this Letter of Offer and confirms that to the best of its knowledge and belief, there are no other facts the omission of which makes any statement made in this Letter of Offer misleading and further confirms that it has made all

reasonable enquiries to ascertain such facts.

7. Adequate arrangements shall be made to collect all ASBA applications and to consider then similar to non-ASBA applications while finalising the basis of Allotment.

8. At any given time there shall be only one denomination for the Securities of our Company.

9. Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue, our Company shall refund the entire subscription amount received within 15 days from the Issue Closing Date. If there is delay in the refund of the subscription amount by more than eight days after our Company becomes liable to pay the subscription amount (i.e. 15 days after the Issue Closing Date), our Company shall pay interest for the delayed period, as prescribed under applicable laws.

Important

1. Please read this Letter of Offer carefully before taking any action. The instructions contained in the CAF are an integral part of the conditions of this Letter of Offer and must be carefully followed; otherwise the application is liable to be rejected.

2. All enquiries in connection with this Letter of Offer or CAF and requests for SAFs must be addressed (quoting the Registered Folio Number/ DP and Client ID number, the CAF number and the name of the first Eligible Shareholder as mentioned on the CAF and super-scribed "Tata Motors Limited - Rights Issue" on the envelope and postmarked in India) to the Registrar at the following address:

   Link Intime India Private Limited

   C-13, Pannalal Silk Mills Compound, L.B.S. Marg
   Bhandup (West), Mumbai 400 078
   Tel: (91 22) 6171 5400
   Fax: (91 22) 2596 0329
   Website: www.linkintime.co.in
   Email: tatamotors.rights@linkintime.co.in
   Contact Person: Sachin Achar
   SEBI Registration No: INR000004058

The Issue will remain open for a minimum 15 days. However, the Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date.

SECTION VIII: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the these contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all working days from the date of this Letter of Offer until the Issue Closing Date.

A. Material Contracts for the Issue

1. Issue Agreement dated [●] between our Company and the Lead Managers.

2. Registrar Agreement dated [●] between our Company and the Registrar to the Issue.

3. Bankers to the Issue Agreement dated [●] amongst our Company, the Lead Managers, the Registrar to the Issue and the Banker to the Issue.

4. Monitoring Agency Agreement dated [●] between our Company and the Monitoring Agency.

5. Underwriting Agreement dated [●] between our Company and the Underwriters.

B. Material Documents

1. Certified copies of the updated Memorandum of Association and Articles of Association of our Company, as amended.

2. Certificate of incorporation of our Company.

3. Resolution of our Board dated January 27, 2015 in relation to this Issue and other related matters.

4. Resolution of our shareholders dated March 3, 2015 authorising the issue of ‘A’ Ordinary Shares in terms of Rule 4(1)(b) of the Companies (Share Capital and Debentures) Rules, 2014.

5. Resolution passed by our Board dated March 25, 2015 finalizing the terms of the Issue including Issue Price, Record Date and the Rights Entitlement Ratio.

6. Letter of offer dated September 18, 2008 filed with the Stock Exchanges by our Company.

7. Consents of our Directors, Company Secretary and Compliance Officer, Statutory Auditor, Lead Managers, Banker to the Issue, Legal Advisor to the Issue, the Registrar to the Issue and the Monitoring Agency for inclusion of their names in this Letter of Offer to act in their respective capacities.

8. Consent of Deloitte Haskins & Sells LLP, Chartered Accountants, to be named as an “expert” under Sections 2(38) and 26 of the Companies Act, 2013, in relation to their (i) audit reports dated May 29, 2014 on the audited standalone and audited consolidated financial statements of our Company for Fiscal 2014, (ii) reports each dated February 5, 2015 on the audited standalone financial statements of our Company for the nine month period ended December 31, 2014 and limited reviewed consolidated financial statements for the nine month period ended December 31, 2014, and (iii) the tax benefit statement dated [●], 2015.

9. The (i) audit reports each dated May 29, 2014 on the audited standalone financial statements and audited consolidated financial statements of our Company for Fiscal 2014, and (ii) reports each dated February 5, 2015 on the audited standalone financial statements for the nine month period ended December 31, 2014 and limited reviewed consolidated financial statements for the nine month period ended December 31, 2014.

10. Annual Reports of our Company for Fiscal 2014, 2013, 2012, 2011 and 2010 taken on a standalone and consolidated basis.

11. The tax benefits statement dated [●] from the Statutory Auditor.

12. In principle listing approvals dated [●] and [●] issued by BSE and NSE respectively.

13. Due Diligence Certificate dated [●] addressed to SEBI from the Lead Managers.

14. Letter issued by RBI in relation to the renunciation of the Rights Entitlement i.e. (i) letter no. [●] dated [●].

15. Tripartite Agreement dated December 9, 1997 between our Company, the Registrar to the Issue and NSDL.

16. Tripartite Agreement dated September 27, 1999 between our Company, the Registrar to the Issue and CDSL.

Any of the contracts or documents mentioned in this Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Eligible Shareholders, subject to compliance with applicable law.

DECLARATION

We hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act or the rules made thereunder or regulations issued thereunder, as the case may be. We further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

We further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Name	Signature
Cyrus P Mistry *Chairman and Nominee Director*	
Nusli N Wadia *Independent Director*	
Dr. Raghunath A Mashelkar *Independent Director*	
Nasser Munjee *Independent Director*	
Subodh Bhargava *Independent Director*	
Vinesh K Jairath *Independent Director*	
Dr. Ralf Speth *Non-Executive Director*	
Falguni S Nayar *Independent Director*	
Ravindra Pisharody *Executive Director (Commercial Vehicles)*	
Satish B Borwankar *Executive Director (Quality)*	

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C. Ramakrishnan
Chief Financial Officer

Date: [●]
Place: Mumbai

SECTION IX: ADDITIONAL INFORMATION

This section includes the following additional information:

1. **Business Overview:** Business description of our Company as included in the annual report on Form 20-F filed by the Company with the SEC under the U.S. Securities Exchange Act of 1934 on July 31, 2014.

2. **Operating and financial review and prospects**: Operating and financial review and prospects on: (i) the unaudited condensed (subject to limited review) consolidated financial statements of our Company for the nine month period ended December 31, 2014 prepared in accordance with the International Financial Reporting Standards as issued by the International Accounting Standards Board ("**IFRS**"); and (ii) the audited consolidated financial statements of our Company as at and for the the Fiscal Year 2014 in accordance with IFRS.

3. **Financial Statements:** Financial statements of our Company prepared in accordance with IFRS as indicated below:

    (a) the audited standalone and consolidated financial statements of the Company as at and for the year ended March 31, 2014,

    (b) the audited condensed standalone financial statements of the Company for the nine month period ended December 31, 2014, and

    (c) the unaudited (subject to limited review) condensed consolidated financial statements of the Company for the nine month period ended December 31, 2014.

BUSINESS OVERVIEW

History and Development of the Company

We were incorporated on September 1, 1945 as a public limited liability company under the Indian Companies Act VII of 1913 as Tata Locomotive and Engineering Company Limited. Our name was changed to Tata Engineering and Locomotive Company Limited on September 24, 1960, and to Tata Motors Limited on July 29, 2003. Tata Motors Limited is incorporated and domiciled in India. We commenced operations as a steam locomotive manufacturer. This business was discontinued in 1971. Since 1954, we have been manufacturing automotive vehicles. The automotive vehicle business commenced with the manufacture of commercial vehicles under financial and technical collaboration with Daimler-Benz AG (now Daimler AG) of Germany. This agreement ended in 1969. We produced only commercial vehicles until 1991, when we started producing passenger vehicles as well. Together with our consolidated subsidiaries we form the Tata Motors Group.

In September 2004, we became the first company from India's engineering sector to be listed on the New York Stock Exchange.

We offer a broad portfolio of automotive products, ranging from sub-1 ton to 49 ton GVW, trucks (including pickup trucks) to small, medium, and large buses and coaches to passenger cars, including the world's most affordable car — the Tata Nano, premium luxury cars and SUVs. We rank as the eighth largest truck manufacturer globally in the 6 ton plus category according to Automotive World, as measured by volume of vehicles produced in 2013. The fall in the ranking from fifth to eighth with respect to size of truck manufacturing is attributable to, among other factors, slowdown in the Indian economy and the consequent reduction in sales of the M&HCV vehicles.

We have a substantial presence in India and also have global operations in connection with production and sale of Jaguar and Land Rover premium brand passenger vehicles. We are the largest automobile manufacturer by revenue in India, the largest commercial vehicle manufacturer in terms of revenue in India and among the top four passenger vehicle manufacturers in terms of units sold in India during Fiscal 2014. We estimate that over 8 million vehicles produced by us are being operated in India as of the date hereof.

We operate six principal automotive manufacturing facilities in India: at Jamshedpur in the state of Jharkhand, at Pune in the state of Maharashtra, at Lucknow in the state of Uttar Pradesh, at Pantnagar in the state of Uttarakhand, Sanand in the state of Gujarat and at Dharwad in the state of Karnataka. We also operate three principal automotive manufacturing facilities in the United Kingdom through our Jaguar Land Rover business: at Solihull in the West Midlands, Castle Bromwich in the West Midlands and at Halewood in Liverpool and have two advanced design and engineering facilities located at Whitley and Gaydon.

We have expanded our international operations through mergers and acquisitions and in India we have made strategic alliances involving non-Indian companies:

- In 2004, we acquired the Daewoo Commercial Vehicles Company (renamed as Tata Daewoo Commercial Vehicle Company Limited, or TDCV), which is South Korea's second largest truck maker in terms of revenue. Together with TDCV we have developed our next generation trucks called the 'Prima' range of trucks (earlier referred to as the World Truck).

- In Fiscal 2005, we acquired a 21% equity interest in Hispano Carrocera S.A. (renamed as Tata Hispano Motors Carrocera S.A.), or Hispano, a Spanish bus and coach manufacturer. During Fiscal 2010, we acquired the remaining 79% of the remaining equity interests in Hispano. However, despite investments by Tata Motors since 2005, the impact of the 2008 global economic recession and the resultant shrinkage in demand in the segment in which Tata Hispano operates resulted in accumulated losses of over Euro 60 million in the past five years. Due to the reduction in the size of the market year after year the industry was left with idle capacities making it very difficult to operate. Considering the untenable nature of the business and no or low visibility of a turnaround in the market, as well as the absence of any potential acquirers of the business, we decided to wind down operations in place of investing more over the next five years.

- We have a joint venture agreement with Fiat Group Automobiles S.p.A., Italy, or Fiat Group, located at Ranjangaon in Maharashtra to manufacture passenger cars, engines and transmissions for the Indian and overseas markets. Established in April 2008, the plant currently manufactures Fiat Linea, Fiat Punto, Tata Manza, Tata Indica and Tata Indica Vista vehicles as well as components for such vehicles, such as engines and transmissions. During May 2012, both the joint-venture partners decided to re-align their Indian joint-venture. Accordingly, in March 2013, we and Fiat Group have signed a Restructuring Framework Agreement, or RFA. As per the revised agreement –

a) Joint venture shall manufacture and assemble Fiat products, Tata products and any new products (including for third parties) in accordance with the terms and conditions settled in the RFA. The current third party orders shall continue as per current terms.

b) The distribution company, owned by Fiat Group shall be responsible for distribution of the Fiat vehicles and parts from April 1, 2013.

- In May 2006, we entered into a joint venture agreement with Brazil-based Marcopolo S.A., or Marcopolo, to manufacture and assemble fully-built buses and coaches in India, wherein we have a 51% ownership, with the remainder held by Marcopolo. The joint venture, Tata Marcopolo Motors Limited, or Tata Marco Polo, commenced production during Fiscal 2008.

- In December 2006, we entered into a joint venture agreement with Thonburi Automotive Assembly Plant Co. Ltd Thailand, or Thonburi, to manufacture pickup trucks in Thailand. As of March 31, 2014, we own 94.36% of the joint venture, while Thonburi Group owns the remaining 5.64%. The joint venture, which began vehicle production in March 2008, enabled us to access the Thailand market, which is a major market for pickup trucks, as well as other potential markets in the ASEAN region.

- We are also expanding our export operations for certain products. Our vehicles are being marketed in several countries in Europe, Africa, the Middle East, South East Asia and South Asia. During Fiscal 2008, Tata Motors (SA) Proprietary Ltd, or TMSA, a joint venture company in which we hold a 60% equity interest with the remaining 40% equity interest being held by Tata Africa Holdings (SA) (Pty.) Ltd, was formed for the manufacture and assembly operations of our LCVs and M&HCVs in South Africa. We have set up an assembly plant in South Africa at Rosslyn and commenced operations in July 2011.

- In June 2008, we acquired the Jaguar Land Rover business from Ford Motor Company. Jaguar Land Rover is a global automotive business, which designs, manufactures and sells Jaguar luxury sedans and sports cars and Land Rover premium all-terrain vehicles as well as related parts, accessories and merchandise. The Jaguar Land Rover business has internationally recognized brands, a product portfolio of award winning luxury performance cars and premium all-terrain vehicles, brand specific global distribution networks and research and development capabilities. We acquired three major manufacturing facilities located in Halewood, Solihull and Castle Bromwich and two advanced design and engineering facilities located at Whitley and Gaydon, all in the United Kingdom, together with national sales companies in several countries.

- In October 2010, we acquired an 80% equity interest in Trilix Srl., Turin (Italy), a design and engineering company, in line with our objective to enhance our styling/design capabilities to meet global standards. Trilix offers design and engineering services in the automotive sector, including styling, architecture, packaging, surfacing, macro- and micro-feasibility studies and detailed engineering development. Trilix continues to implement a strategic growth policy and in March 2013 moved to a new facility as part of its ongoing implementation of this growth policy.

- In December 2011, PT Tata Motors Indonesia was established as our subsidiary, with the objective and purpose of conducting business activities of import, assembly and wholesale distribution of vehicles in Indonesia and to neighboring countries. In February 2013, PT Tata Motors Distribusi Indonesia was established as subsidiary of PT Tata Motors Indonesia, with the objective and purpose of conducting business activities of import and wholesale distribution of vehicles in Indonesia.

- Jaguar Land Rover has committed to a joint venture with Chery Automobile Co. Ltd to build a factory in Changshu, China to supply the local market beginning in Fiscal 2015. The joint venture is expected to invest a total of RMB 10.9 billion into the manufacturing plant, R&D center and engine production facility. JLR is committed to invest RMB 3.5 billion of equity capital in the joint venture company, representing a 50% of the share capital and voting rights of the joint venture company.

- In December 2013, Jaguar Land Rover signed an agreement to invest GBP 240 million into a production facility in Rio de Janeiro in Brazil. We expect the construction of the vehicle manufacturing facility will commence in 2014 and the first vehicles are expected to come off the assembly line in 2016. We expect the new plant will have a capacity to build 24,000 vehicles annually for Brazil.

We produce a wide range of automotive products, including:

- **Passenger Cars.** Our range of Tata branded passenger cars include the Nano (Micro segment), the Indica (Compact segment), the Vista (Compact segment) the Indigo eCS (mid-sized segment) and the Manza (mid-sized) in the sedan category. We have expanded our car lines with several variants and fuel options to suit various customer preferences. In June 2013, we announced the Horizonext, a customer-focused strategy for our passenger vehicles business, and unveiled eight newly upgraded and enhanced products across the five brands. In Fiscal 2014, we introduced new products including the E-max range of CNG vehicles (for Tata Indica, Tata Indigo eCS and Tata Nano) and the Nano Twist with electric power steering. During the Delhi Auto Expo 2014, Tata Motors showcased two new products, the Bolt hatchback and the Zest sedan, which are anticipated to be launched later this year.

  Jaguar has an established presence in the premium car segment. Jaguar currently produces four car lines, including the Jaguar XK sports car (coupe and convertible), the Jaguar F-TYPE (coupe and convertible), the Jaguar XF sedan and the Jaguar XJ sedan. The 2013 Model Year Jaguar XF range includes for the first time an all-wheel drive version of the new V6 gasoline engine for the United States and European markets and a 2.0-liter gasoline version for the United States and Chinese markets. The 2013 Model Year for Jaguar XJ includes an all-wheel drive version and a 3.0-liter V6 gasoline version for the United States and European markets and a 2.0-liter gasoline version for the Chinese market. In September 2012, the Jaguar F-TYPE was at the Paris Motorshow, a two-seat sports car that was inspired by the 2011 C-X16 concept car. The Jaguar F-TYPE has an all-aluminum architecture and combines technological features such as all-aluminum double wishbone suspension and stop/start fuel economy measures with the power of Jaguar's latest 3.0-liter V6 and 5.0-liter V8 engines. The Jaguar F-TYPE convertible was made available to retail customers from April 2013 in select markets and the coupe went on sale from April 2014 onwards. The C-X17 concept car was created as a design study to introduce Jaguar's all-new advanced aluminium architecture. We believe that this modular, scalable architecture 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. We believe that the C-X17 concept car is one example of the diverse range of vehicles that could be produced using the new architecture.

- **Utility Vehicles.** We manufacture a range of Tata branded utility vehicles, including the Sumo and the Safari, (SUVs), the Xenon XT (the lifestyle pickup), the Tata Aria (a crossover vehicle), and the Venture (a multipurpose utility vehicle, or MPV). Under the Safari brand, we offer two variants, the Dicor which is equipped with a 2.2L VTT DICOR engine, and the Safari Storme is powered by 2.2L VariCOR engine. Under the Sumo brand we offer the Sumo Gold, which features a BS4 3.0L diesel CR4 engine. The new Tata Aria launched in April 2014 has the 2.2L VARICOR engine which delivers an ultra-smooth ride. Land Rover produces six car lines under the brands of Range Rover and Land Rover, and provides us with market share in the premium all-terrain vehicles segment. Range Rover is the premium range consisting of Range Rover, Range Rover Sport and Range Rover Evoque, and the Land Rover brand comprises the Defender, Discovery 4 and Freelander 2 vehicles. The Freelander 2 was significantly enhanced for the 2013 model year with the introduction of a turbocharged 2.0-liter gasoline engine, offering superior performance to the 3.2-liter engine it replaces while also reducing CO2 emissions. At the 2013 New York International Auto Show, Land Rover introduced the new 2014 Model Year Range Rover Sport built on a weight saving aluminum architecture. The Range Rover Sport's new aluminum architecture achieves a weight saving of up to 420kg, and when combined with a TDV6 engine, allows for improved agility and performance, with 15% CO2 reduction and 24% improved fuel economy. The new Range Rover Sport is the fastest, most agile and most responsive Land Rover produced to date. The new Range Rover Sport was awarded "SUV of the Year" by Top Gear magazine in the United Kingdom in 2013, the Middle East Edition of EVO in 2013 and Car and Driver in China in 2014. The all new Range Rover was launched in the third quarter of Fiscal 2013 on the same lightweight aluminum architecture. A diesel hybrid Range Rover is currently being developed for introduction later in 2014.

- **Light Commercial Vehicles.** We manufacture a variety of Light Commercial Vehicles (LCVs), including pickup trucks, and small commercial vehicles (SCVs) with a GVW (including payload) of between 1.2 tons and 7.5 tons. This also includes the Tata Ace, India's first indigenously developed minitruck with a 0.75 ton payload with different fuel options, the Super Ace with a 1-ton payload, the Ace Zip with a 0.6 ton payload, the Magic and Magic Iris, both passenger variants for commercial transportation developed on the Tata Ace platform, and the Winger. At the Delhi Auto Expo 2014, we unveiled the Ultra Narrow Cab and the Iris Electric. In Fiscal 2014 we marked our entry into two major markets – Australia and Indonesia with the Xenon and the SCV range of vehicles respectively. In Fiscal 2014 our new launches included the Ace and Magic Facelift, the Ace DICOR with common rail engine, and a new Ace Zip to tap the vast small three wheeler market. Additionally, the Company's pickup truck, the Tata Xenon received an award for LCV Cargo vehicle of the year 2013. In Fiscal 2014, the Company launched new features and designs across the SFC (semi-forward control) range, and also introduced mechanical suspended seats in the HEx2 (high power and extra features) range of ICV trucks. Besides this, the Company has introduced the new-generation Ultra LCV / ICV range of trucks which commenced sales in July 2013.

Our Commercial Vehicles business, in year 2011, initiated 'Project Neev' – a growth program for rural India designed to promote self-employment. Through a rigorous skill building exercise, local, unemployed rural youth have been enrolled and trained to work from homes as promoters of our commercial vehicles. Project Neev is currently operational in nine states of India and has engagement in 307 districts, 2,437 sub-districts, covering more than 350,000 villages. The rural penetration drive initiated through Project Neev has additionally deployed an approximately 5,000 strong dedicated rural team and 604 dedicated rural outlets in towns and villages with populations of less than 50,000. More than 50,000 small commercial vehicles have been sold since the commencement of this program, which we attribute to a 19% increase in volumes. Project Neev currently completed its third wave of expansion, and we anticipate that it will operate in all major states across the country within the next couple of years. This programme has been appreciated and recognized in various forums such as Rural Marketing Association of India Flame Awards for excellence in the field of rural marketing.

Another initiative pioneered by our Commercial Vehicles business is 'TATA-OK'. TATA-OK seeks to promote our commercial vehicles through capturing new customer segments, for example economical and used vehicle buyers, promoting the sale of new vehicles through the exchange of used commercial vehicles at our dealerships, increasing the resale value of our commercial vehicles products, and developing deeper customer engagement and thereby promoting brand loyalty. TATA-OK has completed three years of operation, including a pilot year, with more than 15,000 transactions across all customer segments through 150 affiliated retailers across all regions.

- **Medium and Heavy Commercial Vehicles**: We manufacture a variety of Medium and Heavy Commercial Vehicles (M&HCVs), which includes trucks, tractors, buses, tippers, and multi-axled vehicles with GVW (including payload) of between 8 tons and 49 tons. In addition, through TDCV we manufacture a range of trucks ranging from 215 horsepower to 560 horsepower, including dump trucks, tractor-trailers, mixers and cargo vehicles. During Fiscal 2010, we unveiled a new range of trucks, referred to as the 'Tata Prima' line, to our customers in India and South Korea, and have partially extended the offering by providing various products off the 'Prima' line. We also expect to gradually export these 'Prima' products to other countries such as South Africa, Russia, the other South Asian Association for Regional Cooperation (SAARC) countries, the Middle East and various countries in Africa. We showcased at the Delhi Auto Expo 2012, the Tata LPT 3723, India's first 5-axle rigid truck, the Tata Paradiso G7 Multi-axle Coach, jointly developed by Tata Motors and Tata Marcopolo Motors Limited, and the Tata Starbus Fuel Cell Concept (Hydrogen). In September 2012, Tata Motors Limited launched six new heavy trucks and a telematics and fleet management service, Tata FleetMan. Targeted at commercial vehicle fleet owners and large consigners of goods, the service offers advanced telematics solutions, which provides our customers with tools for improving productivity and profitability. The 'Tata Prima' line has now been further extended with the launch of two new engine capacities of 380HP and 230HP. In the 380HP range, two new models have been launched – the Prima 4938 tractor and the Prima 3138K tipper. The new 230HP LX range has two new products – the Prima 4923 and the Prima 4023 tractors. The LX range was further expanded with the launch of 8 more products in Fiscal 2014 – Prima 2523T LX, Prima 3123T LX, Prima 4028.S LX (Single reduction and Hub reduction), Prima 4928.S LX (Single reduction and Hub reduction), Prima 4923.S LX, and Prima LX series of Tippers were launched – 2523K, 3123K, 2528K & 3128K. Our Construck range has been further supplemented with the launch of the Tata LPK 3118 tipper.

On March 23, 2014, the Company organized the T1 Prima Truck Racing Championship at the BIC Greater Noida – Buddh International F1 Circuit.

The championship featured 12 purpose-built Tata 4038.S Prima trucks The 12 trucks were divided among six teams, with participation from experienced international drivers. The Prima Truck Racing Championship was organized by the Federation of Motor Sports Clubs of India (FMSCI) and was conducted according to British Truck Racing Association (BTRA) guidelines. The event showcased the performance of our trucks as well as highlighted the contributions that truck drivers make to their communities.

In Fiscal 2014, we expanded the 'Tata Alert' service across all national highways. 'Tata Alert' provides breakdown assistance across all national highways in India by promising to respond to the breakdown site within 4 hours of notification and to return the vehicle to the road within 48 hours. This was coupled with the introduction of new services such as the 'Tata On-site' service and parts support through the use of "Container Workshops". These workshops are an onsite service support system where a container is deployed onsite and houses the repair equipment while the repairs are done in the open. In addition, we introduced the 'on-demand AMC (Annual maintenance contracts)' service, which provides customized AMC support for significant customers such as large fleet owners. 'Triple Benefit Insurance' products were also introduced for both the cargo and Construck ranges (providing coverage for zero depreciation, loss of revenue, and replacement for total loss in case of accident). In January 2013, to further strengthen the core proposition of lowest total cost of ownership we introduced warranty of 4 years/4 lakh (400,000) kms on drivelines for our entire range of heavy trucks with 25 tons and higher GVW and extended the same to our 16T GVW truck range effective from March 2014 onwards.

For M&HCV buses, several marketing and brand building initiatives have been undertaken. In order to cultivate safe practices in school bus riders, promote the brand image and build connections with school bus riders and stakeholders such as children, parents and school authorities, the 'Dream it to Win it' school bus campaign was organized across 2,070 schools in 11 cities across India, in Fiscal 2013. Owing to positive responses received for the campaign, in Fiscal 2014 this campaign was further extended to 1,967 schools across 22 Indian cities. Through this event, students from different regions were educated on safety while travelling in school buses. Another major initiative undertaken was the 'Good Citizen Program.' This is an interactive training session which has been designed, with the objective of promoting education and awareness of safety in school bus travel to school bus staff and. Since its inception the program has aimed at creating a sense of involvement among participants, increasing awareness about their duties and responsibilities, for example maintaining personal hygiene, general etiquette and behavior and taking necessary measures in case of accidents.

In February 2013, in the SIAM International Bus & Utility Vehicles Show, at Greater Noida, we showcased two new applications from our line-up of buses for the MCV market for intercity transportation and staff transportation: a 45-seater front-engine luxury air-conditioned intercity coach and a luxury non-air-conditioned 41-seater staff bus. Other new vehicles on display included the Divo Coach, Semi Deluxe Starbus Ultra Contract Bus, the all new Starbus Ultra intended for use as school transportation and an ambulance based on the Tata Venture platform. The new MCV buses are fully built offerings catering to both air-conditioned and non-air-conditioned contract and intercity applications. The world-class body has been built to meet international standards by Tata Motors Marcopolo Limited, on the Tata LPO 1618 and LPO 1512 chassis.

At the Delhi Auto Expo 2014, we unveiled Starbus Urban Parallel Hybrid Bus and the Starbus Urban Articulated Bus. The Starbus Urban Parallel Hybrid bus is intended for urban transportation and offers improved mileage with lower emissions relative to the conventional Starbus buses. The Starbus Urban Articulated Bus is targeted at bus rapid transit systems. With its two sections, it offers a carrying capacity of up to 70 passengers alongside the maneuverability needed for city transportation.

We believe that the foundation of our growth over the last five decades has been a deep understanding of economic conditions and customer needs, and the ability to translate this understanding into desirable products though research and development. Our Engineering Research Centre, or ERC, established in 1966, has enabled us to successfully design, develop and produce our own range of vehicles. As a consequence of the acquisition of Jaguar Land Rover, we now have state-of-the-art engineering and design facilities. We believe the ERC along with the capabilities of our Jaguar Land Rover business will enhance our product engineering capability and facilitate rapid introduction of new products. Furthermore, we have a wholly-owned subsidiary, Tata Motors European Technical Centre PLC, or TMETC, in the United Kingdom, which is engaged in automobile research and engineering.

Through our other subsidiary and associate companies, we are engaged in providing engineering and automotive solutions, construction equipment manufacturing, automotive vehicle components manufacturing and supply chain activities, machine tools and factory automation solutions, high-precision tooling and plastic and electronic components for automotive and computer applications, and automotive retailing and service operations.

Tata Technologies Limited, or TTL, our 72.32% owned subsidiary, is engaged in providing specialized engineering and design services, product lifecycle management, or PLM, and product-centric IT services to leading global manufacturers. TTL's customers are among the world's premier automotive, aerospace and consumer durables manufacturers. TTL had 17 subsidiary companies and one joint venture as at March 31, 2014.

TML Distribution Company Limited, or TDCL, our wholly-owned subsidiary, was incorporated on March 28, 2008. TDCL provides distribution and logistics support for distribution of our products throughout India. TDCL commenced its operations in Fiscal 2009.

Our wholly-owned subsidiary, Tata Motors Finance Limited, or TMFL, was incorporated on June 1, 2006, with the objective of becoming a preferred financing provider for our dealer's customers by capturing customer spending over the vehicle life-cycle relating to vehicles sold by us. TMFL commenced operations on September 1, 2006. In India, TMFL is registered with the RBI as a Systemically Important Non-Deposit Taking Non-Banking Financial Company and is classified as an Asset Finance Company under the RBI's regulations on Non-Banking Financial Companies.

Our wholly-owned subsidiary, Tata Motors Insurance Broking and Advisory Services Limited (TMIBASL) is a licensed Direct General Insurance Broker for the Indian market with plans to branch out globally to avail better opportunities. It commenced business in Fiscal 2008 and provides end-to-end insurance solutions in retail segment with special focus on the automobile sector. TMIBASL offers services to various original equipment manufacturers (OEMs) in the passenger vehicle, commercial and construction equipment segments, including Tata Motors.

As of March 31, 2014, our operations included 70 consolidated subsidiaries, 2 joint operations, 3 joint ventures and 18 equity method affiliates, in respect of which we exercise significant influence.

As of March 31, 2014, we had approximately 68,889 permanent employees, including approximately 39,323 permanent employees at our consolidated subsidiaries and joint operations.

Tata Incorporated serves as our authorized United States representative. The address of Tata Incorporated is 3 Park Avenue, 27th Floor, New York, NY 10016, United States of America.

Our Registered Office is located at Bombay House, 24, Homi Mody Street, Mumbai 400 001, India. Our telephone number is +91-22-6665-8282 and our website address is www.tatamotors.com. Our website does not constitute a part of this annual report.

Business Overview

We primarily operate in the automotive segment. Our automotive segment operations include all activities relating to the development, design, manufacture, assembly and sale of vehicles including financing thereof, as well as sale of related parts and accessories. The acquisition of the Jaguar Land Rover business has enabled us to enter the premium car market in developed markets such as the United Kingdom, the United States and Europe as well as in growing markets like China, Russia and Brazil, where we were not present earlier. Going forward, we expect to focus on profitable growth opportunities in our global automotive business, through new products and market expansion. Within our automotive operations we continue to focus on integration and synergy through sharing of resources, platforms, facilities for product development and manufacturing, sourcing strategy and mutual sharing of best practices.

Our business segments are (i) automotive operations and (ii) all other operations. Our 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. We provide financing for vehicles sold by dealers in India. The vehicle financing is intended to drive sale of vehicles by providing financing to the dealers' customers and as such is an integral part of automotive business. Our automotive operations segment is further divided into Tata and other brand vehicles (including spares and financing thereof) and Jaguar Land Rover.

Our other operations business segment includes information technology, or IT services and machine tools and factory automation solutions.

Our Strategy

We believe that we have established a strong position in the Indian automobile industry by launching new products, investing in research and development, strengthening our financial position and expanding our manufacturing and distribution network. We have pursued the strategy of increasing our presence in the global automotive markets and enhancing our product range and capability through strategic acquisitions/alliances. Our goal is to position ourselves as a major international automotive company by offering products across various markets by combining our engineering and other strengths as well as through strategic acquisitions. Our strategy to achieve these goals consists of the following elements:

Continued focus on new product development: In Fiscal 2014, we launched 89 new products or variants of our existing vehicle lines. We offer an extensive range of commercial vehicles (for both goods and passenger transport) as well as passenger vehicles. We have plans to expand the range of our product base further supported by our strong brand recognition in India, our understanding of local consumer preferences, in-house engineering capabilities and extensive distribution network. With growing competition, changing technologies and evolving customer expectations, we understand the importance of bringing new platforms to address market gaps and further enhance our existing range of vehicles to ensure customer satisfaction. Our capital expenditures totaled Rs.272,832 million, Rs.212,078 million and Rs.148,255 million during Fiscal 2014, 2013 and 2012, respectively and we currently plan to invest approximately Rs.380 billion in Fiscal 2015 in new products & technologies.

Jaguar Land Rover has aimed to enhance its technological strengths through in-house R&D activities, including the development of two new engineering and design centres which centralize Jaguar Land Rover's capabilities in product design and engineering. Furthermore, Jaguar Land Rover participates in advanced research consortia that bring together leading manufacturers, suppliers or academic specialists in the United Kingdom and are supported by funding from the UK Government's Technology Strategy Board. Examples of such efforts are the Evoque_e program, which aims to design and develop hybrid and electric vehicle powertrain systems, and the VARCITY project, which aims to develop the supply chains for vehicle body architectures using carbon fiber technology, among other goals.

Leveraging our capabilities: We believe that our in-house research and development capabilities, including those of our subsidiaries Jaguar Land Rover and TDCV and our joint ventures with Marcopolo of Brazil in India, with Thonburi in Thailand and Tata Africa Holdings (SA) (Pty.), Ltd in South Africa, Trilix Srl., Turin (Italy), and TMETC in the United Kingdom will enable us to expand our product range and extend our geographical reach. We continually strive to achieve synergy wherever possible with our subsidiaries and joint ventures.

In Fiscal 2012, we showcased at the Delhi Auto Expo 2012: (i) the Tata Ultra, a new LCV and ICV range platform, allowing flexibility of multiple wheel bases and multiple payload points, (ii) the Tata LPT 3723, India's first 5-axle rigid truck (launched in September 2012) and the Tata Paradiso G7 multi-axle coach, jointly developed by Tata Motors and Marcopolo and (iii) our alternate fuel technology capability through the following concept vehicles - the Tata Starbus Fuel Cell (hydrogen) and the Tata Magic Iris CNG.

Our product portfolio of Tata brand vehicles which includes the Nano, Indica, Indica Vista, Indigo, Indigo Manza, Sumo, Sumo Grande, Safari, Safari Storme, Aria and Venture, enables us to compete in various passenger vehicle market segments. We also offer alternative fuel vehicles under the Nano and Indigo brands.

We have continued modernizing our facilities to meet demand for our vehicles. Our Jamshedpur plant, which manufactures our entire range of M&HCVs, including the Tata Prima, both for civilian and defense applications, was our first, set up in 1945 to manufacture steam locomotives. It led the Company's foray into commercial vehicles in 1954. The Jamshedpur plant has been modernized through the decades, with a particularly intense scale in the last 10 years. In Fiscal 2013, the Jamshedpur plant produced its two millionth truck.
Jaguar Land Rover aims to invest substantially to develop new products in new and existing segments by

introducing new powertrains and technologies that satisfy both customer preferences and regulatory requirements. Complementing this, Jaguar Land Rover invests in manufacturing capacity in the United Kingdom and internationally to meet customer demand. In line with other premium automotive manufacturers Jaguar Land Rover aims to maintain an allocation of 10 to 12% of revenue on capital expenditure. However, in Fiscal 2015 and 2016, we anticipate that Jaguar Land Rover will make higher capital spending in order to take advantage of the growth opportunities. For Fiscal 2015, capital expenditure at our Jaguar Land Rover business are expected to be approximately GBP 3.5 billion to GBP 3.7 billion (allocated approximately 40% for R&D and 60% for expenditure on tangible fixed assets such as facilities, tools and equipment as well as investment in our China joint venture).

In Fiscal 2015, Jaguar Land Rover will also start full production at its Engine Manufacturing Centre at Wolverhampton, UK. Our aim is that the plant will manufacture a family of premium, technologically advanced engines, "Ingenium". These will be entirely designed and built in-house for exclusive use. We expect that the Jaguar XE, debuting in 2015, will be the first vehicle equipped with these four-cylinder engines. Jaguar Land Rover's state-of-the-art Engine Manufacturing Centre is the first new facility that it has built from the ground up. Situated at Wolverhampton in the heart of the UK, we believe that it is ideally located between the Jaguar Land Rover's three other manufacturing sites at Halewood, Castle Bromwich and Solihull. We expect that the plant will employ almost 1,400 people by the time it reaches full capacity and the first phase of recruitment commenced in January 2014. Representing an investment of more than GBP 500 million, we believe that the plant will manufacture Jaguar Land Rover's most advanced engines ever.

Continuing focus on high quality and enhancing customer satisfaction: One of our principal goals is to achieve international quality standards for our products and services. We have established a procedure for ensuring quality control of outsourced components. Products purchased from approved sources undergo a supplier quality improvement process. We also have a program for assisting vendors from whom we purchase raw materials or components to maintain quality. Each vendor is reviewed on a quarterly basis on parameters of quality, cost and delivery and preference is given to vendors with TS 16949 certification. We are pursuing various quality improvement programs, both internally and at our suppliers' operations, in an effort to enhance customer satisfaction and reduce our future warranty costs. We have also established a procedure for ensuring quality control of outsourced components, and products purchased from approved sources undergo a supplier quality improvement process. Reliability and other quality targets are built into our new product introduction process. Assurance of quality is further driven by the design team, which interacts with downstream functions like process-planning, manufacturing and supplier management to ensure quality in design processes and manufacturing. Through close coordination supported by our IT systems, we monitor quality performance in the field and implement corrections on an ongoing basis to improve the performance of our products thereby improving customer satisfaction. In India, we improved our Customer Service Index, or CSI, score to 799 in 2013 from 796 in 2012. We maintained the 6th ranking in the 2013 J.D. Power India Customer Service Index survey. We continue to focus on high quality customer satisfaction. We believe our extensive sales and service network has also enabled us to provide quality and timely customer service. We are encouraging focused initiatives at both sales and service touch points to enhance customer experience and strive to be best in class.

Jaguar and Land Rover collectively received over 195 awards from leading international motoring writers, magazines and commentators in 2013, reflecting the strength of its design capabilities and distinctive model line-up. The Jaguar XF is Jaguar's best-selling model across the world by volume and has received more than 100 international awards since its launch, including being named "Best Executive Car" by What Car? Magazine for four consecutive years. The Jaguar XJ has received more than 20 international awards since its launch, including "Best Luxury Car" from China's Auto News in 2010, "Annual Limousine King" from Quattroroute (Italy), "Luxury Car of the Year" from Top Gear (UK), Automobile Magazine's "2011 Design of the Year" and "Best Executive Sedan" at the Bloomberg Awards in the United States. The Jaguar F-TYPE has been 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. 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 of the large premium car segment has ranked highest among all models in the industry. The New Range Rover Sport was awarded "SUV of the Year" by Top Gear magazine in the United Kingdom in 2013, the Middle East Edition of EVO in 2013 and Car and Driver in China in 2014.

Products and environmental performance: Our strategy is to invest in products and technologies that position our products ahead of expected stricter environmental regulations and ensure that we benefit from a shift in consumer awareness of the environmental impact of the vehicles they drive. We are the largest investor in automotive research and development in the United Kingdom as measured by GBP. We also believe that we are the leader in development of automotive green-technology in the United Kingdom. Our environmental vehicle strategy focuses on new propulsion technology, weight reduction and reducing parasitic losses through the driveline.

We have developed diesel hybrid versions of the Range Rover and Range Rover Sport, without compromising the vehicles' off road ability or load space. We are currently conducting trials of an electric Defender, as part of our research into the electrification of premium sedan and all terrain vehicles.

We believe that we are a global leader in the use of aluminum and other lightweight materials to reduce vehicle weight and improve fuel and CO2 efficiency, and we believe we are ahead of many of our competitors in the implementation of aluminum construction. We offer five aluminum monocoque vehicles: the Jaguar F TYPE, the Range Rover, the Range Rover Sport, the Jaguar XJ and Jaguar XK. We plan to deploy our core competency in aluminum construction across more models in our range.

We are also developing more efficient powertrains and other technologies. This includes smaller and more efficient diesel and gasoline engines, stop start and hybrid engines, starting with a diesel hybrid engine available in the Range Rover and Range Rover Sport this year and the introduction of our own four cylinder engines from beginning in 2015.

Our current product line up is the most efficient it has ever been, in terms of fuel efficient and CO2 emissions. The most efficient version of the Range Rover Evoque emits less than 130 g/km. The all aluminum Jaguar XJ 3.0 V6 twin turbo diesel has CO2 emissions of 159 g/km. The new 3.0 liter TDV6 Range Rover offers similar performance to the previous 4.4 liter TDV8 Range Rover while fuel consumption and CO2 emissions have been reduced (now 196 g/km). The new "downsized" 2.0 liter turbocharged gasoline engine options in the Range Rover Evoque, the 2013 Model Year Freelander, and the Jaguar XF and XJ will also offer improved fuel efficiency. In the case of the latest Freelander Si4, fuel consumption and CO2 emissions have been reduced over the outgoing 3.2 liter Freelander Si6. Equipped with stop start and an 8 speed automatic transmission, the XF 2.2 liter diesel, already the most fuel efficient Jaguar to date was further improved for 2014 Model Year with CO2 emissions cut to 129 g/km. In 2014 we will intend to launch our first hybrid electric vehicles in the Range Rover and Range Rover Sport 3.0L TDV6 Hybrid with emissions of 169 g/km.

We are also taking measures to reduce emissions, waste and the use of natural resources from all of our operations. We recognize the need to use resources responsibly, produce less waste and reduce our carbon footprint. We have reduced our energy use per vehicle by 23% from 2007 levels. We have implemented life cycle techniques so that we can evaluate and reduce our environmental footprint throughout the value chain. We have been certified to the international environmental management standard, ISO 14001, since 1998. As part of our integrated CO2 management strategy, we have one of the largest voluntary CO2 offset programs. Through CO2 offset schemes, we offset all our own manufacturing CO2 emissions and have provided customer programs to enable our customers to offset the emissions from vehicle use.

Mitigating cyclicality: The automobile industry is impacted by cyclicality. To mitigate the impact of cyclicality, we plan to continually strengthen our operations through gaining market share across different segments, and offering a wide range of products in diverse geographies. We also plan to continue to strengthen our business operations other than vehicle sales, such as financing of our vehicles, spare part sales, service and maintenance contracts, sales of aggregates for non-vehicle businesses, reconditioning of aggregates and sale of castings, production aids and tooling / fixtures, to reduce the impact of cyclicality of the automotive industry.

Expanding our international business: Our international expansion strategy involves entering new markets where we have an opportunity to grow and introducing new products to existing markets in order to grow our presence in such markets. Our international business strategy has already resulted in the growth of our international operations in select markets and chosen segments over the last five years. In recent years, we have grown our market share across various African markets such as Kenya, Nigeria, Tanzania, Congo and Senegal, and have also introduced certain products in Australia.

We have also expaned our range through acquisitions and joint ventures. Our acquisition of Jaguar Land Rover has expanded our geographical presence significantly. Through Jaguar Land Rover we now offer products in the premium performance car and premium all-terrain vehicle segments with globally recognized brands and we have diversified our business across markets and product segments. We will continue to build upon the internationally recognized brands of Jaguar Land Rover. TDCV continues to be the largest exporter of heavy commercial vehicles from South Korea. We have established a joint venture along with Thonburi in Thailand to manufacture pickup trucks and any other product lines that would be suitable for the market, going forward. During Fiscal 2008, we established a joint venture company to undertake manufacture and assembly operations in South Africa, which has been one of our largest export markets from India in terms of unit volume. The joint venture company, Tata Motors (SA) Proprietary Limited, commenced operations in July 2011. Currently, Tata Motors (SA) Proprietary Limited, caters to the domestic South African market and up to March 2014, it had produced and sold over 2,000 chassis.

Reducing operating costs: We believe that our scale of operations provides us with a significant advantage in reducing costs and we plan to continue to sustain and enhance this cost advantage.

Our ability to leverage our technological capabilities and our manufacturing facilities among our commercial vehicle and passenger vehicle businesses enables us to reduce cost. For example, the diesel engine used in our Indica was modified to engineer a new variant for use in the Ace platform, which helped to reduce the project cost. Similarly, platform sharing for the manufacture of pickup trucks and UVs enables us to reduce capital investment that would otherwise be required, while allowing us to improve the utilization levels at our manufacturing facilities. Where it is advantageous for us to do so, we intend to add our existing low cost engineering and sourcing capability to vehicles manufactured under the Jaguar and Land Rover brands.

Our vendor relationships also contribute to our cost reductions. For example, we believe that the vendor rationalization program that we are undertaking will provide economies of scale to our vendors which would benefit our cost programs. We are also undertaking various internal and external benchmarking exercises that would enable us to improve the cost effectiveness of our components, systems and sub-systems.

We have intensified efforts to review and realign our cost structure through a number of measures such as reduction of manpower costs and rationalization of other fixed costs. Our Jaguar Land Rover business has undertaken several cost control and cost management initiatives such as increased sourcing of materials from low cost countries, reduction in number of suppliers, rationalization of marketing setup, reduction of manpower costs through increased employee flexibility between sites and several other initiatives. Further, our Jaguar Land Rover business is exploring opportunities through reduction in number of platforms, reduction in engineering costs, increased use of off-shoring and several other initiatives.

Enhancing capabilities through the adoption of superior processes: Tata Sons and the entities promoted by Tata Sons, including us, aim at improving quality of life through leadership in various sectors of national economic significance. In pursuit of this goal, Tata Sons and the Tata Sons promoted entities have institutionalized an approach, called the Tata Business Excellence Model, or TBEM, which has been formulated along the lines of the Malcolm Baldridge National Quality Award to enable us to improve performance and attain higher levels of efficiency in our businesses and in discharging our social responsibility. The model aims to nurture core values and concepts embodied in various focus areas such as leadership, strategic planning, customers, markets and human resources, and to translate them to operational performance. Our adoption and implementation of this model seeks to ensure that our business is conducted through superior processes.

We have deployed a balance score card, or BSC, management system, developed by Dr. Robert Kaplan and Dr. David Norton of the Harvard Business School for measurement based management and feedback. We have also deployed a new product introduction, or NPI, process for systematic product development and a PLM system for effective product data management across our organization. On the human resources front, we have adopted various processes to enhance the skills and competencies of our employees. We have also enhanced our performance management system, with appropriate mechanisms to recognize talent and sustain our leadership base. We believe these will enhance our way of doing business, given the dynamic and demanding global business environment.

Expanding customer financing activities: With financing increasingly being a critical factor in vehicle purchases and the rising aspirations of consumers in India, we intend to expand our vehicle financing activities to enhance our vehicle sales. Further, in a scenario where there is a lack of sufficient finance availability for vehicle sales in the Indian market, as was witnessed during the financial crisis, our finance business is expected to play a significant role in filling the gap created when financing from other banks and non-banking financial companies dries up. In addition to improving our competitiveness in customer attraction and retention, we believe that expansion of our financing business would also contribute towards moderating the impact on our financial results from the cyclical nature of vehicle sales.

Continuing to invest in technology and technical skills: We believe we are one of the most technologically advanced indigenous vehicle manufacturers in India. Over the years, we have enhanced our technological strengths through extensive in-house research and development activities. Further, our research and development facilities at our subsidiaries, like TMETC, TDCV, TTL, and Trilix, together with the two advanced engineering and design centers of Jaguar Land Rover, have increased our capabilities in product design and engineering. In our Jaguar Land Rover business, we are committed to continue to invest in new technologies to develop products that meet the opportunities of the premium segment, including developing sustainable technologies to improve fuel economy and reduce CO2 emissions. We consider technological leadership to be a significant factor in continued success, and therefore intend to continue to devote significant resources to upgrade our technological base.

Maintaining financial strength: Our cash flow from operating activities in Fiscal 2014 and 2013 was Rs.371,432 million and Rs. 225,549 million, respectively. The improved position in our operating cash flows is primarily due to an increase in volumes at our Jaguar Land Rover business, implementation of cost reduction programs, and prudent working capital management. We have established processes for project evaluation and capital investment decisions with an objective to enhance our long term profitability.

Leveraging brand equity: We believe customers associate the Tata name with reliability, trust and ethical value, and our brand name is gaining significant international recognition due to the international growth strategies of various Tata companies. The Tata brand is used and its benefits are leveraged by Tata companies to their mutual advantage. We recognize the need for enhancing our brand recognition in highly competitive markets in which we compete with internationally recognized brands. We, along with Tata Sons and other Tata companies, will continue to promote the Tata brand and leverage its use in India, as well as in various international markets where we plan to increase our presence. Supported by the corporate level "Tata" brand, we believe our product brands like Indica, Indigo, Sumo, Safari, Aria, Venture Nano, Prima, Ace, Magic along with Daewoo, Jaguar, Range Rover and Land Rover are highly regarded, and will be nurtured and promoted. At the same time, we will continue to build new brands such as the newly launched Ultra range of LCVs to further enhance our brand equity.

Automotive Operations

We sold 1,020,546, 1,192,742, and 1,270,211 vehicles in Fiscal 2014, 2013 and 2012 respectively, consisting of 588,657 units of Tata and other brand vehicles and 431,889 units of Jaguar Land Rover vehicles in Fiscal 2014. In terms of units sold our largest market is India where we sold 527,378 and 756,444 units during Fiscal 2014 and 2013, (constituting 51.7% and 63.4% of total sales in Fiscal 2014 and Fiscal 2013, respectively) followed by China where we sold 103,910 units and 79,458 units in Fiscal 2014 and Fiscal 2013 respectively (constituting 10.2% and 6.7% of total sales).

Our total sales (including international business sales and Jaguar Land Rover sales) in Fiscal 2014, 2013 and 2012 are set forth in the table below:

Category	Fiscal 2014		Fiscal 2013		Fiscal 2012	
	Units	%	Units	%	Units	%
Passenger Cars	204,075	20.0 %	237,023	19.9 %	353,709	27.9 %
Utility Vehicles	383,871	37.6 %	361,822	30.3 %	316,589	24.9 %
Light Commercial Vehicles	296,873	29.1 %	428,708	35.9 %	365,677	28.8 %
Medium and Heavy Commercial Vehicles	135,727	13.3 %	165,189	13.9 %	234,236	18.4 %
Total	**1,020,546**	**100.0 %**	**1,192,742**	**100.0 %**	**1,270,211**	**100.0 %**

Revenues from our automotive operations were Rs.2,329,582 million, Rs.1,881,621 million and Rs.1,651,564 million in Fiscal 2014, 2013 and 2012, respectively. Tata and other brand vehicles (including spares and financing thereof) constituted 18.7% of our total automotive revenues before inter-segment elimination in Fiscal 2014, while Jaguar Land Rover constituted 81.3%.

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2014, while Jaguar Land Rover constituted 81.3%.

Tata and other brand vehicles (including spares and financing thereof)

We sold 588,657, 820,686, and 955,961 units of Tata and other brand vehicles in Fiscal 2014, 2013 and 2012, respectively. Of the 588,657 units sold in Fiscal 2014, 527,378 units were sold in India while 61,279 units were sold outside of India, compared to 756,444 units and 64,242 units respectively, in Fiscal 2013. Our share of the Indian four-wheeler automotive vehicle market (i.e. automobile vehicles other than two and three wheeler categories) decreased from 22.1% in Fiscal 2013 to 16.6% in Fiscal 2014. We maintained our leadership position in the commercial vehicle segment in the industry, which was characterized by increased competition during the year. The passenger vehicle market also continued to be subject to intense competition. A principal reason for the decline in volume of sales of Tata and other brand vehicles is the lack of fund availability for potential customers. High default rates in loans alongside early delinquencies has led financiers to tighten lending norms, such as lowering the loan-to-value ratio on new financings while focusing on collection of existing loans.

The following table sets forth our total sales of Tata and other brand vehicles:

Category	Fiscal 2014		Fiscal 2013		Fiscal 2012	
Passenger Cars	123,431	21.10%	179,257	21.9%	2,99,719	31.4
Utility vehicles	32626	5.5%	47,532%	5.8%	56,329	5.9%
Light commercial vehicles	296,873	50.4%	428708	52.2%	365,677	38.2%
Medium and Heavy commercial services	135,727	23.1%	165,189	20.1%	234,236	24.5%
Total	**588,657**	**100.0%**	**820,686**	**100.0%**	**955,961**	**100.0%**

The following table sets forth our market share in various categories in the Indian market-based on wholesale volumes:

Category	Fiscal 2014	Fiscal 2013	Fiscal 2012
Passenger Cars*	6.1%	9.6%	13.6%
Utility vehicles**	5.0%	7.1%	10.9%
Light commercial vehicles***	53.7%	62.2%	60.2%
Medium and Heavy commercial services	54.9%	53,3%	59,3%
Total Four- Wheel Vehicles	**16.6%**	**22.1%**	**25.1%**

* *Passenger cars market shares include sales of Fiat vehicles distributed by us and Jaguar Land Rover vehicles sold in India.*

*** UV market share includes the market share for Vans V1 segment (i.e. Tata Venture) and excludes Vans V2 segment (i.e. Tata Ace Magic),*

**** LCV market shares include the market shares for Vans V2 segment (i.e. Tata Ace Magic) in accordance with SIAM's classification of passenger vehicles.*

Our performance in various categories of the Indian market is described below:

Our performance in various categories of the Indian market is described below:

India's GDP growth continues to remain weak, at 4.9% in Fiscal 2014 according to advance estimates after growing at 4.5% in Fiscal 2013. Industrial activity continues to remain weak. The Index of Industrial production

(IIP) declined by 0.1% during Fiscal 2014. The stagnation in the industrial activity was broad-based. While mining output declined by 1.1%, manufacturing output declined by 0.7% during the same period. Fiscal 2014 witnessed a decline in investments in new projects in line with a slowdown in overall growth. On the back of tight monetary policy, limited fiscal spending, rising inflation and slowing investments, over the previous year, Fiscal 2014 saw many of the same challenges continuing into the year. Fiscal 2014 was marked by efforts of the Government of India to contain the fiscal deficit, and expenditure on infrastructure and other key sectors suffered. With the continued high interest rates and inflation, households were forced to spend more on essentials and reduce discretionary spending, leading to deferral of purchasing 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.

Passenger cars:
The passenger vehicle industry recorded a negative growth of 4.7% for the first time in the last five years in Fiscal 2014. The last such instance was during the economic slowdown of Fiscal 2009, when it remained close to flat at a negative growth of 0.5%. The decline in sales volumes is seen across segments, with the sedan segment witnessing the largest decline. The Hatchbacks and UV segments are historically the volume drivers. The high growth in UV segment last year, with the onset of Softroaders, did not witness similar growth in Fiscal 2014. Further, tightening of credit norms, higher interest rate, and a rise in fuel prices have contributed to low consumer confidence and has resulted in deferral of purchasing decision.

The Government of India has deregulated gasoline prices in the recent past and continued to subsidize diesel prices. This has resulted in preference of diesel vehicles. During the year, the Government of India started correcting the diesel prices in measured manner with a view to minimize government subsidy. This has resulted to lowering of gap between diesel prices and gasoline prices to some extent. Hence share of gasoline vehicles in overall industry has gone up, especially in hatchbacks and sedans. The hatchback segment, which is the largest volume segment in the industry declined in Fiscal 2014. Hyundai launched the Grand i-10 in the hatchback segment this year, which received an overwhelming response in the market. Maruti Suzuki launched its new hatchback Celerio with an automated manual transmission at the Delhi Auto Expo 2014. Nissan launched its budget brand Datsun in India. The first vehicle launched under the Datsun brand is the 'Datsun Go' hatchback.
The sedan segment (or the A3 segment according to SIAM) has grown by around 7% in Fiscal 2014 as compared to Fiscal 2013 due to new launches such as Honda Amaze, New Honda City, Hyundai Xcent, New Elantra, and New Skoda Octavia. The sub 4-m compact sedans continue to remain in demand.

Increase in marketing initiatives and network actions continued in the face of weak industry trends. Our performance within the industry was also impacted unfavorably. During Fiscal 2014, we recorded sales of 117,767 vehicles in the domestic market; a decline of 32.2% over last year. The overall market share of passenger cars was lower at 6.1% as compared to 9.6% during the last fiscal year. The negative growth of industry, competition from new models and declining preference for diesel vehicles, severely affected our market share.

We continued our focus on branding Nano as a smart city car. In Fiscal 2014, we sold 23,400 Nano cars, compared with 48,122 in Fiscal 2013. The Nano Awesome Campaign was launched during Fiscal 2014 along the same lines. The Nano Twist with electric power steering was launched in January 2014 and is aimed at appealing to younger customers.

Consequent to the signing of the Restructuring Framework Agreement, as agreed therein, the distribution agreement between TML, FIAL and FGA for the distribution of the Fiat vehicles in India was terminated with effect from April 1, 2013 and the distribution of the Fiat vehicles was taken over by Fiat Group Automobiles India Private Limited (FGAIPL), a wholly-owned subsidiary of FGA, Italy.

Since the commencement of distribution of Jaguar and Land Rover vehicles through our exclusive dealerships in India in June 2009, the brands have witnessed an impressive growth in the Indian market. The sales volumes in Fiscal 2014 have grown approximately 12.5% to 2,805 vehicles compared to Fiscal 2013 despite the adverse impact of more than 17% depreciation in the value of rupee versus GBP. Aided by start of local manufacturing in India, the sales of Jaguar XF grew by 119% in Fiscal 2014. We expect that continued efforts towards dealership network expansion and local manufacturing of Jaguar Land Rover products will enable us to further penetrate the premium/luxury automotive passenger car market in India.

Utility Vehicles:

The utility vehicle segment, which had grown more than 50% last year has declined this year. The soft roader segment continued to grow with new launches by competition like Ecosport, Terrano and Enjoy. The offroader segment has declined, mainly after an increase in the excise duty on SUVs in February 2013. Our share in the overall UV segment has declined mainly due to lack of presence in the growing compact SUV and softroader segment. The subsequent reduction in the excise duty has not resulted in a substantial improvement in the UV segment.

Commercial Vehicles:

The commercial vehicles market in India in Fiscal 2014 recorded a decline of 22.4%. Limited government spending on developmental activity, weak industrial activity, low freight/cargo availability, rising diesel prices and weak consumer demand, have contributed to this decline. We registered a decrease in sales in Fiscal 2014, by 29.5% to 378,028 units.

Light Commercial Vehicles (including pickups):

Our range of LCVs includes SCVs, pickup trucks, trucks and commercial passenger carriers with a GVW (including payload) of between 1.2 tons and 7.5 tons. The LCV market segment declined by 21.2% in Fiscal 2014 to 498,483 units from 632,450 units in Fiscal 2013. The decline in LCV market segment is particularly significant when compared to its growth rate of 17.9% in Fiscal 2013. Our sales in the LCV segment declined by 31.9% to 268,041 units from 393,726 units in Fiscal 2014.

Medium and Heavy Commercial Vehicles:

Our M&HCVs have a wide range of applications and are generally configured as trucks, tippers, buses, tankers, tractors or concrete mixers. We sold 109,987 units during Fiscal 2014, resulting in a market share of 54.9%.

M&HCV truck sales have been declining for most of Fiscal 2013 and Fiscal 2014, due to a weak economic environment in India, bans on mining, fleet underutilization (estimated at above 40%), rising diesel prices, unchanged freight rates and sharp fall in resale prices. But a partial lifting of the mining bans, the excise duty cut, the increase in the freight rates in January and February have revived sales in the last few months of Fiscal 2014. A complete ban on iron ore mining in the states of Karnataka in Fiscal 2011 and Goa in Fiscal 2012 had been put in place by the Supreme Court of India to suppress illegal mining where the licenses of many mines were cancelled. A small percentage of mines in these areas have resumed mining in the recent past upon receiving clearances from the authorities.

Tata and other brand vehicles — Sales and Distribution:

Our sales and distribution network in India as of March 2014 comprises approximately 2,420 sales contact points for our passenger and commercial vehicle business. In line with our growth strategy, we formed a 100% owned subsidiary, TDCL, in March 2008, to act as a dedicated distribution and logistics management company to support the sales and distribution operations of our vehicles in India. We believe this has improved the efficiency of our selling and distribution operations and processes.

TDCL provides distribution and logistics support for vehicles manufactured at our facilities and has set up stocking points at some of our plants and at different places throughout India. TDCL helps us improve planning, inventory management, transport management and timely delivery. We have completed the initial rollout of a new customer relations management system, or CRM, at all of our dealerships and offices across the country and have been certified by Oracle as the largest Siebel deployment in the automotive market. The combined CRM initiative supports users both within our Company and among our distributors in India and abroad.

Through our vehicle financing division and wholly owned subsidiary, TMFL we also provide financing services to purchasers of our vehicles through our independent dealers, who act as our agents for financing transactions, and through our branch network. TMFL, disbursed Rs.87,676 million and Rs.111,800 million during Fiscal 2014 and 2013, respectively. During Fiscal 2014 and 2013, approximately 32% and 33%, respectively, of our vehicle unit sales in India were made by the dealers through financing arrangements where our captive vehicle financing divisions provided the support. Total vehicle finance receivables outstanding as at March 31, 2014 and 2013 amounted to Rs.185,275 million and Rs.198,219 million respectively.

We market our commercial and passenger vehicles in several countries in Africa, Middle East, South East Asia, South Asia, Australia and Russia/ Commonwealth of Independent States (CIS) countries. We have a network of distributors in all such chosen countries where we export our vehicles. Such distributors have created a network of dealers and branch offices and facilities for sales and after-sales servicing of our products in their respective markets. We have also stationed overseas resident sales and service representatives in various countries to oversee our operations in the respective territories. We use 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.

In Fiscal 2013, we introduced Tata FleetMan. Targeted at commercial vehicle fleet owners and large consigners of goods, the service offers advanced telematics solutions, which we anticipate will help in increasing productivity and profitability. The Tata FleetMan has been designed to address what we understand to be pressing concerns of the commercial vehicle fleet owner.

Through advanced telematics solutions like fuel management, driver management and remote diagnostics, Tata FleetMan combines information technology and telecommunications equipment and software, with Tata Motors Limited expertise in automobile technology, providing features like real time fleet tracking, SMS alerts, geo-fencing and trip management.

We believe that the reach of our sales, service and maintenance network provides us with a significant advantage over our competitors.

Tata and other brand vehicles — Competition:

We face competition from various domestic and foreign automotive manufacturers in the Indian automotive market. Improving infrastructure and robust growth prospects compared to other mature markets have attracted a number of international companies to India who have either formed joint ventures with local partners or have established independently owned operations in India. Global competitors bring with them decades of international experience, global scale, advanced technology and significant financial resources, and as a result, competition is likely to further intensify in the future. We have designed our products to suit the requirements of the Indian market based on specific customer needs such as safety, driving comfort, fuel efficiency and durability. We believe that our vehicles are suited to the general conditions of Indian roads and the local climate. The vehicles have also been designed to comply with applicable environmental regulations currently in effect. We also offer a wide range of optional configurations to meet the specific needs of our customers. We intend to develop and are developing products to strengthen our product portfolio in order to meet the increasing customer expectation of owning world class products.

Tata and other brand vehicles — Seasonality:

Demand for our vehicles in the Indian market is subject to seasonal variations. Demand generally peaks between January and March, although there is a decrease in demand in February just before release of the Government of India's 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 model year change.

Tata and other brand vehicles — Exports:

We are expanding our export operations, which have been ongoing since 1961. We market our commercial and passenger vehicles in several countries in Europe, Africa, the Middle East, South East Asia and South Asia and have recently commenced exports of certain products to Australia. Our exports of vehicles manufactured in India decreased by 2.5% in Fiscal 2014 to 46,983 units from 48,196 units in Fiscal 2013 impacted by external environment influences in Europe, the Middle East and South Asia.

In Fiscal 2014, our top five export destinations from India accounted for approximately 73% and 88% of our exports of commercial vehicles and passenger vehicle units, respectively. We are strengthening our position in the geographic areas we are currently operating in and exploring possibilities of entering new markets with similar market characteristics to the Indian market.

Tata Daewoo Commercial Vehicle Co. Ltd., Korea: TDCV recorded a 5.1% increase in its overall vehicle sales to 10,594 units in Fiscal 2014 from 10,080 units in Fiscal 2013. In the South Korean market, TDCV's unit sales in the M&HCV category in Fiscal 2014 increased by 21.9% to 6,584 units as compared to 5,400 units in Fiscal 2013, mainly due to strong performance of the Company as well as the gradual recovery in the economy. However, TDCV's export performance in Fiscal 2014 decreased by 14.3% to 4,010 units compared to 4,680 units in Fiscal 2013, due to adverse economic conditions in its major export markets.

Jaguar Land Rover

The strengths of the Jaguar Land Rover business include its internationally recognized brands, strong product portfolio of award winning luxury performance cars and premium all-terrain vehicles, global distribution network, strong research and development capabilities, and a strong management team. Our total sales of Jaguar Land Rover in Fiscal 2014, 2013 and 2012 are set forth in the table below:

	Fiscal 2014		Fiscal 2013		Fiscal 2012	
	Units	%	Units	%	Units	%
Jaguar	80,644	18.7 %	57,766	15.5 %	53,990	17.2 %
Land Rover	351,245	81.3 %	314,290	84.5 %	260,260	82.8 %
Total	**431,889**	**100.0%**	**372,056**	**100.0%**	**314,250**	**100.0%**

Jaguar:

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

- The XF, launched in 2008, is a premium executive car that merges sports car styling with the sophistication of a luxury sedan. The 2013 model year XF range also included for the first time an all-wheel drive version of the new V6 gasoline engine for the US and European markets and a 2.0 liter gasoline version for the US and Chinese markets which helped to grow the volume of sales for Jaguar in FY 2014.

- The XJ is Jaguar's largest luxury sedan vehicle, powered by a range of supercharged and naturally aspirated 5.0-liter V8 gasoline engine and a 3.0-liter diesel engine. Using Jaguar's aerospace inspired aluminum body architecture, the new XJ's lightweight aluminum body provides improved agility, and fuel and CO2 efficiency. The 2013 Model Year also included an all-wheel drive version and a 3.0 liter V6 gasoline version for the US and European markets excluding the United Kingdom and a 2.0 liter gasoline version for the Chinese market.

- The F-TYPE, a two seat sports car, inspired by the 2011 C-X16 concept cars, with an all-aluminum structure and enhanced technology with the power of Jaguar's latest 3.0 liter V6 and 5.0 liter 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 coupe 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 sedan - combines a supercar performance and assertive looks with the luxury features already associated with the XJ range. The XKR-S GT is the 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 and scalable aluminum architecture, which is adaptable to different vehicle designs and may be used in different models. JLR has also announced the new Jaguar XE, a mid-sized sedan which will be built on this new modular architecture. We anticipate that this will allow Jaguar to grow its product portfolio and target high growth areas of the premium market.

Land Rover:

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 2, 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 targets extreme all-terrain capabilities and payload / towing capability.

- The Freelander 2 is a vehicle intended for active lifestyles, matching style with technological features and off-road capability. The Freelander 2 offering was enhanced for the 2013 model year with the introduction of a turbocharged 2.0-liter gasoline engine, giving superior performance as compared to the 3.2-liter engine it replaces, while also reducing CO2 emissions.

- The Land Rover Discovery Sport replaces the Freelander 2 in the Land Rover product range and is expected to be available for retail sales in 2015.

- The Range Rover is the flagship product under the Land Rover brand. The new all-aluminum version was launched in the third quarter of Fiscal 2013. The new Range Rover won Top Gear magazine's "Luxury Car of the Year" in 2012 and was awarded the maximum 5-star safety rating by Euro NCAP in 2012. 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.

- 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 demand has been consistent across the globe and the car has been a major success for JLR. The volumes have grown to 120,911 units in Fiscal 2014 as compared to 116,291 units in Fiscal 2013.

- The Range Rover Sport aims to combine 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 2014 model year Range Rover Sport built on a weight saving aluminum architecture that is capable of reducing the weight of the All New Range Rover Sport by up to 420 kg. 2014 model year Range Rover Sport is the fastest, most agile and most responsive Land Rover ever.

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

United States

In Fiscal 2014, industrial activity in the United States increased and the unemployment rate fell. Consumer spending recovered with rising asset prices and consumer confidence. However, consumer spending patterns were disrupted by weather patterns between December and March as well as the shutdown of the U.S. Federal Government.

In Fiscal 2014, total passenger car sales expanded by 6.2%. Alongside a strong expansion of business in Canada, total Jaguar Land Rover sales in North America grew 20.2%. United States retail volumes in Fiscal 2014 for the combined brands totaled 75,671 units. Jaguar retail volumes in Fiscal 2014 grew by 49% compared to Fiscal 2013, leading to an increase in market share. Land Rover retail volumes in Fiscal 2014 increased by 13% compared to Fiscal 2013.

United Kingdom

In Fiscal 2014 labor market conditions in the United Kingdom improved as the employment rate increased. Rising consumer and business confidence helped to underpin stronger retail sales and investment spending, while the recovery in house prices helped to improve household wealth. UK vehicle sales increased 12.5% compared to the previous year.

UK retail volumes in Fiscal 2014 for the combined brands totaled 76,721 units. Jaguar retail volumes in Fiscal 2014 increased by 10% compared to Fiscal 2013, broadly maintaining market share. Land Rover retail volumes in Fiscal 2014 increased by 5% compared to Fiscal 2013, increasing market share.

Europe (excluding Russia)

The European economy continues to struggle, with austerity measures in place in a number of countries. The economic situation continues to create uncertainty around Eurozone stability, the Euro and borrowing costs. Credit continues to be difficult to obtain for customers and the outlook remains volatile.

European retail volumes in Fiscal 2014 for the combined Jaguar Land Rover brands totaled 82,854 units, representing a 2.3% increase compared to Fiscal 2013. Jaguar retail volume in Fiscal 2014 grew by 5%, and Land Rover retail volume in Fiscal 2014 increased by 1.8% compared to Fiscal 2013.

China

The Chinese economy continued to grow in Fiscal 2014, however GDP growth is likely to slow in the future.

The joint venture established to manufacture cars in China with Chery Automobile Co., Limited, or Chery Automobile, a Chinese automotive manufacturer, was approved by the National Development and Reform Commission of the People's Republic of China in October 2012 and GBP 71 million was invested in Fiscal 2013. Jaguar Land Rover and Chery Automobile intend to accelerate plans to build a joint venture manufacturing plant in Changshu, near Shanghai, as part of a 10.9 billion RMB investment that will also include a new research and development center and engine production facility. The project includes the creation of a new partnership brand to assemble models tailored specifically for the Chinese market, including the marketing and distribution. The two companies plan to complete the Changshu facility in Jiangsu province during 2014. Construction of a new engine plant for production of fuel efficient engines is also contemplated in the joint venture partnership agreement.

Chinese retail volumes in Fiscal 2014 reached 103,077 for the combined brands units up from 77,075 units in Fiscal 2013. Jaguar volumes more than doubled to 19,891, while Land Rover sales reached 83,186.

Asia Pacific (excluding China)

The Asia Pacific region main markets are Japan, Australia and New Zealand. These regions were less affected by the economic crisis compared to the United States, the United Kingdom and Europe, and recovered more favorably during Fiscal 2014, partly due to increased trade with China and other growth economies.

The Asia Pacific retail volumes in Fiscal 2014 for the combined brands totaled 22,795 units. Jaguar retail volume in Fiscal 2014 increased by 30% compared to Fiscal 2013. Land Rover retail volume in Fiscal 2014 increased by 27% compared to Fiscal 2013.

Other markets

The major constituents of the other markets category are Russia, South Africa and Brazil, along with the rest of Africa and South America. These economies were not affected as significantly by the 2008 global economic crisis as more developed economies and have had continued GDP growth in recent years, partially due to increased commodity and oil prices.

The other markets retail volumes in Fiscal 2014 for the combined Jaguar and Land Rover brands totaled 73,193 units, reflecting an increase of 15% from Fiscal 2013. Jaguar retail volumes in Fiscal 2014 increased 27% from 6,402 units in Fiscal 2013 to 8,135 in Fiscal 2014, while Land Rover retail volume increased 14% from 57,087 units in Fiscal 2013 to 65,058 in Fiscal 2014.

Jaguar Land Rover — Sales & Distribution:

We market Jaguar Land Rover products in 170 markets, through a global network of 18 national sales companies, or NSCs, 84 importers, 53 export partners and 2,518 franchise sales dealers, of which 784 are joint Jaguar and Land Rover dealers.

Jaguar Land Rover 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. Jaguar Land Rover 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 automobile financial services providers in other key markets. Jaguar Land Rover's financing partners offer its customers a range of consumer financing options.

Sales locations for Jaguar Land Rover vehicles are operated as independent franchises. Jaguar Land Rover is represented in its key markets through national sales companies as well as third party importers. Jaguar Land Rover has regional offices in certain select countries that manage customer relationships, vehicle supplies and provide marketing and sales support to their regional importer markets. The remaining importer markets are managed from the United Kingdom.

Jaguar Land Rover products are sold through our dealerships to retail customers. Jaguar Land Rover products are also sold to fleet customers, including daily rental car companies, commercial fleet customers, leasing companies, and governments. As a consequence, Jaguar Land Rover has a diversified customer base, which reduces its independence on any single customer or group of customers.

Jaguar Land Rover — Competition:

Jaguar Land Rover operates in a globally competitive environment and face competition from established premium and other vehicle manufacturers who aspire to move into the premium performance car and premium SUV markets, some of which are much larger than we are. Jaguar vehicles compete primarily against other European brands such as Audi, BMW and Mercedes Benz. Land Rover and Range Rover vehicles compete largely against SUVs manufactured by Audi, BMW, Infiniti, Lexus, Mercedes Benz, Porsche and Volkswagen. The Land Rover Defender competes with vehicles manufactured by Isuzu, Nissan and Toyota.

Jaguar Land Rover — Seasonality:

Jaguar Land Rover sales volume is impacted by the bi-annual registration of vehicles in the United Kingdom where the vehicle registration number changes every six months, which in turn has an impact on the resale value of the vehicles. This leads to a concentration of sales during the periods when the change occurs. Seasonality in most other markets is driven by introduction of new model year derivatives, for example in the US market. Additionally in the US market there is some seasonality around the purchase of vehicles in northern states where the purchase of Jaguar vehicles is concentrated in the spring /summer months, and the purchase of 4x4 vehicles is concentrated in the autumn/winter months. In China there is an increase in vehicle purchases during the fourth Fiscal quarter, which includes the Chinese New Year holiday. Furthermore, western European markets tend to be impacted by summer and winter holidays. The resulting sales profile influences operating results on a quarter to quarter basis.

Research and Development:

Over the years, we have devoted significant resources towards our research and development activities. Our research and development activities focus on product development, environmental technologies and vehicle safety. Our ERC, established in 1966, is one of the few in-house automotive research and development centers in India recognized by the Government of India. 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, we leverage key competencies through various engineering service suppliers and design teams of our suppliers.

We have a crash test facility for passive safety development towards meeting regulatory and consumer group test requirements and evaluating occupant safety, which includes a full vehicle crash test facility, a sled test facility for simulating the crash environment on subsystems, a pedestrian safety testing facility, a high strain rate machine and a pendulum impact test facility for goods carrier vehicles. This facility is also supported by computer-aided engineering infrastructure to simulate tests in a digital environment. Our safety development facilities also incorporate other equipment that we believe will help improve the safety and design of our vehicles as well as assist in the compliance with regulatory requirements, including transient dynamometer test beds, a mileage accumulation chassis dynamometer and emission labs engine development, a hemi-anechoic chamber testing facility for developing vehicles with lower noise and vibration levels, an engine emission and performance development facility, an eight poster test facility that helps to assess structural durability of M&HCVs, and a new passenger car infotainment system and dedicated labcar testing facility. In addition, we are installing a new engine noise test facility and transmission control unit which we expect will aid in powertrain development. Other key facilities include an environmental testing facility, heavy duty dynamometers and aggregate endurance test rigs.

Our product design and development centers are equipped with hardware, software and other information technology infrastructure, which we believe is conducive to creating a digital product development and virtual testing and validation environment, which we expect to reduce product development cycle-time and to increase ability to create multiple design options. These centers are growing with increased vehicle development programs targeted at improving the breadth and depth of technology. Our product development infrastructure also include prototype development systems, testing cycle simulators and styling studios. We have made investments in our product development infrastructure which we expect to enhance our product development capabilities especially with respect to computer-aided design, computer-aided manufacturing, computer-aided engineering, knowledge-based engineering, product life cycle management, manufacturing planning and specific engineering review processes, such as production of digital mockups. Our product lifecycle management system provides vital processes, including manufacturing feasibility studies, for product development. In order to track and fix various issues arising in vehicle design and development processes, we have institutionalized 'issue tracking' systems at various points in the product development cycle which we believe will manage issues that arise in the product development cycle effectively.

In addition, our research and development activities focus on developing vehicles running on alternative fuels, including CNG, liquefied petroleum gas, bio-diesel and compressed air and electric cars. We are continuing to develop green-technology vehicles and are presently developing an electric vehicle on the Indica Vista platform. We are also pursuing alternative fuel options such as ethanol blending for development of vehicles fueled by hydrogen.

We are also pursuing various initiatives, such as the introduction of premium lightweight architecture, to enable our business to comply with the existing and evolving emissions legislation in the developed world, which we believe will be a key enabler of both reduction in CO2 and further efficiencies in manufacturing and engineering.

Initiatives in the area of vehicle electronics such as engine management systems, in-vehicle network architecture and multiplexed wiring were deployed in our range of vehicles. Technologies such as electronic stability programs, automated and automatic transmission systems, telematics for communication and tracking, anti-lock braking systems intelligent transportation systems are in the process of various phases of deployment on our future range of vehicles. Likewise, various new technologies and systems that would improve safety, performance and emissions of our product range are being implemented in our passenger cars and commercial vehicles.

We are developing an enterprise level vehicle diagnostics system for achieving faster diagnostics of complex electronics in our vehicles in order to provide prompt service to customers. Furthermore, our initiative in telematics has spanned into a fleet management, driver information and navigation system – Tata FleetMan, as well as a vehicle tracking system using Global Navigation Satellite Systems, or GNSS.

We established a wholly-owned subsidiary, TMETC, in 2006, to augment the abilities of our ERC with an objective to obtain access to leading technologies to support our product development activities. In October 2010, we also acquired a design house in Italy, Trilix Srl, that has been working with us on many of our projects and which is now a part of the Tata Motors design organization.

Our 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. In our Jaguar Land Rover products, we are pursuing several initiatives including alternative energy technologies to meet the targeted reduction in CO2 emissions in the next five years. Over recent years, we believe that Jaguar Land Rover has made significant progress in reducing its development cycle times. The ERC in India and Jaguar Land Rover engineering and development operations in the United Kingdom, have identified areas to leverage their facilities and resources to enhance the product development process and achieve economies of scale.

We endeavor to absorb the best of technologies for our product range to meet the requirements of a globally competitive market. All of our vehicles and engines are compliant with the prevalent regulatory norms in the respective countries in which they are sold. Our strategy to invest and develop our development capabilities has helped us 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 our subsidiary TDCV, we 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, which we launched in India and in South Korea during Fiscal 2010. In Fiscal 2011, we launched the Tata Aria, India's first premium crossover and the Tata Venture, a multipurpose van in India. In Fiscal 2013, we launched the Indigo Manza Club Class, the Vista D90, and the Safari Storme in the passenger cars segment and launched the Xenon Pickup, the Tata LPT 3723, and the Prima tipper and tractor variants in the commercial vehicle segment. In Fiscal 2014, we launched the Vista Tech, Nano CNG emax, Nano Twist and updated the current range of products like Indica, Indigo, Sumo, Aria, and Nano in the passenger cars segment and launched the Ultra Truck 912 and 812 with different wheel base, Prima 4928 6x4 and 4028 4x2, 3138 for domestic and 3338 for SA etc. in the commercial vehicle segment.

Intellectual Property

We create, own, and maintain a wide array of intellectual property assets throughout the world that are among our most valuable assets. Our intellectual property assets include patents, trademarks, copyrights designs, trade secrets and other intellectual property rights. Patents relate to our innovations and products; trademarks secured relate to our brands and products; copyrights are secured for creative content; and designs are secured for aesthetic features of products/components. We proactively and aggressively seek to protect our intellectual property in India and other countries.

We own a number of patents and have applied for new patents which are pending for grant in India as well as in other countries. We have also filed a number of patent applications outside India under the Patent Cooperation Treaty, which we expect will be effective in other countries going forward. We also obtain new patents as part of our ongoing research and development activities.

We own registrations for a number of trademarks and have pending applications for registration of these in India as well as other countries. The registrations mainly include trademarks for our vehicle models and other promotional initiatives. We use the Tata brand, which has been licensed to us by Tata Sons. We believe that establishment of the Tata word mark and logo mark in India and around the world is material to our operations. As part of our acquisition of TDCV, we have rights to the perpetual and exclusive use of the "Daewoo" brand and trademarks in South Korea and overseas markets for the product range of TDCV.

As part of the acquisition of our Jaguar Land Rover business, ownership (or co-ownership, as applicable) of core intellectual property associated with Jaguar Land Rover was transferred to us. Additionally, perpetual royalty free licenses to use other essential intellectual property have been granted to us 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 our intellectual property is important to us. In particular, the Tata brand is integral to the conduct of our business, a loss of which could lead to dilution of our brand image and have a material adverse effect on our business.

License(s)

On February 22, 2013, RBI released the final guidelines on granting new banking licenses in line with the Indian government's aim to allow more companies to participate in the banking sector. The Tata Group had previously applied to the RBI for a banking license on July 1, 2013. On November 26, 2013, Tata Group withdrew its application upon concluding that the current financial services operating model best supports the current needs of the Tata Group's domestic and overseas strategy.

Components and Raw Materials

The principal materials and components required by us for use in Tata and other brand vehicles are steel sheets (for in-house stampings) and plates; iron and steel castings and forgings; items such as alloy wheels, tires, fuel injection systems, batteries, electrical wiring systems, electronic information systems and displays; interior systems such as seats, cockpits, doors, plastic finishers and plastic functional parts, glass and consumables (paints, oils, thinner, welding consumables, chemicals, adhesives and sealants) and fuels. We also require aggregates like axles, engines, gear boxes and cams for our vehicles, which are manufactured in-house or by our subsidiaries, affiliates, joint ventures / operations and strategic suppliers. We have long term purchase agreements for some critical components such as transmissions and engines. We have established contracts with some commodity suppliers to cover our own as well as our suppliers' requirements in order to moderate the effect of volatility in commodity prices. We have also undertaken special initiatives to reduce material consumption through value engineering and value analysis techniques.

We have reorganized the sourcing department in India under four divisions, namely, Purchasing, Supplier Quality, Supply Chain and Production and Planning Management or PPM. The reorganization was done with a view to establish and define responsibility and accountability in the sourcing department. Purchasing oversees the commercial aspects of product sourcing; Supplier Quality is primarily responsible for maintaining the quality of supplies that we purchase; Supply Chain oversees the logistics of the supply and delivery of parts for our vendors while PPM oversees execution of new projects.

As part of our strategy to become a low-cost vehicle manufacturer, we have undertaken various initiatives to reduce our fixed and variable costs. In India we started an e-sourcing initiative in 2002, pursuant to which we procure some supplies through reverse auctions. We also use external agencies as third party logistic providers. This has resulted in space and cost savings. Our initiatives to leverage information technology in supply chain activities have resulted in improved efficiency through real time information exchange and processing with our suppliers.

We have an established supplier quality sixteen step process in order to ensure quality of outsourced components. We formalized the component development process using AIAG guidelines. We also have a program for assisting vendors from whom we purchase raw materials or components to maintain quality. Preference is given to vendors with TS 16949 certification. We also maintain a stringent quality assurance program that includes random testing of production samples, frequent re-calibration of production equipment and analysis of post-production vehicle performance, as well as an ongoing dialogue with workers to reduce production defects.

We are also exploring opportunities for increasing the global sourcing of parts and components from low cost countries, and have in place a vendor management program that includes vendor base rationalization, vendor quality improvement and vendor satisfaction surveys. We have begun to include our supply chain in our initiatives on social accountability and environment management activities, including supply chain carbon footprint measurement and knowledge sharing on various environmental aspects.

The principal materials and components required by us for use in our Jaguar and Land Rover vehicles are steel and aluminum in sheet (for in-house stamping) or externally pre-stamped form, aluminum castings and extrusions, iron and steel castings and forgings and items such as alloy wheels, tires, fuel injection systems, batteries, electrical wiring systems, electronic information systems and displays, leather trimmed interior systems such as seats, cockpits, doors, plastic finishers and plastic functional parts, glass and consumables (paints, oils, thinner, welding consumables, chemicals, adhesives and sealants) and fuels. We also require certain highly functional components such as axles, engines and gear boxes for our vehicles, which are mainly manufactured by strategic suppliers. We have long term purchase agreements with our key suppliers. The components and raw materials in our cars include steel, aluminum, copper, platinum and other commodities. We have established contracts with certain commodity suppliers to cover our own and our suppliers' requirements to mitigate the effect of such high volatility in commodity prices. Special initiatives were also undertaken to reduce material consumption through value engineering and value analysis techniques.

The Jaguar Land Rover business works with a range of strategic suppliers to meet our requirements for parts and components. The Jaguar Land Rover business has established quality control programs to ensure that externally purchased raw materials and components are monitored and meet our quality standards. Such programs include site engineers who regularly interface with suppliers and carry out visits to supplier sites and ensure that the relevant quality standards are being met. Site engineers are also supported by persons in other functions, such as program engineers who interface with new model teams as well as resident engineers located at our Jaguar Land Rover plants, who provide the link between the site engineers and the Jaguar Land Rover plants. We have in the past worked, and expect to continue to work, with our suppliers to optimize our procurements, including by sourcing certain raw materials and component requirements from low cost countries.

Suppliers

We have an extensive supply chain for procuring various components. We also outsource many manufacturing processes and activities to various suppliers. In such cases, we provide training to external suppliers who design and manufacture the required tools and fixtures.

Our associate company Tata AutoComp Systems Ltd., or TACO, manufactures automotive components and encourages the entry of internationally acclaimed automotive component manufacturers into India by setting up joint ventures with them.

Our other suppliers include some of the large Indian automotive supplier groups with multiple product offerings, such as the Anand Group, the Sona Group, and the TVS Group, as well as large multinational suppliers, such as Bosch, Continental, Delphi and Denso, Johnson Controls Limited for seats, Yazaki AutoComp Limited for wiring harnesses. We continue to work with our suppliers for our Jaguar Land Rover business to optimize procurements and enhance our supplier base, including the sourcing of certain of our raw material and component requirements from low cost countries. In addition, the co-development of various components, such as engines, axles and transmissions is also being evaluated, which we believe may lead to the development of a low-cost supplier base for Jaguar Land Rover.

In India, we have established vendor parks in the vicinity of our manufacturing operations and vendor clusters have been formed at our facilities at Pantnagar (Uttarakhand) and Sanand (Gujarat). This initiative is aimed at ensuring flow of component supplies on a real-time basis, thereby reducing logistics and inventory costs as well as reducing uncertainties in the long distance supply chain. Efforts are being taken to replicate the model at new upcoming locations as well as a few existing plant locations.

As part of our pursuit of continued improvement in procurement, we have integrated our system for electronic interchange of data with our suppliers with the Enterprise Resource Planning. This has facilitated real time information exchange and processing, which enables us to manage our supply chain more effectively.

We have established processes to encourage improvements via knowledge sharing among our vendors through an initiative called Vendor Council consisting of our senior executives and representatives of major suppliers. The Vendor Council also helps in addressing common concerns through joint deliberations. The Vendor Council works on four critical aspects of engagement between us and the suppliers (i.e., quality, efficiency, relationship and new technology development).

We import some components that are either not available in the domestic market or when equivalent domestically-available components do not meet our quality standards. We also import products to take advantage of lower prices in foreign markets, such as special steels, wheel rims and power steering assemblies.

Ford has been and continues to be a major supplier of parts and services to Jaguar Land Rover. In connection with our acquisition of Jaguar Land Rover in June 2008, long term agreements were entered with Ford for technology sharing and joint development providing technical support across a range of technologies focused mainly around power train engineering such that we may continue to operate according to our existing business plan. Supply agreements, ranging in duration from seven to nine years, were entered into with Ford for (i) the long term supply of engines developed by Ford, (ii) engines developed by us but manufactured by Ford and (iii) engines from Ford-PSA co-operation.

Based on learning from the global financial crisis and its cascading effect on the financial health of our suppliers, we have commenced efforts to assess supplier financial risk.

Suppliers are appraised based on or long term requirements through a number of platforms such as Vendor Council meetings, council regional chapter meetings, national vendor meets and location-specific vendor meets.

Capital and Product Development Expenditures

Our capital expenditure totaled Rs.272,832 million, Rs.212,078 million and Rs.148,255 million during Fiscal 2014, 2013 and 2012, respectively. Our capital expenditure during the past three Fiscal years related primarily to new product development and capacity expansion for new and existing products to meet market demand as well as investments towards improving quality, reliability and productivity that are each aimed at increasing operational efficiency.

We intend to continue to invest in our business units in general, and in research and product development in particular, over the next several years in order to improve our existing product range, develop new products and platforms and to build and expand our portfolio in the passenger vehicle and commercial vehicle categories. We believe this would strengthen our position in the Indian automotive market and help us to grow our market share internationally.

As part of this future growth strategy, we plan to make investments in product development, capital expenditure in capacity enhancement, plant renewal and modernization and to pursue other growth opportunities. Our subsidiaries also have their individual growth plans and related capital expenditure plans. These expenditures are expected to be funded largely through cash generated from operations, existing investible surplus in the form of cash and cash equivalents, investment securities and other external financing sources.

Other Operations

In addition to our automotive operations, we are also involved in other business activities, including information technology services. Net revenues, before inter-segment elimination, from these activities totaled Rs.24,989 million, Rs.22,179 million and Rs.18,905 million in Fiscal 2014, 2013 and 2012, respectively, representing nearly 1.1%, 1.2% and 1.1% of our total revenues before inter-segment elimination in the corresponding Fiscal periods.

Information Technology Services:

As of March 31, 2014, we owned a 72.32% equity interest in our subsidiary, TTL. TTL, founded in 1994 and a part of Tata Motors Group, is a global leader in Engineering Services Outsourcing, and product development IT services solutions for PLM and Enterprise Resource Management, or ERM, to the world's leading automotive, aerospace and consumer durables manufacturers and their suppliers. TTL's services include product design, analysis and production engineering, knowledge-based engineering, PLM, ERM and CRM systems. TTL also distributes implements and supports PLM products from leading solution providers in the world such as Dassault Systems and Autodesk.

TTL has its international headquarters in Singapore, with regional headquarters in the United States (Novi, Michigan), India (Pune) and the United Kingdom (Coventry). In Fiscal 2014, TTL acquired Cambric Corporation, a premier engineering services organization, to achieve greater domain expertise and presence in the industrial equipment sector. TTL has a combined global workforce of around 7,020 professionals serving clients worldwide from facilities in the North America, Europe, and Asia Pacific regions. TTL responds to customers' needs through its subsidiary companies and through its six offshore development centers in India, Thailand and Romania. TTL had 17 functional subsidiary companies and one joint venture as of March 31, 2014.

The consolidated revenues of TTL in Fiscal 2014 were Rs.23,724 million (including sales to Tata Motors Group) reflecting a growth of 16.7% against Rs.20,324 million in the previous year with traction in the automotive and aerospace markets. TTL recorded profit after tax of Rs.2,642 million in Fiscal 2014, reflecting a decrease of 12.2% over Rs.3,008 million in Fiscal 2013.

OPERATING AND FINANCIAL REVIEW AND PROSPECTS

This section includes the following:

1. *Operating and financial review and prospects on the unaudited condensed (subject to limited review) consolidated financial statements of our Company for the nine month period ended December 31, 2014 in accordance with IFRS; and*

2. *Operating and financial review and prospects on the audited consolidated financial statements of our Company as at and for the the Fiscal Year 2014 in accordance with IFRS.*

1. Operating and financial review and prospects on the unaudited condensed (subject to limited review) consolidated financial statements of our Company for the nine month period ended December 31, 2014 in accordance with IFRS.

Overview

Our total revenue (net of excise duties) including finance revenues increased by 15.9% to Rs.1,946,822 million in the nine months ended December 31, 2014 from Rs.1,679,962 million in the same period in 2013. Our net income (attributable to shareholders of the Company) increased by 26.7% to Rs.112,912 million in the nine months ended December 31, 2014 from Rs.89,116 million in the same period in 2013.

Our operations are divided into automotive operations and other operations as described further below. The table below sets forth the breakdown in revenues between our automotive operations and other operations in the nine months ended December 31, 2013 and 2014 and the percentage change from period to period.

	Nine months ended December 31,		
	2013	2014	Change
	Rs. million		
Automotive operations	1,671,346	1,937,298	15.9%
Others	18,077	19,792	9.5%
Inter-segment eliminations	(9,468)	(10,262)	8.5%
Total	**1,679,962**	**1,946,822**	**15.9%**

Automotive operations

Automotive operations are our most significant segment, accounting for 99.5% of our total revenues in the nine months ended December 31, 2013 and 2014. Revenue from automotive operations before inter-segment eliminations increased by 15.9% to Rs.1,937,298 million in the nine months ended December 31, 2014 as compared to Rs.1,671,352 million in the same period in 2013.

Our automotive operations include:

- activities relating to the development, design, manufacture, assembly and sale of vehicles as well as related spare parts and accessories;
- distribution and service of vehicles; and
- financing of our vehicles in certain markets.

Our total sales (including international business sales and Jaguar Land Rover sales) in the nine months ended December 31, 2013 and 2014 are set forth in the table below:

Category	Nine months ended December 31,			
	2013		2014	
	Units	%	Units	%
Passenger Cars	152,763	20.0%	145,296	19.9%
Utility Vehicles	276,292	36.3	305,683	42.0
Light Commercial Vehicles	235,879	30.9	167,702	23.0

Medium and Heavy Commercial Vehicles	597,761	12.8	109,795	15.1
Total	**762,695**	**100.0%**	**728,476**	**100.0%**

Our automotive operations segment is further divided into (i) Tata and other brand vehicles (including vehicle financing thereof) and (ii) Jaguar Land Rover. Jaguar Land Rover contributed 83.4% of our total automotive revenue (before intra-segment elimination) in the nine months ended December 31, 2014, compared to 80.5% of our total automotive revenue (before intra-segment elimination) in the same period in 2013. The remaining 16.6% of our total automotive revenue (before intra-segment elimination) was contributed by Tata and other brand vehicles in the nine months ended December 31, 2014, compared to 19.5% of our total automotive revenue (before intra-segment elimination) in the same period in 2013.

Our revenue from Tata and other brand vehicles (including vehicle financing thereof) and Jaguar Land Rover in the nine months ended December 31, 2013 and 2014 and the percentage change from period to period (before intra-segment eliminations) is set forth in the table below.

	Nine months ended December 31,		
	2013	**2014**	**% of Change**
	Rs. Million		
Tata and other brand vehicles	326,004	321,390	-1.4%
Jaguar Land Rover	1,345,352	1,616,330	20.1%

Tata and other brands vehicles (including vehicle financing)

India is the major market for Tata and other brand vehicles (including vehicle financing). During the nine months ended December 31, 2014, there was generally a slight and gradual economic recovery in the geographic markets in which our Tata and other brands vehicles segment has operations. However, competitive pressures continued across all major products of the Tata and other brands vehicle segment leading to decrease in vehicles sales volumes.

The Indian economy experienced a GDP growth of 7.4% in the nine months ended December 31, 2014, compared to 6.9% in Fiscal 2014 (based on data from the Ministry of Statistics and Program Implementation). The Index of Industrial production (IIP) in India grew by 2.1% in the nine months ended December 31, 2014, compared to flat growth in the same period in 2013. Relatively low growth in industrial activity in India was broad-based and was mainly due to factors such as the poor growth of consumer goods sector, where consumer durables contracted by 15.2% during the nine months ended December 31, 2014 compared to 12.9% in the same period in 2013. Furthermore, aggregate demand has experienced sluggish growth as measured by factors such as demand for capital goods, which grew by 4.8% in the nine months ended December 31, 2014 compared to 0.4% in the same period in 2013.

The Indian automobile industry experienced a growth of 1.8% in the nine months ended December 31, 2014, as compared to negative growth of 7.3% in the same period in 2013. Falling crude oil prices, lower inflation, resumption of manufacturing and mining activities, and lower interest rates, appear to be helping the Indian auto industry revive after two years of declines.

Nevertheless, demand in the light commercial vehicles product category was affected due to the lack of financing for potential customers in the nine months ended December 31, 2014. In addition, high default rates for loans along with early delinquencies has led financiers to tighten lending norms – for example, by lowering the loan-to-value ratio on new financings and by focusing on collection of existing loans instead of extending new loans for small commercial vehicles.

The following table sets forth our total sales of Tata and other brand vehicles:

Category	Nine months ended December 31,			
	2014		2013	
	Units	%	Units	%
Passenger Cars	94,107	20.8%	87,756	22.8%
Utility Vehicles	24,709	5.5	20,227	5.2
Light Commercial Vehicles	235,879	52.1	167,702	43.5

Medium and Heavy Commercial Vehicles	97,761	21.6	109,795	28.5
Total	**452,456**	**100.0%**	**385,480**	**100.0%**

Our overall vehicle sales decreased by 14.8% to 385,480 units in the nine months ended December 31, 2014 from 452,456 units in the same period in 2013, resulting in a revenue (before inter-segment elimination) decrease of 1.4% to Rs.321,390 million during the nine months ended December 31, 2014, compared to Rs.326,004 million in the same period in 2013.

Commercial Vehicles in India

Industry sales in the medium and heavy commercial vehicle segment grew by 10.6% to 160,189 units in the nine months ended December 31, 2014 as compared to sales of 144,855 units in the same period in 2013, due to stable freight rates across key routes, lowering of diesel prices, increased quantity of cargo transported and a renewal of mining activities in the states of Karnataka and Goa. However, the light commercial vehicles segment contracted by 20.2% to 306,127 units in the nine months ended December 31, 2014 from 383,846 units in the same period in 2013, mainly led by lower freight transportation needs, financing defaults and tightened lending norms, all of which continues to impede the recovery in the light commercial vehicles segment. These factors resulted in declines in industry-wide sales of commercial vehicles by 11.8% in the nine months ended December 31, 2014, compared to in the same period in 2013.

Sales of our commercial vehicles in India decreased by 20.5% to 234,522 units in the nine months ended December 31, 2014 from 295,013 units in the same period in 2013. Our sales in the medium and heavy commercial vehicle category grew by 10.6% to 88,840 units in the nine months ended December 31, 2014 as compared to sales of 80,307 units in the same period in 2013. However, our sales in the light commercial vehicles segment in the nine months ended December 31, 2014 declined by 32.1% to 145,682 units in the nine months ended December 31, 2014 from 214,706 units in the same period in 2013.

Passenger Vehicles in India

The passenger vehicle industry in India experienced growth of 5.8% in the nine months ended December 31, 2014, compared to a decline of 4.9% in the same period in 2013. The growth in sales volumes was reflected across passenger vehicle segments. Increased demand in the passenger vehicle industry was primarily attributable to reduced fuel prices and improvement in consumer sentiment.

Notwithstanding growth in the Indian passenger vehicle sector, our passenger vehicle sales in India decreased by 10.8% to 101,204 units in the nine months ended December 31, 2014 from 113,500 units in the same period in 2013 due to fewer new product offerings compared to our competitors and a clearing of our inventory which led to discounting in vehicle prices. Our passenger vehicle categories consist of (i) utility vehicles and (ii) passenger cars. In the utility vehicles segment, we sold 19,139 units in the nine months ended December 31, 2014, representing a decrease of 20.2% from 23,971 units in the same period in 2013. We sold 82,065 units in the passenger car segment in the nine months ended December 31, 2014, representing a decrease of 8.3% compared to 89,529 units in the same period in 2013. We sold 16,060 Nano cars in the nine months ended December 31, 2014, a decrease of 9.4% compared to 17,730 units in the same period in 2013. In August 2014, we launched the Zest, a compact sedan, which resulted in sales of 16,027 units in the nine month period ended December 31, 2014.

International Markets

Our overall sales in international markets increased by 13.2% to 49,754 units in the nine months ended December 31, 2014 compared to 43,943 units in the same period in 2013. Our exports of vehicles manufactured in India increased by 17.7% to 39,213 units in the nine months ended December 31, 2014 from 33,317 units in the same period in 2013. The improvement of the geopolitical situation in the South Asian Association for Regional Cooperation region has contributed to an upsurge in investment in capital goods, which has helped us to improve volumes in this region generally, particularly in Bangladesh. In addition, launch of new models in the Middle East and Africa region along with opening up of new markets in these regions contributed to an increase in international sales volumes.

TDCV, our subsidiary company engaged in design, development and manufacturing of medium and heavy commercial vehicles, recorded a 1.5% increase in its overall vehicle sales to 7,968 units in the nine months ended December 31, 2014, from 7,851 units in the same period in 2013. TDCV exported 2,841 units in the nine months ended December 31, 2014, compared to 3,125 units in the same period in 2013, a fall of 9.1%. Sluggish market conditions in Russia, South Africa, Algeria and Laos due to adverse sociopolitical conditions were partially offset by increase in sales volumes in Vietnam. The Ukraine crisis and financial sanctions contributed to sluggish market conditions in Russia, which affected currency exchange rates and lessened demand for automobiles and for new large projects. The overall sales in South Africa have been affected by the depreciation of the South African Rand and overall limited economic growth. In Algeria and Laos, vehicle demand has been affected by continued political and economic uncertainties and general economic conditions and the absence of major projects. In Vietnam, TDCV has been able to develop new fleet customers to take advantage of shift in demand to more lightweight commercial vehicles due to stricter application of vehicles weight regulations. In the South Korean market, TDCV's sales have increased by 8.5% to 5,127 units in the nine months ended December 31, 2014 from 4,726 units in the same period in 2013, primarily due to higher sales in October to December 2014, due to emission norms effective from January 1, 2015.

Vehicle Financing

Revenue from our vehicle financing operations decreased by 29.8% to Rs.17,097 million in the nine months ended December 31, 2014 as compared to Rs.24,338 million in the same period in 2013, mainly due to the generation of fewer automotive financing loans in India. The decrease in loans was primarily attributable to lower volumes in the light commercial vehicles category, resulting in a reduction of finance receivables.

Spare Parts and After Sales Activity

Our spare parts and after sales activity revenue was Rs.30,256 million in the nine months ended December 31, 2014, compared to Rs.30,205 million in the same period in 2013. Our spare parts and after sales activity experienced limited growth due to weak sales of both commercial vehicles and passenger vehicles in recent years.

In terms of earnings before other income, interest and tax before inter-segment eliminations from Tata and other brand vehicles, vehicle financing and spare parts and after sales activity, we incurred a loss of Rs.18,112 million in the nine months ended December 31, 2014 as compared to Rs.9,532 in the same period in 2013. The losses were mainly attributable to a significant reduction in sales volumes and competitive pressure on pricing. There was an increase in depreciation expenses as a result of additions to plants and facilities in recent years, and in amortization expenses for product development costs due to new products launched. While we have implemented cost reduction programs, we expect that, in the short-term, the level of fixed costs are expected to continue to have a negative impact on earnings.

Jaguar Land Rover

Our total sales of Jaguar Land Rover vehicles with a breakdown between Jaguar and Land Rover brand vehicles in the nine months ended December 31, 2013 and 2014 are set forth in the table below:

Category	Nine months ended December 31,			
	2013		2014	
	Units	%	Units	%
Jaguar	58,656	18.9%	57,540	16.8%
Land Rover	251,583	81.1	285,456	83.2
Total	**310,239**	**100.0%**	**342,996**	**100.0%**

In the nine months ended December 31, 2014, Jaguar Land Rover continued to experience growth in all its geographical markets, including both developing and developed markets, and particularly in the United Kingdom. However, economic conditions have been unfavorable in Europe and in some other markets, particularly Russia. Overall, the volume growth has been driven by the strong sales of Range Rover, Range Rover Sport and the Jaguar F-TYPE.

Retail volumes in the nine months ended December 31, 2014 were 337,902 units, an increase of 9.2% compared to the same period in 2013. Retail volumes in the nine months ended December 31, 2014 were 57,539 units for Jaguar and 280,363 units for Land Rover, a growth of 1.9% and 10.8%, respectively from 56,491 units and 253,044 units respectively, in the same period in 2013. Retail volumes in China increased by 25.8% to 92,443 units in the nine months ended December 31, 2014 from 73,510 units, in the same period in 2013. Retail volumes in the Asia-Pacific region increased by 17.7% to 19,460 units in the nine months ended December 31, 2014 from 16,539 units in the same period in 2013. Retail volumes in the United Kingdom increased by 11.9% to 58,041 units in the nine months ended December 31, 2014 from 51,890 units in the same period in 2013. Retail volumes in North America decreased by 1.2% to 55,058 units in the nine months ended December 31, 2014 compared to 55,748 units in the same period in 2013, primarily due to the lack of available Freelander inventory and a production scheduling mismatch between supply and demand. Retail volumes in the Rest of Europe market increased by 6.0% to 61,384 units in the nine months ended December 31, 2014 compared to 57,928 units in the same period in 2013, primarily due to strong sales of the Range Rover, Range Rover Sport and the Jaguar F-TYPE, partially offset by the lack of available Freelander inventory. Retail volumes in the Rest of the World market declined by 4.5% to 51,516 units in the nine months ended December 31, 2014 compared to 53,920 units in the same period in 2013, primarily as a consequence of adverse economic and political conditions impacting sales in Russia, Brazil and South Africa.

Wholesale volumes in the nine months ended December 31, 2014 were 342,996 units, an increase of 10.6% from 310,239 units in the same period in 2013. Wholesale volumes for Jaguar brand vehicles declined by 1.9% to 57,540 units in the nine months ended December 31, 2014 from 58,656 units sold in the same period in 2013. Wholesale volumes for Land Rover brand vehicles in the nine months ended December 31, 2014 were 285,456 units, an increase of 13.5% from 251,583 units in the same period in 2013, driven by strong sales of the Range Rover, Range Rover Sport and Range Rover Evoque, [which were partially offset by inventory shortages of the Freelander] and a favorable market mix, most notably strong sales in China.

The premium and luxury vehicles sector in India has experienced growth in an otherwise declining year. We sold 2,046 units of Jaguar and Land Rover in India in the nine months ended December 31, 2014 as compared to 1,992 units in the same period in 2013, an increase of 2.7%.

Revenues (before inter-segment eliminations) for Jaguar Land Rover were Rs.1,616,330 million in the nine months ended December 31, 2014, compared to Rs.1,345,352 million in the same period in 2013, representing a 20.1% increase. This increase was primarily driven by sales of particular models such as the Range Rover, Range Rover Sport and the Jaguar F-TYPE as well as the strong market demand attributable in part to continued success in China. The revenues were also positively impacted by a foreign currency translation gain of approximately Rs.78,600 million in the nine months ended December 31, 2014.

In the nine months ended December 31, 2014, the Jaguar Land Rover business reported earnings before other income, interest and tax before inter-segment eliminations of Rs.208,964 million, representing an increase of 23.8% as compared to Rs.168,735 million in the same period in 2013. The improvement in profitability was mainly attributable to higher volumes of the Range Rover, the Range Rover Sport and the Jaguar F-TYPE and strong sales in key geographical markets, most notably in China and the United Kingdom. Jaguar Land Rover's sales performance was also supported by the positive impact of the continuing strength of the U.S. dollar against the GBP and the Euro which improved Jaguar Land Rover's revenues from the United States where sales are made in U.S. dollars, and China where sales are made in Chinese Renminbi, particularly since Jaguar Land Rover has a largely GBP and Euro cost base. The reported earnings before other income, interest and tax also include an element of foreign currency translation gain of GBP to Indian rupees of Rs.8,372 million in the nine months ended December 31, 2014.

Other Operations

Our other operations business segment mainly includes information technology services, and machine tools and factory automation services. Our revenue from other operations before inter-segment eliminations was Rs.19,792 million in the nine months ended December 31, 2014, an increase of 9.5% from Rs.18,077 million in the same period in 2013. Revenues from other operations represented 1.1% and 1.0% of total revenues, before inter-segment eliminations, in the nine months ended December 31, 2013 and 2014, respectively.

Overall, earnings before other income, interest and tax before inter-segment eliminations, were Rs.2,380 million in the nine months ended December 31, 2014 compared to Rs.1,614 million in the same period in 2013, an increase of 47.5%.

Geographical breakdown

We have pursued a strategy of increasing exports of Tata and other brand vehicles to new and existing markets. Improved market sentiment in certain countries to which we export and a strong portfolio of Jaguar Land Rover vehicles has enabled us to increase our share in these international markets in the nine months ended December 31, 2014. Furthermore, Jaguar Land Rover also experienced a change in market mix, in particular the continued strengthening of business in China, which is our second largest single market in terms of volumes, after India. The performance of our subsidiary in South Korea, TDCV, and Tata Technologies Limited, our specialized subsidiary engaged in engineering, design and information technology services contributed to our revenue from international markets. TDCV's major export markets are Algeria, Russia, Vietnam, South Africa and countries in the Middle East, such as Abu Dhabi, Dubai, Oman and Qatar. The proportion of our net sales earned from markets outside of India has increased to 86.4% in the nine months ended December 31, 2014 from 84.3% in the same period in 2013. There was an adverse impact on account of reduction in domestic sales in India.

The following table sets forth our revenue from our key geographical markets and the percentage of total revenues that each key geographical markets contributes for the periods indicated:

Revenue	**Nine months ended December 31, 2013**		**Nine months ended December 31, 2014**	
	Rs. in million	**%**	**Rs. in million**	**%**
India	264,678	15.8	265,241	13.6
China	465,351	27.7	615,510	31.6
United Kingdom	192,203	11.4	233,315	12.0
United States of America	195,900	11.7	212,542	10.9
Rest of Europe*	200,241	11.9	232,860	12.0
Rest of the World	361,590	21.5	387,555	19.9
Total	**1,679,963**	**100.0%**	**1,946,822**	**100.0%**

* Rest of Europe is geographic Europe excluding the United Kingdom and Russia. Rest of the World is any region not specifically included above.

Significant Factors Influencing our Results of Operations

Our results of operations are dependent on a number of factors, which include mainly the following:

- *General economic conditions*. We, similar to other participants in the automotive industry, are materially affected by general economic conditions.
- *Interest rates and availability of credit for vehicle purchases*. Our volumes are significantly dependent on the availability and the cost of vehicle financing arrangements.
- *Excise duty and sales tax rates*. In India, the excise and sales tax rate structure affects the cost of vehicles to the end user and impacts demand significantly.
- *Our competitive position in the market.* Our competitors may offer brands that customers prefer to ours at more competitive prices.
- *Cyclicality*. We are affected by the cyclicality of demand in the automotive market, which is impacted by seasonal consumer demand as well as new government and environmental regulations.
- *Environmental Regulations*. There has been a greater emphasis on raising emission and safety standards for the automobile industry by governments in the various countries in which we operate. Compliance with applicable environmental and safety laws, rules, regulations and standards will have a significant bearing on costs and product life cycles in the automotive industry.
- *Foreign Currency Rates*. Our operations and our financial position are quite sensitive to fluctuations in foreign currency rates. Jaguar Land Rover earns significant revenue in the United States, Europe and China and also sources a significant portion of its input material from Europe. Any exchange rate

fluctuations of GBP to Euro, GBP to U.S. dollars and GBP to other currencies would affect our financial results. We also have significant borrowings in foreign currencies denominated mainly in U.S. dollars. Our consolidated financial results are affected by foreign currency exchange fluctuations through both translation risk and transaction risk. Changes in foreign currency exchange rates may positively or negatively affect our revenues and net income as well as our financial condition and results of operations.

- *To the extent that our financial results for a particular period are affected by changes in the prevailing exchange rates at the end of the period, such fluctuations may have a substantial impact on comparisons with prior periods.* Jaguar Land Rover constitutes a major portion of consolidated financial position, the figures of which are translated into Indian rupees from GBP. However, the translation effect is a reporting consideration and does not impact our underlying results of operations.

- *Transaction risk is the risk that the currency structure of our costs and liabilities will deviate from the currency structure of sales proceeds and assets.* We enter into hedging instruments to mitigate some of these transaction risks. These instruments enable us to reduce, but not eliminate, the impact of fluctuations in foreign currency exchange rates.

- *Political and Regional Factors.* Similar to the rest of the automotive industry, we are affected by political and regional factors.

Results of Operations

The following table sets forth selected items from our condensed consolidated statements of income for the periods indicated and shows these items as a percentage of total revenues:

	% of Total Revenue		
	Nine months ended December 31,		
	2013	**2014**	**% of Change**
Total revenues	100.0%	100%	15.9
Raw materials, components and purchase of product for sale (including change in stock)	61.5	61.4	15.8
Employee cost	9.2	9.5	19.4
Other expenses	21.0	20.2	11.5
Depreciation and amortization	4.7	4.9	20.2
Expenditure capitalized	-5.9	-5.8	15.0
Other (income) / loss (net)	-0.6	-0.5	-11.9
Interest income	-0.3	-0.3	3.9
Interest expense (net)	2.1	1.6	-10.0
Foreign exchange (gain) / loss (net)	-0.4	-0.1	-60.3
Impairment of an equity accounted investee	0.5	—	100.0
Share of (profit) / loss of equity accounted investees	0.1	0.2	46.5
Net income before tax	8.1	8.9	27.6
Income tax expense	-2.8	-3.1	29.1
Net income	5.3	5.8	26.8
Net income attributable to shareholders of Tata Motors Limited	5.3	5.8	26.7
Net income attributable to non-controlling interests	—*	—*	69.2

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* Less than 0.1%.

The following table sets forth selected data regarding our automotive operations (Tata and other brand vehicles including vehicle financing thereof and spare parts and after sales activity, and Jaguar Land

Rover) for the periods indicated, and the percentage change from period to period (before inter-segment eliminations).

	Nine months ended December 31,		
	2013	**2014**	**% of Change**
Total Revenues (Rs. million)	1,671,352	1,937,298	15.9
Earnings before other income, interest and tax (Rs. million)	159,203	190,852	19.9
Earnings before other income, interest and tax (% to total revenue)	9.5	9.9	

The following table sets forth selected data regarding our other operations for the periods indicated and the percentage change from period to period (before inter-segment eliminations).

	Nine months ended December 31,		
	2013	**2014**	**% of Change**
Total revenues (Rs. million)	18,077	19,792	9.5
Earnings before other income, interest and tax (Rs. million)	1,614	2,380	47.4
Earnings before other income, interest and tax (% to total revenue)	8.9%	12.0%	

Nine months ended December 31, 2014 compared to the nine months ended December 31, 2013.

Revenues

Our total consolidated revenues (net of excise duty, where applicable) including finance revenues were Rs.1,946,822 million in the nine months ended December 31, 2014, an increase of 15.9% from Rs.1,679,963 million in the same period in 2013.

The increase for revenues was primarily driven by our Jaguar Land Rover business, where revenues increased by 20.1% to Rs.1,616,330 million in the nine months ended December 31, 2014 from Rs.1,345,352 million in the same period in 2013, driven by volume increases across products and markets. The revenues also reflect an increase on account of currency translation from GBP to Indian rupees of Rs.78,600 million pertaining to Jaguar Land Rover. The increase in revenues of Rs.192,378 million (excluding translation impact relating to the Jaguar Land Rover business) was mainly attributable to increase in sales of the Range Rover, the Range Rover Sport, the Range Rover Evoque, the Land Rover Discovery and the Jaguar F-TYPE and strong sales in key geographical markets, including most notably in China and the United Kingdom.

The increase in revenues at our Jaguar Land Rover business was marginally offset by a decrease in revenue for Tata and other brand vehicles (including financing thereof) by 1.4% to Rs.321,390 million in the nine months ended December 31, 2014 from Rs.326,004 million in the same period in 2013. The decline was mainly due to a decrease in revenue from our vehicle financing operations by 29.8% to Rs.17,097 million in the nine months ended December 31, 2014 from Rs.24,338 million in the same period in 2013, arising primarily due to the generation of fewer automotive financings in India, resulting in reduction of finance receivables. The total number of vehicles financed declined by 34.7% to 82,727 contracts in the nine months ended December 31, 2014 from 126,737 contracts in the same period in 2013, mainly due to a decline in sales of SCVs in our light commercial vehicles category.

Our revenues (net of excise duty) from vehicle sales manufactured in India increased to Rs.269,193 million in the nine months ended December 31, 2014 from Rs.265,155 million in the same period in 2013, due to an increase in medium and heavy commercial vehicle sales in India by 21.3% to Rs.112,118 million in the nine months ended December 31, 2014 from Rs.92,400 million in the same period in 2013. Moreover, there was increase in sales outside India (of vehicles manufactured in India) by 24.9% to Rs.30,018 million in the nine months ended December 31, 2014 from Rs.24,038 million in the same period in 2013. However, sales in the light commercial vehicles segment decreased by 28.9% to

Rs.45,840 million in the nine months ended December 31, 2014 from Rs.64,462 million in the same period in 2013 mainly due to low capacity utilization rates and tightened lending norms.

Revenue from vehicles sales of TDCV increased by 11.9% to Rs.36,618 million in the nine months ended December 31, 2014 from Rs.32,733 million in the same period in 2013.

Revenues (net of excise duty, where applicable) before inter-segment eliminations, from other operations were Rs.19,792 million in the nine months ended December 31, 2014, an increase of 9.5% from Rs.18,077 million in the same period in 2013, which represented 1.1% and 1.0% of our total revenues, before inter-segment eliminations, in the nine months ended December 31, 2013 and 2014, respectively. The increase in revenues net of inter-segment elimination was Rs.914 million (increase of 10.6%) in the nine months ended December 31, 2014, from Rs.8,610 million in the same period in 2013 and was primarily attributable to information technology services.

Cost and Expenses

Raw Materials, Components and Purchase of Products for Sale (including change in stock) (Material Costs): Material costs in the nine months ended December 31, 2014 were Rs.1,195,528 million compared to Rs.1,032,650 million in the same period in 2013, reflecting an increase of 15.8%. The increase in absolute terms of material costs was mainly attributable to increased sales volumes at our Jaguar Land Rover business, and includes the foreign currency translation from GBP to Indian rupees relating to Jaguar Land Rover operations, which resulted in an increase of Rs.48,167 million.

Material costs for Tata and other brand vehicles increased by 1.0% to Rs.208,073 million in the nine months ended December 31, 2014 from Rs.205,997 million in the same period in 2013. This increase in material costs for Tata and other brand vehicles was mainly attributable to higher sales volumes of medium and heavy commercial vehicle category. Material costs as a percentage of revenues (excluding finance revenues) increased to 68.4% in the nine months ended December 31, 2014 compared to 68.3% in the same period in 2013.

For our Jaguar Land Rover operations, material costs in the nine months ended December 31, 2014 were Rs.988,268 million compared to Rs.827,034 million in the same period in 2013, reflecting an increase of 19.5%. The material costs increased by GBP 1,155 million from GBP 8,613 million to GBP 9,768 million, due to an increase in sales volume (mainly China) and increase in duties by GBP 202 million (Rs.20,196 million). The material costs as a percentage to revenue decreased to 60.9% in the nine months ended December 31, 2014 from 61.4% in the same period in 2013 for Jaguar Land Rover. As a percentage of revenue, import and custom duties were 10.7% and 10.6% in the nine months ended December 31, 2013 and 2014, respectively. The decrease in material cost as a percentage to revenue was due to ongoing cost reduction programs undertaken by Jaguar Land Rover of approximately GBP 107 million (Rs.10,698 million) during nine months ended December 31, 2014.

At our India operations, material costs were Rs.193,375 million in the nine months ended December 31, 2014 compared to Rs.191,584 million in the same period in 2013, an increase of 0.9%. The material costs as a percentage of revenue (excluding financing revenue) was 61.4% in the nine months ended December 31, 2014, as compared to 61.5% in the same period in 2013. The reduction is mainly attributable to the increased contributions of medium and heavy commercial vehicles to revenues, where the material costs as a percentage of revenue are generally lower overall. However, this decrease was offset by a reduction in unit realization for passenger cars, utility vehicles and light commercial vehicles due to competitive pressures.

Employee Costs: Our employee costs were Rs.184,490 million in the nine months ended December 31, 2014, as compared to Rs.154,488 million in the same period in 2013, an increase of 19.4%, including the currency translation impact discussed below. Our permanent headcount increased by 6.6% as of December 31, 2014 to 75,502 employees, as compared to 70,833 employees as of December 31, 2013.

Employee costs at Jaguar Land Rover were Rs.142,501 million in the nine months ended December 31, 2014, as compared to Rs.112,761 million in the same period in 2013, reflecting an increase of 26.4%. This includes the [positive] impact of a foreign currency translation from GBP to Indian rupees of Rs.7,411 million in the nine months December 31, 2014. In GBP terms the employee cost was GBP 1,427 million in the nine months ended December 31, 2014 as compared to GBP 1,191 million in the same period in 2013, an increase of 19.8%. The employee cost at Jaguar Land Rover as a percentage to revenue was

8.9% in the nine months ended December 31, 2014 as compared to 8.5% in the same period in 2013. Due to consistent sales volume increases and in order to support new launches and product development projects, Jaguar Land Rover increased its average permanent headcount by 6.9% to 24,420 employees in the nine months ended December 31, 2014, as compared to 22,834 employees in the same period in 2013. Jaguar Land Rover increased its average temporary headcount by 37.0% to 6,582 employees in the nine months ended December 31, 2014, as compared to an average temporary headcount of 4,806 employees in the same period in 2013.

Employee costs at TDCV were Rs.3,878 million in the nine months ended December 31, 2014, as compared to Rs.5,664 million in the same period in 2013, a decrease of 31.5%. The decrease was mainly due to reversal of Rs.1,532 million in December 2014, consequent to a favorable decision by the Supreme Court of South Korea and resolution of the lawsuit filed by the union employees, pursuant to which the employees had demanded inclusion of some elements of non-ordinary salaries and bonuses as part of ordinary wages.

For the India operations of our Tata and other brand vehicles (including financing thereof), employee costs were Rs.27,055 million in the nine months ended December 31, 2014, reflecting an increase of 6.0% from Rs.25,522 million in the same period in 2013, mainly due regular annual increases in salary. The permanent headcount decreased by 2.6% as at December 31, 2014 to 38,204 employees, as compared to 39,235 employees as at December 31, 2013 [driven by efforts to rationalize employee costs across the Company.]

During the nine months ended December 31, 2013, we closed the manufacturing operations at Tata Hispano Motors Carrocera S.A. and paid Euro 12.4 million (Rs.1,006 million) as employee separation costs. The closure was triggered by sustained under performance mainly attributable to challenging market conditions in the regions where Hispano operates.

Other Expenses: Other expenses increased by 11.5% to Rs.392,667 million in the nine months ended December 31, 2014 from Rs.352,131 million in the same period in 2013. This increase mainly reflects the effect of increased sales volumes at Jaguar Land Rover and [a negative] foreign currency translation impact of Rs.16,350 million of GBP to Indian rupees relating to Jaguar Land Rover operations. As a percentage of total revenues, other expenses represented 20.2% in the nine months ended December 31, 2014, as compared to 21.0% in the same period in 2013. The major components of other expenses for the period indicated are as follows:

	Nine months ended December 31, 2014		
	(Rs. in million)		
Freight and transportation expenses[1]	53,559	61,137	[●]%
Works operation and other expenses[2]	130,682	150,940	[●]%
Publicity[3]	59,780	62,204	[●]%
Allowance for trade and other receivables, and finance receivables[4]	18,617	16,142	[●]%
Warranty and product liability expenses[5]	38,826	46,291	[●]%
Research and Product development cost[6]	17,886	20,542	[●]%

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[1] Our freight and transportation expenses represented 3.2% and 3.1% of total revenues in the nine months ended December 31, 2013 and 2014, respectively. The increase in freight and transportation expenses is primarily due to an increase in sales volumes at our Jaguar Land Rover operations, predominantly due to increased sales in China.

[2] Our works operation and other expenses represented 7.8% of total revenues in each of the nine months ended December 31, 2013 and 2014. This increase is primarily attributable to volume related expenses at Jaguar Land Rover. Furthermore, engineering expenses at Jaguar Land Rover have increased, reflecting our increased investment in the development of new vehicles. A significant portion of these costs are capitalized and shown under the line item “expenditure capitalized” discussed below.

[3] Our publicity expenses represented 3.6% and 3.2% of total revenues in the nine months ended December 31, 2013 and 2014, respectively. In addition to routine product and brand campaigns, we incurred expenses relating to new product introduction campaigns with respect to the new Range Rover, the new Range Rover Sport, the Range Rover Evoque, the Jaguar F-TYPE, smaller powertrain derivatives of the XF and XJ models, as well as the XF Sportbrake in Jaguar Land Rover and the Prima LX series of trucks, Tata Zest and Bolt in Tata and other brand vehicles (including related financing).

[4] Our allowance for trade and other receivables represented 1.1 % and 0.8% of total revenues in the nine months ended December 31, 2013 and 2014, respectively. The allowances for trade and other receivables, and finance receivables mainly relate to India operations. These mainly reflects provisions for the impairment of vehicle loans of Rs.14,781 million for the nine months ended December 31, 2014 as compared to Rs.16,802 million for the same period in 2013. The rate of defaults increased due to prolonged unanticipated deterioration in the economic environment in India, which severely affected fleet owners and transporters.

[5] Warranty and product liability expenses represented 2.4% of our revenues (excluding financing revenues) in the nine months ended December 31, 2013 and 2014, respectively. The warranty expenses at Jaguar Land Rover business represented 2.7% of total revenues in the nine months ended December 31, 2013 and 2014. For Tata and other brand vehicles (excluding financing), warranty expenses represented 1.4% of total revenues in the nine months ended December 31, 2014 as compared to 1.1% in the same period in 2013. The increase in cost for Tata and other brand vehicles (including financing) operations represented increase in warranty for new models launched during the period.

[6] Research and product development cost represent research cost and costs pertaining to minor product enhancement, facelifts and upgrades to existing vehicle models. These represented 1.1% of total revenues in each of the nine months ended December 31, 2013 and 2014

Expenditure capitalized: Expenditures capitalized represent employee costs, stores, other manufacturing supplies and other works expenses incurred towards product development projects, including costs attributable to internally constructed capital items. Considering the nature of our industry, we have to continually invest in the development of new products and also address safety, emission and other regulatory norms. The expenditure capitalized in the nine months ended December 31, 2014 was Rs.113,395 million as compared to Rs.98,594 million in the same period in 2013, an increase of 15.0%. The increase includes a foreign currency translation [negative] impact from GBP to Indian rupees of Rs.5,526 million pertaining to Jaguar Land Rover in the nine months ended December 31, 2014. The increase reflects expenditure on new products and other major product development plans, including for example, with respect to the new Jaguar XE, the Jaguar F-TYPE, the new Discovery Sport, the Ultra Truck, the Zest and the Bolt.

Depreciation and Amortization: Our depreciation and amortization expenses increased by Rs.15,998 million or 20.2% in the nine months ended December 31, 2014, the breakdown of which is as follows:

	Nine months ended December 31, 2014	
	2013	**2013**
	(Rs. in crores)	
Depreciation	38,987	45,812
Amortization	40,337	49,510
Total	79,324	95,322

The increase on account of currency translation from GBP to Indian rupees was Rs.3,814 million pertaining to Jaguar Land Rover. The increase in depreciation expenses was on account of asset additions mainly, the launch of "Ingenium" engines at Wolverhampton, United Kingdom and expenses attributable to plant and equipment and tooling (mainly towards capacity and new products). The amortization expenses in the nine months ended December 31, 2014 mainly related to product development cost capitalized and new products introduced during this period and Fiscal 2014, primarily the Jaguar F-TYPE coupe and all-wheel drive derivatives, the new Discovery Sport, the Tata Zest and Ultra Trucks. Depreciation and amortization expenses represented 4.7% and 4.9% of total revenues in the nine months ended December 31, 2013 and 2014, respectively.

Other income (net): There was a net gain of Rs.9,144 million in the nine months ended December 31, 2014, as compared to Rs.10,374 million in the same period in 2013, representing a decrease of 11.9%.

In the nine months ended December 31, 2014, miscellaneous income increased by Rs.2,835 million to Rs.11,321 million as compared to Rs.8,486 million for the same period in 2013. The increase was due to increase in income earned from services provided to Chery Jaguar Land Rover Ltd (Rs.708 million), commissions earned (Rs.708 million) and R&D tax credits (Rs.607 million) at Jaguar Land Rover. During the nine months ended December 31, 2014, we have recorded an income of Rs.366 million on sale of occupancy rights.

For the nine months ended December 31, 2013, we recorded a gain of Rs.1,994 million on account of the fair value of prepayment option to the holders of GBP 500 million 8.125% senior notes due 2018 and US$ 400 million 7.75% senior notes due 2018. In March 2014, we repaid these notes before maturity.

We recorded a loss on fair value of conversion option relating to convertible foreign currency notes of Rs.838 million in the nine months ended December 31, 2013. These notes were fully converted during the fiscal year ended March 31, 2014.

We recorded a loss on sale of assets / assets written off of Rs.3,192 million in the nine months ended December 31, 2014 as compared to Rs.145 million in the same period in 2013.

Capital work-in-progress as at March 31, 2014, included building under construction at Singur in the state of West Bengal in India of Rs.3,098.8 million for the purposes of manufacturing automobiles. In October 2008, we moved the Nano project from Singur in the State of West Bengal to Sanand in the state of Gujarat in India. In June 2011, the newly elected Government of West Bengal (State Government) enacted a law cancelling the land lease agreement at Singur, and took over possession of the land. We challenged the constitutional validity of the law. In June 2012, the Calcutta High Court declared the law unconstitutional and restored our rights under the land lease agreement. The State Government of West Bengal filed an appeal in the Supreme Court of India in August 2012, which is pending disposal.

While we continue to rigorously press our rights, contentions and claims in the matter, we have been advised by [●] that the time it may take in disposal of the appeal is uncertain. We have also been advised that our case is with merit, but the questions that arise are issues of Indian constitutional law and thus the result of the appeal cannot be predicted. In these circumstances, in view of the uncertainty on the timing of resolution, following the course of prudence, we have made a provision for carrying capital cost of buildings at Singur amounting to Rs.3,098.8 million, in the nine months ended December 31, 2014, excluding other assets and expenses written off / provided in earlier years, security expenses, lease rent and claim for interest on the whole amount (including Rs.3,098.8 million). We expect to continue pursuing the case and assert our rights and its claims in the Indian courts.

For further details on other income (net), see Note 23 to our condensed consolidated financial statements included elsewhere in this report.

Interest expense (net): Our interest expense (net of interest capitalized) decreased by 10.0% to Rs.31,247 million in the nine months ended December 31, 2014, compared to Rs.34,705 million in the same period in 2013. As a percentage of total revenues, interest expense represented 1.6% for the nine months ended December 31, 2014 compared to 2.1% in the same period 2013. The interest expense (net) for Jaguar Land Rover was GBP 13 million (Rs.1,229 million) in the nine months ended December 31, 2014 as compared to GBP 56 million (Rs.5,693 million) in the same period 2013, a decrease of [●]%, as a result of refinancing of 8.125% senior notes due 2018 in March 2014 at lower interest rates which was partly offset by the issuance of additional 4.25% senior notes due 2019 in October 2014 and additional interest capitalized.

Foreign exchange (gain)/loss (net): There was a net foreign exchange gain of Rs.2,591 million in the nine months ended December 31, 2014, compared to Rs.6,528 million in the same period in 2013. This was primarily attributable to our Jaguar Land Rover operations.

Jaguar Land Rover recorded a net foreign exchange gain of GBP 58 million (Rs.5,799 million) in the nine months ended December 31, 2014 as compared to GBP 135 million (Rs.12,721 million) in the same period in 2013. We recorded a gain of Rs.7,868 million on cash flow hedges during the nine months ended December 31, 2014 as compared to Rs.5,326 million in the same period in 2013. Furthermore, we recorded a gain of Rs.6,613 million during the nine months ended December 31, 2014, as compared to Rs.4,292 million during the same period in 2013 on revaluation of foreign currency assets and liabilities (excluding senior notes). However, we incurred a net exchange loss on senior notes of Rs.8,988 million during the nine months ended December 31, 2014, as compared to a gain of Rs.7,045 million during the same period in 2013. The loss was mainly due to strengthening of the U.S. dollar against the GBP.

For Tata and other brand vehicles (including financing), due to depreciation of the Indian rupee against major currencies, we incurred exchange losses. There was a net exchange loss of Rs.2,069 million in the nine months ended December 31, 2014 as compared to Rs.6,225 million in the same period in 2013, which was primarily attributable to foreign currency denominated borrowings.

Impairment in respect of equity accounted investees: In the nine months ended December 31, 2013 we recognized an impairment loss of Rs.8,034 million in respect of our investment in an associate. The associate, Tata Hitachi Construction Machinery Company Ltd, is engaged in the business of manufacture and sale of construction equipment. The operation was severely affected due to the economic slowdown and increased competition from new entrants. The recoverable amount was determined based on value in use.

Income Taxes: Our income tax expense was Rs.61,620 million in the nine months ended December 31, 2014 as compared to Rs.47,407 million in the same period in 2013, an increase of 30.0% Our income tax expense represented 34.7% as compared to 35.3% of net income before tax, in the nine months ended December 31, 2013 and 2014, respectively. The major reconciliation items and associated rationale are provided below.

Considering the statutory tax rates applicable for each company in the group, the effective statutory tax rate decreased from 20.3% to 19.7% for the nine months ended December 31, 2014 in the same period in 2013, resulting in an income tax expense of Rs.27,766 million and Rs.34,317 million in the nine months ended December 31, 2013 and 2014, respectively. The net increase in tax expense by Rs.6,551 million is represented by a gross increase in tax expense of Rs.7,669 million due to increase in income and partially offset by lower tax expenses of Rs. 1,118 million resulting from a decrease in statutory tax rate.

We recognized net credit of Rs.1,350 million in the nine months ended December 31, 2014 as compared to Rs.4,059 million in the same period in 2013, due to a reduction in statutory tax rates applicable to a subsidiary in the United Kingdom.

The relevant Indian tax regulations mandate that companies pay tax on book profits, known as the Minimum Alternate Tax, or MAT. MAT may be carried forward and set-off against future income tax liabilities computed under normal tax provisions within a period of ten years. We had recognized deferred tax assets in respect of MAT paid in prior years for Tata Motors Limited on a standalone basis.

In the nine months ended December 31, 2014, the Government of India amended Indian income tax laws extending the concessional tax rate of 15% on dividends received from foreign subsidiaries indefinitely. This amendment will result in lower utilization of deferred tax assets in respect of MAT paid, due to which we have written off previously recognized deferred tax assets in respect of MAT paid of Rs.7,772 million.

Furthermore, during the nine months ended December 31, 2014, for Tata Motors Limited, on a standalone basis, we have not recognized a deferred tax asset, amounting to Rs.8,888 million, with respect to tax losses and other deductible temporary differences, due to the uncertainty of future taxable profit against which tax losses can be utilized.

During the nine months ended December 31, 2013, we had written off previously recognized deferred tax assets in respect of MAT paid of Rs.7,318 million in view of lower taxable profit, considering continued economic slowdown in India.

During the nine months ended December 31, 2014, deferred tax assets totaling Rs.4,446 million, compared to Rs.544 million in the same period in 2013, were not recognized in certain subsidiaries due to uncertainty of realization.

During the nine months ended December 31, 2014, TML Holdings Pte Ltd, Singapore, a wholly-owned subsidiary, bought back 35,000,000 equity shares par value US$ 1 each at a [price] of US$ 6.99 each. The resultant gain is subject to capital gains tax in India, resulting in utilization of business losses of Rs.4,648 million.

Income tax expense on undistributed earnings of subsidiaries decreased by Rs.9,068 million. The decrease in the nine months ended December 31, 2014 is attributable to dividends in the PRC being subject to a reduced withholding tax rate of 5% (rather than 10%), as set out in the new United Kingdom-PRC tax treaty.

In addition, during the nine months ended December 31, 2013, we recognized tax on undistributed earnings of Rs.5,204 million for Jaguar Land Rover (not recognized previously).
During nine the months ended December 31, 2013, we recognized Rs.4,676 million tax expenses on distribution from Jaguar Land Rover.

Share of profit of equity accounted investees and Non-controlling Interests in Consolidated Subsidiaries, net of tax: During the nine months ended December 31, 2014, our share of profit of equity accounted investees reflected a loss of Rs.3,050 million, as compared to Rs.2,082 million in the same period in 2013, a decrease of 46.5% primarily due to set-up costs incurred with respect to our China joint venture company Chery Jaguar Land Rover Automotive Company Limited.

In the nine months ended December 31, 2014, our share of non-controlling interests in consolidated subsidiaries reflected a gain of Rs.477 million, as compared to Rs.282 million in the same period in 2013, primarily due to increased profitability at Tata Technologies Limited.

Net Income

Our consolidated net income in the nine months ended December 31, 2014, excluding the share of non-controlling interests, increased by 26.7% to Rs.112,494 million from Rs.89,116 million in the same period in 2013. Net income as a percentage of total revenues was 5.8% in the nine months ended December 31, 2014 as compared to 5.3% in the same period in 2013. This increase was mainly the result of the following factors:

- Jaguar Land Rover's performance, in terms of volume and profitability, contributed significantly to the increase in net income. The earnings before other income, interest and tax for Jaguar Land Rover was Rs.208,964 million in the nine months ended December 31, 2014 as compared to Rs.168,735 million in the same period in 2013, an increase of Rs.40,229 million. This increase in net income also includes a [negative] foreign currency translation impact of Rs.5,758 million from GBP to Indian rupees.
- Impairment loss of Rs.8,034 million in respect of investment in an associate, Tata Hitachi Construction Machinery Company Limited, in the nine months ended December 31, 2013.

These were primarily offset by:

- A decrease in revenue from our vehicle financing operations by 29.8% to Rs.17,097 million in the nine months ended December 31, 2014 from Rs.24,338 million in the same period in 2013.

These resulted in negative earnings before other income, interest and tax of Rs.18,112 million in the nine months ended December 31, 2014 for Tata and other brand vehicles (including financing thereof), as compared to Rs.9,532 million in the same period in 2013.

Liquidity and Capital Resources.

We finance our capital expenditures and research and development investments through cash generated from operations, cash and cash equivalents, debt and equity funding. We also raise funds through sale of investments, including divestment in stakes of subsidiaries on a selective basis.

Principal Sources of Funding Liquidity

The following table sets forth our short-term and long-term debt position:

	As of March 31, 2014	As of December 31, 2014
	(Rs. in millions)	
Total short-term debt (excluding current portion of long-term debt)	100,465	130,676
Total current portion of long-term debt	65,496	56,811
Long-term debt net of current portion	454,139	542,017
Total Debt	**620,100**	**729,504**

The following table sets forth a summary of long term debt outstanding as at December 31, 2014.

Details of Long-term debt	Currency	Initial Principal amounts (millions)	Due on	Interest Rate	Amount of Repayment	Outstanding (Rs. millions)	
						As of December 31, 2014	As of March 31, 2014
Non Convertible Debentures	INR			Various	10,954	135,124	115,755
Collateralized debt obligations	INR			Various	7,212	8,218	15,413
Buyers credit from bank	Various			Various	1,558	16,935	13,350
Loan from banks / financial institutions	Various			Various	59,286	134,263	172,254
Others						2,965	3,055
Senior Notes							
Tata Motors Limited	US$	250	2024	5.750%	-	15,763	-
Jaguar Land Rover Automotive plc	US$	500	2023	5.625%	-	31,557	29,924
Jaguar Land Rover Automotive plc	GBP	400	2022	5.000%	-	39,338	39,814
Jaguar Land Rover Automotive plc	US$	410	2021	8.125%	-	25,879	24,539
TML Holdings Pte Ltd	US$	300	2021	5.750%	-	18,913	-
Jaguar Land Rover Automotive plc	GBP	500	2020	8.250%	-	49,168	49,768
Tata Motors Limited	US$	500	2020	4.625%	-	31,525	-
Jaguar Land Rover Automotive plc	US$	500	2019	4.250%	-	31,557	-
Jaguar Land Rover Automotive plc	US$	700	2018	4.125%	-	44,173	41,888
TML Holdings Pte Ltd	SGD	350	2018	4.250%	-	16,707	16,625
Less: upfront fees						(3,257)	(2,750)
					-	301,323	199,807
Total Long-Term Debt					**79,010**	**598,828**	**519,635**

The following table sets forth a summary of the maturity profile for our outstanding long-term debt obligations as of December 31, 2014.

Payments Due by Period[1]	Rs. in millions -
Within one year	86,373
After one year and up to two years	127,366
After two year and up to five years[2]	268,244
After five year and up to ten years[2]	296,529
Total	**778,512**

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[1] Including interest

[2] Jaguar Land Rover has only senior notes as long-term debt obligations of Rs. 219,295 million as of December 31, 2014.

The following table sets forth our total liquid assets as of the dates indicated – namely cash and cash equivalents, short term deposits and investments in mutual funds:

	As of March 31, 2014	As of December 31, 2014
	(Rs. in millions)	
Total cash and cash equivalents	159,922	171,583
Total short term deposits	125,150	124,965
Total mutual funds investments	95,016	146,077
Total liquid assets	380,088	442,625

These resources enable us to cater to business needs in the event of changes in credit market conditions. Of the above liquid assets, Jaguar Land Rover had Rs.344,228 million and Rs.395,843 million as of March 31, 2014 and December 31, 2014, respectively.

We will continue to invest in new products and technologies to meet consumer and regulatory requirements. We are currently investing in a new assembly plant in Brazil, our joint venture in China, our "Ingenium" engine plant at Wolverhampton, United Kingdom and capacity expansion at Solihull, United Kingdom among other projects. These investments are intended to enable us to pursue further growth opportunities and improve our competitive positioning. We expect to meet most of our investments out of operating cash flows and cash liquidity available to us. In order to meet the remaining funding requirements, we may be required to raise funds through additional loans and by accessing capital markets from time to time, as deemed necessary.

In view of the prolonged economic downturn in India, the operating margins for Tata Motors Limited on a standalone basis are expected to remain under pressure. With the ongoing need for investments in products and technologies, we were free cash flow (Cash flow from operating activities less Purchase of property, plant and equipment and Intangible assets) negative in the nine months ended December 31, 2014. We expect that with an improvement in macroeconomic conditions and business performance, combined with steps like raising funds at subsidiary levels, reviewing non-core investments, and raising additional long-term resources at Tata Motors Limited on a standalone basis, the funding gap could be appropriately addressed.

The following table provides information for the credit rating of Tata Motors short-term borrowing and long-term borrowing from the following rating agencies as of December 31, 2014: Credit Analysis and Research Ltd Ratings, or CARE, Information and Credit Rating Agency of India Ltd, or ICRA, CRISIL Ltd, Standard & Poor's Ratings Group, or S&P, and Moody's Investor Services, or Moody's. A credit rating is not a recommendation to buy, sell or hold securities. A credit rating may be subject to withdrawal or revision at any time. Each rating should be evaluated separately of any other rating:

	CARE	ICRA	CRISIL	S&P	Moody's
Long-term borrowings	AA+	AA	AA	BB	Ba2
Short-term borrowings	—	A1+	A1+	—	—

We believe that we have sufficient liquidity available to meet our planned capital requirements. However, our sources of funding could be materially and adversely affected by an economic slowdown, as was witnessed in Fiscal 2009, or other macroeconomic factors in India and abroad, such as in the United Kingdom, the United States, Europe, Russia and China, all of which are beyond our control. A decrease in the demand for our vehicles could affect our ability to obtain funds from external sources on acceptable terms or in a timely manner.

Our cash is located at various subsidiaries within the Tata Motors Group. There may also be legal, contractual or economic restrictions on the ability of subsidiaries to transfer funds to us in the form of cash dividends, loans, or advances. Brazil, Russia, South Africa and other jurisdictions have regulatory restrictions disincentives or costs on pooling or transferring of cash. However such restrictions have not had and are not estimated to have a significant impact on our ability to meet our cash obligations.

Long-term funding

In order to refinance our acquisition related borrowings and for supporting long-term funding needs, we continued to raise funds during the nine months ended December 31, 2014. In particular, the Company issued rated, listed, unsecured, non-convertible debentures, or NCDs, of Rs.23,000 million, the proceeds of which have been utilized for general corporate purposes. Furthermore, the Company obtained an unsecured capital expenditure loan of Rs.4,924 million, the duration of which ranges from three years to five years.

In October 2014, the Company issued US$500 million senior unsecured notes due 2020 at a coupon of 4.625% per annum and US$250 million senior unsecured notes due 2024 at a coupon of 5.75% per annum. The proceeds have been used to refinance the syndicated foreign currency term loans of US$500 million raised in September 2011, to incur new additional capital expenditures and for other permitted purposes as per RBI External Commercial Borrowing guidelines.

Jaguar Land Rover has entered into a committed revolving credit facility for three and five years under a facility agreement in December 2011 with a syndicate of banks. In July 2013, Jaguar Land Rover amended and restated the facility to GBP 1,250 million at better pricing and terms and conditions, which has since been increased to GBP 1,485 million. As of December 31, 2014, the facility has not yet been undrawn. The facility has two tranches: a three year tranche of GBP 371 million (maturing in 2016) and a five-year tranche of GBP 1,114 million (maturing in 2018). Jaguar Land Rover is subject to certain customary financial and other covenants under this facility described in further detail below.

During the nine months ended December 31, 2014, Tata Motors Finance Limited, or TMFL, issued commercial paper in an aggregate principal amount of Rs.51,234 million and issued an aggregate principal amount of Rs.3,190 million secured NCDs. Bank borrowings through secured and unsecured term loans continued to remain as the major source of funds for long term borrowing. Moreover, during this period TMFL issued unsecured perpetual NCDs in an aggregate principal amount of Rs.503 million towards Tier 1 Capital and unsecured long term NCDs worth Rs.2,350 million as Tier 2 Capital to enhance its capital adequacy ratio based on the RBI guidelines.

We plan to refinance and raise long-term funding through borrowings or equity issuances on the basis of a review of business plans, operating results and the covenant requirements of our existing borrowings.

Short-term funding

We fund our 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. We had short-term borrowings of Rs.117,378 million, Rs.100,465 million and Rs.130,676 million as of March 31, 2013, 2014; and December 31, 2014, respectively.

Loan Covenants

Some of our financing agreements and debt arrangements set limits on and/or require prior lender consent for, among other things, undertaking new projects, issuing new securities, changes in management, mergers, sales of undertakings and investment in subsidiaries. In addition, certain negative covenants may limit our ability to borrow additional funds or to incur additional liens, and/or provide for increased costs in case of breach. Certain of our financing arrangements also include financial covenants to maintain certain debt-to-equity ratios, debt-to-earnings ratios, liquidity ratios, capital expenditure ratios and debt coverage ratios.

We monitor compliance with our financial covenants on an ongoing basis. We also review our refinancing strategy and continue to plan for deployment of long term funds to address any potential non-compliance.

In Fiscal 2014, we did not comply with one covenant relating to our ratio of total outside liabilities to tangible net worth relating to our 2009 NCDs, which was waived by the lenders and has not resulted in any default or penalties. Under the terms of the bank guarantee agreement, a breach of one covenant is not an event of default and also does not require us to pay increased costs for these guarantees.

For the above non-convertible debentures, we have got approval from our Board of Directors, to consider the buy-back of the instrument. We have also got in-principle approval from all the lenders for the proposed buy back. We intend to complete the buy back by March 31, 2015, subject to statutory compliances. With this buy back the entire obligation of the Company under the bank guarantee agreement will get terminated. In case the completion of buy back extends beyond March 31, 2015, considering the continuing weak economic and business environment in India, we expect that we will be unable to comply with the covenant relating to ratio of total outside liabilities to tangible net worth and another covenant relating to debt service coverage ratio in Fiscal 2015. Such non-compliance with loan covenants has not triggered and is not expected to trigger any cross-default provisions under any of our financing documents. However, it may lead to payment of additional costs as a consequence of such breaches unless waived by the lenders. We believe that the above non-compliance will not affect our ability to raise funds in the future, but may possibly increase the cost of the borrowings and/or offering and credit enhancements.

Certain debt issued by Jaguar Land Rover is subject to customary covenants and events of default which include, among other things, restrictions or limitations on the amount of cash which may be transferred outside the Jaguar Land Rover group of companies in the form of dividends, loans or investments. These are referred to as restricted payments in the relevant Jaguar Land Rover financing documentation. In general, the amount of cash which may be transferred outside the Jaguar Land Rover group is limited to 50% of its cumulative consolidated net income (as defined in the relevant financing documentation) from January 2011. As of December 31, 2014, the estimated amount that is available for dividend payments, other distributions and restricted payments outside the Jaguar Land Rover group of companies is approximately GBP 2,319 million.

Cash Flow Data

The following table sets forth selected items from our consolidated statements of cash flows for the periods indicated.

	Nine month period ended December 31, 2013	**Nine month period ended December 31, 2014**
	(₹ in millions)	
Net Cash provided by Operating Activities:	195,880	247,962
Net income after tax	89,398	112,970
Adjustments to net income after tax	176,455	227,241
Changes in Operating Assets and Liabilities	(41,090)	(65,724)
Income tax paid	(28,883)	(26,525)
Net Cash used in Investing Activities	(237,228)	(285,385)
Purchase of Property, Plant and Equipment and Intangible Assets (Net)	(184,728)	(225,273)
Net Investment, short term deposit, margin money and loans given	(56,232)	(64,897)
Acquisitions	(1,294)	-
Dividend and Interest received	5,026	4,785
Net Cash provided by / (used in) Financing Activities	58,007	50,535
Equity issuance (net of issue expenses)	(3)	-
Dividends paid (including to non-controlling shareholders of subsidiaries)	(7,098)	(7,103)
Interest paid	(40,538)	(38,666)
Short term (net) borrowings (net of debt issuance cost)	14,942	28,332
Long term (net) borrowings (net of debt issuance cost)	90,702	67,973
Net change in cash and cash equivalents	16,658	13,112
Cash and cash equivalents, end of the year	155,906	171,583

Nine months ended December 31, 2014 compared to nine months ended December 31, 2013.

Cash and cash equivalents as of December 31, 2014 increased by Rs.15,677 million (including [a negative] foreign currency translation in terms of cash flows of Rs.5,674 million) to Rs.171,583 million from Rs.155,906 million as of December 31, 2013. The increase in cash and cash equivalents resulted from the changes to our cash flows during nine months ended December 31, 2014 as described below.

Net cash provided by operating activities totaled Rs.247,962 million during the nine months ended December 31, 2014, which reflects an increase of Rs.52,082 million as compared to the same period in 2013. The increase was mainly attributable to performance of Jaguar Land Rover, which had an increase in earnings before other income, interest and tax to Rs.208,964 million during the nine months ended December 31, 2014 from Rs.168,735 million during the nine months ended December 31, 2013. This increase was offset by loss before other income, interest and tax of Tata and other brand vehicles (including financing) of Rs.18,112 million during the nine months ended December 31, 2014.

The changes in operating assets and liabilities resulted in a net outflow of Rs.65,724 million during the nine months ended December 31, 2014 as compared to Rs.41,090 million during the same period in 2013. Trade receivables at Jaguar Land Rover increased by Rs.4,654 million during the nine months ended December 31, 2014 as compared to an decrease of Rs.9,192 million during the same period in 2013. However, there was a decrease in inventories during the nine months ended December 31, 2014 which was reflected by a net outflow of Rs.6,459 million as compared to Rs.23,861 million during the same period in 2013. After considering the increase in accounts payable and provisions, mainly driven by an increase in sales volumes, there was a net outflow of cash on account of changes in operating assets and liabilities of Rs.35,813 million during December 31, 2014 as compared to net inflow of Rs.29,951 million during the same period in 2013, at Jaguar Land Rover.

For Tata and other brand vehicles (including financing), there was a net outflow of Rs.24,792 million during the nine months ended December 31, 2014, as compared to Rs.69,900 million during the same period in 2013, which was partially offset by inflows attributable to vehicle financing receivables of Rs.4,530 million. During the nine months ended December 31, 2013, the net outflow in vehicle finance receivables was Rs.16,765 million. Excluding financing receivables, there was an outflow of Rs.29,322 million during the nine months ended December 31, 2014 compared to Rs.53,135 million during the same period in 2013, which was primarily attributable to a increase in trade receivables and inventory resulting from lower volumes and partly non-collection of overdue amounts.

Income tax paid which was attributable to Jaguar Land Rover, and which represented tax payments by Jaguar Land Rover's foreign subsidiaries in their respective tax jurisdictions, was Rs.26,524 million during the nine months ended December 31, 2014 as compared to Rs.28,883 million during the same period in 2013.

Net cash used in investing activities totaled Rs.285,385 million during the nine months ended December 31, 2014 as compared to Rs.237,228 million during the same period in 2013, mainly due to investment in property, plant and equipment by Jaguar Land Rover and product development projects both at our Jaguar Land Rover and India operations. Capital expenditure at Jaguar Land Rover increased by [●]% to Rs.202,437 million in the nine months ended December 31, 2014 from Rs.162,560 million in the same period in 2013. The increases in capital expenditure are intended to support continued growth in sales volumes at Jaguar Land Rover and setting up of new engine manufacturing facilities in the United Kingdom.

Our net investment in short-term deposit margin moneys and loans resulted in an outflow of Rs.64,897 million during the nine months ended December 31, 2014 as compared to Rs.56,232 million during the same period in 2013. There was a net investment of surplus cash in bank deposits, mainly attributable to Jaguar Land Rover, of Rs.32,589 million during the nine months ended December 31, 2013, compared to a [realization of deposits] of Rs.1,600 million during the nine months ended December 31, 2014. Jaguar Land Rover invested Rs.12,431 million during the nine months ended December 31, 2014, as compared to Rs.8,715 million during the same period in 2013, in the joint venture Chery Jaguar Land Rover Automotive Company Limited.

Net cash provided by financing activities totaled Rs.50,535 million during the nine months ended December 31, 2014, as compared to Rs.58,007 million during the same period in 2013, mainly due to decreased borrowings, which was partly offset by lower interest payments [due to lower interest rates].

For Tata and other brand vehicles, short-term debt (net) increased by Rs.7,859 million and long term debt (net) increased by Rs.38,928 million, which includes debts raised by TML Holdings Pte Ltd., of Rs.18,041 million during the nine months ended December 31, 2014. The funds raised by TML Holdings Pte Ltd., have been utilized for general corporate purposes of Tata Motors Limited on a standalone basis. This includes a decrease in debt (short-term and long-term) of Rs.9,288 million during the nine months ended December 31, 2014 at TMFL, as compared to net increase of Rs.5,957 million during the same period in 2013, due to decrease in financing activity in this period.
For Jaguar Land Rover, short-term debt (net) decreased by Rs.3,140 million due to an decrease of loans at some of its overseas subsidiaries and long-term debt (net) increased by Rs.31,421 million during the nine months ended December 31, 2014.

Interest paid was Rs.38,666 million in the nine months ended December 31, 2014 as compared to Rs.40,538 million in the same period in 2013. For Jaguar Land Rover, interest paid was Rs.8,846 million during the nine months ended December 31, 2014 as compared to Rs.12,982 million during the same period in 2013. For Tata and other brand vehicles, the interest paid was Rs.29,732 million during the nine months ended December 31, 2014 as compared to Rs.27,492 million in the same period in 2013.

We paid dividends (including to non-controlling shareholders of subsidiaries) of Rs.7,103 million during the nine months ended December 31, 2014 as compared to Rs.7,098 million during the same period in 2013.

Balance Sheet Data

Set forth below is a discussion of material changes in our balance sheet data between March 31, 2014 and December 31, 2014.

Our total assets were Rs.2,184,776 million and Rs.2,367,382 million as of March 31, 2014 and December 31, 2014, respectively. The increase by 8.4% in total assets as of December 31, 2014 was primarily attributable to foreign currency translation mainly from GBP into Indian rupees.

Our total current assets have increased by [●]% million to Rs.1,007,209 million as of December, 31, 2014 or 5.6%, as compared to Rs.953,709 million as at March 31, 2014.

Cash and cash equivalents were Rs.171,583 million as at December 31, 2014, compared to Rs.159,922 million as of March 31, 2014, an increase of 7.3%. It includes an [negative] impact of Rs.1,817 million for currency translations from GBP to Indian rupees. We hold cash and cash equivalent principally in Indian rupees, GBP and Chinese Renminbi. Of our cash and cash equivalents as of December 31, 2014, Jaguar Land Rover held Rs.145,343 million, which were surplus cash deposits for future use. As of December 31, 2014, our short-term deposits marginally declined to Rs.124,965 million as compared to Rs.125,150 million as of March 31, 2014.

As of December 31, 2014, we had finance receivables including non-current portion (net of allowances for credit losses) of Rs.165,964 million as compared to Rs.185,275 million as of March 31, 2014, a decrease of 10.4% due to a reduction in financing activity and an increase in allowances for credit losses in finance receivables during this period . Gross finance receivables were Rs.205,826 million as of December 31, 2014 as compared to Rs.216,863 million as of March 31, 2014.

Trade receivables (net of allowance for doubtful receivables) were Rs.115,140 million as of December 31, 2014, representing a 5.0% increase over March 31, 2014. The increase is net of Rs.1,080 million due to a [negative] foreign currency translation impact from GBP to Indian rupees. The trade receivables for Tata and other brand vehicles (including financing) have increased by 2.9% to Rs.27,479 million as of December 31, 2014 from Rs.26,709 million as of March 31, 2014. The trade receivables of our Jaguar Land Rover operations increased from Rs.82,753 million as of March 31, 2014 to Rs.86,377 million as of December 31, 2014, as a result of the growth in revenue by 14.3%, in GBP terms.

As of December 31, 2014, inventories were Rs.288,498 million compared to Rs.272,736 million as of March 31, 2014, an increase of 5.8%. Our finished goods inventory increased by [●]% to Rs.218,891 million as of December 31, 2014 as compared to Rs.217,687 million as of March 31, 2014. The increase is inclusive of a [negative] foreign currency translation impact of Rs.2,751 million from GBP to rupees. In terms of number of days to sales, finished goods represented 31 inventory days in sales during the nine month period ended December 31, 2014 [as compared to 34 inventory days in Fiscal 2014.] The increase in finished goods mainly relates to the increase in sales volumes at our Jaguar Land Rover operations.

Investments (current and non-current investments) have increased to Rs.152,607 million as of December 31, 2014 from Rs.101,877 million as of March 31, 2014, representing an increase of 49.8%. This includes Rs.1,727 attributable to a [negative] foreign currency translation impact from GBP to Indian rupees. Investments mainly comprised mutual fund investments of Rs.146,077 million as of December 31, 2014 as compared to Rs.95,016 million as of March 31, 2014. Of such investments, Rs.138,120 million were attributable to Jaguar Land Rover as of December 31, 2014 as compared to Rs.87,093 million as of March 31, 2014.

Other assets (current and non-current) increased by 14.4% to Rs.77,969 million as of December 31, 2014 from Rs.68,144 million as of March 31, 2014. The increase is mainly attributable to prepaid expenses which were Rs.15,448 million as of December 31, 2014 as compared to Rs.11,692 million as of March 31, 2014, including a [negative] impact from foreign currency translation of Rs.577 million from GBP to rupees.

Our other financial assets (current and non-current) have decreased to Rs.53,622 million as of December 31, 2014 from Rs.96,418 million as of March 31, 2014. The increase also includes Rs.493 million attributable to the [negative] impact of a foreign currency translation from GBP to Indian rupees. Derivative financial instruments decreased from Rs.79,559 million as at March 31, 2014 to Rs.32,188 million as of December 31, 2014, representing options and other hedging arrangements mainly related to the operations of Jaguar Land Rover, predominantly due to an increase in the volume of U.S. dollar forward foreign contracts entered into coupled with the strengthening of the U.S. dollar compared to GBP, which decreased the fair value of these derivative contracts.

Property, plant and equipment (net of depreciation) of Rs.582,579 million as of December 31, 2014, increased by 17.8% from Rs.494,610 million as of March 31, 2014. The increase mainly relates to Jaguar Land Rover's investment in plants, machinery and toolings to support the growing demand for vehicles as well as the new "Ingenium" engine plant, and also includes a [negative] foreign currency translation impact of Rs.5,084 million from GBP to Indian rupees.

Intangible assets were Rs.542,825 million as of December 31, 2014, an increase of 10.3% from Rs.492,184 million as of March 31, 2014, which increase mainly reflects product development projects, brand development and other intangible assets. This includes a [negative] impact of Rs.5,861 million towards foreign currency translations from GBP to Indian rupees. As of December 31, 2014, product development projects in process amounted to Rs.251,246 million.

Carrying value of investments in equity accounted investees was Rs.32,151 million as of December 31, 2014, as compared to Rs.20,237 million as of March 31, 2014, an increase of 58.9%, which includes Rs.308 million attributable to a [negative] foreign currency translation impact from GBP to Indian rupees. Carrying value of investments in equity accounted investees also reflects an investment of Rs.12,431 million in Chery Jaguar Land Rover Automotive Company Limited by the Company during the nine months ended December 31, 2014.

We had a net deferred tax liability of Rs.7,614 million as of December 31, 2014 as compared to a net deferred tax asset of Rs.3,879 million as of March 31, 2014. A deferred tax liability (net) of Rs.20,906 million was recorded in our income statement, which was offset by deferred tax asset (net) of Rs.16,625 million in other comprehensive income, which mainly includes derivative financial instruments of Rs.16,592 million. In addition, we have written off previously recognized deferred tax asset representing MAT paid of Rs.7,772 million during the nine months ended December 31, 2014.

Accounts payable (including acceptances) were Rs.567,570 million as of December 31, 2014, as compared to Rs.595,818 million as of March 31, 2014, a decrease of 4.7%, which includes favorable currency translation impact of Rs.5,770 million from GBP to Indian rupees.

Other financial liabilities (current and non-current) were Rs.87,201 million as of December 31, 2014 as compared to Rs.44,097 million as of March 31, 2014, net of a [positive] foreign currency translation impact of Rs.912 million. This increase as of December 31, 2014 was mainly attributable to derivative financial instruments representing options and other hedging arrangements, which increased from Rs.11,922 million as of March 31, 2014 to Rs.53,356 million as of December 31, 2014, mainly relating to the operations of Jaguar Land Rover.

The provisions (current and non-current) as of March 31, 2014 and December 31, 2014 were Rs.112,524 million and Rs.123,923 million, respectively, representing an increase of 10.1%. The provision for warranty increased by Rs.9,641 million mainly on account of sales volume growth at Jaguar Land Rover and a [positive] foreign currency translation impact of Rs.1,342 million from GBP to Indian rupees. Our employee cost related provision has decreased mainly due to reversal of Rs.1,532 million in December 2014, due to a favorable decision by the Supreme Court of South Korea for TDCV with respect to the lawsuit filed by the union employees who had demanded inclusion of some elements of non-ordinary salaries and bonuses as part of ordinary wages, and subsequent resolution of the lawsuit.

Other liabilities (current and non-current) decreased by 2.0% to Rs.128,768 million as of December 31, 2014, as compared to Rs.131,283 million as of March 31, 2014. The decrease related to a decrease in liabilities for advances received by [●]% from Rs.32,180 million as of March 31,2014 to Rs.22,822 million as at December 31, 2014, partially offset by additional employee benefit obligations totaling Rs.73,087 million as of December 31, 2014 as compared to Rs.67,711 million as of March 31, 2014, mainly pertaining to the Jaguar Land Rover pension plan, due to changes in actuarial estimates. The reduction also reflects the impact of a foreign currency translation of Rs.1,427 million from GBP to Indian rupees.

Our total debt was Rs.729,504 million as of December 31, 2014, as compared to Rs.620,099 million as of March 31, 2014, an increase of 17.6%, which includes a [positive] impact of Rs.3,338 million towards a foreign currency translation from GBP to Indian rupees. Short-term debt, including the current portion of long-term debt, increased by 13.0% to Rs.187,486 million as of December 31, 2014, as compared to Rs.165,961 million as of March 31, 2014. Our long-term debt, excluding the current portion, increased by 19.4% to Rs.542,017 million as of December 31, 2014 compared to Rs.454,139 million as of March 31, 2014. Long-term debt including the current portion increased by 15.2% to Rs.598,828 million, as detailed above (under "Long-term funding").

Total shareholders' equity was Rs.631,696 million and Rs.663,646 million as of March 31, 2014 and December 31, 2014, respectively.

Our reserves increased from Rs.308,089 million as of March 31, 2014 to Rs.413,759 million as of December 31, 2014. We paid dividends of Rs.6,713 million in the nine months ended December 31, 2014.

Our other components of equity reflected a decrease of [●]% to Rs.51,848 million as of December 31, 2014 as compared to Rs.125,609 million as of March 31, 2014. We have accounted for an actuarial gains / loss (net) reduction of Rs.117 million in the nine months ended December 31, 2014 in respect of pension obligations and a loss of Rs.66,366 million on cash flow hedges (net), recorded as a decrease in comprehensive income and [negative impact] attributable to a foreign currency translation of Rs.8,460 million.

The ratio of net debt to shareholders' equity (total debt less cash and cash equivalents and liquid marketable securities divided by total shareholders' equity) under IFRS was as of each of March 31, 2014 and December 31, 2014.

There have been no material changes to the Group's commitments or contingent liabilities during the nine months ended December 31, 2014:

The following table sets forth our contingent liabilities as of the dates indicated.

	As of December 31, 2014	As of March 31, 2014
	(Rs. in millions)	
Income Tax	1,241	1,237

	As of December 31, 2014	As of March 31, 2014
	(Rs. in millions)	
Excise Duties	11,902	9,942
Sales Tax	9,143	9,605
Other Taxes and Claims*	4,579	5,209
Other Contingencies	543	457
Total	**27,408**	**26,450**

* Other taxes and claims include claims by other revenue authorities and distributors.

Rs.96,935 million and Rs.129,474 million as of December 31, 2014 and March 31, 2014, respectively, represent executory contracts on capital accounts otherwise provided for.

Under the joint venture agreement for Chery Jaguar Land Rover Automotive Co. Limited, we are committed to contribute Rs.35,606 million of capital, towards our share in the capital of the joint venture. As of December 31, 2014, we have an outstanding commitment of Rs.6,360 million, as compared to Rs.18,076 million as of March 31, 2014.

Capital Expenditure

Capital expenditure totaled Rs.272,832 million and Rs.249,455 million during the nine months ended March 31, 2014 and December 31, 2014 respectively. Our automotive operations accounted for a majority of this capital expenditure.

Our capital expenditures in India during the nine months ended December 31, 2014 related mostly to (i) the introduction of new products such as the Tata Zest, Bolt and Ultra Trucks, (ii) the development of planned future products and technologies, and (iii) quality and reliability improvements aimed at operating cost reductions.

Capital expenditure for Jaguar Land Rover mainly included expenditure for the launch on the New Range Rover Sport and Jaguar F-TYPE, product development costs on various future products, and expenditure on construction of the new "Ingenium" engine plant at Wolverhampton, United Kingdom. The manufacturing plant at Chery Jaguar Land Rover Automotive Company Limited started operations in October 2014.

We continue to focus on development of new products for the Indian market and other international market it serves. Through Jaguar Land Rover, we continue to make investments in new technologies through its research and development activities to develop products that meet the requirements of the premium segment including developing sustainable technologies to improve fuel economy and reduce carbon dioxide emissions.

We intend to continue to invest in our business units and research and development over the next several years, including capital expenditures for our ongoing projects, new projects, product development programs, mergers, acquisitions and strategic alliances in order to build and expand our presence in the passenger vehicle and commercial vehicle categories.

2. Operating and financial review and prospects on the audited consolidated financial statements of our Company as at and for the the Fiscal Year 2014 in accordance with IFRS.

Item 5. Operating and Financial Review and Prospects.

You should read the following discussion of our financial condition and results of operations together with our consolidated financial statements prepared in conformity with IFRS and information included in this annual report. This discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors including, but not limited to, those set forth in Item 3.D and elsewhere in this annual report.

A. Operating Results.

All financial information discussed in this section is derived from our financial statements included in this annual report on Form 20-F, which has been prepared in accordance with International Financial Reporting Standards as issued by International Accounting Standards Board.

Overview

In Fiscal 2014, our total revenue (net of excise duties) including finance revenues increased by 23.7% to Rs.2,341,761 million from Rs.1,892,910 million in Fiscal 2013. We recorded a net income (attributable to shareholders of the Company) of Rs.130,717 million in Fiscal 2014, representing an increase of 47.4% or Rs.42,046 million over net income in Fiscal 2013 of Rs.88,671 million.

Automotive operations

Automotive operations are our most significant segment, accounting for 99.5%, 99.4% and 99.4% of our total revenues in Fiscal 2014, 2013, and 2012, respectively. In Fiscal 2014, revenue from automotive operations before inter-segment eliminations was Rs.2,329,582 million as compared to Rs.1,881,621 million in Fiscal 2013 and Rs.1,651,564 million in Fiscal 2012.

Our automotive operations include:

- All activities relating to the development, design, manufacture, assembly and sale of vehicles as well as related spare parts and accessories;
- Distribution and service of vehicles; and
- Financing of our vehicles in certain markets.

Our automotive operations segment is further divided into Tata and other brand vehicles including financing thereof and the Jaguar Land Rover. In Fiscal 2014, Jaguar Land Rover contributed 81.3% (72.5% in Fiscal 2013) of our total automotive revenue (before intra segment elimination) and the remaining 18.7% (27.5% or Fiscal 2013) was contributed by Tata and other brand vehicles.

Tata and other brands vehicles (including spares and financing thereof)

India is the major market for Tata and other brand vehicles (including financing thereof). During Fiscal 2014, there was continued deterioration in the macroeconomic factors leading to volume contraction and competitive pressures across all major products.

During Fiscal 2014, the Indian economy recorded a GDP growth of 4.7%, compared to 4.5% in Fiscal 2013 (based on data from the Ministry of Statistics and Programme Implementation). The Index of Industrial production (IIP) declined by 0.1% during Fiscal 2014. The stagnation in the industrial activity was broad-based. While mining output registered a decline of 1.1%, manufacturing output declined by 0.7% during the same period. Fiscal 2014 witnessed a decline in investments in new projects in line with slowdown in overall growth. The stagnation of industrial growth particularly in mining and quarrying, manufacturing and infrastructure, adversely impacted the domestic auto industry. Fiscal 2014 was also marked by efforts by the Government of India to contain the fiscal deficit. As a result, the domestic auto industry witnessed decline as expenditure on infrastructure and other key sectors suffered. With the continued high interest rates and inflation, households were forced to spend more on essentials and reduced discretionary spending, leading to deferrals of purchase decisions.

The demand in certain product category was also affected due to the lack of financing for potential customers in Fiscal 2014. Further, high default rates in loans alongside early delinquencies has led financiers to tighten lending norms, such as lowering the loan-to-value ratio on new financings while focusing on collection of existing loans.

Consequently, sales in the Indian automobile industry posted a decline of 9.3% in Fiscal 2014, as compared to 1.1% growth in Fiscal 2013. Sales of commercial vehicles declined by 22.4% (last year growth of 1.7%) and passenger vehicles declined by 4.7%, compared to an increase Fiscal 2013 of 0.9%. The sales in the M&HCV category fell by 25.2% in Fiscal 2014 continuing a 23.3% decline in Fiscal 2013, due to ban on mining, significant deacceleration in investment in infrastructure and slowing economy growth. Further, the contraction of the LCV segment by 21.2% to 498,483 units from 632,450 units in Fiscal 2013 has significantly impacted the volume which had been a growth driver in the past, growing by 17.9% in Fiscal 2013. The fall in the LCV segment has been led by a decline of sales in the SCV segment. Sales of our commercial vehicles in India decreased by 29.5% to 378,028 units in Fiscal 2014 from 536,491 units in Fiscal 2013. However, over the last few months, there have been some signs of revival and sales volumes have stabilized which was facilitated by steps taken by the Government of India to revive the economy, such as 4% reduction in excise duty for a limited period upto December 31, 2014 and a partial lifting of mining bans. There has been slight increase in freight rates, indicating that the economy may be nearing the end of the down-cycle.

The passenger vehicle industry in India recorded a negative growth of 4.7% for the first time in the last five years in Fiscal 2014. The decline in sales volumes was seen across segments, with the sedan segment witnessing the largest decline. The Hatchbacks and UV segment are historically the volume drivers. The high growth in UV segment last year, with the onset of soft roaders did not witness similar growth in Fiscal 2014. Our passenger vehicle (including UV) sales in India decreased to 149,350 units in Fiscal 2014 from 219,953 units in Fiscal 2013 (32.1%). We sold 23,400 Nano cars in Fiscal 2014, a decrease of 51.4% over 48,122 units in Fiscal 2013. In the UV category, we sold 31,583 units in Fiscal 2014, representing a decrease of 31.9% from 46,366 units in Fiscal 2013. The premium and luxury vehicles segment however has seen a growth in an otherwise declining year. We sold 2,805 units of Jaguar and Land Rover in Fiscal 2014 as compared to 2,494 units in Fiscal 2013 in India.

Our overall sales in international markets decreased by 4.6% to 61,279 units in Fiscal 2014, as compared to 64,242 units in Fiscal 2013. Our exports of vehicles manufactured in India decreased marginally by 2.5% in Fiscal 2014 to 46,983 units from 48,196 units in Fiscal 2013. For Tata Motors, traditionally strong markets in South Asia, such as Bangladesh, also were affected by internal conflict and unrest.

TDCV, our subsidiary company engaged in design, development and manufacturing of M&HCVs, recorded a 5.1% increase in its overall vehicle sales to 10,594 units in Fiscal 2014, from 10,080 units in Fiscal 2013. TDCV exported 4,010 units in Fiscal 2014, compared to 4,680 units in Fiscal 2013, a fall of 14.3%. However, in the South Korean market, TDCV's sales have increased by 22% from 5,400 units in Fiscal 2013 to 6,584 units in Fiscal 2014, primarily attributable to growth in the South Korean economy and improved market share of TDCV in local market.

Our overall vehicle sales decreased by 28.3% to 588,657 units in Fiscal 2014 from 820,686 units in Fiscal 2013, resulting in a revenue (before inter-segment elimination) decrease of 15.8% to Rs.435,012 million in Fiscal 2014, compared to Rs.516,867 million in Fiscal 2013.

Revenue from our vehicle financing operations decreased marginally by 0.5% to Rs.29,876 million in Fiscal 2014 as compared to Rs.30,013 million in Fiscal 2013.

There was a decrease in spares and after sales activity by 9.6% to Rs.40,798 million in Fiscal 2014, compared to Rs.45,119 million in Fiscal 2013. In terms of earnings before other income, interest and tax before inter-segment eliminations from Tata and other brand vehicles and financing thereof, there was a loss of Rs.20,630 million in Fiscal 2014 as compared to a profit of Rs.13,554 million in Fiscal 2013. The losses were mainly attributable to a significant reduction in volumes and competitive pressure on pricing. Also as a result of increase delinquency rate on vehicle financing, we provided Rs.24,139 million in Fiscal 2014 as compared to Rs.9,428 million in Fiscal 2013. Further, there was an increase in depreciation expense as a result of additions to plant / facility in recent years, and in amortization expense in respect of new products launched. While we have stepped up the cost reduction programs, in the short term, the level of fixed costs continued to have negative impact on earnings.

Jaguar Land Rover

Jaguar Land Rover had another successful year of continued growth in all markets, particularly 33.7% year on year growth in China retail sales. Jaguar Land Rover also significantly improved sales in more developed economies, where, despite uncertain trading conditions, it has increased volumes in all major markets. The volume growth has been driven by the all-new Range Rover and the launch of new Range Rover Sport and Jaguar F-TYPE. More established models have also been performing well, including in particular derivatives such as the XF Sportbrake and all-wheel drive and smaller engine options.

Retail volumes in Fiscal 2014 were 434,311 units, an increase of 15.9% compared to the prior year. Retail volumes were 80,522 units for Jaguar and 353,789 units for Land Rover, growth of 37.3% and 11.9%, respectively. Retail volumes have grown across 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 while UK and Europe were up 6.2% and 2.3% to 76,721 and 82,854 units respectively.

Wholesale volumes in Fiscal 2014 were 431,889 units, an increase of 16.1% over Fiscal 2013. Wholesale volumes for Jaguar in Fiscal 2014 were 80,644 units, representing an increase of 37.3% as compared to 57,766 units sold in Fiscal 2013. Wholesale volumes for Land Rover in Fiscal 2014 were 351,245 units, representing an increase of 11.8% over sales of 314,290 units in Fiscal 2013.

Revenues (before inter-segment eliminations) for Jaguar Land Rover were Rs.1,894,590 million in Fiscal 2014, compared to Rs.1,365,620 million in Fiscal 2013, representing a 38.7% increase over Fiscal 2013. The increase was primarily driven by demand for both brands as well as a strong product and market mix, supported by favorable exchange rates. The revenues were also positively impacted by translation gain, of approximately Rs.218,417 million.

In Fiscal 2014, the Jaguar Land Rover business reported earnings before other income, interest and tax before inter-segment eliminations of Rs.228,027 million, as compared to Rs.150,653 million in Fiscal 2013, representing an increase of 51.3% over Fiscal 2013. The improvement in profitability was mainly attributable to increases in volumes across all markets, introduction of the Jaguar F-TYPE and smaller powertrain derivative of XF and XJ and XF Sportbrake, the New Range Rover, the New Range Rover Sport and Range Rover Evoque. Further, the performance was also supported by the positive impact of the continuing strength of the US dollar against the GBP and the Euro, improving its revenues against the backdrop of a largely GBP and Euro cost base. The reported earnings before other income, interest and tax also have an element of foreign currency translation gain of GBP to rupees of Rs.27,064 million.

Other Operations

Our other operations business segment mainly includes information technology services, machine tools and factory automation solutions. Our revenue from other operations before inter-segment eliminations was Rs.24,989 million in Fiscal 2014, an increase of 12.7% from Rs.22,179 million in Fiscal 2013. Revenues from other operations represented 1.1%, 1.2% and 1.1% of our total revenues, before inter-segment eliminations, in Fiscal 2014, 2013 and 2012, respectively. Earnings before other income, interest and tax before inter-segment eliminations, were Rs.2,634 million in Fiscal 2014 and Rs.3,294 million and Rs.2,443 million in Fiscal 2013 and 2012, respectively.

Geographical breakdown

We have pursued a strategy of increasing exports of Tata and other brand vehicles to new and existing markets. Improved market sentiment and a strong portfolio of Jaguar Land Rover products during Fiscal 2014, have enabled us to increase our share in international markets. Further, Jaguar Land Rover also experienced a change in market mix, in particular the continued strengthening of business in China, which is our second largest single market in terms of volumes, after India. The performance of our subsidiary in South Korea, TDCV, and TTL contributed to our revenue from international markets. TDCV's major export markets are Algeria, Russia, Vietnam, South Africa and countries in the Middle East. The proportion of our net sales earned from markets outside of India has increased significantly to 84.4% and 76.1% in Fiscal 2014 and Fiscal 2013, respectively. The increase was also a consequence of reduction in domestic sales in India.

The following table sets forth our revenue from our key geographical markets:

	Fiscal 2014		Fiscal 2013		Fiscal 2012	
Revenue	**Rs. in million**	**Percentage**	**Rs. in million**	**Percentage**	**Rs. in million**	**Percentage**
India	364,591	15.6%	453,276	23.9%	549,174	33.1%
China	656,138	28.0%	446,508	23.6%	296,923	17.9%
United Kingdom	290,162	12.4%	224,604	11.9%	179,866	10.8%
United States of America	266,436	11.4%	189,007	10.0%	157,855	9.5%
Rest of Europe	292,378	12.4%	221,035	11.7%	190,056	11.4%
Rest of the World	472,056	20.2%	358,480	18.9%	287,640	17.3%
Total	2,341,761		1,892,910		1,661,514	

Rest of Europe is geographic Europe excluding United Kingdom. Rest of the World is any region not included above.

Significant Factors Influencing Our Results of Operations.

Our results of operations are dependent on a number of factors, which include mainly the following:

- *General economic conditions*. We, similar to other participants in the automotive industry, are materially affected by general economic conditions. See Item 3.D "— Risk Factors — Risks associated with Our Business and the Automotive Industry".
- *Interest rates and availability of credit for vehicle purchases*. Our volumes are significantly dependent on availability of vehicle financing arrangements and the cost thereof. For further discussion of our credit support programs, see Item 4.B "— Business Overview — Automotive Operations".
- *Excise duty and sales tax rates*. In India the excise / sales tax rate structure affects the cost of vehicles to the end user and hence impacts demand significantly. For a detailed discussion regarding tax rates applicable to us, please see Item 4.B "—Business Overview — Government Regulations — Excise Duty".
- *Our competitive position in the market*. For a detailed discussion regarding our competitive position, see Item 4.B "—Business Overview — Automotive Operations — Tata and other brand vehicles — Competition".
- *Cyclicality*. Our results of operations are also dependent on the cyclicality in demand in the automotive market, new government and environmental regulations.
- *Environmental Regulations*. There has been a greater emphasis on raising emission and safety standards for the automobile industry by governments in the various countries in which we operate. Compliance with applicable environmental and safety laws, rules, regulations and standards will have a significant bearing on costs and product life cycles in the automotive industry. For further details with respect to these regulations, please see Item 4.B "— Business Overview — Government Regulations — Emission and Safety in India".
- *Foreign Currency Rates*. Our operations and our financial position are quite sensitive to fluctuations in foreign currency rates. Jaguar Land Rover earns significant revenue in the United States, Europe and China and also sources a significant portion of its input material from Europe. Thus any exchange rate fluctuations of GBP to Euro, GBP to US dollars and GBP to other currencies would affect our financial results. We have significant borrowings in foreign currencies denominated mainly in US dollars. Our consolidated financial results are affected by foreign currency exchange fluctuations through both translation risk and transaction risk. Changes in foreign currency exchange rates may positively or negatively affect our revenues, results of operations and net income.
  - To the extent that our financial results for a particular period will be affected by changes in the prevailing exchange rates at the end of the period, such fluctuations may have a substantial impact on comparisons with prior periods. Jaguar Land Rover constitute a major portion of consolidated financial position, the figures of which are translated into Indian rupees. However, the translation effect is a reporting consideration and does not impact our underlying results of operations.
  - Transaction risk is the risk that the currency structure of our costs and liabilities will deviate from the currency structure of sales proceeds and assets. However, we enter into hedging instruments to mitigate some of these transaction risks. These instruments enable us to reduce, but not eliminate, the impact of fluctuations in foreign currency exchange rates. Please see Item 11 "— Quantitative and Qualitative Disclosures About Market Risk" for further detail.
- Political and Regional Factors. Similar to the rest of the automotive industry, we are affected by political and regional factors. For a detailed discussion regarding these risks, please see Item 3.D "— Risk Factors — Political and Regulatory Risks."

Results of operations

The following table sets forth selected items from our consolidated statements of income for the periods indicated and shows these items as a percentage of total revenues:

	Percentage of Total Revenue			Percentage Change	
	Fiscal 2014	Fiscal 2013	Fiscal 2012	2013 to 2014	2012 to 2013
Total revenues	100%	100%	100%	23.7	13.9
Raw materials, components and purchase of product for sale (including change in stock)	61.7	63.5	65.6	20.3	10.2
Employee cost	9.1	8.8	7.5	28.0	33.5
Other expenses	21.3	20.3	18.8	29.7	23.0
Depreciation and amortization	4.7	4.0	3.4	45.8	34.3
Expenditure capitalized	-5.8	-5.4	-5.0	32.7	23.3
Other (income)/ loss (net)	-0.3	-0.6	-0.6	-36.1	20.5
Interest income	-0.3	-0.4	-0.3	-3.9	39.9
Interest expense (net)	2.3	2.2	2.3	30.2	4.7
Foreign exchange (gain) / loss (net)	-0.8	0.8	0.7	-221.2	37.0
Impairment of an equity accounted investee	0.3	—	0.3	100.0	-100.0
Share of (profit) / loss of equity accounted investees	0.1	— *	0.1	1,327.8	-77.6
Net income before tax	7.7	6.8	7.2	39.3	8.0
Income tax expense	-2.1	-2.1	-0.3	22.9	784.5
Net income	5.6	4.7	6.9	46.5	-22.0
Net income attributable to shareholders of Tata Motors Limited	5.6	4.7	6.9	47.4	-22.2
Net income attributable to non-controlling interests	— *	— *	— *	-47.9	13.4

* Less than 0.1

The following table sets forth selected data regarding our automotive operations (Tata and other brand vehicles including financing thereof and Jaguar Land Rover) for the periods indicated and the percentage change from period to period (before inter-segment eliminations).

				Percentage Change	
	Fiscal 2014	Fiscal 2013	Fiscal 2012	2012 to 2013	2012 to 2013
Total Revenues (Rs. million)	2,329,582	1,881,621	1,651,564	23.8	13.9
Earnings before other income, interest and tax (Rs. million)	207,396	164,207	158,986	26.3	3.3
Earnings before other income, interest and tax (% to total revenue)	8.9%	8.7%	9.6%		

The following table sets forth selected data regarding our other operations for the periods indicated and the percentage change from period to period (before inter-segment eliminations).

				Percentage Change	
	Fiscal 2014	Fiscal 2013	Fiscal 2012	2013 to 2014	2012 to 2013
Total revenues (Rs. million)	24,989	22,179	18,905	12.7	17.3
Earnings before other income, interest and tax (Rs. million)	2,634	3,294	2,443	-20.0	34.8
Earnings before other income, interest and tax (% to total revenue)	10.5%	14.9%	12.9%		

Fiscal 2014 Compared to Fiscal 2013

Revenues

Our total consolidated revenues (net of excise duty, where applicable) including finance revenues were Rs.2,341,761 million in Fiscal 2014, an increase of Rs.448,851 million or 23.7%, from Rs.1,892,910 million in Fiscal 2013.

The increase in revenues was primarily driven by our Jaguar Land Rover business, where revenues increased by 38.7%, from Rs.1,365,620 million in Fiscal 2013 to Rs.1,894,590 million in Fiscal 2014, due to volume increases across products and markets. The revenues also reflect an increase on account of currency translation from GBP to Rupees of Rs.218,417 million pertaining to Jaguar Land Rover. The increase in revenues of Rs.310,553 million (excluding translation impact relating to Jaguar Land Rover) was mainly attributable to increase in sales of the Range Rover and Evoque from 146,425 units in Fiscal 2013 to 166,697 units in Fiscal 2014 and Jaguar vehicles from 57,766 units in Fiscal 2013 to 80,644 units in Fiscal 2014. The increase in Fiscal 2014, was also attributable to an indirect tax incentive by Jaguar Land Rover of Rs.8,463 million.

The increase in revenues at our Jaguar Land Rover business was partly offset by a decrease in revenue for Tata and other brand vehicles including financing thereof by 15.8% from Rs.516,867 million in Fiscal 2013, to Rs.435,012 million in Fiscal 2014. Our revenues (gross of excise duty) from vehicle sales in India decreased from Rs.438,106 million in Fiscal 2013 to Rs.325,192 million in Fiscal 2014. The main affected product segments were the M&HCV segment and the LCV segment which decreased by 23.1% to Rs.129,350 million and by 32.5% to Rs.74,900 million, respectively in Fiscal 2014. Similarly, revenue from passenger cars and UV decreased by 38.6% to Rs.30,370 million and by 30.0% to Rs.13,810 million, respectively in Fiscal 2014. Furthermore, there was a decrease in spares sales activity by 9.6% in Fiscal 2014. These decreases in revenues were offset by an increase in vehicle sales of TDCV by 21.5% from Rs.36,992 million in Fiscal 2013 to Rs.44,955 million in Fiscal 2014.

Revenues (net of excise duty, where applicable) before inter-segment eliminations, from other operations were Rs.24,989 million in Fiscal 2014, an increase of 12.7% from Rs.22,179 million in Fiscal 2013, which represent 1.1% and 1.2% of our total revenues, before inter-segment eliminations, in Fiscal 2014 and 2013, respectively. The increase in revenues net of inter-segment elimination was Rs.889 million, which was mainly attributable to the acquisition of Cambric by TTL.

Cost and Expenses

Raw Materials, Components and Purchase of Products for Sale (including change in stock) (Material costs): Material costs in Fiscal 2014 were Rs.1,444,946 million compared to Rs.1,201,017 million in Fiscal 2013, reflecting an increase of 20.3%, or Rs.243,929 million. The increase in absolute terms in material costs was mainly attributable to increased volumes at our Jaguar Land Rover business as further discussed below and includes the foreign currency translation from GBP to rupees for Jaguar Land Rover operations which resulted in an increase of Rs.133,237 million. Due to the downturn in our India operations, material costs for Tata and other brand vehicles has decreased by Rs.61,062 million. Material costs as a percentage of revenues (excluding finance revenues) decreased to 62.5% in Fiscal 2014 as compared to 64.5% in Fiscal 2013. The reduction in material costs as a percentage to revenue was partly on account of change in composition of revenue, in terms of higher Jaguar Land Rover revenue as compared to India operations in Fiscal 2014.

At our Jaguar Land Rover operations, material costs in Fiscal 2014 were Rs.1,154,510 million compared to Rs.850,372 million, in Fiscal 2013, reflecting an increase of Rs.304,138 million, or 35.8% from Fiscal 2013. The material costs as a percentage to revenue was 61.4% in Fiscal 2014 (62.8% in Fiscal 2013) for Jaguar Land Rover (in GBP terms). The material cost increased by GBP 1,107 million (Rs.106,416 million) due to increase in volume and increase in duties by GBP 163 million (Rs.15,676 million) mainly due to increase in sales to China. However, as a percentage to revenue duties decreased from 11.7% in Fiscal 2013 to 10.4% in Fiscal 2014, due to an increase in sales in China of our 2.0 litre engines which attracts a lower duty (prior years when we were selling vehicles engines, which attracted a higher duty rate). Further, the decrease in material cost as a percentage to revenue was mainly due to cost reduction programs undertaken by Jaguar Land Rover of approximately GBP 209 million (Rs.20,100 million). However, such decrease was partially offset by negative movement of foreign currency rates applicable for sourcing countries of GBP 154 million (Rs.14,811 million).

At our India operations, material costs in Fiscal 2014 were Rs.259,163 million compared to Rs.329,621 million in Fiscal 2013, reflecting a decrease of Rs.70,458 million caused by the reduction in sales volume across all vehicle categories. The material costs as a percentage to revenue is 72.5% in Fiscal 2014, as compared to 73.5% in Fiscal 2013. The reduction is mainly attributable to the composition of revenue mainly of spares and M&HCV, where the % material cost is lower. Further in UV and LCV category, the average price realization improved over material cost. However, the decreases were offset by reduction in unit realization for cars, due to competitive environment.

Employee Cost: Our employee cost was Rs.213,903 million in Fiscal 2014, as compared to Rs.167,170 million in Fiscal 2013 and has gone up by 28.0% or Rs.46,733 million, including the currency translation impact discussed below. Our permanent headcount increased by 6.2% as of March 31, 2014 to 68,889 employees, as compared to 64,821 employees as of March 31, 2013.

The employee cost at Jaguar Land Rover was Rs.160,147 million in Fiscal 2014, as compared to Rs.114,591 million in Fiscal 2013, reflecting an increase of 35.0% or Rs.45,556 million. This includes currency translation from GBP to rupees of Rs.17,987 million. In GBP terms the employee cost was GBP 1,654 million in Fiscal 2014 as compared to GBP 1,334 million in Fiscal 2013. The employee cost at Jaguar Land Rover as a percentage to revenue was 8.5% in Fiscal 2014 and 8.4% in Fiscal 2013. In view of consistent volume increases and to support new launches and product development projects, Jaguar Land Rover increased permanent head count by 29.6% as of March 31, 2014 to 23,111 employees, as compared to 17,832 employees as of March 31, 2013. Consequently, the average temporary headcount decreased by 2,239 employees or 31.6% in Fiscal 2014 to 4,842 employees, as compared to 7,081 employees in Fiscal 2013. The increase in cost was also due to higher pension charge by GBP 71 million (Rs.6,838 million), on account of change in actuarial assumptions, such as discount rate and inflation and a 7.5% increase in employee salary (4.5% last year).

The employee cost at TDCV was Rs.5,771 million in Fiscal 2014, as compared to Rs.6,916 million in Fiscal 2013. In Fiscal 2013, TDCV recorded a provision of Rs.2,124 million, stemming from the lawsuit filed by the union employees demanding inclusion of some elements of non-ordinary salary and bonus as part of ordinary wages, which has been decided by the District Court against TDCV. TDCV has filed an appeal against the order which is still pending. On a comparable basis, the increase of Rs.979 million in Fiscal 2014 represents normal annual increments and currency translation of Rs.709 million.

For our India operations (Tata brand vehicles) the employee cost was Rs.33,672 million in Fiscal 2014, reflecting an increase of 2.5% or Rs.792 million. The permanent headcount decreased marginally by 0.5% as at March 31, 2014 to 38,434 employees, as compared to 38,627 employees as at March 31, 2013. To address the challenges posed by the business downturn, the Company has introduced an organization wide cost optimization program, and incurred Rs.535 million towards employee early separation scheme. Remaining increase mainly represented normal annual increments.

During Fiscal 2014, we have closed the manufacturing operations at Tata Hispano Motors Carrocera S.A. and accordingly paid EURO 12.4 million (Rs.1,006 million) as employee separation cost. The closure has been trigerred by continuous under performance mainly attributable to challenging market conditions in which Hispano operates.

Other Expenses: Other expenses increased by 29.7% to Rs.498,778 million in Fiscal 2014 from Rs.384,423 million in Fiscal 2013. This increase mainly reflects an effect of volumes at Jaguar Land Rover and currency translation of GBP to rupees of Rs.43,558 million pertaining to Jaguar Land Rover. As a percentage of total revenues, these expenses represented 21.3% in Fiscal 2014, as compared to 20.3% in Fiscal 2013. The major components of expenses are as follows:

	Year ended March 31,		Increase/
	2014	2013	(Decrease)
	(Rs. in millions)		
Freight and transportation expenses	75,439	55,930	19,509
Works operation and other Expenses	186,067	143,924	42,143
Publicity	81,425	66,556	14,869
Allowance for trade and other receivables, and finance receivables	26,830	10,570	16,260
Warranty and product liability expenses	57,957	42,029	15,928

i) The increase in freight and transportation expenses corresponds to an increase in volumes at our Jaguar Land Rover operations, predominantly on account of increased China sales.

ii) Our works operation and other expenses represented 7.9% and 7.6% of total revenue in Fiscal 2014 and 2013, respectively. These mainly relate to volume related expenses at Jaguar Land Rover.

iii) Publicity expenses were 3.5% of our revenues in Fiscal 2014 (same as Fiscal 2013). In addition to routine product and brand campaigns, we incurred expenses relating to new product introduction campaigns, namely new Range Rover, new Range Rover Sport, Range Rover Evoque, Jaguar F-TYPE and smaller powertrain derivative XF and XJ and XF Sportbrake and the Prima LX series of trucks, Vista tech and Sumo Gold in India.

iv) The allowances for trade and other receivables, and finance receivables mainly relates to India operations. The increase mainly relates to provision for impairment of vehicle loans. Consistent deterioration in the economic environment in India severely affected fleet owners and transporters. Due to overcapacity and slowing industrial activity, freight rates stagnated. As a result, the increased diesel prices and other cost could not be fully recovered by the transporters. Both large and small fleet operators suffered due to lack of cargos, reduced trips and waiting periods. The situation was further accentuated on account of delays in payments by customers, which affected the cash flow and economics of small fleet operators who generally avail financing. Consequently, the rate of defaults increased during the year. The number of vehicles repossessed have also increased leading to pressure on downward realization of resale of these vehicles. As per the policy followed by us of recognizing allowances for finance receivables upon event of default, we have made provision of Rs.24,139 million in Fiscal 2014.

   Further, based on our assessment of non-recoverability of overdues in trade and other receivables, we have recorded a provision of Rs.2,691 million in Fiscal 2014, an increase of Rs.1,549 million.

v) Warranty and product liability expenses represented 2.5% and 2.2% of our revenues in Fiscal 2014 and Fiscal 2013, respectively. The warranty expenses at Jaguar Land Rover represented 2.84% of the revenue as compared to 2.80% last year, whereas for Tata Motors Indian operations these represent 0.99% of revenue as compared to 0.78% last year. The increase cost for Tata Motors Indian operations represented increase in warranty period from two years to four years for certain M&HCV models, resulting in an increase in warranty accrual from Rs.116 million in Fiscal 2013 to Rs.438 million in Fiscal 2014. Please refer to Item 5.A “Critical Accounting Policies” of this annual report for further details.

Expenditure capitalized: These represent employee costs, stores and other manufacturing supplies and other works expenses incurred towards product development projects and also include costs attributable to internally constructed capital items. Considering the nature of our industry, we have to continually invest in the development of new products and also address safety, emission and other regulatory norms. The increase reflects expenditure on new products and other major product development plans, including for example, with respect to the new Range Rover, the Range Rover Sport, Jaguar F-Type future LCVs, World Truck and passenger car models. The expenditure capitalized in Fiscal 2014 was Rs.135,247 million as compared to Rs.101,935 million in Fiscal 2013. The increase inclues currency translation impact from GBP to rupees of Rs.13,374 million pertaining to Jaguar Land Rover.

Depreciation and Amortization: Our depreciation and amortization expenses increased by Rs.34,695 million or 45.8%, the breakdown of which is as follows:

	Fiscal 2014	Fiscal 2013
Depreciation	52,426	39,651
Amortization	58,037	36,117
Total	110,463	75,768

The increase on account of currency translation from GBP to rupees is Rs.9,864 million pertaining to Jaguar Land Rover. The increase in depreciation expenses was on account of asset addition in Fiscal 2014 and plant and equipment and toolings (mainly towards capacity and new products) and the full effect of asset additions in the previous year. The amortization expense mainly relate to product development cost capitalized and new products introduced during Fiscal 2013 and Fiscal 2014, primarily, the new Range Rover, the new Range Rover Sport, Evoque and Jaguar F-TYPE and represented 2.5% and 1.9% of revenue for the Fiscal 2014 and Fiscal 2013, respectively.

Other income (net): There was a net gain of Rs.7,733 million in Fiscal 2014, as compared to Rs.12,099 million in Fiscal 2013, representing a decrease of 36.1% or Rs.4,366 million.

i. In Fiscal 2013, we recorded a gain of Rs.3,933 million on account of the fair value of prepayment option to the holders of Senior Notes. During the Fiscal 2014, the Company refunded these notes before maturity and consequently recognized a loss of Rs.4,792 million towards reversal of previously recognized gain.

ii. As compared to gain of Rs.802 million in Fiscal 2013, there was a loss on fair value of conversion option relating to convertible foreign currency notes of Rs.838 million in Fiscal 2014. The notes have been fully converted in Fiscal 2014.

iii. In Fiscal 2014, there was a gain on a sale of available for sale investments of Rs.1,102 million as compared to loss of Rs.275 million in Fiscal 2013.

For further details refer Note 30 to our consolidated financial statements included elsewhere in this annual report.

Interest expense (net): Our interest expense (net of interest capitalized) increased by 30.2% to Rs.53,095 million in Fiscal 2014, compared to Rs.40,792 million in Fiscal 2013. As a percentage of total revenues, interest expense represented 2.3% in Fiscal 2014 compared to 2.2% in Fiscal 2013. The interest expense (net) for Jaguar Land Rover was GBP 138 million (Rs. 13,272 million) in Fiscal 2014 as compared to GBP 65 million (Rs.5,608 million) in Fiscal 2013. The increase of Rs.12,303 million was due to prepayment of Senior Notes of GBP 53 million (Rs.5,097 million). This also includes a currency translation of Rs.2,317 million from GBP to rupees.

Foreign exchange (gain)/loss (net): We was a net foreign exchange gain of Rs.19,104 million in Fiscal 2014, compared to loss of Rs.15,775 million in Fiscal 2013. This was primarily attributable to Jaguar Land Rover

i. Jaguar Land Rover recorded an exchange gain of Rs.25,244 million in Fiscal 2014 as compared to loss of Rs.12,680 million in Fiscal 2013. There was a gain of Rs.10,771 million on cash flow hedges in Fiscal 2014 as compared to a loss of Rs.5,047 million in Fiscal 2013. We incurred a net exchange gain on Senior Notes of Rs.8,367 million in Fiscal 2014, as compared to Rs.3,405 million in Fiscal 2013. The gain was mainly due to depreciation of USD as compared to GBP.

ii. For India operations, due to depreciation of the Indian rupee against all major currencies, we incurred exchange losses. There was a net exchange loss of Rs.4,841 million in Fiscal 2014 as compared to Rs.5,467 million in Fiscal 2013, attributable to foreign currency denominated borrowings.

Impairment in respect of equity accounted investees: In Fiscal 2014, we recognized an impairment loss of Rs.8,034 million in respect of its investment in an associate. The associate is engaged in the business of manufacture and sale of construction equipment. The operation has been severely affected due to the current economic slowdown and increased competition from new entrants. The recoverable amount is determined based on value in use.

Income Taxes: Our income tax expense was Rs.48,227 million in Fiscal 2014 as compared to Rs.39,239 million in Fiscal 2013, representing 26.9% as compared to 30.5% of net income before tax, respectively. The reasons for major reconciliation items are given below:

i. Considering the statutory tax rates applicable for each company in the group, the effective tax rate has decreased from 23.7% in Fiscal 2013 to 19.9% in Fiscal 2014. The net increase in tax expense by Rs.5,280 million is represented by a gross increase in tax expense of Rs.11,970 million due to increase in income offset by decrease in statutory tax rate of Rs.6,690 million.

ii. We recognized net credit of Rs.5,300 million representing reduction in statutory tax rates applicable to a subsidiary in the UK. We had recognized a net debit of Rs.1,548 million during Fiscal 2013 due to changes in tax rates in our Indian operations.

iii. We recognized net credit of Rs.3,257 million in respect of utilization /credit of unrecognized tax losses, unabsorbed depreciation and other tax benefits as compared to Rs.518 million in Fiscal 2013.

iv. Income tax expenses on undistributed earnings of subsidiaries has increased by Rs.7,383 million mainly due to dividends paid in Fiscal 2015 out of profits of Fiscal 2014 declared by Jaguar Land Rover and increase in profits in our overseas subsidiary companies.

v. The relevant Indian tax regulations mandate the companies to pay tax on book profits, known as Minimum Alternate Tax or MAT. MAT may be carried forward and set-off against future income tax liabilities computed under normal tax provisions within a period of ten years. We had recognized deferred tax assets representing MAT paid in prior years for Tata Motors Limited on standalone basis. In the course of assessment of recoverability of MAT paid, we have written off previously recognized tax credit of Rs.7,318 million in view of future taxable profit, considering continued economic slowdown in India.

vi. The tax on share of profit / loss of equity accounting investees was Rs.537 million in Fiscal 2014 as compared to a credit of Rs.34 million in Fiscal 2013.

For further details refer to Note 17 to our consolidated financial statements included elsewhere in this annual report.

Share of profit of equity accounted investees and Non-controlling Interests in Consolidated Subsidiaries, net of tax: In Fiscal 2014, our share of profit of equity accounted investees reflected a loss of Rs.1,878 million, as compared Rs.132 million in Fiscal 2013.

- The operations of an associate engaged in the business of industrial equipment continued to be impacted by adverse economic conditions and competitive pressure. Our share of loss for the Fiscal 2014 was Rs.1,354 million as compared to Rs.703 million in Fiscal 2013.
- Fiscal 2013 includes a gain of Rs.1,101 million, representing our share of profit in one of the equity accounted investees, which recorded gain on divestment of certain joint venture investments.

In Fiscal 2014, our share of non-controlling interest reflected a gain of Rs.462 million, as compared to Rs.886 million in Fiscal 2013, primarily due to reduced profitability of one of our subsidiary.

Net Income

Our consolidated net income in Fiscal 2014 excluding share of non-controlling interests increased by 47.4% to Rs.130,717 million from Rs.88,671 million in Fiscal 2013. Net income as a percentage of total revenues also increased to 5.6% in Fiscal 2014 from 4.7% in Fiscal 2013. This increase was mainly the result of the following factors:

- Jaguar Land Rover performance in terms of volume and profitability contributed significantly. The earnings before other income, interest and tax for Jaguar Land Rover was Rs.228,026 million in Fiscal 2014 as compared to Rs.150,653 million in Fiscal 2013; amounting to 12.0% of sales as compared to 11.0% for Fiscal 2013. The net income also include an element of currency translation of Rs.22,566 million from GBP to rupees.

Which was offset by

- Revenues from the domestic market (India), which were significantly affected by volume contractions, decreased by 19.6% to Rs.364,591 million in Fiscal 2014 from Rs.453,276 million in Fiscal 2013. This resulted in negative earnings before other income, interest and tax of Rs.20,631 million in Fiscal 2014 for Tata and other brand vehicles including financing thereof, as compared to positive earning of Rs.13,554 million in Fiscal 2013.

- A decrease in other income, mainly due to the loss on the fair value of prepayment option and loss on conversion option; and
- Impairment loss of Rs.8,034 million in respect of investment in an associate.

Fiscal 2013 Compared to Fiscal 2012

Revenues

Our total consolidated revenues (net of excise duty, where applicable) including finance revenues were Rs.1,892,910 million in Fiscal 2013, an increase of Rs.231,396 million or 13.9%, from Rs.1,661,514 million in Fiscal 2012.

The increase in revenues was primarily driven by our Jaguar Land Rover where revenues increased by 30.7%, from Rs.1,044,533 million in Fiscal 2012 to Rs.1,365,620 million in Fiscal 2013. The increase in revenues was primarily a result of volume increases across products and markets. The revenues also reflect an increase on account of currency translation from GBP to rupees of Rs.140,655 million. Rs.150,630 million, or 14.4% of the aggregate increase in revenues of Rs.180,432 million (excluding translation impact) was mainly attributable to an increase in sales of the Range Rover Evoque from 59,948 units in Fiscal 2012 to 115,529 units in Fiscal 2013.

The increase in revenues at our Jaguar Land Rover was partly offset by a decrease in revenue for Tata and other brand vehicles including financing thereof by 14.9% from Rs.607,709 million in Fiscal 2012, to Rs.516,867 million in Fiscal 2013. The decrease was mainly due to lower growth in some markets and competition. In particular, the decrease in revenues resulted from a significant reduction in the vehicle sales volumes in several vehicle categories, including M&HCV in India, which decreased from Rs.246,079 million to Rs.168,363 million and passenger cars, which decreased by 37.8% from Rs.81,330 million to Rs.50,551 million.

The above decrease in revenues was offset by:

- an increase in finance revenue by 23.3% from Fiscal 2012, which resulted from increased volume of financing.
- an increase in spares sales activity by 10.2% from Fiscal 2012.
- an increase in vehicle sales in LCV category, in India by 17.6% from Rs.95,805 million in Fiscal 2012 to Rs.112,631 million in Fiscal 2013, which was largely supported by demand for small commercial vehicles driven by certain niche segments and our market penetration.
- an increase in vehicle sales of TDCV by 24.1% from Rs.29,808 million in Fiscal 2012 to Rs.36,992 million in Fiscal 2013, primarily as a result of improvement in some of the Company’s traditional export markets like Algeria, Russia, Laos, South Africa, and Vietnam. TDCV has also commenced introducing its products in some new markets like Indonesia, Ecuador, and Ghana with a view to diversify its market.

Revenues (net of excise duty, where applicable) before inter-segment eliminations, from other operations were Rs.22,179 million in Fiscal 2013, an increase of 17.3% from Rs.18,905 million in Fiscal 2012. The increase in revenues from other operations was mainly attributable to traction in the automotive and aerospace markets. Revenues from other operations represented 1.2% and 1.1% of our total revenues, before inter-segment eliminations, in Fiscal 2013 and 2012, respectively.

Cost and Expenses

Raw Materials, components and Purchase of Products for Sale (including change in stock) (Material costs): Material costs in Fiscal 2013 were Rs.1,201,017 million compared to Rs.1,089,791 million in Fiscal 2012, reflecting an increase of 10.2%, or Rs.111,226 million, from Fiscal 2012. The increase in material costs was mainly attributable to an increase volumes at our Jaguar Land Rover as further discussed below. The increase was also partially attributable to the effect of currency translation from GBP to Indian rupees, which resulted in an increase of Rs.88,851 million. This was partly offset by decrease at our India operations, due to reduction in volumes. Material costs as a percentage of revenues (excluding finance revenues) decreased to 64.5% in Fiscal 2013 as compared to 66.6% in Fiscal 2012.

At our Jaguar Land Rover operations, material costs in Fiscal 2013 were Rs.850,372 million compared to Rs.671,043 million in Fiscal 2012, reflecting an increase of Rs.179,329 million from Fiscal 2012 (net of translation increase of Rs.90,478 million). The material cost as a percentage of revenues decreased to 62.8% in Fiscal 2013, as compared to 64.6% in Fiscal 2012. The material cost increased by GBP 896 million (Rs.77,081 million) due to increase in volume and increase in duties by GBP 213 million (Rs.18,314 million) mainly due to increase in sales to China. As a percentage to revenue duties decreased from 12.1% in Fiscal 2012 to 11.7% in Fiscal 2013. Further, the decrease in material cost as a percentage to revenue was mainly due to cost reduction programs undertaken by Jaguar land Rover of approximately GBP 117 million (Rs.10,060 million) and positive movement of foreign currency rates applicable for sourcing countries of GBP 185 million (Rs.15,907 million).

At our India operations, raw material costs in Fiscal 2013 were Rs.329,621 million compared to Rs.397,023 million in Fiscal 2012, reflecting a decrease of Rs.67,402 million from Fiscal 2012. The reduction represent volume impact of M&HCV Rs.56,419 million and passenger cars by Rs.27,882 million. This was partly offset by increase in volumes of LCV by Rs.13,273 million. The raw material cost as a percentage of revenues increased to 73.5% in Fiscal 2013, as compared to 72.7% in Fiscal 2012 (before inter-segment eliminations). The percentage increase was due to change in proportion of products – lower M&HCV volumes (high contribution models) and higher LCVs (low contribution models).

Employee Cost: Our employee cost was Rs.167,170 million in Fiscal 2013, as compared to Rs.125,205 million in Fiscal 2012 and has gone up by 33.5% or Rs.41,965 million. Our permanent headcount increased by 7% as at March 31, 2013 to 64,821 employees, as compared to 60,471 employees as at March 31, 2012.

The employee cost at Jaguar Land Rover was Rs.114,591 million in Fiscal 2013, as compared to Rs.77,813 million in Fiscal 2012, which reflects an increase of 47.3% or Rs.36,778 million. This includes currency translation of Rs.12,379 million. The employee cost as a percentage to revenue was 8.4% in Fiscal 2013 and 7.5% in Fiscal 2012. Jaguar Land Rover increased its permanent and agency headcount to support volume increases, as well as new launches and product development projects. The permanent headcount increased by 9.5% as at March 31, 2013 to 17,832 employees, as compared to 16,313 employees as at March 31, 2012. The average temporary headcount increased by 40.5% in Fiscal 2013 to 7,081 employees, as compared to 5,041 employees in Fiscal 2012. The increase in cost was also attributable to a wage agreement in November 2012, resulting in an increase of 4.5% increase in salary. Further increase in cost was due to higher pension charge by GBP 34 million (Rs.2,889 million), due to change in actuarial assumptions, such as discount rate and inflation and other benefits/costs to employees by GBP 40 million (Rs.3,412 million), on account of increase in salaries in Fiscal 2013.

In South Korea, our union employees had filed a lawsuit demanding inclusion of some elements of non-ordinary salary and bonus as part of ordinary wages, which has been decided by the district court in their favor. We have made a provision of Rs.2,124 million in Fiscal 2013 in respect of this lawsuit. We have filed an appeal against the order.

For our India operations (Tata brand vehicles) the employee cost was Rs.32,880 million in Fiscal 2013, as compared to Rs.31,018 million in Fiscal 2012, which reflects an increase of 6% or Rs.1,705 million. The permanent headcount increased by 6.0% as at March 31, 2013 to 38,627 employees, as compared to 36,446 employees as at March 31, 2012, mainly due to commencement of operations of Dharwad plant in March 2012 and increased product development activity. The increase was due to yearly increments (Rs.1,661 million for Tata Motors) and wage revision at one of the major location (increase of Rs.409 million) due in Fiscal 2013, which were partly offset by reduction in variable pay, due to performance factors (Rs.764 million for Tata Motors).

Other Expenses: Other expenses increased by 23.0% to Rs.384,423 million in Fiscal 2013 from Rs.312,456 million in Fiscal 2012. This increase mainly reflects the impact of an increase in volumes at Jaguar Land Rover and currency translation from GBP to rupees of Rs.29,450 million. As a percentage of total revenues, these expenses represented 20.3% in Fiscal 2013, as compared to 18.8% in Fiscal 2012. The major components of expenses are as follows:

	Year ended March 31,		Increase/
	2013	2012	(Decrease)
		(Rs. in millions)	
Freight and transportation expenses	55,930	45,952	9,978
Works operation and other Expenses	143,924	111,888	32,034
Publicity	66,556	54,285	12,271
Allowance for trade and other receivables, and finance receivables	10,570	6,774	3,796
Warranty and product liability expenses	42,029	36,173	5,856

i) The increase in freight and transportation expenses related to increase in volumes at our Jaguar Land Rover operations, predominantly for China sales.

ii) Our works operation and other expenses represented 7.6% and 6.7% of total revenue in Fiscal 2013 and 2012, respectively. These mainly relate to volume related expenses at Jaguar Land Rover.

iii) Publicity expenses were 3.5% of our revenues in Fiscal 2013, as compared to 3.3% in Fiscal 2012. In addition to routine product and brand campaigns, we incurred expenses relating to new product introduction campaigns, namely the all-new aluminum Range Rover that went on sale during September 2012 as well as the Jaguar all-wheel drive and smaller engine variants and 2013 Model Year launches of other vehicles. In India we launched the Safari Storme and the Tata LPT 3723.

iv) Consequent to increase in level of financing activity and evaluation of defaults/overdues, the allowances for finance receivables have increased by Rs.3,681 million.

v) Warranty and product liability expenses represented 2.2% of our revenues both in Fiscal 2013 and Fiscal 2012. Please refer Item 5.A "Critical Accounting Policies" of this annual report for further details.

Expenditure capitalized: These represent employee costs, stores and other manufacturing supplies and other works expenses incurred towards product development projects and also include costs attributable to internally constructed capital items. Considering the nature of our industry, we have to continually invest in the development of new products and also address safety, emission and other regulatory norms. The increase reflects expenditure on new products and other major product development plans, including for example, with respect to the new Range Rover, the Range Rover Sport, future LCVs, World Truck and passenger car models.

Depreciation and Amortization: Our depreciation and amortization expenses increased by Rs.19,344 million to Rs.75,768 million in Fiscal 2013, compared to Rs.56,424 million in Fiscal 2012. The increase on account of currency translation is Rs.5,401 million. The increase in depreciation expenses from Rs.33,288 million in Fiscal 2012 to Rs.39,651 million in Fiscal 2013, is on account of asset addition in Fiscal 2013 and plant and equipment (mainly towards capacity and new products) installed in Fiscal 2012 (production facility for Evoque at Halewood and plant at Dharwad), the full effect of which is reflected in the current year. The increase in amortization of product development cost from Rs.23,136 million in Fiscal 2012 to Rs.36,117 million in Fiscal 2013, reflects amortization cost of products capitalized and introduced during Fiscal 2012 and Fiscal 2013, primarily, the Range Rover Evoque and Safari Storme.

Other income (net): There was a net gain of Rs.12,099 million in Fiscal 2013, as compared to Rs.10,039 million in Fiscal 2012 an increase of Rs.2,060 million.

i. There was a gain of Rs.3,933 million on fair value of prepayment option on Senior Notes.

ii. As compared to Fiscal 2012 there was reduction in gain on fair value of conversion option relating to convertible foreign currency notes by Rs.1,631 million in Fiscal 2013.

For further details refer Note 30 to our consolidated financial statements included elsewhere in this annual report.

Interest expense (net): Our interest expense (net of interest capitalized) increased by 4.7% to Rs.40,792 million in Fiscal 2013, compared to Rs.38,958 million in Fiscal 2012. As a percentage of total revenues, interest expense represented 2.2% in Fiscal 2013 compared to 2.3% in Fiscal 2012. The gross interest expense increased by 15.1% to Rs.54,152 million in Fiscal 2013, compared to Rs.47,045 million in Fiscal 2012. Consequent to increase in financing activity and the rate change, interest expense increased by Rs.3,765 million.

Foreign exchange (gain)/loss (net): We had a net foreign exchange loss of Rs.15,775 million in Fiscal 2013, compared to Rs.11,512 million in Fiscal 2012. This was primarily due to the following factors:

i. Jaguar Land Rover incurred an exchange loss of Rs.12,680 million in Fiscal 2013 as compared to Rs.759 million in Fiscal 2012. There was a loss of Rs.5,047 million on cash flow hedges in Fiscal 2013 as compared to a gain of Rs.1,615 million in Fiscal 2012. We incurred a net exchange loss on Senior Notes of Rs.3,405 million in Fiscal 2013, as compared to Rs.924 million in Fiscal 2012.

ii. For India operations, due to depreciation of the Indian rupee against all major currencies, we incurred exchange losses on foreign currency payments and borrowings. There was a net exchange loss of Rs.5,467 million in Fiscal 2013 as compared to Rs.9,672 million in Fiscal 2012. The reduction of Rs.4,205 million, attributable to repayment of foreign currency denominated borrowings (Zero Coupon Convertible Alternative Reference Securities and Foreign Currency Convertible Notes).

Income Taxes: Our income tax expense was Rs.39,239 million in Fiscal 2013, compared to Rs.4,437 million in Fiscal 2012. The main reason are

i. In Fiscal 2012, we recognized all previously unrecognized unused tax losses and other temporary differences pertaining to Jaguar Land Rover operations resulting in tax credit of Rs.29,528 million.

ii. During Fiscal 2013, we recognized Rs.4,133 million tax expense on distribution of dividend from an overseas subsidiary and there was increase of Rs.1,113 million in tax provision on undistributed earnings of subsidiaries / associates (due to increase in subsidiary companies profits of Jaguar Land Rover, mainly China).

iii. There was an increase of Rs.1,538 million towards additional tax liability on the rate change and Rs.2,498 million due to the increase in income.

For further details refer to Note 17 to our consolidated financial statements included elsewhere in this annual report.

Share of profit of equity accounted investees and Non-controlling Interests in Consolidated Subsidiaries, net of tax: In Fiscal 2013, our share of profit of equity accounted investees reflected a loss of Rs.132 million, as compared to Rs.587 million in Fiscal 2012. In Fiscal 2013,

- our share of profits increased by Rs.1,101 million in one of equity accounted investees, which recorded gain on divestment of certain joint ventures investment.
- loss of Rs.816 million in the joint venture with Chery Automobiles (mainly start-up cost).

In Fiscal 2013, our share of non-controlling interest reflected a gain of Rs.886 million, as compared to Rs.781 million in Fiscal 2012, primarily due to increased profitability of our subsidiaries, mainly Tata Technologies Ltd.

Net Income

Our consolidated net income in Fiscal 2013 excluding share of non-controlling interests decreased by 22.2% to Rs.88,671 million from Rs.114,036 million in Fiscal 2012. Net income as a percentage of total revenues also decreased to 4.7% in Fiscal 2013 from 6.9% in Fiscal 2012. This decrease was the result of the following factors:

- Revenues from the domestic market (India) decreased by 17.5% to Rs.453,276 million in Fiscal 2013 from Rs.549,174 million in Fiscal 2012, resulting in earnings before other income, interest and tax of Rs.13,554 million in Fiscal 2013 for Tata and other brand vehicles including financing thereof, as compared to Rs.42,228 million in Fiscal 2012; and
- foreign exchange loss.
- higher income tax expense.

Which was offset by

- Revenues from market outside India increased by 29.4% to Rs.1,439,634 million in Fiscal 2013 from Rs.1,112,340 million in Fiscal 2012, mainly attributable to our Jaguar Land Rover. The earnings before other income, interest and tax for Jaguar Land Rover was Rs.150,653 million in Fiscal 2013 as compared to Rs.116,759 million in Fiscal 2012; and
- increase in other income, mainly due to gain on the fair value of prepayment option.

Recent Accounting Pronouncements

Please refer to Note 2 (v) to our consolidated financial statements included elsewhere in this annual report for adopted and yet to be adopted accounting pronouncements as of March 31, 2014.

Critical Accounting Policies

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

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

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

Impairment of Goodwill

Cash generating units to which goodwill is allocated are tested for impairment annually at each balance sheet date, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to that unit and then to the other assets of the unit pro rata on the basis of carrying amount of each asset in the unit. Goodwill impairment loss recognized is not reversed in subsequent period. Please refer to Note 14 to our consolidated financial statements included elsewhere in this annual report for assumptions used for goodwill impairment.

Impairment of property, plant and equipment and intangible assets

At each balance sheet date, the Company assesses whether there is any indication that any property, plant and equipment and intangible assets with finite lives may be impaired. If any such impairment exists the recoverable amount of an asset is estimated to determine the extent of impairment, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually at each balance sheet date, or earlier, if there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the income statement.

Impairment of equity accounted investees

In Fiscal 2014 and Fiscal 2012, the Company had recognized an impairment loss of Rs.8,034 million and Rs.4,981 million respectively, in respect of its investment in an associate on account of economic slowdown and increased competition from new entrants. The associate is engaged in the business of manufacture and sale of construction equipment. The recoverable amount of the investment is determined based on value in use.

Product Warranty

Vehicle warranties are provided for a specified period of time. Our vehicle warranty obligations vary depending upon the type of the product, geographical location of its sale and other factors.

The estimated liability for vehicle 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 our estimates regarding possible future incidence based on actions on product failures.

Changes in warranty liability as a result of changes in estimated future warranty costs and any additional costs in excess of estimated costs, can materially affect our net income. Determination of warranty liability is based on the estimated frequency and amount of future claims, which are inherently uncertain. Our policy is to continuously monitor warranty liabilities to determine the adequacy of our estimate of such liabilities. Actual claims incurred in the future may differ from our original estimates, which may materially affect warranty expense.

Employee Benefits

Employee benefit costs and obligations are dependent on assumptions used in calculating such amounts. These assumptions include salary increase, discount rates, health care cost trend rates, benefits earned, interest cost, expected return on plan assets, mortality rates and other factors.

While we believe that the assumptions used are appropriate, differences in actual experience or changes in assumptions may affect our employee benefit costs and obligations.

Recoverability/recognition of deferred tax assets

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Such deferred tax assets and liabilities are computed separately for each taxable entity and for each taxable jurisdiction. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

Conversion options valuation

Fair value of conversion option in foreign currency convertible notes/convertible alternative reference securities is determined using various option valuation models such as Black Scholes Merton model, Cox Ross Rubinstein Model and Monte Carlo Simulation. Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any valuation technique. Changes in fair valuation of conversion option could have material impact on the results of the Company. However, there are no direct cash flow consequences.

Financial instruments and fair valuation of prepayment options in Senior Notes

Fair valuation of prepayment options and other financial instruments requires judgment around the valuations.

Property, plant and equipment

Capital work in progress, as at March 31, 2014 includes building of Rs.3,098.8 million on leased land located in the State of West Bengal in India for the purposes of manufacturing automobiles. In June 2011, the newly elected State Government of West Bengal (referred to as the "State Government") enacted legislation to cancel the land lease agreement.

The Company challenged the legal validity of the legislation. In June 2012, the Calcutta High Court (referred to as the "High Court") ruled against the validity of the legislation and restored the Company's rights under the land lease agreement. The State Government filed an appeal in the Supreme Court of India. As of the date of the authorization of the financial statements, the Supreme Court has not concluded on the State Government appeal.

The Company reasonably expects that the High Courts' judgment, based on established law, will be upheld by the Supreme Court. Based on the management's assessment, no adjustments to the carrying amount of buildings is considered necessary. For further details regarding the current legal proceedings with respect to the leased land please refer to Item 4.B "— Business Overview — Legal Proceedings" of this annual report.

B. Liquidity and Capital Resources.

We finance our capital expenditures and research and development investments through cash generated from operations, cash and cash equivalents, debt and equity funding. We also raise funds through sale of investments including divestment in stakes of subsidiaries on a selective basis.

Our business segments are (i) automotive operations and (ii) all other operations. We provide financing for vehicles sold by dealers in India. Our automotive operations segment is further divided into Tata and other brand vehicles (including financing thereof) and Jaguar Land Rover. Further, given the nature of our industry and competition, we are required to make significant investments in product development on an ongoing basis.

Principal Sources of Funding Liquidity

Our funding requirements are met through a mixture of equity, convertible or non-convertible debt securities and other long-term/short-term borrowings. We access funds from debt markets through commercial paper programs, convertible and non–convertible debentures, and other debt instruments. We continually monitor funding options available in the debt and equity capital markets with a view to maintaining financial flexibility.

See Note 36 to our audited consolidated financial statements included elsewhere in this annual report for additional disclosures on financial instruments related to liquidity, foreign exchange and interest rate exposures and use of derivatives for risk management purposes.

The following table sets forth our short-term and long-term debt position:

	Fiscal 2014	Fiscal 2013
	(Rs. in millions)	
Total short-term debt (excluding current portion of long-term debt)	100,465	117,378
Total current portion of long-term debt	65,496	117,519
Long-term debt net of current portion	454,139	330,718
Total Debt	**620,100**	**565,615**

During Fiscal 2014 and 2013, the effective weighted average interest rate on our long-term debt was 8.2% and 8.9% per annum, respectively.

The following table sets forth a summary of the maturity profile for our outstanding long-term debt obligations as of March 31, 2014.

Payments Due by Period*	Rs. in millions
Within one year	99,838
After one year and up to two years	108,082
After two year and up to five years**	250,009
After five year and up to ten years**	220,965
Total	**678,894**

* Including interest
** Jaguar Land Rover has only Senior Notes as long-term debt obligations as of March 31, 2014 of Rs.183,400 million.

The following table sets forth our total liquid assets – namely cash and cash equivalents, short term deposits and investments in mutual funds:

	Fiscal 2014	Fiscal 2013
	(Rs. in millions)	
Total cash and cash equivalents	159,922	116,910
Total short term deposits	125,150	68,957
Total mutual funds investments	95,016	75,327
Total liquid assets	380,088	261,194

These resources enable us to cater to business needs in the event of changes in credit market conditions. Of the above liquid assets, Jaguar Land Rover has Rs.344,228 million and Rs.233,631 million as of March 31, 2014 and as of March 31, 2013, respectively.

We expect to invest in property, plant and equipment and product development of approximately Rs.380 billion during Fiscal 2015.

We will continue to invest in new products and technologies to meet consumer and regulatory requirements. We are currently enhancing the production capacities and building a new engine facility in the United Kingdom. We are investing in new manufacturing facility through joint venture with Chery Automobile in China and assembly footprint in Brazil. These investments would enable us to pursue further growth opportunities and address competitive positioning. We expect to meet most of our investments out of operating cash flows and cash liquidity available to us. In order to meet the balance requirements, we may be require to raise funds through additional loan and by accessing capital markets from time to time, as deemed necessary.

In view of the continuing prolonged economic downturn, the operating margins for Tata Motors Limited on a standalone basis are expected to remain under pressure. With the ongoing need for investments in products and technologies, we were free cash flow negative in Fiscal 2014, and expect to be free cash flow negative in Fiscal 2015. We expect that with the improvement in macro-economic conditions and business performance, through other steps like raising funds at subsidiary levels, review of non-core investments etc, and through appropriate actions for raising additional long term resources at Tata Motors Limited on a standalone basis, the funding gap would be appropriately addressed.

The following table provides information for credit rating of Tata Motors short-term borrowing and long-term borrowing from rating agencies Credit Analysis and Research Ltd Ratings (CARE), Information and Credit Rating Agency of India Ltd (ICRA), CRISIL Ltd (CRISIL),Standard & Poor's Ratings Group (S&P) and Moody's Investor Services (Moody's). A credit rating is not a recommendation to buy, sell or hold securities. A credit rating may be subject to withdrawal or revision at any time. Each rating should be evaluated separately of any other rating:

	CARE	ICRA	CRISIL	S&P	Moody's
Long- term borrowings	AA+	AA	AA	BB	Ba3
Short-term borrowings	—	A1+	A1+	—	—

We believe that we have sufficient liquidity available to meet our planned capital requirements. However, our sources of funding could be adversely affected by an economic slowdown, as was witnessed in Fiscal 2009, or other macroeconomic factors in India and abroad, such as in the United Kingdom, the United States, Europe and China, which are beyond our control. A decrease in the demand for our vehicles could affect our ability to obtain funds from external sources on acceptable terms or in a timely manner.

Our cash is located at various subsidiaries within the Tata Motors Group. There may also be legal, contractual or economic restrictions on the ability of subsidiaries to transfer funds to us in the form of cash dividends, loans, or advances. Brazil, Russia, South Africa and other locations have regulatory restrictions disincentives or costs on pooling or transferring of cash. However such restrictions have not had and are not estimated to have significant impact on our ability to meet our cash obligations.

Certain debt issued at Jaguar Land Rover are subject to customary covenants and events of default which include amongst other things restrictions or limitations on the amount of cash which can be transferred outside the Jaguar Land Rover Group of companies in the form of dividends, loans or investments. These are referred to as Restricted Payments in the loan documentation. In general, the amount of cash which can be transferred outside the Jaguar Land Rover group is limited to 50% of its cumulative Consolidated Net Income (as defined in the relevant documentation) from January 2011. As of March 31, 2014, the estimated amount that is available for dividend payments, other distributions and restricted payments outside the Jaguar Land Rover Group of companies is approximately GBP 1,812 million.

Long term funding

In order to refinance our acquisition related borrowings and for supporting long term funding needs, we continued to raise funds during Fiscal 2013 and Fiscal 2014. We had in the past issued convertible notes, which were convertible into equity or repayable on maturity. Details of major funding during Fiscal 2010 through Fiscal 2014 are provided below.

In May 2009, we issued secured non-convertible credit enhanced Indian rupee debentures in four tranches, having tenors up to seven years, aggregating Rs.42,000 million on a private placement basis. Proceeds were used to prepay part of the short-term bridge loan taken for the acquisition of the Jaguar Land Rover business. As on March 31, 2014 an amount of Rs.12,500 million is outstanding.

In October 2009, we issued 29,904,306 new equity shares in the form of Global Depositary Shares, or GDSs, at a price of US$12.54 per GDS, aggregating US$375 million (Rs.17,941.9 million), and 4% foreign currency convertible notes due 2014, or FCCN, aggregating US$375 million (Rs.17,941.9 million at time of issue). The holders of the FCCN had an option, subject to the terms and conditions of the issue, to convert these notes into Ordinary Shares, GDSs or ADSs. We utilized the proceeds from the GDS and FCCN to repay the outstanding bridge loan taken for the acquisition of the Jaguar Land Rover business. During Fiscal 2011, 2,576 FCCN were converted into 19,423,734 Ordinary Shares/ADSs. There was no conversion of FCCN during Fiscal 2012. During Fiscal 2013, 433 FCCN were converted into 16,519,201 Ordinary Shares/ADSs. During Fiscal 2014, 741 FCCN were converted into 28,549,566 Ordinary Shares/ADSs. As of March 31, 2014, no FCCN remained outstanding.

In March 2010, we raised funds through further divestments of investments, in the amount of Rs.21,202 million.

In October 2010, we raised funds totaling Rs.33,510 million through an issue of 32,165,000 ‘A’ Ordinary Shares at a price of Rs.764/- per share (face value of Rs.10 each) and 8,320,300 Ordinary Shares at a price of Rs.1,074/- per share (face value of Rs.10 each) to qualified institutional buyers, under a qualified institutional placement or QIP. This financing strategy enabled us to reduce risks by further de-leveraging.

In May 2011, Jaguar Land Rover issued GBP 1,000 million equivalent senior notes, or Senior Notes. The Senior Notes included GBP 500 million Senior Notes due 2018 at a coupon of 8.125% per annum, US$ 410 million Senior Notes due 2018 at a coupon of 7.75% per annum and US$ 410 million Senior Notes due 2021 at a coupon of 8.125% per annum. The 2018 Senior Notes were callable in May 2014 and hence Jaguar Land Rover successfully redeemed them in full through a tender/deposit with the agent in March 2014. The redemption was completed in March 2014. The Senior Notes are non-callable for life.

In September 2011, we raised syndicated foreign currency term loans of US$ 500 million in two tranches with tenors between four to seven years. The proceeds were used to finance general capital expenditure and investments in its overseas subsidiaries in accordance with guidelines on External Commercial Borrowings, or ECB, issued by the RBI.

In March 2012, Jaguar Land Rover issued GBP 500 million Senior Notes due 2020 at a coupon of 8.25% per annum. The proceeds have / or will be used for general corporate purposes. 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 Fiscal 2013, we issued rated, listed, unsecured non-convertible debentures of Rs.21,000 million with maturities between 2 to 7 years.

In January 2013, Jaguar Land Rover issued US$ 500 million Senior Notes due 2023 at a coupon of 5.625% per annum. The proceeds have been and 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.

In May 2013, TML Holdings Pte Ltd. has issued S$ 350 million, 4.25% Senior Notes due 2018. During Fiscal 2014, TML Holdings Pte Ltd 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. This fund has been utilized for the general corporate purposes of Tata Motors Limited’s Indian operations on a standalone basis.

In December 2013 and January 2014, Jaguar Land Rover issued US$ 700 million Senior Notes due 2018 at a coupon of 4.125% per annum and GBP 400 million Senior Notes due 2022 at a coupon of 5% respectively. The proceeds have been utilized to refinance the GBP 500 million Senior Notes due 2018 at a coupon of 8.125% per annum and US$ 410 million Senior Notes due 2018 at a coupon of 7.75% per annum, which were callable in May 2014.

During Fiscal 2014, the Company issued rated, listed, unsecured, non-convertible debentures of Rs.11,000 millions, the proceeds have been utilized for general corporate purposes.

Jaguar Land Rover as borrower had entered into a committed revolving credit facility for three and five years under a facility agreement in December 2011 with a syndicate of banks. In July 2013, Jaguar Land Rover amended and restated the facility to GBP 1,250 million at better pricing and terms and conditions, which has since been upsized to GBP 1,290 million. As at March 2014, the facility is fully undrawn. The facility has two tranches, a three year tranche of GBP 323 million (maturing in 2016) and a five year tranche of GBP 967 million (maturing in 2018). Jaguar Land Rover is subject to certain customary financial and other covenants under this facility.

In Fiscal 2014, TMFL continued its efforts and focus on raising non-convertible debentures (NCDs) and commercial papers (CPs) and raised Rs.59,050 million and Rs.20,900 million respectively. Bank borrowings through secured and unsecured term loans, continued to remain as the major source of funds for long term borrowing. Further, during the year, TMFL issued unsecured perpetual NCDs worth Rs.750 million towards Tier 1 Capital and unsecured long term NCDs worth Rs.1,551 million as Tier 2 capital to enhance its Capital Adequacy ratio.

We plan to refinance and raise long term funding through borrowings or equity issuances, on the basis of review of business plans, operating results and covenant requirements of our existing borrowings.

Short term funding

We fund our 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. We had short-term borrowings of Rs.100,465 million and Rs.117,378 million as of March 31, 2014 and 2013, respectively. We had unused short-term credit facilities of Rs.250,392 million and Rs. 204,498 million as of March 31, 2014 and 2013, respectively.

In April 2012, we received approvals from our Board to increase our working capital limits for our India operations to Rs.140,000 million from Rs.120,000 million. The working capital limits are secured by hypothecation of existing current assets of the Company including stock of raw material, stock in process, semi-finished goods, stores and spares not relating to plant and machinery (consumable stores and spares), bills receivables and book debts including vehicle finance receivable and all other moveable current assets except cash and bank balances, loans and advances of the Company both present and future. The working capital limits are renewed annually.

Loan Covenants

Some of our financing agreements and debt arrangements set limits on and/or require prior lender consent for, among other things, undertaking new projects, issuing new securities, change in management, mergers, sale of undertakings and investment in subsidiaries. In addition, certain negative covenants may limit our ability to borrow additional funds or to incur additional liens, and/or provide for increased costs in case of breach. Certain of our financing arrangements also include financial covenants to maintain certain debt-to-equity ratios, debt-to-earnings ratios, liquidity ratios, capital expenditure ratios and debt coverage ratios.

We monitor compliance with our financial covenants on an ongoing basis. We also review our refinancing strategy and continue to plan for deployment of long term funds to address any potential non-compliance.

In May 2009, we issued, on a private placement basis, an aggregate amount of Rs.42,000 million in secured non-convertible credit enhanced Indian rupee debentures in four tranches, having tenors up to seven years. Proceeds were used to prepay part of the short-term bridge loan taken for the acquisition of the Jaguar Land Rover. As of March 31 2014, principal amount of Rs.12,500 million was outstanding, which is due for repayment in Fiscal 2016.

This credit enhancement of the debentures is in the form of bank guarantee and requires compliance with certain financial covenants with reference to Tata Motors Limited on standalone basis under Indian GAAP and further provide for an increase in costs upon certain specified breaches of the covenants. In Fiscal 2013, we were in breach of two financial covenants relating to our ratio of total outstanding liability to tangible net worth and the other our debt service coverage ratio. We have requested and obtained waivers of our obligations to pay additional costs amounting to Rs.450.6 million as a consequence of such breaches.

In Fiscal 2014, we did not comply with one covenant relating to our ratio of total outstanding liability to tangible net worth, which has also been waived by the lenders and has not resulted in any default or penalties. As per the terms of the bank guarantee agreement, a breach of one covenant is not an event of default and also does not require us to pay increased costs for these guarantees. Considering the continuing weak economic and business environment in India, we expect that we will be unable to comply with this covenant in Fiscal 2015. Such non-compliance with loan covenants has not triggered any cross-default provisions under any of our financing documents. Except for the above one covenant discussed in this section, we expect to comply with most of our financial covenants during the 12-month period following the date of this annual report. We believe that the above non-compliance will not affect our ability to raise fund in the future, but may possibly increase the cost of the borrowings and/or offering and credit enhancements.

Cash Flow Data

The following table sets forth selected items from our consolidated statements of cash flows for the periods indicated.

	Rs. in millions		
	2014	2013	2012
Net Cash provided by Operating Activities:	**371,432**	**225,549**	**221,059**
Net income after tax	131,179	89,557	114,817
Adjustments to net income after tax	245,410	167,201	120,415
Changes in Operating Assets and Liabilities	39,608	(8,191)	4,229
Income tax paid	(44,765)	(23,018)	(18,402)
Net Cash used in Investing Activities	**(296,330)**	**(238,188)**	**(204,834)**
Purchase of Property, Plant and Equipment and Intangible Assets (Net)	(258,335)	(186,315)	(139,256)
Net Investment, short term deposit, margin money and loans given	(43,401)	(59,593)	(70,365)
Acquisitions	(1,294)	—	—
Dividend and Interest received	6,700	7,720	4,787
Net Cash provided by / (used in) Financing Activities	**(48,248)**	**(20,696)**	**27,676**
Equity issuance / Proceeds from issue of shares by a subsidiary to non-controlling shareholders (net of issue expenses)	(3)	9	1,384
Dividends paid (including to non-controlling shareholders of subsidiaries)	(7,213)	(15,057)	(14,894)
Purchase of additional equity interest in a subsidiary	—	—	(3,043)
Interest paid	(67,619)	(58,577)	(36,403)
Short term (net) borrowings (net of debt issuance cost)	(25,509)	14,769	(16,281)
Long term (net) borrowings (net of debt issuance cost)	52,096	38,160	96,913
Net change in cash and cash equivalents	**26,854**	**(33,335)**	**43,901**
Cash and cash equivalents, end of the year	**159,922**	**116,910**	**147,557**

Fiscal 2014 Compared to Fiscal 2013

Cash and cash equivalents on March 31, 2014 increased by Rs.43,012 million (including currency translation of Rs.24,123 million) from Rs.116,910 million in Fiscal 2013, to Rs.159,922 million. The increase in cash and cash equivalents resulted from the changes to our cash flows in Fiscal 2014 when compared to Fiscal 2013 as described below.

Net cash provided by operating activities totaled Rs.371,432 million in Fiscal 2014, which increased by Rs.145,883 million as compared to Fiscal 2014. The increase was mainly attributable to performance of the Jaguar Land Rover. Earnings before other income, interest and tax of Jaguar Land Rover increased from Rs.150,653 million in Fiscal 2013 to Rs.228,027 million in Fiscal 2014. The increase was offset by loss before other income, interest and tax of Tata and other brand vehicles (including financing thereof) of Rs.20,630 million in Fiscal 2014 as compared to a profit of Rs.13,554 million in Fiscal 2013.

The changes in operating assets and liabilities resulted in a net inflow of Rs.39,608 million in Fiscal 2014 as compared to an outflow of Rs.8,191 million in Fiscal 2013. As a result of increase in volumes at Jaguar Land Rover, the inventories increased by Rs.36,430 million in Fiscal 2014 as compared to Rs.28,447 million in Fiscal 2013. On the back of volume increase in retail, trade receivables at Jaguar Land Rover decreased by Rs.10,526 million as compared to an increase of Rs.22,892 million. After considering the increase in accounts payable and provisions, mainly driven by increase in volumes, there was a net inflow of cash on account of changes in operating assets and liabilities of Rs.37,762 million in Fiscal 2014 as compared to Rs.26,080 million in Fiscal 2013, at Jaguar Land Rover.

For Tata and other brand vehicles (including financing thereof), there was a net inflow of Rs.319 million in Fiscal 2014, as compared to an outflow of Rs.34,653 in Fiscal 2013. In Fiscal 2013, such outflow includes net increase in vehicle financing receivables of Rs.36,406 million, consequent to an increase in vehicle financing activity. In Fiscal 2014, the net outflow in vehicle finance receivables was Rs.11,195 million. Excluding finance receivables, there was an inflow of Rs.11,514 million in Fiscal 2014 compared to Rs.1,753 million in Fiscal 2013, which was primarily attributable to a decrease in trade receivables and inventory resulting from lower volumes and partly collection of overdue amounts.

Income tax paid has increased to Rs.44,765 million in Fiscal 2014 as compared to Rs.23,018 million which was attributable to Jaguar Land Rover representing tax payments by Jaguar Land Rover's foreign subsidiaries in their respective tax jurisdictions.

Net cash used in investing activities totaled Rs.296,330 million in Fiscal 2014 as compared to Rs.238,188 million for Fiscal 2013, (increase Rs.58,142 million in Fiscal 2014) mainly due to investment in property, plant and equipment by Jaguar Land Rover and product development projects both at our Jaguar Land Rover and India operations. In Fiscal 2014, payments for capital expenditure at our Jaguar Land Rover increased by Rs.67,940 million to Rs.225,398 million from Rs.157,458 million in Fiscal 2013. The increases in the capital expenditure are intended to support continued growth in sales volumes at our Jaguar Land Rover and setting up of new engine manufacturing facilities at the UK. The following table sets forth a summary of our cash flow on property plant and equipment and intangible assets for the periods indicated.

	Rs. in millions	
	2014	2013
Tata and other brand vehicles	32,237	28,857
Jaguar Land Rover	225,398	157,458

Our net investment in short-term deposit margin moneys and loans resulted in an outflow of Rs.43,401 million in Fiscal 2014 as compared to Rs.59,953 million in Fiscal 2013, which mainly related to investment of surplus cash in bank deposits mainly by Jaguar Land Rover of Rs.45,080 million. Jaguar Land Rover invested Rs.9,008 million in the joint venture Chery Jaguar Land Rover Automotive Company Limited.

Net cash used in financing activities totaled Rs.48,248 million in Fiscal 2014, as compared to Rs.20,696 million in Fiscal 2013, mainly due to increased short term borrowings, which was partly offset by lower dividend payment.

For Tata and other brand vehicles, the short term debt decreased by Rs.10,878 million and long term debt (net) increased by Rs.46,441 million, which includes debts raised by TML Holdings Pte Ltd (TMLHS) of Rs.38,827 million in Fiscal 2014. The funds raised by TMLHS have been utilized for the general corporate purposes of Tata Motors Limited on standalone basis. This includes an increase in debt (short term + long term) of Rs.2,005 million in Fiscal 2014 at TMFL, as compared to net increase of Rs.55,710 million in Fiscal 2013, due to an increase in financing activity in last year. In Fiscal 2013, there was repayment of Convertible Alternative Reference Securities of Rs.35,374 million.

For Jaguar Land Rover, the short term debt (net) decreased by Rs.15,128 million due to repayment of loans in some of the overseas subsidiary and long term debt (net) increased by Rs.7,913 million in Fiscal 2014.

Interest paid is Rs.67,619 million in Fiscal 2014 as compared to Rs.58,577 million in Fiscal 2013. For Jaguar Land Rover interest paid is Rs.23,725 million in Fiscal 2014 as compared to Rs.13,723 million in Fiscal 2013, due to prepayment charges on Senior Notes. For Tata and other brand vehicles, the interest paid was Rs.43,157 million in Fiscal 2014 as compared to Rs.44,719 million in Fiscal 2013.

We paid dividend (including to non-controlling shareholders of subsidiaries) of Rs.7,213 million in Fiscal 2014 as compared to Rs.15,057 million in Fiscal 2013. The reduction was attributable to decrease in profits of Tata Motors Limited on a standalone basis.

Fiscal 2013 Compared to Fiscal 2012

Cash and cash equivalents on March 31, 2013 decreased by Rs.29,042 million from March 31, 2012, to Rs.116,910 million. The decrease in cash and cash equivalents resulted from the changes to our cash flows in Fiscal 2013 when compared to Fiscal 2012 as described below.

Net cash provided by operating activities totaled Rs.225,549 million in Fiscal 2013. Cash inflows from operating activities increased by Rs.4,549 million in Fiscal 2013 from Rs.221,059 million in Fiscal 2012. The increase in net cash from operations were consequent to higher sales volumes in the Jaguar Land Rover, which were partially offset by reduced sales volumes for Tata and other brand vehicles. Earnings before other income, interest and tax of Jaguar Land Rover increased from Rs.116,759 million in Fiscal 2012 to Rs.150,653 million in Fiscal 2013, whereas earnings before other income, interest and tax of Tata and other brand vehicles (including financing thereof) decreased to Rs.13,554 million in Fiscal 2013 as compared to Rs.42,228 million in Fiscal 2012.

The changes in operating assets and liabilities resulted in an outflow of Rs.8,191 million in Fiscal 2013 as compared to inflow of Rs.4,229 million in Fiscal 2012. As a result of an increase in volumes at Jaguar Land Rover, the trade receivables and inventories increased by Rs.51,339 million in Fiscal 2013 as compared to Rs.34,032 million in Fiscal 2012. After considering the increase in accounts payable and provisions, there was a net inflow of cash on account of changes in operating assets and liabilities of Rs.26,080 million in Fiscal 2013 as compared to Rs.42,915 million in Fiscal 2012 for Jaguar Land Rover.

For Tata and other brand vehicles, the net change in operating assets and liabilities represented an outflow of Rs.34,653 million in Fiscal 2013 as compared to Rs.38,687 million in Fiscal 2012. Such outflow includes net increase in vehicle financing receivables of Rs.36,406 million in Fiscal 2013 as compared to Rs.30,660 million in Fiscal 2012, as a result of an increase in financing volumes.

Net cash used in investing activities totaled Rs.238,188 million in Fiscal 2013. Cash outflows from investing activities increased by Rs.33,354 million in Fiscal 2013 from Rs.204,834 in Fiscal 2012, mainly due to investment in property, plant and equipment and product development projects at our Jaguar Land Rover. In Fiscal 2013, payments for capital expenditure at our Jaguar Land Rover increased by Rs.49,844 million to Rs.157,458 million from Rs.107,614 million in Fiscal 2012. The increases in the capital expenditure are intended to support continued growth in sales volumes at our Jaguar Land Rover during Fiscal 2013. The following table sets forth a summary of our cash flow on property plant and equipment and intangible assets for the periods indicated.

	Rs. in millions	
	2013	**2012**
Tata and other brand vehicles	28,857	31,642
Jaguar Land Rover	157,458	107,614

Our net investment in short-term deposit margin moneys and loans resulted in an outflow of Rs.59,593 million in Fiscal 2013 as compared to Rs.70,365 million in Fiscal 2012. This outflow mainly related to surplus cash investments in bank deposits by Jaguar Land Rover of Rs.66,637 million.

Net cash used in financing activities totaled Rs.20,696 million in Fiscal 2013, as compared to cash inflow of Rs.27,676 million in Fiscal 2012, mainly due to increased interest paid in Fiscal 2013, resulting from increased borrowing levels. For Tata and other brand vehicles, the short term debt increased by Rs.12,539 million and long term debt increased by Rs.13,583 million in Fiscal 2013, as compared to net reduction of Rs.6,836 million in short term debt and increase of Rs.15,657 million in long term debt in Fiscal 2012. For Jaguar Land Rover, the short term debt increased by Rs.2,383 million and long term debt increased by Rs.25,375 million in Fiscal 2013, as compared to net reduction of Rs.9,266 million in short term debt and increase of Rs.81,324 million in long term debt in Fiscal 2012.

We paid dividend (including to non-controlling shareholders of subsidiaries) of Rs.15,057 million in Fiscal 2013 as compared to Rs.14,894 million in Fiscal 2012.

Balance Sheet Data

Please refer the consolidated balance sheet in the enclosed financial statements. We have discussed below major items and variations.

Our total assets were Rs.2,184,776 million and Rs.1,687,167 million as of March 31, 2014 and 2013, respectively. The increase by 29.5% in assets as of March 31, 2014 was partly attributable to foreign currency translation into Indian rupees.

Our total current assets have increased by Rs.222,102 million to Rs.953,709 million as of March 31, 2014 or 30.4%, as compared to Rs.731,607 million as of March 31, 2013.

Cash and cash equivalents were Rs.159,922 million as of March 31, 2014, compared to Rs.116,910 million as of March 31, 2013, an increase of 36.8%. Of the increase, Rs.24,123 million is due to currency translations from GBP to rupees. We hold cash and cash equivalent principally in Indian rupees, GBP, and Chinese Renminbi. Out of cash and cash equivalents as at March 31, 2014, Jaguar Land Rover holds Rs.137,707 million, which is surplus cash deposits for future use. As of March 31, 2014, we had short term deposits of Rs.125,150 million as compared to Rs.68,957 million as at March 31, 2013, an increase of 81.5%. The increase in cash and cash equivalents and deposits was primarily attributable to performance of our Jaguar Land Rover operations and currency translation of Rs.20,899 million from GBP to rupees.

As of March 31, 2014, we had finance receivables including non-current portion (net of allowances for credit losses) of Rs.185,275 million as compared to Rs.198,219 million as of March 31, 2013, a decrease of Rs.12,944 million or 6.5% due to reduction in financing activity done in Fiscal 2014. Further, the increase in allowances for our vehicle financing activity due to defaults and overdues have decreased the net finance receivables. The gross finance receivables was Rs.216,863 million as compared to Rs.212,754 million as of March 31, 2013. The vehicle financing is integral to our automotive operations in India. For further detail see "— B. Liquidity and Capital Resources — Tata and other brand vehicles — vehicle financing".

Trade receivables (net of allowance for doubtful receivables) were Rs.109,645 million as of March 31, 2014, representing an increase of Rs.3,854 million or 3.6% over March 31, 2013. The increase is net of Rs.14,497 million due to currency translation from GBP to rupees. The past dues for more than six months (gross) have increased from Rs.7,980 million as at March 31, 2013 to Rs.9,519 million or 19.3% as of March 31, 2014 and these mainly represent dues from government-owned transport undertaking and passenger vehicle dealers, for which we are pursuing recovery. The trade receivables for Tata and other brand vehicles have decreased by 2.9% to Rs.26,709 million as of March 31, 2014 from Rs.27,475 million as at March 31, 2013. The trade receivables of our Jaguar Land Rover increased from Rs.76,116 million as at March 31, 2013 to Rs.82,753 million as of March 31, 2014, as a result of the growth in revenue by 22.9% (GBP terms) and currency translation.

As of March 31, 2014, inventories were at Rs.272,736 million compared to Rs.210,496 million as of March 31, 2013, an increase of 29.6%. The increase in finished goods inventory was Rs.55,611 million as of March 31, 2014 to Rs. 217,687 million as compared to Rs.162,076 million as of March 31, 2013. The increase is mainly attributable to currency translation of Rs.37,899 million from GBP to rupees. In terms of number of days to sales, finished goods represented 34 inventory days in Fiscal 2014 sales as compared to 31 inventory days in Fiscal 2013. The increase in finished goods mainly relates to the increase in volumes, mainly at our Jaguar Land Rover.

Our investments (current and non-current investments) have increased to Rs.101,877 million as of March 31, 2014 from Rs.81,473 million as of March 31, 2013, representing an increase of Rs.20,404 million, or 25.0%. This includes Rs.15,257 towards currency translation. Our investments mainly comprise mutual fund investments of Rs.95,016 million as of March 31, 2014 as compared to Rs.75,327 million as of March 31, 2013. Of such investments Jaguar Land Rover were Rs.87,093 million as of March 31, 2014 as compared to Rs.67,485 million as of March 31, 2013, an increase of 29.0%.

Our other assets (current and non- current) increased marginally by 0.3% to Rs.68,144 million as of March 31, 2014 from Rs.67,929 million as of March 31, 2013. The increase mainly is attributable to prepaid expenses which were Rs.11,692 million as of March 31, 2014 as compared with Rs.6,421 million as of March 31, 2013 and currency translation of Rs.6,812 million from GBP to rupees.

Our other financial assets (current and non-current) have increased to Rs.96,418 million as of March 31, 2014 from Rs.39,189 million as of March 31, 2013. The increase also include Rs.15,076 million towards impact of currency translation. Derivative financial instruments increased by Rs.70,796 million from Rs.8,763 million as of March 31, 2013 to Rs.79,559 million as of March 31, 2014, representing options and other hedging arrangements; mainly related to Jaguar Land Rover predominantly due to an increase in the volume of USD forward foreign exchange contracts enacted coupled with the weakening of the US Dollar compared to GBP (fallen 9% from March 31, 2013 to March 31, 2014) and therefore increasing the fair value of these derivative contracts. Margin money held as security for securitization of finance receivables has decreased by 35.1% from Rs.2,096 million as of March 31, 2013 to Rs.1,361 million as of March 31, 2014, due to release of cash collaterals on completion / expiry of securitized pools.

The income tax assets (both current and non-current) were Rs.11,979 million as of March 31, 2014 as compared to Rs.10,210 million as of March 31, 2013, an increase 17.3%. The increase includes Rs.316 million towards currency translation from GBP to rupees.

The property, plant and equipment (net of depreciation) of Rs.494,610 million as of March 31, 2014, increased by 35.5% or Rs.129,630 million during Fiscal 2014 from Rs.364,980 million as of March 31, 2013. The increase mainly relates to Jaguar Land Rover towards investment in Plant and Machinery and toolings to support the growing demand for vehicles and also includes impact of currency translation of Rs.55,493 million from GBP to rupees.

In Fiscal 2014, we have acquired 100% equity interest in Cambric Holdings Inc, for a consideration of Rs.1,631 million and recognized Rs.1,154 million as goodwill.

The intangible assets were Rs.492,184 million as of March 31, 2014, an increase of 40.0% from Rs.351,667 million as of March 31, 2013, which mainly include product development projects and brands and other intangible assets, an increase by Rs.140,517 million during Fiscal 2014. The increase includes Rs.73,933 million towards impact of currency translation from GBP to rupees. As of March 31, 2014, there were product development project in process amounting to Rs.229,684 million. We are engaged in automotive business and our products include commercial vehicles in the entire range (LCV to M&HCV), passenger cars, and cars or SUV in the premium segment. Considering the nature of industry and competition, we continuously introduce new products and variants to meet the customers' needs.

Our carrying value of investments in equity accounted investees is Rs.20,237 million as of March 31, 2014, as compared to Rs.20,830 million as of March 31, 2013, an decrease of 2.8% which includes Rs.2,426 million towards currency translation. In Fiscal 2014, we had recorded impairment loss of Rs.8,034 million in respect of an associate engaged in manufacturing and sale of construction equipment. Further, in Fiscal 2014, we have additionally invested Rs.9,008 million in Chery Jaguar Land Rover Automotive Company Limited.

A deferred tax liability (net) of Rs.11,658 million was recorded in the income statement. Rs.13,606 million was recorded in other comprehensive income, which mainly include derivative financial instruments of Rs.18,286 million and Rs.2,541 million (credit) (including translation) towards post-retirement benefits. The net deferred tax asset of Rs.3,879 million as of March 31,2014 as compared to Rs.29,149 million as of March 31, 2013.

Accounts payable (including acceptances) were Rs.595,818 million as of March 31, 2014, as compared to Rs.461,245 million as of March 31, 2013, an increase of Rs. 134,573 million or 29.2%, reflecting increase in operations at Jaguar Land Rover and currency translation impact of Rs.83,361 million from GBP to rupees.

Other financial liabilities (current and non-current) were Rs.44,097 million as of March 31, 2014 (Rs.60,514 million as of March 31, 2013), a reduction of Rs.16,417 million, net of currency translation impact of Rs.5,613 million, mainly include liability towards vehicles sold under repurchase arrangement, derivative instruments, deferred payment liabilities, interest accrued but not due on loans, lease liabilities etc. We have derivative financial instruments representing options and other hedging arrangements; mainly relate to Jaguar Land Rover, which has decreased from Rs.34,385 million as of March 31, 2013 to Rs.11,922 million as of March 31, 2014. We have sold vehicles in certain markets under agreed repurchase arrangements for which we have liability of Rs.18,277 million as of March 31, 2014 (Rs.15,014 million as of March 31, 2013).

The provisions (current and non-current) as of March 2014 and 2013 were Rs.112,524 million and Rs.80,931 million, respectively, representing an increase of Rs.31,593 million. The provision for warranty increased by Rs.26,699 million mainly on account of volume growth at Jaguar Land Rover and currency translation impact of Rs.17,013 million from GBP to rupees.

Other liabilities (current and non-current) have increased by Rs.20,140 million or 18.1% to Rs.131,283 million as of March 31, 2014, as compared to Rs.111,144 million as of March 31, 2013. The increase related to an additional employee benefit obligations totaling Rs.67,711 million incurred during this period as compared to Rs.55,195 million in March 31, 2013, mainly pertaining to the Jaguar Land Rover pension plan, consequent to changes in actuarial factors, mainly discount rate. The increase also reflect the impact of currency translation of Rs.20,011 million from GBP to rupees.

Our total debt was Rs.620,099 million as of March 31, 2014, as compared to Rs.565,616 million as of March 31, 2013, an increase of Rs.54,483 million or 9.6% in Fiscal 2014 which includes Rs.31,837 million towards currency translation from GBP to rupees. Short-term debt including the current portion of long-term debt decreased by Rs.68,936 million or 29.3% to Rs.165,961 million as of March 31, 2014, as compared to Rs.234,897 million as of March 31, 2013. Our long-term debt, excluding the current portion, increased by Rs.123,421 million or 37.3% to Rs.454,139 million as of March 31, 2013 (Rs.330,718 million as of March 31, 2013). Long-term debt including the current portion increased by Rs.71,398 million or 15.9% to Rs.519,635 million. During Fiscal 2014, we issued rated, listed, unsecured non-convertible debentures of Rs.11,000 million as a step to raise long term resources and optimize the loan maturity profile and Jaguar Land Rover issued USD 700 million Senior Notes due 2018 at a coupon of 4.125% per annum and GBP 400 million Senior Notes due 2022 at a coupon of 5.0% per annum. The net proceeds of these notes were utilized to refinance existing debt of GBP 750 milion equivalent Senior Notes issued in May 2011. Further, during Fiscal 2014, we have issued SGD 350 million 4.25% Senior Notes, due 2018 and equivalent USD 600 million loan through TMLHS. Fixed deposits from public and shareholders (unsecured) were paid, whereas loan from banks/financial institution (short term + long term) increased by Rs.24,770 million. There was a net decrease in collateralized debt obligation by Rs.5,407 million as of March 31, 2014, mainly due to a decrease in securitized finance receivables.

Total shareholders' equity was Rs.631,696 million and Rs.373,906 million as of March 31, 2014 and 2013, respectively.

Our reserves increased from Rs. 197,577 million as of March 31, 2013 to Rs.308,089 million as of March 31, 2014. We paid a dividend of Rs.7,220 million in Fiscal 2014.

Our other components of equity reflected a gain of Rs.125,609 million as of March 31, 2014 against a loss of Rs.12,660 million as of March 31, 2013. We have accounted for an actuarial gains/loss (net) reduction of Rs.13,385 million in respect of pension obligations. This was offset by gain of Rs.71,000 million on cash flow hedges (net), recorded in comprehensive income and currency translation credit of Rs.66,790 million and gain on available for sale investments (net) of Rs.480 million.

The ratio of net debt to shareholders' equity (total debt less cash and cash equivalents and liquid marketable securities divided by total shareholders' equity) under IFRS decreased from 1.0 as of March 31, 2013 to 0.6 as of March 31, 2014. Details of the calculation of this ratio are set forth in Exhibit 7.1 to this annual report.

(1) The following table sets forth our contingent liabilities as of the dates indicated.

	Fiscal 2014	Fiscal 2013
	(Rs. in millions)	
Income Tax	1,237	1,215
Excise Duties	9,942	10,116
Sales Tax	9,605	4,574
Other Taxes and Claims*	5,209	3,055
Other Contingencies	457	467
Total	26,450	19,427

* Other taxes and claims include claims by other revenue authorities and distributors. See Item 4.B "— Business Overview — Legal Proceedings", of this annual report.

(2) Rs.129,474 million and Rs.41,051 million in Fiscal 2014 and 2013, respectively, represent executory contracts on capital accounts otherwise provided for.

(3) Under the joint venture agreement for Chery Jaguar Land Rover Automotive Co. Limited, we are committed to contribute Rs.33,741 million of capital, towards its share in the capital of the joint venture. As of March 31, 2014, we have an outstanding commitment of Rs.18,076 million.

On an ongoing basis, our legal department reviews pending cases, claims by third parties against us and other contingencies. For the purposes of financial reporting, we periodically classify these matters into gain contingencies and loss contingencies. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable. For loss contingencies that are considered probable, an estimated loss is recorded as an accrual in financial statements and, if the matter is material, the estimated loss is disclosed. We do not consider any of these matters to be individually sufficiently material to warrant disclosure in our financial statements. Loss contingencies that are considered possible are not provided for in our financial statements, but if we consider such contingencies to be material, individually or in the aggregate, they are disclosed in our financial statements. Most loss contingencies are classified as possible unless clearly frivolous, in which case they are classified as remote and are monitored by our legal department on an ongoing basis for possible deterioration. We do not disclose remote matters in our financial statements. See Note 34 of our audited consolidated financial statements included elsewhere in this annual report for additional information regarding our material claims and contingencies.

Since Fiscal 1997, we have benefited from participation in the EPCG Scheme which permits us to import capital equipment under a special license at a substantially reduced customs duty. Our participation in this scheme is subject to us fulfilling an obligation to export goods manufactured or produced by the use of capital equipment imported under the EPCG Scheme to the value of a multiple of the cost of insurance and freight value of these imports or customs duty saved over a period of 6, 8 and 12 years from the date of obtaining the special license. We currently hold 95 licenses which require us to export our products of a value of approximately Rs.74.47 billion between the years 2002 to 2020, and we carefully monitor our progress in meeting our incremental milestones. After fulfilling some of the export obligations as per provisions of Foreign Trade Policy, as on March 31, 2014 we have remaining obligations to export products of a value of approximately Rs.5.98 billion by March 2020. In the event that the export obligation under the EPCG Scheme is not fulfilled, we would have to pay the differential between the reduced and normal duty on the goods imported along with interest. In view of our past record of exceeding our export milestones, and our current plans with respect to our export markets, we do not currently foresee any impediments to meeting our export obligation in the required time frame.

Tata and other brand vehicles — vehicle financing:

Through our vehicle financing division and wholly owned subsidiary, TMFL, we also provide financing services to purchasers of our vehicles through our independent dealers, who act as our agents, and through our branch network. The vehicle financing is intended to encourage sale of vehicles by providing financing to the dealers' customers and as such is an integral part of automotive business.

In Fiscal 2014 and 2013, 32% and 33%, respectively, of our sales volumes in India were financed under loan contracts to our dealer's customers. As of March 31, 2014 and 2013 our customer finance receivable portfolio comprised 720,835 and 732,550 contracts, respectively, with gross finance receivables of approximately, Rs.216,863 million and Rs.212,754 million as at March 31, 2014 and 2013, respectively. We follow specified internal procedures including quantitative guidelines for selection of our finance customers to assist in managing default and repayment risk in our portfolio. We originate all the contracts through our authorized dealers and direct marketing agents with whom we have agreements. All our marketing, sales and collection activities are undertaken through dealers or by our subsidiary, TMFL.

We securitize or sell our finance receivables on the basis of evaluation of market conditions and funding requirements. The constitution of these pools is based on criteria that are decided by credit rating agencies and/or based on the advice that we receive as to the marketability of a pool. We undertake these securitizations of our receivables in either or both of the following forms:

- assignment of the receivables due from purchasers under loan agreements; and
- securitization of receivables due from purchasers by means of private placement.

We act as collection agent on behalf of the investors, representatives, special purpose vehicles or banks, in whose favor the receivables have been assigned, for the purpose of collecting receivables from the purchasers on the terms and conditions contained in the applicable deeds of securitization, in respect of which pass-through certificates are issued to investors in case of special purpose vehicles, or SPVs. We also secure the payments to be made by the purchasers of amounts constituting the receivables under the loan agreements to the extent specified by rating agencies by any one or all of the following methods:

- by furnishing to the investors collateral, in respect of the obligations of the purchasers and the undertakings to be provided by us;
- by furnishing, in favor of the investors, 10.88% to 21.20% of the gross receivables as cash collateral in case of previous year securitization, for securitizations done during Fiscal 2014 the range lies between 13.84% to 14.5% of the gross receivables either by way of a fixed deposit or bank guarantee to secure the obligations of the purchasers and our obligations as the collection agent, based on the quality of receivables and rating assigned to the individual pool of receivables by the rating agency(ies); and
- by way of over-collateralization or by investing in subordinate pass-through certificates to secure the obligations of the purchasers.

For further details refer Note 36(b) to our consolidated financial statements included elsewhere in this annual report.

Capital Expenditure

Capital expenditure totaled Rs.272,832 million, Rs.212,078 million and Rs.148,255 million during Fiscal 2014, 2013 and 2012, respectively. Our automotive operations accounted for a majority of this capital expenditure.

Our capital expenditures, during the past three years in India related mostly to (i) capacity expansion and new production facilities, (ii) the introduction of new products such as the Tata Nano, World Truck, Tata 407 Pickup, Tata Super ACE, Tata ACE EX, Tata Magic, Winger and Sumo Grande, (iii) the development of planned future products and technologies, (iv) quality and reliability improvements aimed at operating cost reductions and (v) modernization.

Capital expenditure in the Jaguar Land Rover mainly included expenditure for the launch on the New Range Rover Sport and Jaguar F-TYPE, product development costs on various future products, expenditure for capacity expansion at Solihull which includes a new assembly hall and expenditure on construction of the new engine plant at Wolverhampton, UK. Jaguar Land Rover has also entered into a joint venture agreement with Chery Automobiles to build a factory in China to manufacture vehicles and engines. The construction of the plant in China for the joint venture with Chery Automobiles is progressing according to plan.

For details on our product development projects, please refer Note 15 to our consolidated financial statements included elsewhere in this annual report.

Tata Motors continues to focus on development of new products for the Indian market and other international market it serves. The Jaguar Land Rover continues to make investments in new technologies through its research and development activities to develop products that meet the requirements of the premium segment including developing sustainable technologies to improve fuel economy and reduce CO_2 emissions. Please refer to Item 4.B "— Business Overview — Government Regulations" of this annual report for further details.

We intend to continue to invest in our business units and research and development over the next several years, including capital expenditures for our ongoing projects, new projects, product development programs, mergers, acquisitions and strategic alliances to build and expand our presence in the passenger vehicle and commercial vehicle categories.

Some of our recently launched and anticipated new products are as follows:

Heavy Trucks: In March 2014 we extended the Tata Prima advantage with the launch of 10 new heavy duty trucks from the Prima LX range of Heavy Commercial Vehicles. Six new models of the Prima LX in the cargo segment — and four new models in tippers segment. In November 2014, four new features were added to Tata FleetMan. These features aim to enhance economy, safety and communication security of fleet operations besides as well as make Tata FleetMan accessible on the mobile platform. The four new features are — Tata FleetMan Mobile Application, idling management, monitoring of sudden acceleration and harsh braking and 256 bit encryption of all Tata FleetMan data communication. Our Construck range has been further supplemented with the launch of the Tata LPK 3118 tipper.

Buses: At the Delhi Auto Expo 2014, we unveiled the Starbus Urban Parallel Hybrid Bus and the Starbus Urban Articulated Bus. The Starbus Urban Parallel Hybrid Bus is meant for urban transportation and offers improved mileage with lower emissions relative to conventional Starbus models.

Light Commercial Vehicles: In Fiscal 2014, we launched the Ace & Magic Facelift, Ace DICOR with common rail engine, and a new Ace Zip to tap into small three wheeler market.

Passenger Cars: In June 2013, we had announced Horizonext, customer-focused strategy for our passenger vehicles business, and also unveiled 8 newly upgraded and enhanced products, across 5 brands. We launched new enhanced versions of Tata Indigo eCS, Tata Sumo Gold, Tata Nano, Tata Indica and the Explorer edition of Tata Storme. We also introduced a various new products including the E-max range of CNG vehicles (for Tata Indica, Tata Indigo e CS and Tata Nano) and the recently launched Tata Nano Twist with Electric Power Steering. We launched the new Vista VX Tech top-of-the-line limited edition variant in February 2014. During the Delhi Auto Expo 2014, Tata Motors showcased two new products, the Bolt hatchback and the Zest Sedan, which are expected to be launched later this year. The Zest and Bolt will be powered by the segment-first, turbocharged intercooled multi-point fuel-injected (MPFi) gasoline engine, the Revotron 1.2T.

Utility vehicles: In April 2014, we launched the new Aria with a new engine. We also launched the new Movus in May 2014, which is an entry level UV which is relatively fuel efficient and easy to maintain.

Jaguar F-Type: The new Jaguar F-TYPE convertible went on sale in Fiscal 2014. This latest Jaguar sports car has been engineered for improved performance and responsive handling through features like supercharged V6 and V8 engines, lightweight body construction and advanced driving technologies.

New Range Rover Sport: Showcased at the New York International Show 2013, the new Range Rover Sport is the fastest, most agile and most responsive Land Rover to date. Developed alongside the new Range Rover, it offers the brand’s best-ever on-road dynamics together with all-terrain capability. Exploiting Land Rover’s lightweight suspension design and dynamic chassis technologies, the Sport’s all-new, aluminum architecture achieves a weight saving of up to 420kg against the equivalent outgoing model. This is designed to enable the vehicle to blend agile handling with comfort, and to offer a mix of sporting luxury and a dynamic, connected driving experience, along with a reduction of CO_2 to 194g/km.

New Range Rover: The all new Range Rover, which was launched in September 2012, has been developed from the ground up to provide a luxurious driving experience. Its elegant styling is a fresh interpretation of the car’s iconic design cues and while instantly recognizable as a Range Rover, the new vehicle takes a significant step forward with what we believe is a bold evolution of the characteristic design.

Please see Item 4.A “Information on the Company — History and Development of the Company” for more information on some of our recently launched and anticipated new products.

We engaged in additional financing activities during Fiscal 2013 and 2014 as described above in the introduction to this Item 5.B. “— Liquidity and Capital Resources”.

C. Research and Development, Patents and Licenses, etc.

Please see Item 4.B “— Business Overview” of this annual report for the information required by this item.

D. Trend Information.

Please see Item 5.A “— Operating Results” of this annual report for the information required by this item.

E. Off-balance Sheet Arrangements

None

F. Tabular Disclosure of Contractual Obligations

Type	Payment due by period (Rs. in millions)				
	Total	Less than 1 year	1 to 3 years	3 to 5 years	More than 5 years
Long Term Debts*	519,635	99,838	213,720	144,372	220,964
Capital Lease	2,412	845	1,154	413	—
Operating Lease	17,921	2,974	2,992	1,410	10,546
Capital Commitments	129,474	128,761	689	12	12
Purchase Commitments	119,132	45,099	57,829	16,204	—
Other Liabilities	173,883	90,242	19,354	11,221	55,656
Provisions	112,524	46,556	54,801	6,881	4,333
Total	**1,074,981**	**414,315**	**350,539**	**180,513**	**291,511**

* **Includes interest**

INDEX TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Condensed Consolidated Financial Statements of Tata Motors Limited and subsidiaries :

Tata Motors Limited and subsidiaries

Condensed Consolidated Balance Sheets

	Notes	As at December 31, 2014 (Unaudited)	As at December 31, 2014 (Unaudited)	As at March 31, 2014
			(In millions)	
ASSETS:				
Current assets:				
Cash and cash equivalents	3	US$ 2,722.0	Rs. 171,582.7	Rs. 159,921.5
Short-term deposits		1,982.5	124,964.8	125,150.4
Finance receivables	4	1,110.9	70,022.6	90,832.5
Trade receivables		1,826.6	115,139.5	109,644.8
Investments	5	2,318.4	146,138.9	95,337.5
Other financial assets	6	531.5	33,505.7	43,974.3
Inventories	8	4,576.8	288,497.9	272,735.9
Other current assets	9	887.2	55,926.0	52,692.2
Current income tax assets		22.7	1,430.6	3,420.3
Total current assets		**15,978.6**	**1,007,208.7**	**953,709.4**
Non-current assets:				
Finance receivables	4	1,522.0	95,941.7	94,442.7
Investments	5	102.6	6,468.0	6,539.3
Other financial assets	7	319.1	20,115.9	52,444.0
Property, plant and equipment	11	9,242.1	582,578.9	494,609.9
Goodwill		119.2	7,514.9	7,449.2
Intangible assets	12	8,611.5	542,824.5	492,184.1
Investments in equity accounted investees		510.1	32,151.2	20,236.7
Non-current income tax assets		153.1	9,649.1	8,558.2
Deferred income taxes		648.6	40,886.1	39,150.5
Other non-current assets	10	349.7	22,043.0	15,451.9
Total non-current assets		**21,578.0**	**1,360,173.3**	**1,231,066.5**
Total assets		**US$37,556.6**	**Rs.2,367,382.0**	**Rs.2,184,775.9**
LIABILITIES AND EQUITY:				
Liabilities:				
Current liabilities:				
Accounts payable		8,405.0	529,809.5	544,197.3
Acceptances		599.0	37,760.0	51,620.4
Short-term borrowings and current portion of long-term debt	13	2,974.3	187,486.9	165,960.6
Other financial liabilities	15	938.9	59,178.1	34,924.2
Provisions	17	793.6	50,024.4	45,713.8
Other current liabilities	18	711.5	44,846.2	54,186.5
Current income tax liabilities		289.8	18,270.3	13,986.7
Total current liabilities		**14,712.1**	**927,375.4**	**910,589.5**
Non-current liabilities:				
Long-term debt	14	8,598.7	542,017.0	454,138.6
Other financial liabilities	16	444.6	28,023.3	9,172.7
Deferred income taxes		762.8	48,081.5	35,271.8
Provisions	17	1,172.2	73,898.9	66,810.2
Other liabilities	19	1,331.4	83,921.8	77,096.8
Total non-current liabilities		**12,309.7**	**775,942.5**	**642,490.1**
Total liabilities		**27,021.8**	**1,703,317.9**	**1,553,079.6**
Equity:				
Ordinary shares		86.8	5,473.8	5,473.8
‘A’ Ordinary shares		15.3	964.0	964.0
Additional paid-in capital		2,972.0	187,341.3	187,341.3
Reserves		6,570.6	414,177.7	308,089.4
Other components of equity		822.5	51,848.3	125,609.2
Equity attributable to shareholders of Tata Motors Limited		10,467.2	659,805.1	627,477.7
Non-controlling interests		67.6	4,259.0	4,218.6
Total equity		**10,534.8**	**664,064.1**	**631,696.3**
Total liabilities and equity		**US$37,556.6**	**Rs.2,367,382.0**	**Rs.2,184,775.9**

See accompanying notes to unaudited condensed consolidated financial statements

Tata Motors Limited and subsidiaries

Unaudited Condensed Consolidated Income Statements

	Notes	Nine months ended December 31, 2014	2014	2013
		(In millions, except per share amounts)		
Revenues		US$30,613.6	Rs.1,929,725.5	Rs.1,655,624.6
Finance revenues		271.2	17,096.6	24,337.9
Total revenues		**30,884.8**	**1,946,822.1**	**1,679,962.5**
Change in inventories of finished goods and work-in-progress		(244.4)	(15,404.5)	(20,914.3)
Purchase of products for sale		1,526.0	96,190.2	77,477.6
Raw materials, components and consumables		17,684.5	1,114,742.1	976,086.2
Employee cost	21	2,926.8	184,490.1	154,487.8
Depreciation and amortization		1,512.2	95,322.1	79,324.2
Other expenses	22	6,229.3	392,667.0	352,130.5
Expenditure capitalized		(1,798.9)	(113,394.5)	(98,594.3)
Other (income) / loss (net)	23	(145.0)	(9,143.8)	(10,374.2)
Foreign exchange (gain)/loss (net)		(41.1)	(2,590.6)	(6,527.7)
Interest income		(78.4)	(4,942.9)	(4,758.9)
Interest expense (net)	24	495.7	31,246.8	34,704.6
Impairment in respect of an equity accounted investee		—	—	8,033.7
Share of (profit)/loss of equity accounted investees		48.4	3,049.7	2,082.2
Net income before tax		**2,769.7**	**174,590.4**	**136,805.1**
Income tax expense		(970.9)	(61,201.6)	(47,407.4)
Net income		**US$ 1,798.8**	**Rs. 113,388.8**	**Rs. 89,397.7**
Attributable to:				
Shareholders of Tata Motors Limited		1,791.2	112,912.1	89,116.0
Non-controlling interests		7.6	476.7	281.7
Earnings per share:	29			
Ordinary shares:				
Basic		US$ 0.6	Rs. 35.1	Rs. 27.7
Diluted		US$ 0.6	Rs. 35.1	Rs. 27.7
‘A’ Ordinary shares:				
Basic		US$ 0.6	Rs. 35.2	Rs. 27.8
Diluted		US$ 0.6	Rs. 35.2	Rs. 27.8

See accompanying notes to unaudited condensed consolidated financial statements

Tata Motors Limited and subsidiaries

Unaudited Condensed Consolidated Statements of Comprehensive Income

	Nine months ended December 31,		
	2014	2014	2013
		(In millions)	
Net income	US$ 1,798.8	Rs.113,388.8	Rs. 89,397.7
Other comprehensive income:			
(i) Items that will not be reclassified subsequently to profit and loss:			
Remeasurement gains and (losses) on defined benefit obligations (net)	(2.8)	(177.7)	(15,066.9)
Share of remeasurement gains and (losses) on defined benefit obligations (net) of equity accounted investees	0.2	12.4	(12.2)
Income tax relating to items that will not be reclassified subsequently	0.8	48.5	33.5
	(1.8)	(116.8)	(15,045.6)
(ii) Items that may be reclassified subsequently to profit and loss:			
Currency translation gain/(loss)	(134.2)	(8,459.8)	83,181.4
Gain/(loss) on cash flow hedges (net)	(1,316.1)	(82,957.6)	89,516.4
Available-for-sale investments	0.2	15.1	623.7
Share of other comprehensive income of equity accounted investees	16.3	1,024.4	1,922.4
Income tax relating to items that may be reclassified subsequently	263.0	16,576.9	(18,552.8)
	(1,170.8)	(73,801.0)	156,691.1
Other comprehensive income/(loss) for the period, net of tax (i+ii)	(1,172.6)	(73,917.8)	141,645.5
Total comprehensive income for the period	**US$ 626.2**	**Rs. 39,471.0**	**Rs.231,043.2**
Attributable to:			
Shareholders of Tata Motors Limited	619.4	39,040.5	230,422.6
Non-controlling interests	6.8	430.5	620.6

See accompanying notes to unaudited condensed consolidated financial statements

Tata Motors Limited and subsidiaries

Unaudited Condensed Consolidated Statements of Cash Flows

	Nine months ended December 31,		
	2014	2014	2013
		(In millions)	
Cash flows from operating activities:			
Net income	US$ 1,798.8	Rs. 113,388.8	Rs. 89,397.7
Adjustments for:			
Depreciation and amortization	1,512.2	95,322.1	79,324.2
Inventory write-down	59.6	3,758.2	2,044.4
Allowances for finance receivables	234.5	14,780.7	16,801.6
Allowances for trade and other receivables	21.6	1,360.9	1,815.7
Impairment in respect of an equity accounted investee	—	—	8,033.7
Share of loss of equity accounted investees	48.4	3,049.7	2,082.2
Loss on sale of assets / assets written off	50.6	3,192.0	144.9
(Gain) on sale / loss on fair valuation of available-for-sale investments (net)	(10.8)	(683.5)	(545.2)
Gain/(loss) on change in the fair value of conversion options	—	—	838.2
(Gain) / loss on fair value of prepayment option on Senior Notes	—	—	(1,993.9)
Acquisition cost	—	—	27.6
Foreign exchange (gain) / loss	303.1	19,105.5	(7,080.3)
Income tax expense	970.9	61,201.6	47,407.4
Interest expense (net)	495.7	31,246.8	34,704.6
Interest income	(78.4)	(4,942.9)	(4,758.9)
Dividend income	(4.5)	(289.7)	(241.2)
Discounting of below market loans from government	(3.8)	(237.8)	(2,059.0)
Non-cash dividend income on mutual funds	(0.7)	(41.2)	(91.0)
Cash flows from operating activities before changes in following assets and liabilities	**5,397.2**	**340,211.2**	**265,852.7**
Trade receivable	(123.7)	(7,797.7)	11,609.3
Finance receivable	71.9	4,530.2	(16,765.3)
Other financial assets	(45.2)	(2,847.8)	(925.7)
Other current assets	(53.0)	(3,340.2)	21,210.4
Inventories	(349.1)	(22,009.5)	(22,503.2)
Other non-current assets	(66.0)	(4,158.6)	(1,523.7)
Accounts payable	(384.3)	(24,231.1)	(30,406.7)
Acceptances	(220.5)	(13,902.6)	(10,341.1)
Other current liabilities	(141.9)	(8,948.3)	(7,917.5)
Other financial liabilities	10.1	639.6	(226.5)
Other non-current liabilities	125.0	7,880.8	19,272.6
Provisions	134.3	8,460.7	(2,572.7)
Cash generated from operations	**4,354.8**	**274,486.7**	**224,762.6**
Income tax paid	(420.8)	(26,524.9)	(28,882.9)
Net cash provided by operating activities	**3,934.0**	**247,961.8**	**195,879.7**
Cash flows from investing activities:			
Deposits with banks	(185.2)	(11,671.6)	(35,413.8)
Realization of deposits with banks	210.5	13,271.3	2,824.7
(Purchase) / sale of available-for-sale investments (net)	(830.2)	(52,328.7)	(21,801.4)
Purchases of other investments	(0.6)	(37.6)	(32.8)
Proceeds from sale of available-for-sale investments	6.7	421.9	24.5

Tata Motors Limited and subsidiaries

Unaudited Condensed Consolidated Statements of Cash Flows

	Nine months ended December 31,		
	2014	2014	2013
		(In millions)	
Deposits of margin money and other restricted deposits	US$ —	Rs. (1.9)	Rs. (1,828.7)
Realization of margin money and other restricted deposits	6.8	430.4	8,824.2
(Increase)/decrease in short-term inter-corporate deposits	(15.1)	(950.0)	—
Investments in equity accounted investees	(222.6)	(14,030.8)	(8,715.1)
Dividends received from equity accounted investees	2.3	145.2	135.0
Interest received	69.0	4,350.3	4,650.1
Dividend received	4.6	289.7	241.2
Payments for property, plant and equipment	(1,991.3)	(125,524.3)	(97,834.3)
Proceeds from sale of property, plant and equipment	3.5	222.4	476.3
Payments for intangible assets	(1,586.0)	(99,971.5)	(87,369.6)
Payments for acquisitions, net of cash acquired	—	—	(1,294.3)
Net cash used in investing activities	**(4,527.6)**	**(285,385.2)**	**(237,114.0)**
Cash flows from financing activities:			
Proceeds from issuance of shares	—	—	0.9
Shares issuance costs and FCCN conversion expenses	—	—	(3.5)
Dividends paid (including dividend distribution tax)	(106.5)	(6,713.1)	(6,790.9)
Dividends paid to non-controlling interests shareholders of subsidiaries (including dividend distribution tax)	(6.2)	(390.1)	(306.6)
Interest paid	(613.4)	(38,666.0)	(40,537.6)
Proceeds from issuance of short-term debt	1,159.7	73,104.8	100,282.9
Repayment of short-term debt	(1,003.3)	(63,244.6)	(86,789.5)
Net change in other short-term debt (with maturity up to three months)	293.0	18,471.6	1,448.7
Proceeds from issuance of long-term debt	2,357.9	148,629.3	158,038.1
Repayments of long-term debt	(1,270.3)	(80,071.7)	(65,330.6)
Debt issuance cost	(9.3)	(584.9)	(2,005.2)
Net cash provided by / (used in) financing activities	**801.6**	**50,535.3**	**58,006.7**
Net change in cash and cash equivalents	208.0	13,111.9	16,772.4
Effect of foreign exchange on cash and cash equivalents	(23.0)	(1,450.7)	22,223.2
Cash and cash equivalents, beginning of the period	2,537.0	159,921.5	116,909.9
Cash and cash equivalents, end of the period	**US$ 2,722.0**	**Rs. 171,582.7**	**Rs. 155,905.5**
Non-cash transactions:			
Liability towards property, plant and equipment and intangible assets purchased on credit / deferred credit	US$ 694.7	Rs. 43,790.2	Rs. 26,317.0
FCCN/CARS converted to Ordinary Shares *	—	—	8,644.9

* 4% Foreign Currency Convertible Notes (USD) due 2014, converted into 28,549,566 Ordinary Shares (face value of Rs.2) during the period ended December 31, 2013.

See accompanying notes to unaudited condensed consolidated financial statements

Tata Motors Limited and subsidiaries

Unaudited Condensed Consolidated statements of changes in equity

For each of the nine months ended December 31, 2014 and 2013

			Other components of equity			Reserves								
	Share capital	Additional paid-in capital	Currency translation reserve	Available-for-sale investments	Hedging Reserve	Capital redemption reserve	Debenture redemption reserve	Reserve for research and human resource development	Special reserve	Earned surplus reserve	Retained earnings	Equity attributable to shareholders of Tata Motors Limited	Non-controlling interests	Total equity
							(In millions)							
Balance as of April 1, 2014	Rs. 6,437.8	Rs. 187,341.3	Rs. 70,610.8	Rs. 800.2	Rs. 54,198.2	Rs. 22.8	Rs. 10,421.6	Rs. 1,644.3	Rs. 2,301.7	Rs. 140.0	Rs. 293,559.0	Rs. **627,477.7**	Rs. 4,218.6	Rs. **631,696.3**
Income for the period											112,912.1	**112,912.1**	476.7	**113,388.8**
Other comprehensive income /(loss) for the period			(7,390.5)	(4.3)	(66,366.1)						(110.7)	**(73,871.6)**	(46.2)	**(73,917.8)**
Total comprehensive income for the period	—	—	(7,390.5)	(4.3)	(66,366.1)	—	—	—	—	—	112,801.4	**39,040.5**	430.5	**39,471.0**
Dividend paid (including dividend tax)											(6,713.1)	**(6,713.1)**	(390.1)	**(7,103.2)**
Balance as of December 31, 2014	**Rs. 6,437.8**	**Rs. 187,341.3**	**Rs. 63,220.3**	**Rs. 795.9**	**Rs. (12,167.9)**	**Rs. 22.8**	**Rs. 10,421.6**	**Rs. 1,644.3**	**Rs. 2,301.7**	**Rs. 140.0**	**Rs. 399,647.3**	**Rs. 659,805.1**	**Rs. 4,259.0**	**Rs. 664,064.1**
					Rs. 51,848.3						**Rs. 414,177.7**			
	US$ 102.1	**US$ 2,972.0**	**US$ 1,002.9**	**US$ 12.6**	**US$ (193.0)**	**US$ 0.4**	**US$ 165.3**	**US$ 26.1**	**US$ 36.5**	**US$ 2.2**	**US$ 6,340.1**	**US$ 10,467.2**	**US$ 67.6**	**US$ 10,534.8**
					US$ 822.5						**US$ 6,570.6**			

See accompanying notes to unaudited condensed consolidated financial statements

			Other components of equity			Reserves								
	Share capital	Additional paid-in capital	Currency translation reserve	Available-for-sale investments	Hedging Reserve	Capital redemption reserve	Debenture redemption reserve	Reserve for research and human resource development	Special reserve	Earned surplus reserve	Retained earnings	Equity attributable to shareholders of Tata Motors Limited	Non-controlling interests	Total equity
							(In millions)							
Balance as of April 1, 2013	Rs.6,380.7	Rs.178,971.7	Rs. 3,820.6	Rs. 320.3	Rs. (16,801.3)	Rs. 22.8	Rs.10,421.6	Rs. 1,644.3	Rs.2,083.8	Rs.140.0	Rs.183,264.0	Rs. **370,268.5**	Rs. 3,637.2	Rs.**373,905.7**
Income for the period											89,116.0	**89,116.0**	281.7	**89,397.7**
Other comprehensive income /(loss) for the period			84,750.7	629.6	70,968.8						(15,042.5)	**141,306.6**	338.9	**141,645.5**
Total comprehensive income for the period	—	—	84,750.7	629.6	70,968.8	—	—	—	—	—	74,073.5	**230,422.6**	620.6	**231,043.2**
Shares issued upon conversion of Foreign Currency Convertible Notes (net of issue expenses of Rs. 3.5 million)	57.1	8,584.3										**8,641.4**		**8,641.4**
Issue of shares held in abeyance	—	0.9										**0.9**		**0.9**
Dividend paid (including dividend tax)											(6,790.9)	**(6,790.9)**	(306.6)	**(7,097.5)**
Changes in ownership interests in subsidiaries that do not result in a loss of control		(215.6)					—				—	**(215.6)**	215.6	**—**
Balance as of December 31, 2013	**Rs.6,437.8**	**Rs.187,341.3**	**Rs.88,571.3**	**Rs. 949.9**	**Rs. 54,167.5**	**Rs. 22.8**	**Rs.10,421.6**	**Rs. 1,644.3**	**Rs.2,083.8**	**Rs.140.0**	**Rs.250,546.7**	**Rs.602,326.9**	**Rs. 4,166.8**	**Rs.606,493.7**
					Rs.143,688.7						**Rs.264,859.2**			

See accompanying notes to unaudited condensed consolidated financial statements

1. Background and operations

Tata Motors Limited and its subsidiaries, collectively referred to as ("the Company" or "Tata Motors"), designs, manufactures and sells a wide range of automotive vehicles. The Company provides financing for the vehicles sold by dealers of the Company in certain markets. The Company also manufactures engines for industrial and marine applications, aggregates such as axles and transmissions for commercial vehicles and factory automation equipment, and provides information technology services.

Tata Motors Limited is a public limited company incorporated and domiciled in India and has its registered office at Mumbai, Maharashtra, India.

The Company's subsidiaries includes the Jaguar Land Rover business (referred to as JLR) which has three manufacturing facilities and two advanced engineering centres in the UK and a worldwide sales network.

As on December 31, 2014, Tata Sons Limited (or Tata Sons), together with its subsidiaries, owns 28.64% of the ordinary shares and 0.50% of 'A' ordinary shares of Tata Motors Limited, and has the ability to significantly influence the Company's operations.

The condensed consolidated financial statements were approved by the Board of Directors and authorised for issue on March , 2015.

2. a. *Basis of preparation*

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting' (referred to as "IAS 34") as issued by the International Accounting Standards Board (referred to as "IASB"). They do not include all the information and disclosures that would otherwise be required in a full set of financial statements and should be read in conjunction with the Company's Consolidated Financial Statements for the year ended March 31, 2014, which was prepared in accordance with International Financial Reporting Standards (referred to as 'IFRS') as issued by the IASB, filed in Form 20-F with the Securities and Exchange Commission on July 31, 2014. The condensed consolidated balance sheet at March 31, 2014 has been derived from the Company's audited consolidated financial statement at that date. In the opinion of management, all adjustments (consisting of normal recurring adjustments) necessary for a fair presentation have been included.

b. *Significant accounting policies*

The condensed consolidated 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 consolidated financial statements as were applied in the preparation of the Company's consolidated financial statements for the year ended March 31, 2014. Income taxes are accrued using the tax rate that is expected to be applicable for the full financial year.

The results for the nine months ended December 31, 2014 are not necessarily indicative of the results that may be expected for the year ending March 31, 2015. Automotive business is seasonal in nature and sales volume and prices fluctuates during certain quarters, influenced by the demand.

c. *Convenience translation*

The condensed consolidated financial statements have been expressed in Indian rupees ("Rs."), Tata Motors Limited functional currency. For the convenience of the reader, the financial statements as at and for the nine months ended December 31, 2014, have been translated into U.S. dollars at US$ 1.00 = Rs. 63.035, based on fixing rate in the City of Mumbai on December 31, 2014, for cable transfers in Indian rupees as published by the Foreign Exchange Dealers' Association of India (FEDAI).

Such translation should not be construed as representation that the rupee amounts have been or could be converted into U.S. dollars at that or any other rate, or at all.

3. Cash and cash equivalents

Cash and cash equivalents consist of the following:

	As at December 31,		As at March 31,
	2014	2014	2014
		(In millions)	
Cash balances	US$ 5.4	Rs. 340.0	Rs. 386.3
Balances with banks (including deposits with original maturity of upto three months)	2,716.6	171,242.7	159,535.2
Total	**US$2,722.0**	**Rs.171,582.7**	**Rs. 159,921.5**

4. Finance receivables

Finance receivables consist of vehicle loans, the details of which are as follows:

	As at December 31,		As at March 31,
	2014	2014	2014
		(In millions)	
Finance receivables	US$3,265.3	Rs.205,825.8	Rs. 216,862.7
Less: allowance for credit losses	632.4	39,861.5	31,587.5
Total	**US$2,632.9**	**Rs.165,964.3**	**Rs. 185,275.2**
Current portion	1,110.9	70,022.6	90,832.5
Non-current portion	1,522.0	95,941.7	94,442.7
Total	**US$2,632.9**	**Rs.165,964.3**	**Rs. 185,275.2**

5. Investments

Investments consist of the following:

	As at December 31, 2014	As at December 31, 2014	As at March 31, 2014
		(In millions)	
Available-for-sale, at fair value	US$2,357.3	Rs. 148,593.6	Rs. 97,882.1
Unquoted equity investments, at cost	62.4	3,933.3	3,919.7
Loans and receivables	1.3	80.0	75.0
Total	**US$2,421.0**	**Rs.152,606.9**	**Rs. 101,876.8**

Available-for-sale, financial assets (investments) are as follows:

	As at December 31, 2014	As at December 31, 2014	As at March 31, 2014
		(In millions)	
Quoted equity shares	US$ 39.7	Rs. 2,501.4	Rs. 2,770.1
Mutual funds	2,317.4	146,077.3	95,016.2
Corporate bonds and other debt instruments	0.2	14.9	95.8
Total available for sale securities	**US$2,357.3**	**Rs.148,593.6**	**Rs. 97,882.1**

The current and non-current classifications of investments are as follows:

	As at December 31, 2014	As at December 31, 2014	As at March 31, 2014
		(In millions)	
Current investments	US$2,318.4	Rs. 146,138.9	Rs. 95,337.5
Non-current investments	102.6	6,468.0	6,539.3
Total	**US$2,421.0**	**Rs.152,606.9**	**Rs. 101,876.8**

The fair value of the unquoted equity investments cannot be reliably measured as the variability in the range of fair value estimates is significant and the probabilities of the various estimates cannot be reasonably assessed.

6. Other financial assets - current

Other financial assets - current consist of the following:

	As at December 31, 2014	As at December 31, 2014	As at March 31, 2014
		(In millions)	
Derivative financial instruments	US$344.5	Rs.21,718.3	Rs. 35,912.4
Advances and other receivables recoverable in cash	130.8	8,242.2	5,530.6
Inter corporate deposits	15.1	953.1	3.1
Margin money with banks	5.6	351.7	352.6
Restricted bank deposits	35.5	2,240.4	2,175.6
Total	**US$531.5**	**Rs.33,505.7**	**Rs. 43,974.3**

7. Other financial assets (non-current)

Other financial assets - non-current consist of the following:

	As at December 31, 2014	As at December 31, 2014	As at March 31, 2014
		(In millions)	
Margin money with banks	US$ 15.6	Rs. 982.5	Rs. 1,008.3
Restricted deposits	42.1	2,653.8	2,524.5
Loans to employees	6.9	432.6	448.0
Loan to joint operation	21.0	1,325.0	1,325.0
Derivative financial instruments	166.1	10,469.6	43,646.9
Others	67.4	4,252.4	3,491.3
Total	**US$319.1**	**Rs.20,115.9**	**Rs. 52,444.0**

8. Inventories

Inventories consist of the following:

	As at December 31, 2014	As at December 31, 2014	As at March 31, 2014
		(In millions)	
Raw materials, components and consumables	US$ 497.0	Rs. 31,327.8	Rs. 28,468.3
Work-in-progress	607.3	38,278.9	26,580.8
Finished goods	3,472.5	218,891.2	217,686.8
Total	**US$4,576.8**	**Rs.288,497.9**	**Rs.272,735.9**

During the period ended December 31, 2014 and year ended March 31, 2014, the Company recorded an inventory write-down expense of Rs. 3,758.2 million and Rs. 3,354.5 million, respectively.

9. Other current assets

Other current assets consist of the following:

	As at December 31, 2014	As at December 31, 2014	As at March 31, 2014
		(In millions)	
Advances to suppliers and contractors	US$ 24.6	Rs. 1,548.5	Rs. 1,311.1
VAT, other taxes recoverable, statutory deposits and dues from government	653.2	41,178.1	42,233.0
Prepaid expenses	204.6	12,894.2	9,003.7
Others	4.8	305.2	144.4
Total	**US$887.2**	**Rs.55,926.0**	**Rs. 52,692.2**

10. Other non-current assets

Other non-current assets consist of the following:

	As at December 31, 2014	As at December 31, 2014	As at March 31, 2014
		(In millions)	
Taxes recoverable, statutory deposits and dues from government	US$250.5	Rs.15,793.2	Rs. 9,361.8
Prepaid rentals on operating leases	13.7	862.8	871.9
Prepaid expenses	40.5	2,554.2	2,688.4
Others	45.0	2,832.8	2,529.8
Total	**US$349.7**	**Rs.22,043.0**	**Rs. 15,451.9**

11. Property, Plant and Equipment

During the nine months ended December 31, 2014, the Company acquired land and buildings, plant and equipment, vehicles, computers and furniture and fixtures amounting to Rs. 142,164.3 million.

Capital work-in-progress as at March 31, 2014, included building under construction at Singur in West Bengal of Rs.3,098.8 million for the purposes of manufacturing automobiles. In October 2008, the Company moved the Nano project from Singur in West Bengal to Sanand in Gujarat. In June 2011, the newly elected Government of West Bengal (State Government) enacted a law cancelling the land lease agreement at Singur, and took over possession of the land. The Company challenged the constitutional validity of the law. In June 2012, the Calcutta High Court declared the law unconstitutional and restored Company's rights under the land lease agreement. The State Government filed an appeal in the Supreme Court of India in August 2012, which is pending disposal.

Though the Company continues to rigorously press its rights, contentions and claims in the matter, the Company has been advised that the time it may take in disposal of the appeal is uncertain. The Company has also been advised that it has a good case and can strongly defend the appeal.

In these circumstances, in view of the uncertainty on the timing of resolution, following the course of prudence, the management has during the nine months ended December 31, 2014, made a provision for carrying capital cost amount of the building under construction at Singur amounting to Rs.3,098.8 million. The Company shall however continue to pursue the case and assert its rights and its claims in the Courts.

12. Intangible Assets

During the nine months ended December 31, 2014, the Company incurred software and product development cost amounting to Rs. 107,290.7 million.

13. Short-term borrowings and current portion of long-term debt

Short-term borrowings and current portion of long-term debt consist of the following:

	As at December 31,		As at March 31,
	2014	2014	2014
		(In millions)	
Commercial paper	US$ 934.2	Rs. 58,889.6	Rs. 18,919.4
Loans from banks / financial institutions	1,128.8	71,155.9	81,285.3
Inter-corporate deposits	10.0	630.0	260.0
Current portion of long-term debt (refer note 14)	901.3	56,811.4	65,495.9
Total	**US$2,974.3**	**Rs.187,486.9**	**Rs.165,960.6**

14. Long-term debt

Long-term debt consists of the following:

	As at December 31,		As at March 31,
	2014	2014	2014
		(In millions)	
Non Convertible Debentures	US$2,143.6	Rs.135,124.4	Rs. 115,755.2
Collateralized debt obligation	130.4	8,218.0	15,413.2
Buyers credit from banks at floating interest rate	268.7	16,935.1	13,350.2
Loan from banks / financial institutions	2,130.1	134,263.1	172,254.1
Senior Notes	4,780.2	301,322.6	199,807.1
Others	47.0	2,965.2	3,054.7
Total	**9,500.0**	**598,828.4**	**519,634.5**
Less: current portion (refer note 13)	901.3	56,811.4	65,495.9
Long-term debt	**US$8,598.7**	**Rs.542,017.0**	**Rs.454,138.6**

Senior Notes :

During the nine months ended December 31, 2014,

(i) TML Holdings Pte Ltd Singapore has issued US$ 300 million, 5.75% Senior Notes due 2021.

(ii) The Company has issued US$ 500 million Senior Notes due 2020 at a coupon of 4.625% per annum and US$ 250 million Senior Notes due 2024 at a coupon of 5.750% per annum.

(iii) Jaguar Land Rover Automotive Plc (JLR) issued US$ 500 million 4.250% Senior Notes due 2019.

Loan from Banks / Financial Institutions :

The Company has prepaid External Commercial Borrowings of US$ 500 million from proceeds of US$ 500 million Senior Notes due 2020.

15. Other financial liabilities – current

Other current financial liabilities consist of the following:

	As at December 31, 2014	As at December 31, 2014	As at March 31, 2014
		(In millions)	
Liability towards vehicles sold under repurchase arrangements	US$293.2	Rs.18,490.0	Rs. 18,277.4
Interest accrued but not due	166.5	10,492.8	8,312.3
Lease liabilities	10.5	661.7	711.9
Derivative financial instruments	452.0	28,484.8	6,438.7
Deferred payment liability	9.5	597.5	658.3
Unclaimed matured fixed deposits	3.4	215.8	287.4
Others	3.8	235.5	238.2
Total	**US$938.9**	**Rs.59,178.1**	**Rs. 34,924.2**

16. Other financial liabilities – non current

Other financial liabilities non-current consist of the following:

	As at December 31, 2014	As at December 31, 2014	As at March 31, 2014
		(In millions)	
Lease liabilities	US$ 17.7	Rs. 1,114.0	Rs. 1,497.0
Deferred payment liability	19.4	1,225.7	1,838.3
Derivative financial instruments	394.6	24,871.6	5,483.6
Retention money, security deposits and others	12.9	812.0	353.8
Total	**US$444.6**	**Rs.28,023.3**	**Rs. 9,172.7**

17. Provisions

Provisions consist of the following:

	As at December 31,		As at March 31,
	2014	2014	2014
		(In millions)	
Current			
Product warranty	US$ 682.7	Rs.43,033.0	Rs. 37,925.2
Product liability	50.1	3,161.0	1,841.7
Provision for residual risk	7.2	452.2	179.5
Employee related and other provisions	53.6	3,378.2	5,767.4
Total-Current	**US$ 793.6**	**Rs.50,024.4**	**Rs. 45,713.8**
Non-current			
Employee benefits obligations	US$ 145.0	Rs. 9,147.2	Rs. 7,822.9
Product warranty	949.0	59,818.7	55,285.2
Provision for residual risk	30.5	1,923.9	1,309.9
Provision for environmental liability	37.8	2,387.5	2,066.8
Other provisions	9.9	621.6	325.4
Total-Non-current	**US$1,172.2**	**Rs.73,898.9**	**Rs. 66,810.2**

18. Other current liabilities

Other current liabilities consist of the following:

	As at December 31,		As at March 31,
	2014	2014	2014
		(In millions)	
Liability for advances received	US$362.1	Rs.22,822.2	Rs. 32,180.1
Statutory dues	254.2	16,024.6	18,152.3
Deferred revenue	73.3	4,617.9	3,313.4
Others	21.9	1,381.5	540.7
Total	**US$711.5**	**Rs.44,846.2**	**Rs. 54,186.5**

Statutory dues include sales tax, excise duty and other taxes payable.

19. Other liabilities - non current

Other liabilities non-current consist of the following:

	As at December 31,		As at March 31,
	2014	2014	2014
		(In millions)	
Employee benefit obligations	US$1,159.5	Rs.73,086.7	Rs. 67,710.9
Deferred revenue	122.5	7,720.1	6,406.4
Others	49.4	3,115.0	2,979.5
Total	**US$1,331.4**	**Rs.83,921.8**	**Rs. 77,096.8**

20. Dividend:

The final dividend is recommended by the Board of Directors and is recorded in the books of account upon its approval by the shareholders. Tata Motors Limited paid dividend per share of Rs. 2 for Ordinary Shares (face value of Rs. 2 each) and Rs. 2.10 for ‘A’ Ordinary Shares (face value of Rs. 2 each) during the period ended December 31, 2014 and 2013.

21. Employee cost

Employee cost consists of the following:

	Nine months ended December 31,		
	2014	2014	2013
		(In millions)	
Salaries, wages and welfare expenses	US$2,597.0	Rs.163,701.1	Rs.134,630.1
Contribution to provident fund and other funds	329.8	20,789.0	19,857.7
Total	**US$2,926.8**	**Rs.184,490.1**	**Rs.154,487.8**

22. Other expenses

Other expenses consist of the following:

	Nine months ended December 31,		
	2014	2014	2013
		(In millions)	
Stores, spare parts and tools consumed	US$ 210.9	Rs. 13,296.4	Rs. 11,946.8
Freight and transportation expenses	969.9	61,137.3	53,558.8
Research and product development cost	325.9	20,542.3	17,885.3
Warranty and product liability expenses	734.4	46,290.7	38,825.8
Allowance for trade and other receivables, and finance receivables	256.1	16,141.6	18,617.3
Works operation and other expenses	2,394.5	150,940.2	130,681.7
Repairs to building and plant and machinery	66.7	4,203.5	2,375.6
Processing charges	124.2	7,830.0	8,348.4
Power and fuel	127.7	8,049.6	8,022.7
Insurance	32.2	2,031.6	2,088.3
Publicity	986.8	62,203.8	59,779.8
Total	**US$6,229.3**	**Rs.392,667.0**	**Rs.352,130.5**

23. Other income/(loss) (net)

Other income/(loss) (net) consist of the following:

	Nine months ended December 31,		
	2014	2014	2013
		(In millions)	
Miscellaneous income	US$179.6	Rs.11,321.4	Rs. 8,486.0
Dividend income and income on mutual funds	5.2	330.9	332.2
Gain on sale / (loss) on fair valuation of available-for-sale investments (net)	10.8	683.5	545.2
Gain/(loss) on change in the fair value of conversion options	—	—	(838.2)
Gain / (loss) on fair value of prepayment options on Senior Notes	—	—	1,993.9
Loss on sale of assets/assets written off and others (net) *	(50.6)	(3,192.0)	(144.9)
Total	**US$145.0**	**Rs. 9,143.8**	**Rs.10,374.2**

* Includes impairment of Rs. 3,098.8 million as described in note 11.

24. Interest expense (net)

Interest expense (net) consists of the following:

	Nine months ended December 31,		
	2014	2014	2013
		(In millions)	
Gross interest expense	US$ 699.1	Rs. 44,069.7	Rs. 45,631.7
Less: Interest capitalized *	(203.4)	(12,822.9)	(10,927.1)
Total	**US$ 495.7**	**Rs. 31,246.8**	**Rs. 34,704.6**

* Represents borrowing costs capitalized during the period on qualifying assets (property plant and equipment and product development).

25. Commitments and contingencies

There have been no material changes to the Group's commitments or contingent liabilities during the period, except as disclosed below.

The Company has entered into various contracts with vendors and contractors for the acquisition of plant and machinery, equipment and various civil contracts of capital nature aggregating Rs.94,081 million, which includes Rs.15 million in respect of equity accounted investees as at December 31, 2014 (Rs.126,348 million, which includes Rs.316 million in respect of equity accounted investees, as at March 31, 2014), which are yet to be executed.

The Company has entered into various contracts with vendors and contractors for the acquisition of intangible assets of capital nature aggregating Rs.2,854 million as at December 31, 2014 (Rs.3,126 million as at March 31, 2014), which are yet to be executed.

Under the joint venture agreement with Chery Jaguar Land Rover Automotive Co. Limited, the Company is committed to contribute Rs.35,606 million (Rs. 33,741 million as at March 31, 2014) towards its share in the capital of the joint venture of which Rs. 29,246 million (Rs. 15,665 million as at March 31, 2014) has been contributed as at December 31, 2014. As at December 31, 2014, the Company has an outstanding commitment of Rs.6,360 million (Rs. 18,076 million as at March 31, 2014).

26. 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.

(a) *Financial assets and liabilities*

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities as of December 31, 2014.

Financial assets	Cash, and loans and receivables	Available for-sale financial assets	Derivatives in other than hedging relationship	Derivatives in hedging relationship	Total carrying value	Total fair value	Total carrying value	Total fair value
				(In millions)				
Cash and cash equivalents	Rs.171,582.7	Rs. —	Rs. —	Rs. —	Rs.171,582.7	Rs.171,582.7	US$ 2,722.0	US$ 2,722.0
Short-term deposits with bank	124,964.8	—	—	—	124,964.8	124,964.8	1,982.5	1,982.5
Finance receivables	165,964.3	—	—	—	165,964.3	166,427.3	2,632.9	2,640.2
Trade receivables	115,139.5	—	—	—	115,139.5	115,139.5	1,826.6	1,826.6
Unquoted equity investments*	—	3,933.3	—	—	3,933.3	—	62.4	—
Other investments	80.0	148,593.6	—	—	148,673.6	148,673.6	2,358.6	2,358.6
Other financial assets:								
- current	11,787.4	—	385.9	21,332.4	33,505.7	33,505.7	531.5	531.5
- non-current	9,646.3	—	540.7	9,928.9	20,115.9	20,019.5	319.1	317.6
Total	**Rs.599,165.0**	**Rs.152,526.9**	**Rs. 926.6**	**Rs.31,261.3**	**Rs.783,879.8**	**Rs.780,313.1**	**US$12,435.6**	**US$12,379.0**

* The fair value in respect of the unquoted equity investments cannot be reliably measured.

Financial liabilities	Derivatives other than in hedging relationship	Derivatives in hedging relationship	Other financial liabilities	Total carrying value	Total fair value	Total carrying value	Total fair value
				(In millions)			
Accounts payable	Rs. —	Rs. —	Rs. 529,809.5	Rs. 529,809.5	Rs. 529,809.5	US$ 8,405.0	US$ 8,405.0
Acceptances	—	—	37,760.0	37,760.0	37,760.0	599.0	599.0
Short-term debt (excluding current portion of long-term debt)	—	—	130,675.5	130,675.5	130,675.5	2,073.0	2,073.0
Long-term debt (including current portion of long-term debt)	—	—	598,828.4	598,828.4	624,036.2	9,500.0	9,899.8
Other financial liabilities:							
- current	2,335.4	26,149.4	30,693.3	59,178.1	59,178.1	938.9	938.9
- non-current	4,817.2	20,054.4	3,151.7	28,023.3	28,149.1	444.6	446.6
Total	**Rs.7,152.6**	**Rs.46,203.8**	**Rs.1,330,918.4**	**Rs.1,384,274.8**	**Rs.1,409,608.4**	**US$21,960.5**	**US$22,362.3**

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities as of March 31, 2014.

Financial assets	Cash, and loans and receivables	Available for-sale financial assets	Derivatives in other than hedging relationship	Derivatives in hedging relationship	Total carrying value	Total fair value
			(In millions)			
Cash and cash equivalents	Rs.159,921.5	Rs. —	Rs. —	Rs. —	Rs.159,921.5	Rs.159,921.5
Short-term deposits with bank	125,150.4	—	—	—	125,150.4	125,150.4
Finance receivables	185,275.2	—	—	—	185,275.2	185,007.6
Trade receivables	109,644.8	—	—	—	109,644.8	109,644.8
Unquoted equity investments*	—	3,919.7	—	—	3,919.7	—
Other investments	75.0	97,882.1	—	—	97,957.1	97,957.1
Other financial assets:						
- current	8,061.9	—	1,174.7	34,737.7	43,974.3	43,974.3
- non-current	8,797.1	—	2,339.8	41,307.1	52,444.0	52,355.4
Total	**Rs.596,925.9**	**Rs.101,801.8**	**Rs.3,514.5**	**Rs.76,044.8**	**Rs.778,287.0**	**Rs.774,011.1**

* The fair value in respect of the unquoted equity investments cannot be reliably measured.

Financial liabilities	Derivatives other than in hedging relationship	Derivatives in hedging relationship	Other financial liabilities	Total carrying value	Total fair value
			(In millions)		
Accounts payable	Rs. —	Rs. —	Rs. 544,197.3	Rs. 544,197.3	Rs. 544,197.3
Acceptances	—	—	51,620.4	51,620.4	51,620.4
Short-term debt (excluding current portion of long-term debt)	—	—	100,464.7	100,464.7	100,464.7
Long-term debt (including current portion of long-term debt)	—	—	519,634.5	519,634.5	538,824.4
Other financial liabilities:					
- current	1,063.8	5,374.9	28,485.5	34,924.2	34,924.2
- non-current	1,800.8	3,682.8	3,689.1	9,172.7	9,305.6
Total	**Rs.2,864.6**	**Rs.9,057.7**	**Rs.1,248,091.5**	**Rs.1,260,013.8**	**Rs.1,279,336.6**

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 includes Company's over-the-counter (OTC) derivative contracts and fair value of prepayment options embedded within Senior Notes.

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. The main items in this category are conversion option liability in foreign currency convertible notes and unquoted available-for-sale financial assets, measured at fair value.

	As at December 31, 2014			
	Level 1	Level 2	Level 3	Total
	(In millions)			
Financial assets measured at fair value				
Available-for-sale financial assets	Rs. 148,578.7	Rs. —	Rs. 14.9	Rs. 148,593.6
Derivative assets	—	32,187.9	—	32,187.9
Total	**Rs. 148,578.7**	**Rs. 32,187.9**	**Rs. 14.9**	**Rs. 180,781.5**
	US$ 2,357.1	**US$ 510.6**	**US$ 0.2**	**US$ 2,867.9**
Financial liabilities measured at fair value				
Derivative liabilities	Rs. —	Rs. 53,356.4	Rs. —	Rs. 53,356.4
Total	**Rs. —**	**Rs. 53,356.4**	**Rs. —**	**Rs. 53,356.4**
	US$ —	**US$ 846.6**	**US$ —**	**US$ 846.6**

	As at March 31, 2014			
	Level 1	Level 2	Level 3	Total
	(In millions)			
Financial assets measured at fair value				
Available-for-sale financial assets	Rs. 97,820.1	Rs. —	Rs. 62.0	Rs. 97,882.1
Derivative assets	—	79,559.3	—	79,559.3
Total	**Rs. 97,820.1**	**Rs. 79,559.3**	**Rs. 62.0**	**Rs. 177,441.4**
Financial liabilities measured at fair value				
Derivative liabilities	Rs. —	Rs. 11,922.3	Rs. —	Rs. 11,922.3
Total	**Rs. —**	**Rs. 11,922.3**	**Rs. —**	**Rs. 11,922.3**

27. Segment reporting

The Company primarily operates in the Automotive segment. The Automotive segment includes all activities relating to development, design, manufacture, assembly and sale of vehicles including financing thereof, as well as sale of related parts and accessories. The Company provides financing for vehicles sold by dealers in India. The vehicle financing is intended to drive sale of vehicles by providing financing to the dealers' customers and as such is an integral part of automotive business. The financing activity is assessed as an integral part of the overall automotive business. The operating results of the financing activity does not include all of the interest or cost of funds employed for the purposes of financing, and therefore the operating results of this activity is not used to make decisions about resources to be allocated or to assess performance.

The Company's products mainly include Tata and other brand vehicles and Jaguar and Land Rover vehicles.

The Company manages the automotive business globally with an integrated and synergic strategy. Towards this objective, various steps have been initiated/being taken which mainly include sharing of resources, platforms, facilities for product development and manufacturing, sourcing strategy and mutual sharing of best practices.

As of December 31, 2014, the Automotive segment is bifurcated into the following two reportable segments:

Tata and other brand vehicles, including financing thereof and Jaguar Land Rover.

The Company's other segment comprises primarily activities relating to information technology, or IT services, machine tools and factory automation solutions. None of the other operating segments meet the quantitative thresholds to be separately disclosed as a reportable segment.

The segment information presented is in accordance with the accounting policies adopted for preparing the consolidated financial statements of the Company. Segment revenues, expenses and results include inter-segment transfers. Such transfers are undertaken either at competitive market prices charged to unaffiliated customers for similar goods or at contracted rates. These transfers are eliminated on consolidation.

	For the nine months ended December 31, 2014							
	Automotive and related activity							
	Tata and other brand vehicles including financing thereof *	Jaguar Land Rover	Intra-segment eliminations	Total	Others	Inter-segment eliminations	Total	Total
	(In millions)							
Revenues:								
External revenue	Rs.320,968.4	Rs.1,616,329.8	Rs. —	Rs.1,937,298.2	Rs. 9,523.9	Rs. —	Rs.1,946,822.1	US$30,884.8
Inter-segment / intra-segment revenue	421.1	—	(421.1)	—	10,268.1	(10,268.1)	—	—
Total revenues	**Rs.321,389.5**	**Rs.1,616,329.8**	**Rs.(421.1)**	**Rs.1,937,298.2**	**Rs.19,792.0**	**Rs.(10,268.1)**	**Rs.1,946,822.1**	**US$30,884.8**
Earnings before other income, interest and tax	(18,112.1)	208,964.2	—	190,852.1	2,380.4	(1,022.9)	192,209.6	3,049.3
Share of profit/ (loss) of equity accounted investees	82.5	(2,656.5)	—	(2,574.0)	(475.7)	—	(3,049.7)	(48.4)
Reconciliation to net income:								
Other income / (loss) (net)							9,143.8	145.0
Foreign exchange gain/ (loss) (net)							2,590.6	41.1
Interest income							4,942.9	78.4
Interest expense (net)							(31,246.8)	(495.7)
Income tax expense							(61,201.6)	(970.9)
Net Income							**Rs. 113,388.8**	**US$ 1,798.8**
Depreciation and amortization	Rs. 20,792.3	Rs. 74,100.0	Rs. —	Rs. 94,892.3	Rs. 429.8	Rs. —	Rs. 95,322.1	US$ 1,512.2

* Tata and other brand vehicles include Tata Daewoo and Fiat traded vehicles.

	For the nine months ended December 31, 2013						
	Automotive and related activity						
	Tata and other brand vehicles including financing thereof *	Jaguar Land Rover	Intra-segment eliminations	Total	Others	Inter-segment eliminations	Total
				(In millions)			
Revenues:							
External revenue	Rs.326,000.0	Rs.1,345,352.3	Rs. —	Rs.1,671,352.3	Rs. 8,610.2	Rs. —	Rs.1,679,962.5
Inter-segment / intra-segment revenue	3.9	—	(3.9)	—	9,466.6	(9,466.6)	—
Total revenues	**Rs.326,003.9**	**Rs.1,345,352.3**	**Rs. (3.9)**	**Rs.1,671,352.3**	**Rs.18,076.8**	**Rs.(9,466.6)**	**Rs.1,679,962.5**
Earnings before other income, interest and tax	(9,531.7)	168,734.9	—	159,203.2	1,614.3	(852.7)	159,964.8
Share of profit/ (loss) of equity accounted investees	164.5	(692.4)	—	(527.9)	(1,554.3)	—	(2,082.2)
Impairment in respect of an equity accounted investee	—	—	—	—	(8,033.7)	—	(8,033.7)
Reconciliation to net income:							
Other income / (loss) (net)							10,374.2
Foreign exchange gain/ (loss) (net)							6,527.7
Interest income							4,758.9
Interest expense (net)							(34,704.6)
Income tax expense							(47,407.4)
Net Income							**Rs. 89,397.7**
Depreciation and amortization	Rs. 18,527.9	Rs. 60,440.6	Rs. —	Rs. 78,968.5	Rs. 355.7	Rs. —	Rs. 79,324.2

* Tata and other brand vehicles include Tata Daewoo and Fiat traded vehicles.

28. Related party transactions

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

The following table summarizes related party transactions and balances included in the consolidated financial statements for the nine months ended and as of December 31, 2014:

	Associates and its subsidiaries	Joint ventures	Joint operations	Tata Sons Ltd, its subsidiaries and joint ventures	Total	Total
			(In millions)			
Purchase of products	Rs.12,932.9	Rs. —	Rs.18,634.9	Rs. 594.6	Rs.32,162.4	US$510.2
Sale of products	1,274.3	9,302.0	4,381.6	6,693.5	21,651.4	343.5
Services received	13.7	707.8	0.5	10,574.6	11,296.6	179.2
Services rendered	88.4	1,439.8	13.0	811.7	2,352.9	37.3
Bill discounted	—	—	—	13,826.4	13,826.4	219.3
Purchase of property, plant and equipment	—	—	—	4.7	4.7	0.1
Interest (income) / expense, dividend (income) / paid, net	(114.7)	—	(71.5)	1,608.2	1,422.0	22.6
Amounts receivable in respect of loans and interest thereon	238.1	—	1,813.9	1,026.9	3,078.9	48.8
Amounts payable in respect of loans and interest thereon	721.6	—	—	310.1	1,031.7	16.4
Trade and other receivables	293.3	6,055.8	424.0	1,379.7	8,152.8	129.3
Accounts payable	677.8	7.8	1,408.9	2,295.2	4,389.7	69.6
Accounts payable (in respect of bill discounted)	—	—	—	261.9	261.9	4.2
Loans given / repaid	—	—	—	950.0	950.0	15.1
Purchase of optionally convertible preference shares	1,600.0	—	—	—	1,600.0	25.4
Purchase of unquoted equity shares	—	12,430.8	—	—	12,430.8	197.2
Loans taken / repaid	900.0	—	—	—	900.0	14.3
Deposits receivable	—	—	—	30.0	30.0	0.5

The following table summarizes related party transactions included in the consolidated financial statements for the nine months ended December 31, 2013:

	Associates and its subsidiaries	Joint ventures	Joint operations	Tata Sons Ltd, its subsidiaries and joint ventures	Total
			(In millions)		
Purchase of products	Rs. 9,268.1	Rs. —	Rs. 15,350.9	Rs. 262.2	Rs. 24,881.2
Sale of products	1,392.4	27.8	4,069.1	8,249.6	13,738.9
Services received	52.7	669.0	0.1	10,902.2	11,624.0
Services rendered	96.4	2,073.0	24.6	819.2	3,013.2
Bill discounted	—	—	—	12,102.0	12,102.0
Redemption / buy back of investments	—	94.2	—	—	94.2
Purchase of property, plant and equipment	—	—	—	5.7	5.7
Interest (income) / expense, dividend (income) / paid, net	(114.5)	—	(41.6)	1,440.0	1,283.9
Loans given / repaid	—	—	—	—	—
Purchase of unquoted equity shares	—	8,829.2	—	—	8,829.2
Loans taken / repaid	345.0	—	—	578.7	923.7

The following table summarizes related party transactions included in the consolidated financial statements as of March 31, 2014:

	Associates and its subsidiaries	Joint ventures	Joint operations	Tata Sons Ltd, its subsidiaries and joint ventures	Total
			(In millions)		
Amounts receivable in respect of loans and interest thereon	1.1	—	1,733.0	89.7	1,823.8
Amounts payable in respect of loans and interest thereon*	160.0	—	—	289.4	449.4
Trade and other receivables	207.2	1,471.3	81.3	2,820.1	4,579.9
Accounts payable	715.2	22.1	1,749.1	2,268.3	4,754.7
Accounts payable (in respect of bill discounted)	—	—	—	1,359.8	1,359.8
Deposits receivable	—	—	—	30.0	30.0

* Amounts payable in respect of loans and interest consist of collateralized debt obligation for financial assets transferred to a related party that does not meet the derecognition criteria because of credit enhancement features.

29. Earnings per share ("EPS")

	Net income attributable to shareholders of Tata Motors Limited (In millions)	Weighted average shares (Nos.)	Earnings per share
For the nine months ended December 31, 2014:			
Ordinary Shares			
Basic net earnings per share	Rs. 95,963.4	2,736,678,812	Rs. 35.1
	US$ 1,522.3		US$ 0.6
Effect of shares kept in abeyance	Rs. (4.6)	484,470	Rs. (9.5)
	US$ (0.1)		US$ (0.2)
Diluted earnings per share	Rs. 95,958.8	2,737,163,282	Rs. 35.1
	US$ 1,522.2		US$ 0.6
'A' Ordinary Shares			
Basic net earnings per share	Rs. 16,948.7	481,966,945	Rs. 35.2
	US$ 268.9		US$ 0.6
Effect of shares kept in abeyance	Rs. 4.6	239,570	Rs. 19.2
	US$ 0.1		US$ 0.3
Diluted earnings per share	Rs. 16,953.3	482,206,515	Rs. 35.2
	US$ 269.0		US$ 0.6
For the nine months ended December 31, 2013:			
Ordinary Shares			
Basic net earnings per share	Rs. 75,707.0	2,730,928,545	Rs. 27.7
Effect of shares kept in abeyance	Rs. (3.8)	490,778	Rs. (7.7)
Diluted earnings per share	Rs. 75,703.2	2,731,419,323	Rs. 27.7
'A' Ordinary Shares			
Basic net earnings per share	Rs. 13,409.0	481,960,717	Rs. 27.8
Effect of shares kept in abeyance	Rs. 3.8	245,798	Rs. 15.5
Diluted earnings per share	Rs. 13,412.8	482,206,515	Rs. 27.8

'A' Ordinary shareholders are entitled to receive dividend at 5 percentage points more than the aggregate rate of dividend determined by the Company on Ordinary shares for the financial year.

30. **Subsequent events**

Subsequent to nine months ended December 31, 2014, Jaguar Land Rover Automotive Plc (JLR) issued GBP 400 million 3.875% Senior Notes due 2023 and US$ 500 million 3.50% Senior Notes due 2020. At the same time, JLR launched tender offers for any and all of the outstanding GBP 500 million 8.25% Senior Notes due 2020 and US$ 410 million 8.125% Senior Notes due 2021. The tender offers are expected to be completed by March 31, 2015.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Financial Statements of Tata Motors Limited and subsidiaries :

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of
Tata Motors Limited
Mumbai, India

We have audited the accompanying consolidated balance sheets of Tata Motors Limited and subsidiaries (the "Company" or "Tata Motors") as of March 31, 2014 and 2013, and the related consolidated income statements, consolidated statements of comprehensive income, consolidated statements of cash flows, and consolidated statements of changes in equity for each of the three years in the period ended March 31, 2014. Our audits also included the financial statement schedule included as Schedule 1 at Item 18. These consolidated financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Tata Motors Limited and subsidiaries as of March 31, 2014 and 2013, and the results of their operations and their cash flows for each of the three years in the period ended March 31, 2014, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board. Also, in our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly, in all material respects, the information set forth therein.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of March 31, 2014, based on the criteria established in *Internal Control — Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated July 31, 2014 expressed an adverse opinion on the Company's internal control over financial reporting.

Our audit for the year ended and as of March 31, 2014 also comprehended the translation of Indian rupee amounts into United States dollar amounts and in our opinion, such translation has been made in conformity with the basis stated in Note 2(w) to the consolidated financial statements. The translation of the consolidated financial statements amounts into United States dollars have been made solely for the convenience of readers outside India.

/s/ DELOITTE HASKINS & SELLS LLP
Mumbai, India
July 31, 2014

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of
Tata Motors Limited
Mumbai, India

We have audited Tata Motors Limited and subsidiaries (the "Company's") internal control over financial reporting as of March 31, 2014, based on criteria established in *Internal Control — Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in Item 15 under Controls and Procedures of the accompanying 20-F titled Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on that risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual financial statements will not be prevented or detected on a timely basis. Management's assessment identified a material weakness relating to certain ineffective controls in respect of one of the Company's information technology system. This material weakness was considered in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements as of and for the year ended March 31, 2014, of the Company and this report does not affect our report on such financial statements.

In our opinion, because of the effect of the material weakness described above on the achievement of the objectives of the control criteria, the Company has not maintained effective internal control over financial reporting as of March 31, 2014, based on the criteria established in *Internal Control — Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements as of and for the year ended March 31, 2014, of the Company and our report dated July 31, 2014 expressed an unqualified opinion on those financial statements.

/s/ DELOITTE HASKINS & SELLS LLP
Mumbai, India
July 31, 2014

Tata Motors Limited and subsidiaries

Consolidated Balance Sheets

	Notes	As at March 31, 2014	2014 (In millions)	2013
ASSETS:				
Current assets:				
Cash and cash equivalents	3	US$ 2,669.1	Rs. 159,921.5	Rs. 116,909.9
Short-term deposits		2,088.8	125,150.4	68,957.0
Finance receivables	4	1,516.0	90,832.5	71,460.5
Trade receivables		1,830.0	109,644.8	105,790.7
Investments	6	1,591.2	95,337.5	75,191.2
Other financial assets	7	734.0	43,974.3	22,144.0
Inventories	9	4,552.0	272,735.9	210,495.7
Other current assets	10	879.4	52,692.2	57,999.8
Current income tax assets		57.2	3,420.3	2,658.3
Total current assets		**15,917.7**	**953,709.4**	**731,607.1**
Non-current assets:				
Finance receivables	4	1,576.3	94,442.7	126,758.7
Investments	6	109.1	6,539.3	6,282.2
Other financial assets	8	875.4	52,444.0	17,044.6
Property, plant and equipment	12	8,255.2	494,609.9	364,979.9
Goodwill	14	124.3	7,449.2	5,311.2
Intangible assets	15	8,214.6	492,184.1	351,666.9
Investments in equity accounted investees	16	337.8	20,236.7	20,829.7
Non-current income tax assets		142.8	8,558.2	7,551.7
Deferred income taxes	17	653.4	39,150.5	45,205.2
Other non-current assets	11	258.0	15,451.9	9,929.3
Total non-current assets		**20,546.9**	**1,231,066.5**	**955,559.4**
Total assets		**US$ 36,464.6**	**Rs. 2,184,775.9**	**Rs. 1,687,166.5**
LIABILITIES AND EQUITY:				
Liabilities:				
Current liabilities:				
Accounts payable		9,082.8	544,197.3	417,313.9
Acceptances		861.6	51,620.4	43,931.3
Short-term borrowings and current portion of long-term debt	18	2,769.8	165,960.6	234,897.4
Other financial liabilities	20	582.9	34,924.2	38,513.3
Provisions	22	763.0	45,713.8	34,129.3
Other current liabilities	23	904.5	54,186.5	52,435.1
Current income tax liabilities		233.4	13,986.7	17,754.5
Total current liabilities		**15,198.0**	**910,589.5**	**838,974.8**
Non-current liabilities:				
Long-term debt	19	7,579.7	454,138.6	330,718.1
Other financial liabilities	21	153.0	9,172.7	22,000.9
Deferred income taxes	17	588.7	35,271.8	16,056.4
Provisions	22	1,115.1	66,810.2	46,801.9
Other liabilities	24	1,286.9	77,096.8	58,708.7
Total non-current liabilities		**10,723.4**	**642,490.1**	**474,286.0**
Total liabilities		**25,921.4**	**1,553,079.6**	**1,313,260.8**
Equity:				
Ordinary shares	25	91.4	5,473.8	5,416.7
‘A’ Ordinary shares	25	16.1	964.0	964.0
Additional paid-in capital		3,126.8	187,341.3	178,971.7
Reserves		5,142.1	308,089.4	197,576.5
Other components of equity	26	2,096.4	125,609.2	(12,660.4)
Equity attributable to shareholders of Tata Motors Limited		10,472.8	627,477.7	370,268.5
Non-controlling interests		70.4	4,218.6	3,637.2
Total equity		**10,543.2**	**631,696.3**	**373,905.7**
Total liabilities and equity		**US$ 36,464.6**	**Rs. 2,184,775.9**	**Rs. 1,687,166.5**

See accompanying notes to consolidated financial statements

Tata Motors Limited and subsidiaries

Consolidated Income Statements

	Notes	Year ended March 31, 2014	2014	2013	2012
			(In millions, except per share amounts)		
Revenues		US$38,586.1	Rs.2,311,884.6	Rs.1,862,896.7	Rs.1,637,173.5
Finance revenues		498.6	29,875.9	30,013.3	24,340.4
Total revenues		**39,084.7**	**2,341,760.5**	**1,892,910.0**	**1,661,513.9**
Change in inventories of finished goods and work-in-progress		(472.6)	(28,317.3)	(30,086.8)	(25,861.4)
Purchase of products for sale		1,830.8	109,691.6	92,889.5	90,204.2
Raw materials components, and consumables		22,758.4	1,363,572.1	1,138,214.3	1,025,448.0
Employee cost	28	3,570.1	213,903.0	167,169.5	125,204.9
Depreciation and amortization		1,843.7	110,462.6	75,767.9	56,424.0
Other expenses	29	8,324.8	498,777.7	384,423.3	312,456.1
Expenditure capitalized		(2,257.3)	(135,246.8)	(101,934.5)	(82,659.8)
Other (income) / loss (net)	30	(129.0)	(7,732.6)	(12,099.1)	(10,039.4)
Foreign exchange (gain)/loss (net)		(318.9)	(19,104.2)	15,774.9	11,511.7
Interest income		(111.1)	(6,656.7)	(6,928.0)	(4,953.4)
Interest expense (net)	31	886.1	53,094.7	40,792.0	38,957.7
Impairment in respect of an equity accounted investee	16	134.1	8,033.7	—	4,981.0
Share of (profit)/loss of equity accounted investees	16	31.3	1,877.6	131.5	586.8
Net income before tax		**2,994.3**	**179,405.1**	**128,795.5**	**119,253.5**
Income tax expense	17	(804.9)	(48,226.5)	(39,238.8)	(4,436.5)
Net income		**US$ 2,189.4**	**Rs. 131,178.6**	**Rs. 89,556.7**	**Rs. 114,817.0**
Attributable to:					
Shareholders of Tata Motors Limited		2,181.7	130,717.1	88,670.5	114,035.7
Non-controlling interests		7.7	461.5	886.2	781.3
Earnings per share:	41				
Ordinary shares:					
Basic		US$ 0.7	Rs. 40.7	Rs. 27.8	Rs. 35.9
Diluted		US$ 0.7	Rs. 40.6	Rs. 27.8	Rs. 35.5
‘A’ Ordinary shares:					
Basic		US$ 0.7	Rs. 40.8	Rs. 27.9	Rs. 36.0
Diluted		US$ 0.7	Rs. 40.7	Rs. 27.9	Rs. 35.6

See accompanying notes to consolidated financial statements

Tata Motors Limited and subsidiaries

Consolidated Statements of Comprehensive Income

	Year ended March 31,			
	2014	2014	2013	2012
	(In millions)			
Net income	US$ 2,189.4	Rs. 131,178.6	Rs. 89,556.7	Rs.114,817.0
Other comprehensive income :				
(i) Items that will not be reclassified subsequently to profit and loss :				
Remeasurement gains and (losses) on defined benefit obligations (net)	(216.0)	(12,940.5)	(29,207.2)	(9,389.7)
Share of remeasurement gains and (losses) on defined benefit obligations (net) of equity accounted investees	0.2	10.9	12.5	5.8
Income tax relating to items that will not be reclassified subsequently	(7.6)	(455.6)	6,147.9	11,680.4
	(223.4)	(13,385.2)	(23,046.8)	2,296.5
(ii) Items that may be reclassified subsequently to profit and loss :				
Currency translation differences	1,112.9	66,678.4	797.6	23,500.3
Gain/(loss) on cash flow hedges (net)	1,496.4	89,657.1	(19,690.1)	(4,363.5)
Available-for-sale investments	7.4	441.9	408.0	(784.5)
Share of other comprehensive income of equity accounted investees	7.0	419.1	14.9	35.9
Income tax relating to items that may be reclassified subsequently	(310.9)	(18,628.9)	4,529.0	1,126.6
	2,312.8	138,567.6	(13,940.6)	19,514.8
Other comprehensive income/(loss) for the year, net of tax (i+ii)	2,089.4	125,182.4	(36,987.4)	21,811.3
Total comprehensive income for the year	**US$ 4,278.8**	**Rs. 256,361.0**	**Rs. 52,569.3**	**Rs.136,628.3**
Attributable to:				
Shareholders of Tata Motors Limited	4,266.2	255,605.1	51,652.6	135,751.2
Non-controlling interests	12.6	755.9	916.7	877.1

See accompanying notes to consolidated financial statements

Tata Motors Limited and subsidiaries

Consolidated Statements of Cash Flows

	Year ended March 31,			
	2014	2014	2013	2012
	(In millions)			
Cash flows from operating activities:				
Net income	US$ 2,189.4	Rs. 131,178.6	Rs. 89,556.7	Rs. 114,817.0
Adjustments for:				
Depreciation and amortization	1,843.7	110,462.6	75,767.9	56,424.0
Inventory write-down	56.0	3,354.5	3,721.0	2,344.5
Allowances for finance receivables	402.9	24,138.9	9,427.9	5,747.3
Allowances for trade and other receivables	44.9	2,691.0	1,141.6	1,026.7
Impairment in respect of an equity accounted investee	134.1	8,033.7	—	4,981.0
Share of loss of equity accounted investees	31.3	1,877.6	131.5	586.8
Loss on sale of assets / assets written off	5.0	294.1	229.0	709.1
Goodwill impairment	—	—	—	45.7
(Gain) on sale / loss on fair valuation of available-for-sale investments (net)	(18.4)	(1,102.1)	275.2	(484.5)
(Gain)/loss on change in the fair value of conversion options	14.0	838.2	(801.6)	(2,432.4)
(Gain) / loss on fair value of prepayment option on Senior Notes	80.0	4,791.6	(3,932.6)	—
Acquisition related cost	0.5	27.6	—	—
Foreign exchange (gain) / loss	(35.6)	(2,131.3)	9,985.1	13,442.6
Income tax expense	804.9	48,226.5	39,238.8	4,436.5
Interest expense (net)	886.1	53,094.7	40,792.0	38,957.7
Interest income	(111.1)	(6,656.7)	(6,928.0)	(4,953.4)
Dividend income	(4.1)	(244.9)	(384.0)	(271.2)
Gain on fair value of below market interest loans	(36.0)	(2,155.2)	(1,462.8)	—
Non-cash dividend income on mutual funds	(2.2)	(130.2)	—	(145.6)
Cash flows from operating activities before changes in following assets and liabilities	**6,285.4**	**376,589.2**	**256,757.7**	**235,231.8**
Trade receivable	184.5	11,055.8	(17,527.8)	(15,310.2)
Finance receivable	(186.8)	(11,194.9)	(36,406.2)	(30,660.4)
Other financial assets	27.0	1,620.5	(5,591.9)	(1,368.3)
Other current assets	271.3	16,252.4	1,980.3	(12,906.2)
Inventories	(530.1)	(31,763.6)	(30,006.3)	(29,568.5)
Other non-current assets	(70.2)	(4,205.0)	283.7	482.3
Accounts payable	785.7	47,075.4	63,474.1	80,138.8
Acceptances	126.0	7,548.5	3,087.5	(12,890.4)
Other current liabilities	(99.3)	(5,948.4)	(9,705.8)	14,019.2
Other financial liabilities	(2.7)	(159.7)	5,648.0	8,509.3
Other non-current liabilities	(119.5)	(7,159.6)	2,182.9	(6,417.2)
Provisions	275.2	16,486.3	14,390.9	10,200.2
Cash generated from operations	**6,946.5**	**416,196.9**	**248,567.1**	**239,460.4**
Income tax paid (net)	(747.1)	(44,765.2)	(23,017.8)	(18,401.8)
Net cash provided by operating activities	**6,199.4**	**371,431.7**	**225,549.3**	**221,058.6**
Cash flows from investing activities:				
Deposits with banks	(803.7)	(48,154.3)	(68,807.1)	(13,142.8)
Realization of deposits with banks	51.3	3,074.1	8,314.6	8,830.1
Repayment of loans / loans (given) to equity accounted investees and others	—	—	501.2	(29.6)
(Purchase) / sale of available-for-sale investments (net)	(71.0)	(4,252.2)	1,817.6	(58,263.3)
Purchases of other investments	(0.6)	(38.8)	(33.3)	(355.7)
Proceeds from sale of available-for-sale investments	0.7	43.7	27.5	20.2
Proceeds from sale of investments classified as loans and receivables	—	—	257.5	7.5

	Year ended March 31,			
	2014	2014	2013	2012
	(In millions)			
Deposits of margin money and other restricted deposits	US$ (121.2)	Rs. (7,262.4)	Rs. (3,068.6)	Rs. (12,404.5)
Realization of margin money and other restricted deposits	370.5	22,196.5	7,613.8	5,062.3
Investments in equity accounted investees	(150.3)	(9,007.6)	(6,216.6)	(89.1)
Dividends received from equity accounted investees	2.4	145.1	209.6	195.9
Interest received	105.3	6,310.2	7,126.1	4,319.8
Dividend received	4.1	244.9	384.0	271.2
Payments for property, plant and equipment	(2,238.4)	(134,114.1)	(91,692.8)	(66,985.2)
Proceeds from sale of property, plant and equipment	8.0	479.2	633.0	930.1
Payments for intangible assets	(2,081.3)	(124,699.7)	(95,254.7)	(73,200.7)
Payments for acquisitions, net of cash acquired	(21.6)	(1,294.3)	—	—
Net cash used in investing activities	**(4,945.8)**	**(296,329.7)**	**(238,188.2)**	**(204,833.8)**
Cash flows from financing activities:				
Proceeds from issuance of shares	—	0.9	1.7	—
Shares issuance costs and FCCN conversion expenses	(0.1)	(3.5)	2.0	—
Proceeds from issue of shares by a subsidiary to non-controlling interests shareholders (net of share issue expenses)	—	—	5.1	1,383.9
Purchase of additional equity interest in a subsidiary	—	—	—	(3,043.4)
Dividends paid (including dividend distribution tax)	(113.9)	(6,822.6)	(14,841.8)	(14,648.5)
Dividends paid to non-controlling interests shareholders of subsidiaries (including dividend distribution tax)	(6.5)	(390.1)	(215.6)	(245.5)
Interest paid	(1,128.6)	(67,619.1)	(58,577.4)	(36,403.1)
Proceeds from issuance of short-term debt	1,896.7	113,642.8	145,658.4	82,489.1
Repayment of short-term debt	(2,099.0)	(125,763.5)	(133,377.4)	(103,472.3)
Net change in other short-term debt (with maturity up to three months)	(223.5)	(13,388.4)	2,487.9	4,701.9
Proceeds from issuance of long-term debt	3,969.7	237,843.9	148,362.9	191,880.5
Repayments of long-term debt	(3,066.0)	(183,701.5)	(109,737.8)	(90,935.0)
Debt issuance cost	(34.2)	(2,046.6)	(464.3)	(4,031.8)
Net cash provided by / (used in) financing activities	**(805.4)**	**(48,247.7)**	**(20,696.3)**	**27,675.8**
Net change in cash and cash equivalents	448.2	26,854.3	(33,335.2)	43,900.6
Effect of foreign exchange on cash and cash equivalents	269.6	16,157.3	2,688.0	11,415.6
Cash and cash equivalents, beginning of the year	1,951.3	116,909.9	147,557.1	92,240.9
Cash and cash equivalents, end of the year	**US$ 2,669.1**	**Rs. 159,921.5**	**Rs. 116,909.9**	**Rs. 147,557.1**
Non-cash transactions:				
Liability towards property, plant and equipment and intangible assets purchased on credit / deferred credit	US$ 497.0	Rs. 29,779.1	Rs. 23,964.5	Rs. 14,026.6
FCCN/CARS converted to Ordinary Shares *	144.3	8,644.9	5,058.6	—

* 4% Foreign Currency Convertible Notes (USD) due 2014, converted into 28,549,566 Ordinary Shares (face value of Rs.2) during the year ended March 31, 2014, and 4% Foreign Currency Convertible Notes (USD) due 2014 and Zero coupon Convertible Alternative Reference Securities (USD) due 2012 (CARS), converted into 16,519,201 and 22,370 Ordinary Shares (face value of Rs.2) respectively during the year ended March 31, 2013.

See accompanying notes to consolidated financial statements

Tata Motors Limited and subsidiaries

Consolidated statements of changes in equity

For each of the years ended March 31, 2014, 2013 and 2012

(In millions)

	Share capital	Additional paid-in capital	Other components of equity: Currency translation reserve	Other components of equity: Available-for-sale investments	Other components of equity: Hedging Reserve	Reserves*: Capital redemption reserve	Reserves*: Debenture redemption reserve	Reserves*: Reserve for research and human resource development	Reserves*: Special reserve	Reserves*: Earned surplus reserve	Reserves*: Retained earnings	Equity attributable to shareholders of Tata Motors Limited	Non-controlling interests	Total equity
Balance as of April 1, 2013	Rs. 6,380.7	Rs. 178,971.7	Rs. 3,820.6	Rs. 320.3	Rs. (16,801.3)	Rs. 22.8	Rs. 10,421.6	Rs. 1,644.3	Rs. 2,083.8	Rs. 140.0	Rs. 183,264.0	**Rs. 370,268.5**	Rs. 3,637.2	**Rs. 373,905.7**
Income for the year											130,717.1	**130,717.1**	461.5	**131,178.6**
Other comprehensive income /(loss) for the year			66,790.2	479.9	70,999.5						(13,381.6)	**124,888.0**	294.4	**125,182.4**
Total comprehensive income for the year	—	—	66,790.2	479.9	70,999.5	—	—	—	—	—	117,335.5	**255,605.1**	755.9	**256,361.0**
Shares issued upon conversion of Foreign Currency Convertible Notes (net of issue expenses of Rs. 3.5 million)	57.1	8,584.3										**8,641.4**		**8,641.4**
Issue of shares held in abeyance	—	0.9										**0.9**		**0.9**
Shares issued to non-controlling interests												**—**		**—**
Dividend paid (including dividend tax)											(6,822.6)	**(6,822.6)**	(390.1)	**(7,212.7)**
Transfer to special reserve									217.9		(217.9)	**—**		**—**
Changes in ownership interests in subsidiaries that do not result in a loss of control		(215.6)										**(215.6)**	215.6	**—**
Balance as of March 31, 2014	**Rs. 6,437.8**	**Rs. 187,341.3**	**Rs. 70,610.8**	**Rs. 800.2**	**Rs. 54,198.2**	**Rs. 22.8**	**Rs. 10,421.6**	**Rs. 1,644.3**	**Rs. 2,301.7**	**Rs. 140.0**	**Rs. 293,559.0**	**Rs. 627,477.7**	**Rs. 4,218.6**	**Rs. 631,696.3**
					Rs. 125,609.2						**Rs. 308,089.4**			
	US$ 107.5	**US$ 3,126.8**	**US$ 1,178.4**	**US$ 13.4**	**US$ 904.6**	**US$ 0.4**	**US$ 173.9**	**US$ 27.4**	**US$ 38.5**	**US$ 2.3**	**US$ 4,899.6**	**US$ 10,472.8**	**US$ 70.4**	**US$ 10,543.2**
					US$ 2,096.4						**US$ 5,142.1**			

* Refer note 27

See accompanying notes to consolidated financial statements

			Other components of equity			Reserves*								
	Share capital	Additional paid-in capital	Currency translation reserve	Available-for-sale investments	Hedging Reserve	Capital redemption reserve	Debenture redemption reserve	Reserve for research and human resource development	Special reserve	Earned surplus reserve	Retained earnings	Equity attributable to shareholders of Tata Motors Limited	Non-controlling interests	Total equity
							(In millions)							
Balance as of April 1, 2012	Rs.6,347.5	Rs.173,946.6	Rs. 3,033.0	Rs. (26.7)	Rs. (1,695.3)	Rs. 22.8	Rs.11,721.6	Rs. 1,644.3	Rs.1,452.4	Rs.140.0	Rs.131,826.4	Rs. **328,412.6**	Rs. 2,931.0	Rs.**331,343.6**
Income for the year											88,670.5	**88,670.5**	886.2	**89,556.7**
Other comprehensive income /(loss) for the year			787.6	347.0	(15,106.0)						(23,046.5)	**(37,017.9)**	30.5	**(36,987.4)**
Total comprehensive income for the year	—	—	787.6	347.0	(15,106.0)	—	—	—	—	—	65,624.0	**51,652.6**	916.7	**52,569.3**
Shares issued upon conversion of Foreign Currency Convertible Notes (net of issue expenses of Rs. 2.0 million)	33.1	5,023.5										**5,056.6**		**5,056.6**
Issue of shares held in abeyance	0.1	1.6										**1.7**		**1.7**
Shares issued to non-controlling interests												**—**	5.1	**5.1**
Dividend paid (including dividend tax)											(14,855.0)	**(14,855.0)**	(215.6)	**(15,070.6)**
Transfer to special reserve									631.4		(631.4)	**—**		**—**
Transfer from debenture redemption reserve							(1,300.0)				1,300.0	**—**		**—**
Balance as of March 31, 2013	**Rs.6,380.7**	**Rs.178,971.7**	**Rs. 3,820.6**	**Rs. 320.3**	**Rs.(16,801.3)**	**Rs. 22.8**	**Rs.10,421.6**	**Rs. 1,644.3**	**Rs.2,083.8**	**Rs.140.0**	**Rs.183,264.0**	**Rs.370,268.5**	**Rs. 3,637.2**	**Rs.373,905.7**
					Rs.(12,660.4)						**Rs.197,576.5**			

* Refer note 27

See accompanying notes to consolidated financial statements

	Share capital	Additional paid-in capital	Other components of equity			Reserves*						Equity attributable to shareholders of Tata Motors Limited	Non-controlling interests	Total equity
			Currency translation reserve	Available-for-sale investments	Hedging Reserve	Capital redemption reserve	Debenture redemption reserve	Reserve for research and human resource development	Special reserve	Earned surplus reserve	Retained earnings			
	(In millions)													
Balance as of April 1, 2011	Rs.6,346.5	Rs.175,484.7	Rs.(20,399.1)	Rs. 772.0	Rs. 1,528.7	Rs. 22.8	Rs.11,021.6	Rs. 1,510.2	Rs. 959.5	Rs.113.2	Rs. 31,508.9	Rs. **208,869.0**	Rs. 2,390.3	Rs.**211,259.3**
Income for the year											114,035.7	**114,035.7**	781.3	**114,817.0**
Other comprehensive income /(loss) for the year (net of tax)			23,432.1	(798.7)	(3,224.0)						2,306.1	**21,715.5**	95.8	**21,811.3**
Total comprehensive income for the year	—	—	23,432.1	(798.7)	(3,224.0)	—	—	—	—	—	116,341.8	**135,751.2**	877.1	**136,628.3**
Issue of shares held in abeyance	1.0	29.8										**30.8**		**30.8**
Dividend paid (including dividend tax)											(14,670.5)	**(14,670.5)**	(245.5)	**(14,916.0)**
Transfer to debenture redemption reserve							700.0				(700.0)	**—**		
Transfer to earned surplus reserve										26.8	(26.8)	**—**		
Transfer to special reserve									492.9		(492.9)	**—**		**—**
Transfer to reserve for human resource development								134.1			(134.1)	**—**		
Changes in ownership interests in subsidiaries that do not result in a loss of control		(1,567.9)										**(1,567.9)**	(90.9)	**(1,658.8)**
Balance as of March 31, 2012	**Rs.6,347.5**	**Rs.173,946.6**	**Rs. 3,033.0**	**Rs. (26.7)**	**Rs.(1,695.3)**	**Rs. 22.8**	**Rs.11,721.6**	**Rs. 1,644.3**	**Rs.1,452.4**	**Rs.140.0**	**Rs.131,826.4**	**Rs. 328,412.6**	**Rs. 2,931.0**	**Rs.331,343.6**
					Rs. 1,311.0						**Rs.146,807.5**			

* Refer note 27

See accompanying notes to consolidated financial statements

1. Background and operations

Tata Motors Limited and its subsidiaries, collectively referred to as ("the Company" or "Tata Motors"), designs, manufactures and sells a wide range of automotive vehicles. The Company provides financing for the vehicles sold by dealers of the Company in certain markets. The Company also manufactures engines for industrial and marine applications, aggregates such as axles and transmissions for commercial vehicles and factory automation equipment, and provides information technology services.

Tata Motors Limited is a public limited company incorporated and domiciled in India and has its registered office at Mumbai, Maharashtra, India.

The Company's subsidiaries includes the Jaguar Land Rover business (referred to as JLR) which has three manufacturing facilities and two advanced engineering centres in the UK and a world wide sales network.

As on March 31, 2014, Tata Sons Limited (or Tata Sons), together with its subsidiaries, owns 28.65% of the ordinary shares and 0.71% of 'A' ordinary shares of Tata Motors Limited, and has the ability to significantly influence the Company's operations (refer note 25 for voting rights relating to ordinary shares and 'A' ordinary shares).

The consolidated financial statements were approved by the Board of Directors and authorised for issue on July 31, 2014.

2. Significant accounting policies

a. Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (referred to as "IFRS") as issued by the International Accounting Standards Board (referred to as "IASB").

b. Basis of preparation

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

c. Basis of consolidation

Subsidiaries

The consolidated financial statements include Tata Motors Limited and its subsidiaries. Subsidiaries are entities controlled by the Company. Control exists when the Company (a) has power over the investee, (b) it is exposed, or has rights, to variable returns from its involvement with the investee and (c) has the ability to affect those returns through its power over the investee. The Company reassess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements listed above. In assessing control, potential voting rights that currently are exercisable are taken into account. The results of subsidiaries acquired or disposed of during the year are included in the consolidated financial statements from the effective date of acquisition and up to the effective date of disposal, as appropriate.

Inter-company transactions and balances including unrealized profits are eliminated in full on consolidation.

Non-controlling interests in the net assets (excluding goodwill) of consolidated subsidiaries are identified separately from the Company's equity. The interest of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition -by- acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if it results in the non-controlling interest having a deficit balance.

Changes in the Company's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Company's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

When the Company loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognized in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39 *Financial Instruments*: *Recognition and Measurement* or, when applicable, the cost on initial recognition of an investment in an associate or joint venture.

Interests in Joint arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Joint operations

Certain of the Company's activities, are conducted through joint operations, which are joint arrangements whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The Company recognizes, in the consolidated financial statements, its share of the assets, liabilities, income and expenses of these joint operations incurred jointly with the other partners, along with its share of income from the sale of the output and any liabilities and expenses that it has incurred in relation to the joint operation.

Joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. The results, assets and liabilities of a joint venture are incorporated in these financial statements using the equity method of accounting as described below.

Associates

Associates are those entities in which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies. Significant influence is presumed to exist when the Company holds between 20 and 50 percent of the voting power of another entity. The results, assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting as described below.

Equity method of accounting (equity accounted investees)

An interest in an associate or joint venture is accounted for using the equity method from the date in which the investee becomes an associate or a joint venture and are recognized initially at cost. The Company's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. The consolidated financial statements include the Company's share of profits or losses and equity movements of equity accounted investees, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases. When the Company's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments in the nature of net investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Company has an obligation or has made payments on behalf of the investee.

When the Company transacts with an associate or joint venture of the Company, unrealized profits and losses are eliminated to the extent of the Company's interest in its associate or joint venture.

d. Business combination

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. Acquisition related costs are recognized in profit or loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition are recognized at their fair value at the acquisition date, except certain assets and liabilities required to be measured as per the applicable standard.

Purchase consideration in excess of the Company's interest in the acquiree's net fair value of identifiable assets, liabilities and contingent liabilities is recognized as goodwill. Excess of the Company's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the purchase consideration is recognized, after reassessment of fair value of net assets acquired, in the income statement.

e. ***Use of estimates and judgments***

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

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

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

i) Note 12(3) – Property, plant and equipment

As described in Note 12(3), the Company reasonably expects that the outcome of any legal proceeding in the Supreme Court of India, in respect of decision by the High Court of Calcutta, relating to the cancellation of the lease land will be upheld in the Company's favor.

ii) Note 14 – Impairment of goodwill

iii) Note 15 – Impairment of indefinite life intangible assets

iv) Note 16 – Impairment of equity accounted investees

v) Note 17 – Recoverability/recognition of deferred tax assets

vi) Note 22 – Provision for product warranty

vii) Note 32 – Assets and obligations relating to employee benefits

viii) Note 36(a) and (d)(iv) – Determination of fair value of conversion option

ix) Note 36 (a) and (d)(iv) – Financial instruments and fair valuation of prepayment options in Senior Notes.

f. ***Revenue recognition***

Revenue is measured at fair value of consideration received or receivable.

i. Sale of products

The Company recognizes revenues on the sale of products, net of discounts, sales incentives, customer bonuses and rebates granted, when products are delivered to dealers or when delivered to a carrier for export sales, which is when title and risks and rewards of ownership pass to the customer. Sale of products includes export and other recurring and non-recurring incentives from Governments (referred to as "incentives"). Sale of products is presented net of excise duty where applicable and other indirect taxes.

Revenues are recognized when collectability of the resulting receivable is reasonably assured.

If the sale of products includes a determinable amount for subsequent services (multiple component contracts) the related revenues are deferred and recognized as income over the relevant service period. Amounts are normally recognized as income by reference to the pattern of related expenditure.

Incentives are recognized when there is reasonable assurance that the Company will comply with the conditions and the incentives will be received. Incentives are recorded at fair value, where applicable. Revenues include incentives of Rs. 22,575.8 million, Rs. 9,986.1 million and Rs. 6,203.3 million for the year ended March 31, 2014, March 31, 2013 and March 31, 2012, respectively.

During the year ended March 31, 2014, Rs. 8,751.7 million was received by a foreign subsidiary as an indirect tax incentive that requires the subsidiary to meet certain criteria relating to vehicle efficiency and investment in engineering and research and development. The incentive is provided as a partial offset to the higher sales tax payable following implementation of new legislation. Rs. 8,463.2 million (included above) has been recognized in revenue and Rs. 288.5 million has been deferred to offset against capital expenditure, when incurred.

ii. Finance revenues

Finance and service charges are accrued on the unpaid principal balance of finance receivables using the effective interest method.

g. ***Cost recognition***

Costs and expenses are recognized when incurred and are classified according to their nature.

Expenditure capitalized represents employee costs, stores and other manufacturing supplies, and other expenses incurred for construction including product development undertaken by the Company.

h. ***Provisions***

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

i) Product warranty expenses

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

ii) Residual risk

In certain markets, the Company is responsible for the residual risk arising on vehicles sold by dealers under leasing arrangements. The provision is based on the latest available market expectations of future residual value trends. The timing of the outflows will be at the end of the lease arrangements – being typically up to three years.

i. ***Foreign currency***

These consolidated financial statements are presented in Indian Rupees, which is the functional currency of Tata Motors Limited.

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Foreign currency denominated monetary assets and liabilities are re-measured into the functional currency at the exchange rate prevailing on the balance sheet date. Exchange differences are recognized in the income statement except to the extent, exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings, are capitalized as part of borrowing costs.

For the purpose of consolidation, the assets and liabilities of the Company's foreign operations are translated to Indian Rupee at the exchange rate prevailing on the balance sheet date, and the income and expenses at the average rate of exchange for the respective months. Exchange differences arising are recognized as currency translation reserve under equity.

j. ***Income taxes***

Income tax expense comprises current and deferred taxes. Income tax expense is recognized in the income statement except, when they relate to items that are recognized outside profit or loss (whether in other comprehensive income or directly in equity), in which case tax is also recognized outside profit or loss, or where they arise from the initial accounting for business combination. In the case of a business combination the tax effect is included in the accounting for the business combination.

Current income taxes are determined based on respective taxable income of each taxable entity and tax rules applicable for respective tax jurisdictions.

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Such deferred tax assets and liabilities are computed separately for each taxable entity and for each taxable jurisdiction. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

k. ***Earnings per share***

Basic earnings per share has been computed by dividing net income by the weighted average number of shares outstanding during the year. Partly paid up shares are included as fully paid equivalents according to the fraction paid up. Diluted earnings per share has been computed using the weighted average number of shares and dilutive potential shares, except where the result would be antidilutive.

l. ***Inventories***

Inventories (other than those recognized consequent to the sale of vehicles subject to repurchase arrangements) are valued at the lower of cost and net realizable value. Cost of raw materials, components and consumables are ascertained on a first in first out basis. Cost, including fixed and variable production overheads, are allocated to work-in-progress and finished goods determined on a full absorption cost basis. Net realizable value is the estimated selling price in the ordinary course of business less estimated cost of completion and selling expenses.

Inventories include vehicles sold subject to repurchase arrangements. These vehicles are carried at cost to the Company and are amortized in changes in inventories of finished goods to their residual values (i.e. estimated second hand sale value) over the term of the arrangement.

m. ***Property, plant and equipment***

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any.

Freehold land is measured at cost and is not depreciated.

Cost includes purchase price, taxes and duties, labor cost and direct overheads for self-constructed assets and other direct costs incurred up to the date the asset is ready for its intended use.

Interest cost incurred for constructed assets is capitalized up to the date the asset is ready for its intended use, based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings, if no specific borrowings have been incurred for the asset.

Depreciation is provided on a straight-line basis over estimated useful lives of the assets. Estimated useful lives of the assets are as follows:

	Estimated useful life (years)
Buildings	20 to 40
Plant and equipment	3 to 30
Computers	3 to 6
Vehicles	3 to 10
Furniture and fixtures	3 to 20

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use. Capital-work-in-progress includes capital advances.

n. ***Intangible assets***

Intangible assets purchased including acquired in business combination, are measured at cost or fair value as of the date of acquisition where applicable less accumulated amortization and accumulated impairment, if any. Intangible assets with indefinite lives are reviewed annually to determine whether indefinite-life assessment continues to be supportable. If not, the change in the useful-life assessment from indefinite to finite is made on a prospective basis.

Amortization is provided on a straight-line basis over estimated useful lives of the intangible assets as per details below

	Estimated amortization period
Patents and technological know-how	2 to 12 years
Dealer network	20 years
Intellectual property rights	7 to 9 years
Software	2 to 8 years

The amortization period for intangible assets with finite useful lives is reviewed at least at each year-end. Changes in expected useful lives are treated as changes in accounting estimates.

Capital work-in-progress includes capital advances.

Customer related intangible consists of dealer network.

Internally generated intangible asset

Research costs are charged to the income statement in the year in which they are incurred.

Product development costs incurred on new vehicle platform, engines, transmission and new products are recognized as intangible assets, when feasibility has been established, the Company has committed technical, financial and other resources to complete the development and it is probable that asset will generate probable future economic benefits.

The costs capitalized include the cost of materials, direct labor and directly attributable overhead expenditure incurred up to the date the asset is available for use.

Interest cost incurred is capitalized up to the date the asset is ready for its intended use, based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings if no specific borrowings have been incurred for the asset.

Product development cost is amortized over a period of 24 months to 120 months or on the basis of actual production or planned production volume over such period.

Capitalized development expenditure is measured at cost less accumulated amortization and accumulated impairment, if any.

o. Leases

At the inception of a lease, the lease arrangement is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

Assets taken on finance lease

A finance lease is recognized as an asset and a liability at the commencement of the lease, at the lower of the fair value of the asset and the present value of the minimum lease payments. Initial direct costs, if any, are also capitalized and, subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Assets taken on operating lease

Leases other than finance leases are operating leases, and the leased assets are not recognized on the Company's balance sheet. Payments made under operating leases are recognized in the income statement on a straight-line basis over the term of the lease.

p. Impairment

i) Goodwill

Cash generating unit to which goodwill is allocated are tested for impairment annually at each balance sheet date, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to that unit and then to the other assets of the unit pro rata on the basis of carrying amount of each asset in the unit. Goodwill impairment loss recognized is not reversed in subsequent period.

ii) Property, plant and equipment and other intangible assets

At each balance sheet date, the Company assesses whether there is any indication that any property, plant and equipment and intangible assets with finite lives may be impaired. If any such impairment exists the recoverable amount of an asset is estimated to determine the extent of impairment, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use, are tested for impairment annually at each balance sheet date, or earlier, if there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the income statement.

As of March 31, 2014 and 2013, none of the Company's property, plant and equipment and intangible assets were considered impaired.

q. Employee benefits

i) Pension plans

The Jaguar Land Rover subsidiaries operate several defined benefit pension plans, which are contracted out of the second state pension scheme. The assets of the plan are held in separate trustee administered funds. The plans provide for monthly pension after retirement as per salary drawn and service period as set out in rules of each fund.

Contributions to the plans by the subsidiary group take into consideration the results of actuarial valuations. The plans with a surplus position at the year end have been limited to the maximum economic benefit available from unconditional rights to refund from the scheme or reduction in future contributions. Where the subsidiary group is considered to have a contractual obligation to fund the pension plan above the accounting value of the liabilities, an onerous obligation is recognized.

A separate defined contribution plan is available to employees of Jaguar Land Rover. Costs in respect of this plan are charged to the income statement as incurred.

ii) Gratuity

Tata Motors and its subsidiaries in India have an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. Tata Motors and such subsidiaries make annual contributions to gratuity funds established as trusts or insurance companies. Tata Motors and its subsidiaries in India account for the liability for gratuity benefits payable in the future based on an actuarial valuation.

iii) Superannuation

Tata Motors and some of its subsidiaries in India have two superannuation plans, a defined benefit plan and a defined contribution plan. An eligible employee on April 1, 1996 could elect to be a member of either plan.

Employees who are members of the defined benefit superannuation plan are entitled to benefits depending on the years of service and salary drawn. The monthly pension benefits after retirement range from 0.75% to 2% of the annual basic salary for each year of service. Tata Motors and such subsidiaries account for superannuation benefits payable in future under the plan based on an actuarial valuation.

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

Separate irrevocable trusts are maintained for employees covered and entitled to benefits. Tata Motors and its subsidiaries contribute up to 15% of the eligible employees' salary to the trust every year. Such contributions are recognized as an expense when incurred. Tata Motors and such subsidiaries have no further obligation beyond this contribution.

iv) Bhavishya kalyan yojana (BKY)

Bhavishya Kalyan Yojana is an unfunded defined benefit plan for employees of Tata Motors and some of its subsidiaries. The benefits of the plan include pension in certain cases, 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 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. Tata Motors and these subsidiaries account for the liability for BKY benefits payable in the future based on an actuarial valuation.

v) Provident fund and family pension

In accordance with Indian law, eligible employees of Tata Motors and some of its subsidiaries are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary). The contributions, as specified under the law, are made to the provident fund and pension fund set up as an irrevocable trust by Tata Motors and its subsidiaries or to respective Regional Provident Fund Commissioner and the Central Provident Fund under the State Pension scheme.

vi) Severance indemnity

Tata Daewoo Commercial Vehicle Company Limited (TDCV), a subsidiary company incorporated in Korea has an obligation towards severance indemnity, a defined benefit retirement plan, covering eligible employees. The plan provides for a lump sum payment to all employees with more than one year of employment equivalent to 30 days' salary payable for each completed year of service.

vii) Post-retirement medicare scheme

Under this unfunded scheme, employees of Tata Motors Limited and some of its subsidiaries receive medical benefits subject to certain limits 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 an Early Separation Scheme, on medical grounds or due to permanent disablement are also covered under the scheme. Tata Motors and such subsidiaries account for the liability for post-retirement medical scheme based on an actuarial valuation.

Remeasurement gains and losses

Remeasurement comprising actuarial gains and losses, the effect of the asset ceiling and the return on assets (excluding interest) relating to retirement benefit plans, are recognized directly in other comprehensive income in the period in which they arise. Remeasurement recorded in other comprehensive income is not reclassified to income statement.

Actuarial gains and losses relating to long-term employee benefits are recognized in the income statement in the period in which they arise.

Measurement date

The measurement date of retirement plans is March 31.

r. Dividends

Any dividend declared by Tata Motors Limited is based on the profits available for distribution as reported in the unconsolidated statutory financial statements of Tata Motors Limited prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP). Further, Indian law mandates that dividend be declared out of distributable profits only after the transfer of a specified percentage of net income computed in accordance with current regulations to a general reserve. Accordingly, in certain years the net income reported in these financial statements may not be fully distributable. As of March 31, 2014 and 2013, the amounts available for distribution were Rs. 68,550.3 million and Rs. 69,481.9 million respectively.

s. Segments

The Company primarily operates in the automotive segment. The automotive segment comprises two reportable segments i.e. Tata and other brand vehicles, including financing thereof and Jaguar Land Rover. Other operating segments do not meet the quantitative thresholds for disclosure and have been aggregated.

t. *Financial instruments*

i) Classification, initial recognition and measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets are classified into categories: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and available-for-sale financial assets. Financial liabilities are classified into financial liabilities at fair value through profit or loss and other financial liabilities.

Financial instruments are recognized on the balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Initially, a financial instrument is recognized at its fair value. Transaction costs directly attributable to the acquisition or issue of financial instruments are recognized in determining the carrying amount, if it is not classified as at fair value through profit or loss. Subsequently, financial instruments are measured according to the category in which they are classified.

***Financial assets and financial liabilities at fair value through profit or loss*: ** Derivatives, including embedded derivatives separated from the host contract, unless they are designated as hedging instruments, for which hedge accounting is applied, are classified into this category. These are measured at fair value with changes in fair value recognized in the income statement.

***Loans and receivables*: ** Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and which are not classified as financial assets at fair value through profit or loss or financial assets available-for-sale. Subsequently, these are measured at amortized cost using the effective interest method less any impairment losses.

These include trade receivables, finance receivables, balances with banks, short-term deposits with banks, other financial assets and investments with fixed or determinable payments.

***Available-for-sale financial assets*: ** Available-for-sale financial assets are those non-derivative financial assets that are either designated as such upon initial recognition or are not classified in any of the other financial assets categories. Subsequently, these are measured at fair value and changes therein, other than impairment losses are recognized directly in other comprehensive income, net of applicable deferred income taxes.

Dividends from available-for-sale debt securities are recognized in the income statement when the right to receive payment has been established.

Equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, are measured at cost.

When the financial asset is derecognized, the cumulative gain or loss in equity is transferred to the income statement.

***Foreign currency convertible notes*: ** Convertible notes issued in foreign currency are convertible at the option of the holder into Ordinary Shares, Global Depository Shares, American Depository Shares or Qualified Securities of the Company as per the terms of the issue. Conversion option which is not settled by exchanging a fixed amount of cash for a fixed number of shares is accounted for separately from the liability component as derivative and initially accounted for at fair value. The liability component is recognized initially at the difference between the fair value of the note and the fair value of the conversion option. Directly attributable costs are allocated to the liability component and the conversion option in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of the foreign currency convertible notes is measured at amortized cost using the effective interest method. The conversion option is subsequently measured at fair value at each reporting date or on the date of conversion, as applicable, with changes in fair value recognized in income statement.

The conversion option is presented together with the related liability.

Fair valuation of prepayment options in Senior Notes: Embedded derivatives relating to prepayment options in Senior Notes are not considered as closely related and are separately accounted unless the exercise price of these options are approximately equal on each exercise date to the amortized cost of the Senior Notes.

The embedded derivative is initially accounted for separately from the liability component as derivative at fair value. The fair value represents the difference in the traded market price of the Notes and the expected price of the Notes would trade at if they did not contain any prepayment features. The expected price is based on market inputs including credit spreads and interest rates. Directly attributable costs are allocated to the liability component and the prepayment option in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of the Senior Notes are measured at amortized cost using the effective interest method. The prepayment option is subsequently measured at fair value at each reporting date with changes in fair value recognized in income statement.

The prepayment option is presented together with the related liability.

Equity instruments: An equity instrument is any contract that evidences residual interests in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

***Other financial liabilities*:** These are measured at amortized cost using the effective interest method.

ii) Determination of fair value:

The fair value of a financial instrument on initial recognition is normally the transaction price (fair value of the consideration given or received). Subsequent to initial recognition, the Company determines the fair value of financial instruments that are quoted in active markets using the quoted bid prices (financial assets held) or quoted ask prices (financial liabilities held) and using valuation techniques for other instruments. Valuation techniques include discounted cash flow method and other valuation models.

iii) Derecognition of financial assets and financial liabilities:

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

Financial liabilities are derecognized when these are extinguished, that is when the obligation is discharged, cancelled or has expired.

iv) Impairment of financial assets:

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Loans and receivables:

Objective evidence of impairment includes default in payments with respect to amounts receivable from customers.

Impairment loss in respect of loans and receivables is calculated as the difference between their carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Such impairment loss is recognised in the income statement. If the amount of an impairment loss decreases in a subsequent period, and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. The reversal is recognized in the income statement.

Available-for-sale financial assets:

If the available-for-sale financial assets is impaired, the difference between the financial asset's acquisition cost (net of any principal repayments and amortization) and the current fair value, less any previous impairment loss recognized in the income statement, is reclassified from equity to income statement. If, in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognized, the impairment loss is reversed. The reversal is recognized in the income statement. Reversal of impairment loss on equity investments classified as available-for-sale, is not recognized in the income statement. Increase in their fair value after impairment, is recognized in other comprehensive income.

Impairment loss on equity investments carried at cost is not reversed.

u. ***Hedge accounting:***

The Company uses foreign currency forward and option contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable forecast transactions. The Company designates these forward and option contracts in a cash flow hedging relationship by applying the hedge accounting principles.

These forward and option contracts are stated at fair value at each reporting date. Changes in the fair value of these forward and option contracts that are designated and effective as hedges of future cash flows are recognized in other comprehensive income (net of tax), and the ineffective portion is recognized immediately in the consolidated income statement. Amounts accumulated in equity are reclassified to the consolidated income statement in the periods in which the forecasted transactions occurs.

For options, the time value is not considered part of the hedge, and this is treated as an ineffective hedge portion and recognised immediately in the consolidated income statement.

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

If the forecast transaction is no longer expected to occur, the net cumulative gain or loss recognized in equity is immediately transferred to the consolidated income statement for the year.

v. ***New accounting pronouncements***

New Accounting pronouncements affecting amounts reported and /or disclosures in the financial statements.

In the current year, the Company adopted/ early adopted the following new standards, revisions and amendments to standards and interpretations

Amendments to IAS 1- Presentation of Items of Other Comprehensive Income

In accordance with the amendment, the presentation of items of other comprehensive income has been modified in the consolidated statements of comprehensive income of the Company, to present separately (a) items that will not be reclassified subsequently to profit or loss; and (b) items that will be reclassified subsequently to profit or loss when specific conditions are met. Other than these changes, the application of the amendments to IAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income. The presentation as required by the amendments to the standard have been included in the consolidated financial statements

Amendment to IAS 36- Recoverable Amount Disclosures for Non-Financial Assets

In May 2013, the IASB issued “Amendment to IAS 36 Impairment of Assets”, requiring disclosure of recoverable amount only when an impairment loss has been recognised or reversed. The amendments apply retrospectively for annual periods beginning on or after January 1, 2014 with an option to early adopt.

Amendments to IAS 19-Employee Benefits (as revised in 2011)

The interest cost and expected return on plan assets used previously are replaced with a ‘net-interest’ amount, which is calculated by applying the discount rate to the net defined benefit liability or asset. This change has been retrospectively applied to the earliest period presented. Accordingly, employee cost increased by Rs. Nil, Rs. 34.4 million and Rs. 2,136.0 million and net income decreased by Rs. Nil, Rs. 26.5 million and Rs. 1,623.4 million for the year ended March 31, 2014, 2013 and 2012, respectively. The decrease in net income resulted in corresponding increase in other comprehensive income. The effect of this change on the earnings per share in each of the years presented is immaterial.

Amendments to IFRS 7 Financial Instruments: Disclosures

The Company has applied the amendments to IFRS 7 Disclosures – Offsetting Financial Assets and Financial Liabilities for the first time in the current year. The amendments to IFRS 7 require entities to disclose information and rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement.

The amendment has been applied retrospectively and the disclosures have been provided in Note 36 to the Consolidated Financial Statements.

IFRS 10 Consolidated Financial Statements

Effective April 1, 2013, Company adopted IFRS 10. IFRS 10 changes the definition of control such that an investor has control over an investee when (a) it has the power over the investee; (b) it is exposed or has rights to variable returns from its investment with the investee and (c) it has the ability to use its power to affect its returns. Previously control was considered as power to govern the financial and operating policies of an investee to obtain benefits from its activities. On adoption of IFRS 10, the Company evaluated that it has control over its subsidiaries and it is appropriate to continue to consolidate these entities in accordance with IFRS 10. There were no new consolidating entities identified.

IFRS 11 Joint Arrangements

In May 2011, the IASB issued IFRS 11 'Joint Arrangements', one of a suite of standards relating to interests in other entities and related disclosures. IFRS 11 establishes a principle that applies to the accounting for all joint arrangements, whereby parties to the arrangement account for their underlying contractual rights and obligations relating to the joint arrangement. IFRS 11 identifies two types of joint arrangements. A 'joint venture' is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. A 'joint operation' is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Investments in joint ventures are accounted for using the equity method. Investments in joint operations are accounted for by recognizing the Company's assets, liabilities, revenue and expenses relating to the joint operation.

The main impact of IFRS 11 is that certain of the Company's former jointly controlled entities, which were equity accounted, now fall under the definition of a joint operation under IFRS 11. The Company has derecognized Rs. 7,718.6 million of investments as of April 1, 2011 and recognized the Company's assets, liabilities, revenue and expenses relating to these arrangements. The effect of the new requirements on the Company's assets, liabilities, income and expenses are insignificant and therefore, the effects of such change in the previous and current periods have not been disclosed. This change in accounting policy has no effect on the net income, total comprehensive income and shareholders' equity.

IFRS 12 Disclosure of Interests in Other Entities

The Company has adopted the standard and the disclosures as required have been incorporated in the financial statements.

IFRS 13 Fair Value Measurement

On April 1, 2013, the Company adopted, IFRS 13, "Fair Value Measurement" which establishes a single source of guidance for fair value measurement and disclosure about fair value measurements. The scope of IFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other IFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal market at the measurement date. Fair value under IFRS 13 is an exit price. Application of IFRS 13 has not had any material impact on the amounts recognised in the financial statements. The disclosures as required have been included in the consolidated financial statements.

The Company has not applied the following new and revised IFRSs that have been issued but are not yet effective:

IFRS 9	Financial Instruments[5]
Amendments to IFRS 10, IFRS 12 and IAS 27	Investment Entities- Consolidation relief[1]
IFRIC 21	Levies[1]
IAS 39	Novation of Derivatives and Continuation of Hedge Accounting[1]
Amendments to IAS 16 & IAS 38	Property, Plant & Equipment and Intangible Assets[3]
IFRS 15	Revenue from contracts with Customers[4]
Amendments to IFRS 11	Joint Arrangements[3]
Amendments to IAS 19	Defined Benefit Plans: Employee Contributions[2]
Amendments to IAS 32	Offsetting Financial Assets and Financial Liabilities[1]
Annual Improvements to IFRSs 2010-2012 Cycle	IFRS 3, IFRS 8, IAS 16, IAS 24[2]
Annual Improvements to IFRSs 2011-2013 Cycle	IFRS 3[2]

[1] Effective for annual periods beginning on or after January 1, 2014.
[2] Effective for annual periods beginning on or after July 1, 2014.
[3] Effective for annual periods beginning on or after January 1, 2016.
[4] Effective for annual periods beginning on or after January 1, 2017.
[5] Effective for annual periods beginning on or after January 1, 2018.

IFRS 9 - Financial Instruments

In July 2014, the IASB completed the final element of its comprehensive response to the financial crisis by issuing IFRS 9 *Financial Instruments*. The package of improvements introduced by IFRS 9 includes a logical model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting. The new Standard will come into effect on January 1, 2018 with early application permitted.

Amendments to IFRS 10, IFRS 12 and IAS 27 – Investment Entities- Consolidation relief

In October 2012, the IASB issued ''Investment Entities'', an amendment to IFRS 10, IFRS 12 and IAS 27. This amendment is effective for annual periods beginning on or after January 1, 2014. An investment entity is an entity meeting specific criteria; in particular, its corporate purpose is to invest funds solely in order to obtain returns in the form of capital appreciation or investment income. The amendment requires investment entities to account for their investment in the entities they control at fair value through profit or loss; this is an exception to the IFRS 10 consolidation requirements.

IFRIC 21 - Levies

In May 2013, IFRS Interpretation committee issued IFRIC 21 which provides guidance on accounting for the liability to pay a government imposed levy. IFRIC 21 is effective for annual periods beginning on or after January 1, 2014. This interpretation clarifies that the obligating event that gives rise to a liability to pay a government levy is the activity that triggers the payment of the levy as set out in the relevant legislation. An entity does not have a constructive obligation to pay a levy that will be triggered by operating in a future period. It is not practicable to provide a reasonable estimate of the effect on the financial statements until a detailed review has been completed.

IAS 39 – Novation of Derivatives and Continuation of Hedge Accounting

On June 27, 2013 the IASB issued 'Novation of Derivatives and Continuation of Hedge Accounting' (Amendments to IAS 39). As per this amendment, there would be no need to discontinue hedge accounting if a hedging derivative was novated provided certain criteria are met.

Amendment to IAS 16 – Property, Plant and Equipment and IAS 38 – Intangible Assets

In May 2014, the IASB issued "Amendments to IAS 16 and IAS 38", clarifying that the use of methods based on revenue to calculate the depreciation is not appropriate because revenue generated by an activity that includes the use of an asset typically reflects factors that are not directly linked to the consumption of the economic benefits embodied in the asset. Revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.

IFRS 15 – Revenue from contracts with Customers

The standard outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. The core principle of the new standard is for companies to recognize revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the company expects to be entitled in exchange for those goods or services. The new standard also will result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements.

Amendments to IFRS 11 – Joint Arrangements

When an entity acquires an interest in a joint operation in which the activity of the joint operation constitutes a business, as defined in IFRS 3, it shall apply, to the extent of its share in accordance with this standard, all of the principles on business combinations accounting in IFRS 3, and other IFRSs, that do not conflict with the guidance in this standard and disclose the information that is required in those IFRSs in relation to business combinations.

Amendments to IAS 19 – Defined Benefit Plans: Employee Contributions

In November 2013, IASB issued an Amendment to IAS 19 to clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service. In addition, it permits a practical expedient if the amount of the contributions is independent of the number of years of service, in those contributions, can, but are not required, to be recognised as a reduction in the service cost in the period in which the related service is rendered. This amendment is effective for annual periods beginning on or after July 1, 2014.

Amendments to IAS 32 Disclosures – Offsetting Financial Assets and Financial Liabilities

The amendments to IAS 32 clarify existing application issues relating to the offset of financial assets and financial liabilities requirements. Specifically, the amendments clarify the meaning of ‘currently has a legally enforceable right of set-off’ and ‘simultaneous realization and settlement’. The amendments to IAS 32 are not effective until annual periods beginning on or after January 1, 2014, with retrospective application required. The Company estimates anticipate that the application of these amendments to IAS 32 may result in more disclosures being made with regard to offsetting financial assets and financial liabilities in the future.

Annual Improvements to IFRSs 2010-2012 and 2011-2013 Cycle

In December 2013, the IASB issued “Annual Improvements to IFRSs: 2010-2012 Cycle” and “Annual Improvements to IFRSs: 2011-2013 Cycle”, as part of its annual process of revising and improving existing standards. These are effective for annual periods beginning on or after July 1, 2014.

- IFRS 8 (Operating Segments): requires disclosure of judgments made by management in applying aggregation criteria to segments.
- IAS 16 (Property, Plant and Equipment) and IAS 38 (Intangible Assets): clarifies the method used to determine accumulated depreciation and amortisation under the revaluation model.
- IAS 24 (Related Party Disclosures): expand the definition of “related party” to include an entity, or any member of a group of which it is a part, that provides key management personnel services to the reporting entity.
- IFRS 3 (Business Combinations) and IFRS 13 (Fair Value Measurement): clarifies some definitions.

w. Convenience translation

The consolidated financial statements have been expressed in Indian rupees (“Rs.”), Tata Motors Limited functional currency. For the convenience of the reader, the financial statements as at and for the year ended March 31, 2014, have been translated into U.S. dollars at US$ 1.00 = Rs. 59.915, based on fixing rate in the City of Mumbai on March 31, 2014, for cable transfers in Indian rupees as published by the Foreign Exchange Dealers’ Association of India (FEDAI).

Such translation should not be construed as representation that the rupee amounts have been or could be converted into U.S. dollars at that or any other rate, or at all.

3. Cash and cash equivalents

Cash and cash equivalents consist of the following:

	As at March 31,		
	2014	2014	2013
	(In millions)		
Cash balances	US$ 6.4	Rs. 386.3	Rs. 414.5
Balances with banks (including deposits with original maturity of upto three months)	2,662.7	159,535.2	116,495.4
Total	**US$ 2,669.1**	**Rs. 159,921.5**	**Rs. 116,909.9**

Cash and cash equivalents includes Rs. Nil and Rs. 43,052.5 million as of March 31, 2014 and 2013 respectively, held by a subsidiary that operates in a country where exchange control restrictions prevent the balances being available for general use by Tata Motors Limited and other subsidiaries. During the year ended March 31, 2014, these exchange controls have been amended by that country's authorities to allow lending of surplus cash to group entities.

4. Finance receivables

Finance receivables consist of vehicle loans, the details of which are as follows:

	As at March 31,		
	2014	2014	2013
	(In millions)		
Finance receivables	US$ 3,619.5	Rs. 216,862.7	Rs. 212,754.0
Less: allowance for credit losses	527.2	31,587.5	14,534.8
Total	**US$ 3,092.3**	**Rs. 185,275.2**	**Rs. 198,219.2**
Current portion	1,516.0	90,832.5	71,460.5
Non-current portion	1,576.3	94,442.7	126,758.7
Total	**US$ 3,092.3**	**Rs. 185,275.2**	**Rs. 198,219.2**

Changes in the allowance for credit losses in finance receivables are as follows:

	As at March 31,			
	2014	2014	2013	2012
	(In millions)			
Balance at the beginning	US$ 242.6	Rs. 14,534.8	Rs. 11,089.6	Rs. 9,070.9
Allowances made during the year	402.9	24,138.9	9,427.9	5,747.3
Written off	(118.3)	(7,086.2)	(5,982.7)	(3,728.6)
Balance at the end	**US$ 527.2**	**Rs. 31,587.5**	**Rs. 14,534.8**	**Rs. 11,089.6**

5. Allowance for trade and other receivables

Change in the allowances for trade and other receivables are as follows:

	As at March 31,			
	2014	2014	2013	2012
	(In millions)			
Balance at the beginning	US$ 80.3	Rs. 4,813.7	Rs. 3,884.5	Rs. 2,971.2
Allowances made during the year	44.9	2,691.0	1,141.6	1,026.7
Written off	(6.8)	(408.2)	(219.7)	(211.5)
Foreign exchange translation differences	3.8	225.3	7.3	98.1
Balance at the end	**US$ 122.2**	**Rs. 7,321.8**	**Rs. 4,813.7**	**Rs. 3,884.5**

6. Investments

Investments consist of the following:

	As at March 31, 2014	2014 (In millions)	2013
Available-for-sale, at fair value	US$ 1,633.6	Rs. 97,882.1	Rs. 77,516.4
Unquoted equity investments, at cost	65.4	3,919.7	3,877.0
Loans and receivables	1.3	75.0	80.0
Total	**US$ 1,700.3**	**Rs. 101,876.8**	**Rs. 81,473.4**

Available-for-sale, financial assets (investments) are as follows:

	As at March 31, 2014	2014 (In millions)	2013
Quoted equity shares	US$ 46.2	Rs. 2,770.1	Rs. 2,067.2
Mutual funds	1,585.8	95,016.2	75,327.0
Corporate bonds and other debt instruments	1.6	95.8	122.2
Total available for sale securities	**US$ 1,633.6**	**Rs. 97,882.1**	**Rs. 77,516.4**

The current and non-current classifications of investments are as follows:

	As at March 31, 2014	2014 (In millions)	2013
Current investments	US$1,591.2	Rs. 95,337.5	Rs. 75,191.2
Non-current investments	109.1	6,539.3	6,282.2
Total	**US$1,700.3**	**Rs. 101,876.8**	**Rs. 81,473.4**

The fair value of the unquoted equity investments cannot be reliably measured as the variability in the range of fair value estimates is significant and the probabilities of the various estimates cannot be reasonably assessed.

7. Other financial assets - current

Other financial assets - current consist of the following:

	As at March 31,		
	2014	2014	2013
		(In millions)	
Derivative financial instruments	US$ 599.4	Rs. 35,912.4	Rs. 2,568.1
Advances and other receivables recoverable in cash	92.3	5,530.6	5,625.6
Inter corporate deposits	0.1	3.1	3.1
Margin money with banks	5.9	352.6	1,402.9
Restricted bank deposits	36.3	2,175.6	12,544.3
Total	**US$ 734.0**	**Rs. 43,974.3**	**Rs. 22,144.0**

Margin money with banks is restricted cash deposits and consists of collateral provided for transfer of finance receivables. Restricted bank deposits include Rs. 1,928.9 million and Rs. 10,062.5 million as of March 31, 2014 and 2013 respectively, held as security in relation to debt service and repayment of bank borrowings. The deposits are pledged till the maturity of the respective borrowings.

8. Other financial assets (non-current)

Other financial assets - non-current consist of the following:

	As at March 31,		
	2014	2014	2013
		(In millions)	
Margin money with banks	US$ 16.8	Rs. 1,008.3	Rs. 693.1
Restricted deposits	42.1	2,524.5	4,036.9
Loans to employees	7.5	448.0	445.3
Loan to joint operation	22.1	1,325.0	1,325.0
Derivative financial instruments	728.5	43,646.9	6,194.7
Others	58.4	3,491.3	4,349.6
Total	**US$ 875.4**	**Rs. 52,444.0**	**Rs. 17,044.6**

Margin money with banks is restricted cash deposits and consists of collateral provided for transfer of finance receivables.

Restricted deposit relate to the Company’s residual risk arising on vehicle sold by dealer under leasing arrangement.

Loan to joint operation is subordinated to other borrowings of the joint operation. Subject to certain conditions, the loan is convertible into equity of the joint operation, at the option of the joint operation.

9. Inventories

Inventories consist of the following:

	As at March 31,		
	2014	2014	2013
		(In millions)	
Raw materials, components and consumables	US$ 475.1	Rs. 28,468.3	Rs. 26,769.9
Work-in-progress	443.6	26,580.8	21,650.2
Finished goods	3,633.3	217,686.8	162,075.6
Total	**US$ 4,552.0**	**Rs. 272,735.9**	**Rs. 210,495.7**

Inventories of finished goods include Rs. 17,319.1 million and Rs. 14,055.3 million as of March 31, 2014 and March 31, 2013, respectively, relating to vehicles sold subject to repurchase arrangements.

Cost of inventories (including cost of purchased products) recognised as expense during the years ended March 31, 2014, March 31, 2013 and March 31, 2012 amounted to Rs. 1,662,646.2 million, Rs. 1,376,589.1 million and Rs. 1,211,567.5 million, respectively.

During the years ended March 31, 2014, March 31, 2013 and March 31, 2012, the Company recorded inventory write-down expense of Rs. 3,354.5 million, Rs. 3,721.0 million and Rs. 2,344.5 million, respectively.

10. Other current assets

Other current assets consist of the following:

	As at March 31, 2014	2014	2013
		(In millions)	
Advances to suppliers and contractors	US$ 21.9	Rs. 1,311.1	Rs. 2,503.3
VAT, other taxes recoverable, statutory deposits and dues from government	704.8	42,233.0	49,500.8
Prepaid expenses	150.3	9,003.7	5,799.1
Others	2.4	144.4	196.6
Total	**US$ 879.4**	**Rs. 52,692.2**	**Rs. 57,999.8**

11. Other non-current assets

Other non-current assets consist of the following:

	As at March 31, 2014	2014	2013
		(In millions)	
Taxes recoverable, statutory deposits and dues from government	US$ 156.3	Rs. 9,361.8	Rs. 7,115.0
Prepaid rentals on operating leases	14.6	871.9	882.8
Prepaid expenses	44.9	2,688.4	622.3
Others	42.2	2,529.8	1,309.2
Total	**US$ 258.0**	**Rs. 15,451.9**	**Rs. 9,929.3**

Others include Rs. 45.0 million and Rs. 36.1 million, towards pension assets pertaining to Jaguar Land Rover businesses as of March 31, 2014 and March 31, 2013, respectively.

12. Property, plant and equipment

Property, plant and equipment consist, of the following:

	Land and buildings	Plant and equipment	Vehicles	Computers	Furniture and fixtures	Total
			(In millions)			
Cost as of April 1, 2013	**Rs. 74,900.7**	**Rs. 416,609.7**	**Rs. 2,396.3**	**Rs. 10,382.3**	**Rs. 5,922.8**	**Rs. 510,211.8**
Additions	18,158.9	73,781.1	443.7	1,725.8	2,347.0	**96,456.5**
Acquisition through business combination	6.1	—	0.4	17.3	2.6	**26.4**
Currency translation differences	8,334.8	47,862.8	73.0	538.3	627.4	**57,436.3**
Disposal	(316.6)	(2,691.9)	(346.1)	(509.4)	(168.8)	**(4,032.8)**
Cost as of March 31, 2014	**101,083.9**	**535,561.7**	**2,567.3**	**12,154.3**	**8,731.0**	**660,098.2**
Accumulated depreciation (net of Rs. 3,462.6 million in respect of disposals)	(15,727.9)	(230,644.3)	(1,428.7)	(8,295.4)	(3,219.1)	**(259,315.4)**
Net carrying amount as of March 31, 2014	**Rs. 85,356.0**	**Rs. 304,917.4**	**Rs. 1,138.6**	**Rs. 3,858.9**	**Rs. 5,511.9**	**Rs. 400,782.8**
Capital work-in-progress						93,827.1
Total						**Rs. 494,609.9**
						US$ 8,255.2
Depreciation for the year	Rs. (2,644.6)	Rs. (47,604.4)	Rs. (464.7)	Rs. (1,115.8)	Rs. (596.4)	Rs. (52,425.9)
						US$ **(874.9)**
Cost as of April 1, 2012	**Rs. 70,449.1**	**Rs. 337,215.6**	**Rs. 3,404.8**	**Rs. 9,672.0**	**Rs. 4,746.2**	**Rs. 425,487.7**
Additions	5,014.6	86,931.7	809.6	983.1	1,625.3	**95,364.3**
Currency translation differences	716.1	(1,218.2)	81.9	69.4	22.7	**(328.1)**
Disposal	(1,279.1)	(6,319.4)	(1,900.0)	(342.2)	(471.4)	**(10,312.1)**
Cost as of March 31, 2013	**74,900.7**	**416,609.7**	**2,396.3**	**10,382.3**	**5,922.8**	**510,211.8**
Accumulated depreciation (net of Rs. 8,233.6 million in respect of disposals)	(12,030.4)	(166,291.1)	(1,225.0)	(7,383.1)	(2,431.2)	(189,360.8)
Net carrying amount as of March 31, 2013	**Rs. 62,870.3**	**Rs. 250,318.6**	**Rs. 1,171.3**	**Rs. 2,999.2**	**Rs. 3,491.6**	**Rs. 320,851.0**
Capital work-in-progress						44,128.9
Total						**Rs. 364,979.9**
Depreciation for the year	Rs. (2,122.0)	Rs. (35,576.1)	Rs. (505.5)	Rs. (1,032.7)	Rs. (414.8)	Rs. (39,651.1)

Notes:

1. Net carrying amounts of property, plant and equipment under finance lease arrangements were as follows:

	As at March 31,		
	2014	2014	2013
		(In millions)	
Land	US$ 3.4	Rs. 202.9	Rs. 180.9
Buildings	9.8	588.2	414.1
Plant and equipment	36.4	2,179.4	2,034.0
Computers	6.8	406.0	566.7
Total	**US$ 56.4**	**Rs. 3,376.5**	**Rs. 3,195.7**

2. Land and buildings include freehold land of Rs. 20,588.3 million and Rs. 17,265.4 million as of March 31, 2014 and March 31, 2013 respectively.

3. Capital work in progress as at March 31, 2014, includes building of Rs. 3,098.8 million on leased land located in the State of West Bengal in India for the purposes of manufacturing automobiles. In June 2011, the newly elected Government of West Bengal (referred to as "State Government") enacted legislation to cancel the land lease agreement.

   The Company challenged the legal validity of the legislation. In June 2012, the High Court of Calcutta (referred to as the "High Court") ruled against the validity of the legislation and restored the Company's rights under the land lease agreement. The State Government filed an appeal in the Supreme Court of India. As of the date of the authorization of the financial statements, the Supreme Court has not concluded on the State Government appeal.

   The Company reasonably expects that the High Courts' judgment, based on established law, will be upheld by the Supreme Court. Based on the management's assessment, no adjustments to the carrying amount of buildings is considered necessary.

13. Leases

The Company has taken land, buildings, plant and equipment, computers and furniture and fixtures under operating and finance leases. The following is the summary of future minimum lease rental payments under non-cancellable operating leases and finance leases entered into by the Company:

	As at March 31,					
	2014			2013		
	Operating	Finance		Operating	Finance	
	Minimum Lease Payments	Minimum Lease Payments	Present value of minimum lease payments	Minimum Lease Payments	Minimum Lease Payments	Present value of minimum lease payments
	(In millions)					
Not later than one year	Rs. 2,973.7	Rs. 844.6	Rs. 711.9	Rs.989.7	Rs. 732.0	Rs. 592.8
Later than one year but not later than five years	4,401.5	1,567.4	1,497.0	1,865.0	1,959.0	1,684.3
Later than five years	10,545.8	—	—	9,632.0	157.8	149.5
Total minimum lease commitments	Rs. 17,921.0	Rs. 2,412.0	Rs. 2,208.9	Rs.12,486.7	Rs. 2,848.8	Rs. 2,426.6
	US$ 299.1	US$ 40.3	US$ 36.9			
Less: future finance charges		Rs. (203.1)			Rs. (422.2)	
Present value of minimum lease payments		**Rs. 2,208.9**			**Rs. 2,426.6**	
Included in the financial statements as:						
Other current financial liabilities (refer note 20)			Rs. 711.9			Rs. 592.8
Other non-current financial liabilities (refer note 21)			1,497.0			1,833.8
			Rs. 2,208.9			**Rs. 2,426.6**
			US$ 36.9			

Total operating lease rent expense was Rs. 6,521.6 million, Rs. 4,012.6 million and Rs. 2,911.1 million for the years ended March 31, 2014, 2013 and 2012, respectively.

Significant leasing arrangements include lease of land under operating lease for a period of 90 years with a renewal option for a further period of 90 years. Minimum lease payments for a period 'later than five years' includes Rs. 8,414.0 million relating to this leasing arrangement.

14. Goodwill

	As at March 31,		
	2014	2014	2013
		(In millions)	
Balance at the beginning	US$ 88.6	Rs.5,311.2	Rs.5,243.9
Additions	19.3	1,153.8	—
Currency translation differences	16.4	984.2	67.3
Balance at the end	**US$ 124.3**	**Rs. 7,449.2**	**Rs. 5,311.2**

As of March 31, 2014, goodwill of Rs. 1,220.7 million and Rs. 6,228.5 million relates to the automotive and related activity segment (Tata and other brand vehicles including financing thereof) and 'others' segment respectively. As of March 31, 2013, goodwill of Rs. 1,220.7 million and Rs. 4,090.5 million relates to the automotive and related activity segment (Tata and other brand vehicles including financing thereof) and 'others' segment respectively.

As of March 31, 2014, goodwill of Rs. 6,228.5 million has been allocated to software consultancy and services cash generating unit. The recoverable amount of the cash generating unit has been determined based on value in use. Value in use has been determined based on future cash flows, after considering current economic conditions and trends, estimated future operating results, growth rates and anticipated future economic conditions.

As of March 31, 2014, the estimated cash flows for a period of 5 years were developed using internal forecasts, and a pretax discount rate of 13.14%. The cash flows beyond 5 years have been extrapolated assuming 2% growth rates. The management believes that any reasonably possible change in the key assumptions would not cause the carrying amount to exceed the recoverable amount of the cash generating unit.

15. Intangible assets

Intangible assets consist of the following:

	Software	Patents and technological know how	Customer related	Intellectual property rights and other intangibles	Product development	Indefinite life trademarks and brands	Total
				(In millions)			
Cost as of April 1, 2013	**Rs. 18,513.5**	**Rs.12,718.5**	**Rs. 7,283.8**	**Rs. 55.1**	**Rs. 208,300.0**	**Rs. 50,762.4**	**Rs. 297,633.3**
Additions through internal development	—	—	—	—	60,677.9	—	**60,677.9**
Acquisition through business combination	62.0	—	219.7	—	—	—	**281.7**
Other additions	8,697.8	2.2	—	659.7	—	—	**9,359.7**
Currency translation differences	3,084.1	2,563.1	1,572.0	65.3	36,120.6	10,781.2	**54,186.3**
Disposal	(752.4)	—	—	—	(14,035.6)	—	**(14,788.0)**
Cost as of March 31, 2014	**29,605.0**	**15,283.8**	**9,075.5**	**780.1**	**291,062.9**	**61,543.6**	**407,350.9**
Accumulated amortization (net of Rs. 14,788.0 million in respect of disposals)	(14,045.6)	(9,092.3)	(4,601.0)	(198.0)	(116,913.5)	—	**(144,850.4)**
Net carrying amount as of March 31, 2014	**Rs. 15,559.4**	**Rs. 6,191.5**	**Rs. 4,474.5**	**Rs. 582.1**	**Rs. 174,149.4**	**Rs. 61,543.6**	**Rs. 262,500.5**
Capital work-in-progress							229,683.6
Total							**Rs. 492,184.1**
							US$ 8,214.6
Amortization for the year	Rs. (3,487.2)	Rs. (1,489.8)	Rs. (343.8)	Rs. (73.7)	Rs. (52,642.2)	Rs. —	Rs. (58,036.7)
							US$ **(968.8)**
Cost as of April 1, 2012	**Rs. 17,279.2**	**Rs.12,623.7**	**Rs. 7,232.9**	**Rs. 207.8**	**Rs. 123,866.0**	**Rs. 50,407.5**	**Rs. 211,617.1**
Additions through internal development	—	—	—	—	87,985.8	—	**87,985.8**
Other additions	4,273.7	8.1	—	—	—	—	**4,281.8**
Currency translation differences	137.5	86.7	50.9	—	(3,551.8)	354.9	**(2,921.8)**
Disposal	(3,176.9)	—	—	(152.7)	—	—	**(3,329.6)**
Cost as of March 31, 2013	**18,513.5**	**12,718.5**	**7,283.8**	**55.1**	**208,300.0**	**50,762.4**	**297,633.3**
Accumulated amortization (net of Rs. 3,329.6 million in respect of disposals)	(9,690.0)	(6,385.7)	(3,480.1)	(16.2)	(68,215.9)	—	(87,787.9)
Net carrying amount as of March 31, 2013	**Rs. 8,823.5**	**Rs. 6,332.8**	**Rs. 3,803.7**	**Rs. 38.9**	**Rs. 140,084.1**	**Rs. 50,762.4**	**Rs. 209,845.4**
Capital work-in-progress							141,821.5
Total							**Rs. 351,666.9**
Amortization for the year	Rs. (3,295.3)	Rs. (1,401.1)	Rs. (257.9)	Rs. —	Rs. (31,162.5)	Rs. —	Rs. (36,116.8)

The useful life of trademarks and brands in respect of the acquired Jaguar Land Rover businesses have been determined to be indefinite as the Company expects to generate future economic benefits indefinitely from these assets.

The indefinite life intangible assets have been allocated to the Jaguar Land Rover businesses. The recoverable amount of the cash generating unit has been determined based on value in use. Value in use has been determined based on future cash flows after considering current economic conditions and trends, estimated future operating results, growth rates and anticipated future economic conditions.

The estimated cash flows for a period of five years were developed using internal forecasts, and a pre-tax discount rate of 10.9%. The cash flows beyond five years have been extrapolated assuming zero growth rate. The management believes that any reasonably possible change in the key assumptions would not cause the carrying amount to exceed the recoverable amount of the cash generating unit.

During the year, legislation was enacted to allow United Kingdom (UK) companies to elect for the Research and Development Expenditure Credit (RDEC) on qualifying expenditure incurred since April 1, 2013, instead of the existing super-deduction rules. As a result of this election by the Company's subsidiary in the UK, Rs. 4,308.6 million of the RDEC, the proportion relating to capitalised product development expenditure, has been offset against these assets. The remaining Rs. 1,711.9 million has been recognised as miscellaneous income, a component of Other Income / (loss) (net).

16. Investments in equity accounted investees:

(a) Associates:

The Company has no material associates as at March 31, 2014. The aggregate summarised financial information in respect of the Company's immaterial associates that are accounted for using the equity method is set forth below.

	As at March 31,		
	2014	2014	2013
	(In millions)		
Carrying amount of the Company's interest in associates	US$ 107.1	Rs. 6,409.4	Rs. 15,853.0

	Year ended March 31,			
	2014	2014	2013	2012
	(In millions)			
Company's share of profit / (loss) in associates*	US$ (19.0)	Rs. (1,142.0)	Rs. 884.2	Rs. (586.6)
Company's share of other comprehensive income in associates	(2.5)	(151.8)	26.4	41.7
Company's share of total comprehensive income in associates	US$ (21.5)	Rs. (1,293.8)	Rs. 910.6	Rs. (544.9)

(i) Fair value of investment in an equity accounted associate for which published price quotation is available, which is a level 1 input, was Rs. 776.7 million and Rs. 684.8 million as of March 31, 2014 and 2013, respectively. The carrying amount as of March 31, 2014 and 2013, was Rs. 1,325.7 million and Rs. 1,306.0 million, respectively.

(ii) The Company recognized an impairment loss of Rs. 8,033.7 million, Rs. Nil and Rs. 4,981.0 million for the year ended March 31, 2014, 2013 and 2012, respectively, in respect of its investment in an associate which was caused by economic slowdown and increased competition from new entrants faced by the associates. The associate is engaged in the business of manufacture and sale of construction equipment. The recoverable amount of Rs. 2,682.6 million as at March 31, 2014, is determined based on value in use and a pretax discount rate of 17.45%.

(b) Joint ventures:

(i) Details of the Company's material joint venture as at March 31, 2014 are as follows:

Name of joint venture	Principal activity	Principal place of the business	% holding as at March 31, 2014	2013
Chery Jaguar Land Rover Automotive Co. Limited (Chery)	Manufacture and assembly of vehicles	China	50%	50%

Chery is a limited liability company, whose legal form confers separation between the parties to the joint arrangement. There is no contractual arrangement or any other facts and circumstances, that indicate that the parties to the joint venture have rights to the assets and obligations for the liabilities of the joint arrangement. Accordingly, Chery is classified as a joint venture. The summarised financial information in respect of Chery that is accounted for using the equity method is set forth below.

	As at March 31,		
	2014	2014	2013
		(In millions)	
Current assets	US$ 281.7	Rs. 16,879.4	Rs. 10,471.8
Non-current assets	392.1	23,490.3	1,559.9
Current liabilities	(111.3)	(6,668.9)	(2,216.7)
Non-current liabilities	(108.0)	(6,469.8)	—
The above amounts of assets and liabilities include the following:			
Cash and cash equivalents	202.7	12,143.3	10,754.9
Current financial liabilities (excluding trade and other payables and provisions)	—	—	—
Non-current financial liabilities (excluding trade and other payables and provisions)	(108.0)	(6,469.8)	—
Carrying amount of the Company's interest in joint venture	US$ 227.2	Rs. 13,615.5	Rs. 4,907.5

	Year ended March 31,			
	2014	2014	2013	2012
		(In millions)		
Revenue	US$ —	Rs. —	Rs. —	Rs. —
Net income / (loss)	(26.9)	(1,614.4)	(1,632.8)	—
Other comprehensive income	17.0	1,016.8	—	—
Total comprehensive income for the year	(9.9)	(597.6)	(1,632.8)	—
Dividend received from the joint venture during the year	—	—	—	—
The above Net income includes the following:				
Depreciation and amortization	1.6	96.2	—	—
Interest income	(3.2)	(192.3)	—	—
Interest expense (net)	1.6	96.2	—	—
Income tax expense / (credit)	(20.9)	(1,250.2)	—	—

Reconciliation of above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements:

	As at March 31,		
	2014	2014	2013
		(In millions)	
Net assets of the joint venture	US$ 454.5	Rs. 27,231.0	Rs. 9,815.0
Proportion of the Company's interest in joint venture	227.2	13,615.5	4,907.5
Carrying amount of the Company's interest in joint venture	**US$ 227.2**	**Rs. 13,615.5**	**Rs. 4,907.5**

During the year ended March 31, 2013, the Company has invested towards 50% stake in Suzhou Chery Jaguar Land Rover Trading Company Limited and towards 50% stake in Chery Jaguar Land Rover Automotive Company Limited aggregating Rs. 6,216.6 million. During the year ended March 31, 2014, the Company has additionally invested Rs. 9,007.6 million in Chery Jaguar Land Rover Automotive Company Limited.

(ii) The aggregate summarised financial information in respect of the Company's immaterial joint ventures that are accounted for, using the equity method is set forth below.

	As at March 31,		
	2014	2014	2013
		(In millions)	
Carrying amount of the Company's interest in joint ventures	US$ 3.5	Rs. 211.8	Rs. 69.2

	Year ended March 31,			
	2014	2014	2013	2012
		(In millions)		
Company's share of profit / (loss) in joint ventures*	US$ 1.2	Rs. 71.6	Rs. (199.3)	Rs. (0.2)
Company's share of other comprehensive income in joint ventures	1.2	73.4	1.0	—
Company's share of total comprehensive income in joint ventures	US$ 2.4	Rs. 145.0	Rs. (198.3)	Rs. (0.2)

(c) Summary of carrying amount of the Company's interest in equity accounted investees:

	As at March 31,		
	2014	2014	2013
		(In millions)	
Carrying amount in immaterial associates	US$ 107.1	Rs. 6,409.4	Rs. 15,853.0
Carrying amount in material joint venture	227.2	13,615.5	4,907.5
Carrying amount in immaterial joint ventures	3.5	211.8	69.2
Total	**US$ 337.8**	**Rs. 20,236.7**	**Rs. 20,829.7**

(d) Summary of Company's share of profits / (loss) in equity accounted investees:

	Year ended March 31,			
	2014	2014	2013	2012
		(In millions)		
Share of profit / (loss) in immaterial associates	US$ (19.0)	Rs. (1,142.0)	Rs. 884.2	Rs. (586.6)
Share of profit / (loss) in material joint venture	(13.5)	(807.2)	(816.4)	—
Share of profit / (loss) in immaterial joint ventures	1.2	71.6	(199.3)	(0.2)
	US$ (31.3)	**Rs. (1,877.6)**	**Rs. (131.5)**	**Rs. (586.8)**

(e) Summary of Company's share of other comprehensive income in equity accounted investees:

	Year ended March 31,			
	2014	2014	2013	2012
		(In millions)		
Share of other comprehensive income in immaterial associates	US$ (2.5)	Rs. (151.8)	Rs. 26.4	Rs. 41.7
Share of other comprehensive income in material joint venture	8.5	508.4	—	—
Share of other comprehensive income in immaterial joint ventures	1.2	73.4	1.0	—
	US$ 7.2	**Rs. 430.0**	**Rs. 27.4**	**Rs. 41.7**

* Company's share of profit / (loss) of the equity accounted investees has been determined after giving effect for the subsequent amortization / depreciation and other adjustments, arising on account of fair value adjustments made to the identifiable net assets of the equity accounted investee as at the date of acquisition and other adjustment arising under the equity method of accounting.

17. Income taxes

The domestic and foreign components of net income before income tax:

	Year ended March 31,			
	2014	2014	2013	2012
	(In millions)			
Net income before income taxes				
India	US$ (1,028.2)	Rs. (61,601.7)	Rs. (9,456.7)	Rs. 8,406.7
Other than India	4,022.5	241,006.8	138,252.2	110,846.8
Total	**US$ 2,994.3**	**Rs. 179,405.1**	**Rs. 128,795.5**	**Rs. 119,253.5**

The domestic and foreign components of income tax expense:

	Year ended March 31,			
	2014	2014	2013	2012
	(In millions)			
Current taxes				
India	US$ 29.5	Rs. 1,770.4	Rs. 3,016.2	Rs. 5,601.1
Other than India	580.8	34,797.8	26,267.3	15,603.8
Deferred taxes				
India	(235.4)	(14,102.7)	(2,516.9)	(2,782.3)
Other than India	430.0	25,761.0	12,472.2	(13,986.1)
Total income tax expense	**US$ 804.9**	**Rs. 48,226.5**	**Rs. 39,238.8**	**Rs. 4,436.5**

The reconciliation of estimated income tax to income tax expense is as follows:

	Year ended March 31,			
	2014	2014	2013	2012
	(In millions)			
Income before income taxes	**US$ 2,994.3**	**Rs. 179,405.1**	**Rs. 128,795.5**	**Rs. 119,253.5**
Income tax expense at tax rates applicable to individual entities	596.5	35,741.4	30,460.9	32,146.9
Additional deduction for research and product development cost	(142.9)	(8,561.7)	(7,936.3)	(7,520.4)
Items (net) not deductible for tax / not liable to tax :				
- foreign currency (gain) / loss relating to loans and deposits (net)	3.8	227.3	340.9	487.5
- interest, loss on conversion option and other expenses relating to borrowings for investment	38.4	2,302.3	2,350.6	1,698.6
- Dividend from subsidiaries, associates and available-for-sale investments	76.3	4,572.2	4,132.6	—
Undistributed earnings of subsidiaries and associates	216.9	12,993.6	5,611.1	4,497.9
Loss in respect of which deferred tax assets not recognized due to uncertainty	11.4	684.8	582.0	1,193.4
Utilization / credit of unrecognised tax losses, unabsorbed depreciation and other tax benefits	(54.4)	(3,257.0)	(517.6)	(29,528.7)
Deferred tax assets not probable to be utilised	122.1	7,318.0	—	—
Tax on share of (profit) / loss of equity accounted investees	9.0	537.3	(33.7)	187.8
Impact of change in statutory tax rates	(88.5)	(5,299.9)	1,548.1	—
Others	16.3	968.2	2,700.2	1,273.5
Income tax expense reported	**US$ 804.9**	**Rs. 48,226.5**	**Rs. 39,238.8**	**Rs. 4,436.5**

The United Kingdom (UK) corporation tax rate changed from 23% to 21% with effect from April 1, 2014 and to 20% with effect from April 1, 2015. Accordingly, UK deferred tax has been recognised at 20% as at March 31, 2014, as the majority of the temporary differences are expected to reverse at that rate.

Significant components of deferred tax assets and liabilities for the year ended March 31, 2014

	Opening balance	Recognised in profit or loss	Recognised in / reclassified from other comprehensive income	Acquisition of subsidiary	Closing balance
			(In millions)		
Deferred tax assets:					
Depreciation carry forwards	Rs. 10,184.6	Rs. 5,244.0	Rs. —	Rs. —	Rs. 15,428.6
Business loss carry forwards	49,983.4	(926.1)	9,992.3	67.2	59,116.8
Expenses deductible in future years:					—
– provisions and allowances for doubtful receivables / finance receivables	20,319.6	8,807.4	1,065.5	—	30,192.5
Compensated absences and retirement benefits	14,985.6	(2,902.7)	2,541.2	3.7	14,627.8
Minimum alternate tax carry-forward	15,170.6	(7,291.4)	—	—	7,879.2
Property, plant and equipment	11,981.4	(7,168.1)	2,603.3	—	7,416.6
Derivative financial instruments	4,958.7	—	(4,958.7)	—	—
Others	6,963.9	7,956.2	1,551.0	—	16,471.1
Total deferred tax asset	**Rs. 134,547.8**	**Rs. 3,719.3**	**Rs. 12,794.6**	**Rs. 70.9**	**Rs. 151,132.6**
Deferred tax liabilities:					
Property, plant and equipment	15,216.8	5.6	7.4	1.3	15,231.1
Intangible assets	75,031.2	6,231.5	11,738.6	74.7	93,076.0
Undistributed earnings of subsidiaries and associates	11,297.8	11,387.7*	1,410.9	—	24,096.4
Fair valuation of retained interest in a subsidiary subsequent to disposal of controlling equity interest	2,843.0	(2,673.5)	—	—	169.5
Derivative financial instruments	—	14.4	13,327.7	—	13,342.1
Others	1,010.2	411.9	(83.3)	—	1,338.8
Total deferred tax liability	**Rs. 105,399.0**	**Rs. 15,377.6**	**Rs. 26,401.3**	**Rs. 76.0**	**Rs. 147,253.9**
Net assets / (liability)	**Rs. 29,148.8**	**Rs. (11,658.3)**	**Rs. (13,606.7)**	**Rs. (5.1)**	**Rs. 3,878.7**
	US$ 486.5	**US$ (194.6)**	**US$ (227.1)**	**US$ (0.1)**	**US$ 64.7**
Deferred tax asset				US$ 653.4	Rs. 39,150.5
Deferred tax liability				US$(588.7)	Rs. (35,271.8)

* Net of Rs. 497.7 million reversed on dividend distribution by subsidiaries and Rs. 1,108.2 million reversed due to change in tax rate in subsidiaries.

Tata Motors Limited (on standalone basis, being its tax status) is liable to pay Minimum Alternate Tax (MAT). Under the Indian Income tax laws, the tax paid under MAT provisions can be carried forward and set-off against future income tax liabilities computed under normal tax provisions within a period of ten years. Deferred tax assets of Tata Motors Limited (on standalone basis, being its tax status) as at March 31, 2014 of Rs. 15,250.9 million, Rs. 19,897.8 million and Rs. 7,771.8 million relating to unabsorbed depreciation, unutilised business loss and MAT credit, respectively, have been assessed as probable of realization on the basis of estimated taxable income for future years including dividends from subsidiaries.

As of March 31, 2014, unrecognized deferred tax assets amount to Rs. 4,151.5 million and Rs. 4,538.7 million, which can be carried forward indefinitely and upto a specified period, respectively. These relate primarily to business and capital losses. The deferred tax asset has not been recognized on the basis that its recovery is not probable in the foreseeable future.

Unrecognized deferred tax assets expire unutilized based on the year of origination as follows:

March 31,	In millions	
2015	Rs. 254.7	US$ 4.3
2016	405.0	6.8
2017	211.8	3.5
2018	227.1	3.8
2019	708.4	11.8
Thereafter	Rs.2,731.7	US$45.6

The Company has not recognized deferred tax liability on undistributed profits of certain subsidiaries amounting to Rs. 405,841.6 million, because it is able to control the timing of the reversal of temporary differences associated with such undistributed profits and it is probable that such differences will not reverse in the foreseeable future.

Significant components of deferred tax assets and liabilities for the year ended March 31, 2013

	Opening balance	Recognised in profit or loss	Recognised in / reclassified from other comprehensive income	Closing balance
	(In millions)			
Deferred tax assets:				
Depreciation carry forwards	Rs. 5,284.8	Rs. 4,899.8	Rs. —	Rs. 10,184.6
Business loss carry forwards	52,224.1	(2,852.2)	611.5	49,983.4
Expenses deductible in future years:				
– provisions and allowances for doubtful receivables / finance receivables	13,445.5	7,121.0	(246.9)	20,319.6
– Interest and fair value change on conversion option	1,711.1	(1,711.1)	—	—
Compensated absences and retirement benefits	9,320.0	(259.0)	5,924.6	14,985.6
Minimum alternate tax carry-forward	14,513.0	657.6	—	15,170.6
Property, plant and equipment	11,861.5	37.8	82.1	11,981.4
Derivative financial instruments	1,491.9	(677.3)	4,144.1	4,958.7
Others	7,131.6	(195.1)	27.4	6,963.9
Total deferred tax asset	**Rs.116,983.5**	**Rs. 7,021.5**	**Rs.10,542.8**	**Rs.134,547.8**
Deferred tax liabilities:				
Property, plant and equipment	14,147.1	1,059.5	10.2	15,216.8
Intangible assets	61,537.3	13,659.0	(165.1)	75,031.2
Undistributed earnings of subsidiaries and associates	9,213.4	2,120.6*	(36.2)	11,297.8
Fair valuation of retained interest in a subsidiary subsequent to disposal of controlling equity interest	2,843.0	—	—	2,843.0
Others	815.8	137.7	56.7	1,010.2
Total deferred tax liability	**Rs. 88,556.6**	**Rs.16,976.8**	**Rs. (134.4)**	**Rs.105,399.0**
Net assets / (liability)	**Rs. 28,426.9**	**Rs. (9,955.3)**	**Rs.10,677.2**	**Rs. 29,148.8**
Deferred tax asset				Rs. 45,205.2
Deferred tax liability				Rs. (16,056.4)

* Net of Rs. 3,490.5 million reversed on dividend distribution by subsidiaries.

Significant components of deferred tax assets and liabilities for the year ended March 31, 2012

	Opening balance	Recognised in profit or loss	Recognised in / reclassified from other comprehensive income	Closing balance
	(In millions)			
Deferred tax assets:				
Depreciation carry forwards	Rs. 2,330.5	Rs. 2,954.3	Rs. —	Rs. 5,284.8
Business loss carry forwards	2,270.7	48,150.1	1,803.3	52,224.1
Expenses deductible in future years:				
– provisions and allowances for doubtful receivables / finance receivables	10,957.6	1,341.3	1,146.6	13,445.5
– Interest and fair value change on conversion option	1,263.9	447.2	—	1,711.1
Compensated absences and retirement benefits	4,941.5	(8,305.2)	12,683.7	9,320.0
Minimum alternate tax carry-forward	11,581.6	2,931.4	—	14,513.0
Property, plant and equipment	15,994.9	(6,156.7)	2,023.3	11,861.5
Derivative financial instruments	—	762.3	729.6	1,491.9
Others	4,131.5	2,451.2	548.9	7,131.6
Total deferred tax asset	**Rs. 53,472.2**	**Rs. 44,575.9**	**Rs. 18,935.4**	**Rs. 116,983.5**
Deferred tax liabilities:				
Property, plant and equipment	13,432.7	690.2	24.2	14,147.1
Intangible assets	33,912.3	24,067.8	3,557.2	61,537.3
Undistributed earnings of subsidiaries and associates	4,364.7	4,497.9	350.8	9,213.4
Fair valuation of retained interest in a subsidiary subsequent to disposal of controlling equity interest	3,991.2	(1,148.2)	—	2,843.0
Others	1,406.4	(300.2)	(290.4)	815.8
Total deferred tax liability	**Rs. 57,107.3**	**Rs. 27,807.5**	**Rs. 3,641.8**	**Rs. 88,556.6**
Net assets / (liability)	**Rs. (3,635.1)**	**Rs. 16,768.4**	**Rs. 15,293.6**	**Rs. 28,426.9**
Deferred tax asset				Rs. 46,493.9
Deferred tax liability				Rs. (18,067.0)

In fiscal 2012, the Group recognised all previously unrecognised unused tax losses and other temporary differences pertaining to the subsidiary company in the UK of Rs. 38,934.2 million in light of the planned consolidation of the UK manufacturing business in fiscal 2013 and business forecasts showing continuing profitability. Accordingly, Rs. 11,553.4 million of previously unrecognised deductible temporary differences has been utilised to reduce current tax expense and previously unrecognized deferred tax benefit of Rs.17,975.3 million and Rs. 9,405.5 million has been recognized in the income statement and other comprehensive income respectively during the year ended March 31, 2012.

18. Short-term borrowings and current portion of long-term debt

Short-term borrowings and current portion of long-term debt consist of the following:

	As at March 31,		
	2014	2014	2013
		(In millions)	
Commercial paper	US$ 315.8	Rs. 18,919.4	Rs. 27,553.0
Loans from banks / financial institutions	1,356.6	81,285.3	89,530.2
Inter-corporate deposits	4.3	260.0	295.0
Current portion of long-term debt (refer note 19)	1,093.1	65,495.9	117,519.2
Total	**US$2,769.8**	**Rs.165,960.6**	**Rs.234,897.4**

For details of carrying amount of assets pledged as security for secured borrowings refer note 37.

19. Long-term debt

Long-term debt consists of the following:

	As at March 31,		
	2014	2014	2013
		(In millions)	
Non Convertible Debentures	US$1,932.0	Rs.115,755.2	Rs.114,976.7
4% Foreign Currency Convertible Notes (USD) due 2014 (including fair value of conversion option)	—	—	7,704.8
Collateralized debt obligation	257.3	15,413.2	20,820.0
Buyers credit from banks at floating interest rate	222.8	13,350.2	9,519.9
Fixed deposits from public and shareholders	—	—	3,141.4
Loan from banks / financial institutions	2,874.9	172,254.1	139,239.6
Senior Notes (including fair value of prepayment option)	3,334.8	199,807.1	150,087.3
Others	51.0	3,054.7	2,747.6
Total	**8,672.8**	**519,634.5**	**448,237.3**
Less: current portion (refer note 18)	1,093.1	65,495.9	117,519.2
Long-term debt	**US$7,579.7**	**Rs.454,138.6**	**Rs.330,718.1**

Foreign currency convertible notes

4% foreign currency convertible notes (USD) due 2014

On October 15, 2009, Tata Motors Limited raised funds aggregating USD 375 million (Rs. 17,941.9 million at issue) by issue of 4% Convertible Notes due on October 16, 2014. The noteholders had an option to convert these Notes into ordinary shares or GDSs or ADSs of Tata Motors Limited. The conversion was to be made by the noteholders, in the case of Shares or GDSs, at any time during the period from and including November 25, 2009 to and including October 9, 2014 and, in the case of ADSs, at any time from and including October 15, 2010 to and including October 9, 2014, at an initial conversion price of Rs. 623.88 per share (face value of Rs 10 each) (equivalent to USD13.48 per share at a fixed rate of exchange on conversion of Rs. 46.28 per USD). The conversion price of the notes was reset to a price of Rs. 613.77 (face value of Rs. 10 each) per share on account of cash dividend distribution anti dilution adjustment as per terms of issue in fiscal 2011, at fixed rate of conversion of Rs. 46.28 per USD. The conversion price is subject to adjustment in certain circumstances. Tata Motors Limited had a right to redeem in whole but not in part, these Notes at any time on or after October 15, 2012, subject to certain conditions. In the event of certain changes affecting taxation, Tata Motors Limited had an option to redeem in whole but not in part, these Notes at any time. Unless previously converted, redeemed or purchased and cancelled as per the terms of issue, these Notes will be due for redemption on October 16, 2014 at 108.505 % of the principal amount.

There had been no conversion during the year ended March 31, 2010.

During the year ended March 31, 2011, 2,576 Notes were converted into 19,423,734 equity shares of face value of Rs.10 each.

There had been no conversion during the year ended March 31, 2012.

During the year ended March 31, 2013, the conversion price of the notes had been reset to a price of Rs. 120.119 per share on account of anti-dilution adjustment of shares at a fixed rate of conversion of Rs. 46.28 per USD.

During the year ended March 31, 2013, 433 Notes were converted into 16,519,201 equity shares of face value of Rs.2 each.

During the year ended March 31, 2014, 741 Notes were converted into 28,549,566 equity shares of face value of Rs.2 each.

The embedded conversion option in foreign currency convertible notes is not clearly and closely related to the host debt contracts, as the conversion options will be settled by delivery of fixed number of shares for fixed amounts of foreign currency which represents variable amount of cash in Indian Rupees, the functional currency of Tata Motors Limited. Change in the fair value of the conversion option is recognized in the income statement.

As at March 31, 2014, no Notes are outstanding.

Collateralized debt obligation

These represent amount received against finance receivables securitized/ assigned, which does not qualify for derecognition.

Buyers credit

The amount of buyers line of credit from banks is repayable within three years from the respective drawdown dates.

Fixed deposits from public and shareholders

These are unsecured deposits for a fixed tenor of up to three years, bearing interest rates ranging from 8% to 12.25%.

Loan from banks / financial institutions

Certain loans availed by the Company, set limits on and/or require prior lender consent for, among other things, undertaking new projects, issuing new securities, change in management, mergers and sale of undertakings. In addition, certain negative covenants may limit Company's ability to borrow additional funds or to incur additional liens, and/or provide for increased costs in case of breach. Certain of the financing arrangements also include financial covenants to maintain certain debt-to-equity ratios, debt-to-earnings ratios and debt coverage ratios.

Senior Notes (EURO MTF listed debt)

During the year ended March 31, 2014, Jaguar Land Rover Automotive PLC (JLR) has issued Senior Notes (Notes) of USD 700 million at a coupon rate of 4.125% per annum due 2018 and GBP 400 million at a coupon rate of 5.00% per annum due 2022. These Notes were used to repay Senior Notes issued earlier of GBP 500 million at a coupon rate of 8.125% per annum due 2018 and USD 410 million at a coupon rate of 7.75% per annum due 2018.

During the year ended March 31, 2013, JLR has issued USD 500 million Senior Notes due 2023 at a coupon rate of 5.625% per annum.

During the year ended March 31, 2012, JLR has issued GBP 750 million equivalent Senior Notes. The Notes issued includes GBP 500 million Senior Notes due 2020 at a coupon rate of 8.25% per annum and USD 410 million Senior Notes due 2021 at a coupon rate of 8.125% per annum.

These Notes are listed on the Euro MTF market, which is regulated by the Luxembourg Stock Exchange.

Senior Notes are subject to customary covenants and events of default which include amongst other things, restrictions or limitations on the amount of cash which can be transferred outside the Jaguar Land Rover Group of companies in the form of dividends, loans or investments.

As at March 31, 2013, the carrying value of Senior Notes is net of fair value of prepayment options of Rs. 3,857.8 million, which have been separately accounted for as derivatives. During the year ended March 31, 2014, Rs. 4,791.6 million has been debited to Consolidated Income Statements on prepayment of above mentioned Notes.

As at March 31, 2014, the carrying value of Senior Notes do not contain prepayment options, which needs to be accounted separately as embedded derivatives.

Senior Notes

During the year ended March 31, 2014, TML Holdings Pte limited, issued Senior Notes for SGD 350 million at a coupon rate of 4.25% per annum due 2018.

For details of carrying amount of assets pledged as security for secured borrowings refer note 37.

20. Other financial liabilities – current

Other current financial liabilities consist of the following:

	As at March 31, 2014	2014	2013
		(In millions)	
Liability towards vehicles sold under repurchase arrangements	US$ 305.0	Rs. 18,277.4	Rs. 15,013.8
Interest accrued but not due	138.7	8,312.3	4,148.0
Lease liabilities	11.9	711.9	592.8
Derivative financial instruments	107.5	6,438.7	17,049.7
Deferred payment liability	11.0	658.3	638.2
Unclaimed matured fixed deposits	4.8	287.4	767.8
Others	4.0	238.2	303.0
Total	**US$ 582.9**	**Rs. 34,924.2**	**Rs. 38,513.3**

21. Other financial liabilities – non current

Other financial liabilities non-current consist of the following:

	As at March 31, 2014	2014	2013
		(In millions)	
Lease liabilities	US$ 25.0	Rs. 1,497.0	Rs. 1,833.8
Deferred payment liability	30.7	1,838.3	2,370.0
Derivative financial instruments	91.5	5,483.6	17,335.0
Retention money, security deposits and others	5.8	353.8	462.1
Total	**US$ 153.0**	**Rs. 9,172.7**	**Rs. 22,000.9**

22. Provisions

Provisions consist of the following:

	As at March 31,		
	2014	2014	2013
		(In millions)	
Current			
Product warranty	US$ 633.0	Rs. 37,925.2	Rs. 30,158.1
Product liability	30.7	1,841.7	1,306.1
Provision for residual risk	3.0	179.5	134.0
Employee related and other provisions	96.3	5,767.4*	2,531.1*
Total-Current	**US$ 763.0**	**Rs. 45,713.8**	**Rs. 34,129.3**
Non-current			
Employee benefits obligations	US$ 130.6	Rs. 7,822.9	Rs. 7,340.8
Product warranty	922.7	55,285.2	36,353.8
Provision for residual risk	21.9	1,309.9	1,062.7
Provision for environmental liability	34.5	2,066.8	1,793.2
Other provisions	5.4	325.4	251.4
Total-Non-current	**US$ 1,115.1**	**Rs. 66,810.2**	**Rs. 46,801.9**

* includes provision towards employee claims in foreign subsidiaries.

	Year ended March 31,			
	2014	2014	2014	2014
	Product Warranty		Product Liability	
		(In millions)		
Balance at the beginning	US$ 1,110.1	Rs. 66,511.9	US$ 21.8	Rs. 1,306.1
Provision made during the year	950.8	56,966.8	16.5	990.5
Provision used during the year	(718.1)	(43,022.3)	(7.6)	(455.2)
Impact of discounting	(9.7)	(583.7)	—	—
Impact of foreign exchange translation	222.6	13,337.7	—	0.3
Balance at the end	**US$ 1,555.7**	**Rs. 93,210.4**	**US$ 30.7**	**Rs. 1,841.7**
Current	US$ 633.0	Rs. 37,925.2	US$ 30.7	Rs. 1,841.7
Non-current	US$ 922.7	Rs. 55,285.2	US$ —	Rs. —

	Year ended March 31,			
	2014	2014	2014	2014
	Provision for residual risk		Provision for environmental liability	
		(In millions)		
Balance at the beginning	US$ 20.0	Rs. 1,196.7	US$ 29.9	Rs. 1,793.2
Provision made during the year	4.0	240.8	—	—
Provision used during the year	—	—	(1.6)	(92.9)
Impact of foreign exchange translation	0.9	51.9	6.2	366.5
Balance at the end	**US$ 24.9**	**Rs. 1,489.4**	**US$ 34.5**	**Rs. 2,066.8**
Current	US$ 3.0	Rs. 179.5	US$ —	Rs. —
Non-current	US$ 21.9	Rs. 1,309.9	US$ 34.5	Rs. 2,066.8

23. Other current liabilities

Other current liabilities consist of the following:

	As at March 31,		
	2014	2014	2013
		(In millions)	
Liability for advances received	US$ 537.1	Rs. 32,180.1	Rs. 20,980.5
Statutory dues	303.0	18,152.3	29,925.0
Deferred revenue	55.3	3,313.4	1,164.3
Others	9.1	540.7	365.3
Total	**US$ 904.5**	**Rs. 54,186.5**	**Rs. 52,435.1**

Statutory dues include sales tax, excise duty and other taxes payable.

24. Other liabilities - non current

Other liabilities non-current consist of the following:

	As at March 31,		
	2014	2014	2013
		(In millions)	
Employee benefit obligations	US$ 1,130.2	Rs. 67,710.9	Rs. 55,195.3
Deferred revenue	106.9	6,406.4	1,849.2
Others	49.8	2,979.5	1,664.2
Total	**US$ 1,286.9**	**Rs. 77,096.8**	**Rs. 58,708.7**

25. Equity

Ordinary shares and 'A' ordinary shares

The movement of number of shares and share capital is as follows:

	Year ended March 31,											
	2014				2013				2012			
	Ordinary shares		'A' Ordinary shares		Ordinary shares		'A' Ordinary shares		Ordinary shares		'A' Ordinary shares	
	No. of shares	Rs. in million	No. of shares	Rs. in million	No. of shares	Rs. in million	No. of shares	Rs. in million	No. of shares	Rs. in million	No. of shares	Rs. in million
Shares at the beginning	2,708,156,151	Rs. 5,416.7	481,959,620	Rs. 964.0	2,691,613,455	Rs. 5,383.6	481,933,115	Rs. 963.9	538,272,284	Rs. 5,383.1	96,341,706	Rs. 963.4
Shares issued (note a)									50,199	0.5	44,765	0.5
Before Sub-division									**538,322,483**	**5,383.6**	**96,386,471**	**963.9**
Subdivision of Shares (note b)									2,691,612,415	5,383.6	481,932,355	963.9
Share issued on conversion of foreign currency convertible notes and convertible alternative reference securities	28,549,566	57.1	—	—	16,541,571	33.1	—	—	—	—	—	—
Shares issued (note a)	7,405	— *	7,325	— *	1,125	— *	26,505	0.1	1,040	— *	760	— *
Shares at the end	**2,736,713,122**	**Rs. 5,473.8**	**481,966,945**	**Rs. 964.0**	**2,708,156,151**	**Rs. 5,416.7**	**481,959,620**	**Rs. 964.0**	**2,691,613,455**	**Rs. 5,383.6**	**481,933,115**	**Rs. 963.9**
		US$ 91.4		**US$ 16.1**								

* Less than Rs. 50,000/-

(a) Out of shares held in abeyance - Rights issue of 2001 and 2008.

(b) During the year ended March 31, 2012, consequent to shareholders approval, the Ordinary and 'A' Ordinary shares both having face value of Rs. 10 each, were subdivided into 5 shares having face value of Rs. 2 each.

Authorized share capital

Authorized share capital includes 3,500,000,000 ordinary shares of Rs. 2 each as of March 31, 2014 (3,500,000,000 ordinary shares of Rs. 2 each as of March 31, 2013), 1,000,000,000 'A' ordinary shares of Rs. 2 each as of March 31, 2014 (1,000,000,000 'A' ordinary shares of Rs. 2 each as of March 31, 2013) and 300,000,000 convertible cumulative preference shares of Rs. 100 each as of March 31, 2014 (300,000,000 convertible cumulative preference shares of Rs. 100 each as of March 31, 2013).

Issued and subscribed share capital

Share issued includes partly paid up shares of 68,750 ordinary shares of Rs. 2 each as of March 31, 2014, March 31, 2013 and March 31, 2012.

Ordinary shares and 'A' Ordinary shares:

- The Company has two classes of shares – the Ordinary shares and the 'A' Ordinary shares both of Rs.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.
- Under the provisions of the revised Indian Listing Agreement with domestic Stock Exchanges, every listed company is required to provide its shareholders with the facility to exercise their right to vote, by electronic means, either at a general meeting of the company or by means of a postal ballot. As per the terms of the issue, the holders of Ordinary Shares are entitled to one vote per Ordinary Share held whereas the holders of 'A' Ordinary shares shall be entitled to one vote for every ten 'A' Ordinary shares held.
- 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.

26. Other components of equity

(a) The movement of Currency translation reserve is as follows:

	Year ended March 31,			
	2014	2014	2013	2012
	(In millions)			
Balance at the beginning	US$ 63.8	Rs. 3,820.6	Rs.3,033.0	Rs.(20,399.1)
Exchange differences arising on translating the net assets of foreign operations (net)	1,107.8	66,376.4	774.2	23,398.1
Net change in translation reserve - equity accounted investees (net)	6.8	413.8	13.4	34.0
Balance at the end	**US$1,178.4**	**Rs.70,610.8**	**Rs.3,820.6**	**Rs. 3,033.0**

(b) The movement of Available-for-sale investments reserve is as follows:

	Year ended March 31,			
	2014	2014	2013	2012
	(In millions)			
Balance at the beginning	US$ 5.3	Rs. 320.3	Rs. (26.7)	Rs. 772.0
Gain/(loss) arising on revaluation of available-for sale investments (net)	9.9	589.9	(623.1)	(770.6)
Income tax relating to gain/loss arising on revaluation of available-for-sale investments (net), where applicable	(0.6)	(36.1)	(72.3)	(18.4)
Cumulative (gain)/loss reclassified to profit or loss on available-for-sale investments (net)	(2.4)	(142.7)	1,023.7	(17.1)
Income tax relating to cumulative gain/loss reclassified to profit or loss on available-for-sale investments (net), where applicable	1.1	63.5	17.2	5.5
Net change in share of available-for-sale investments reserves – equity accounted investees (net)	0.1	5.3	1.5	1.9
Balance at the end	**US$13.4**	**Rs. 800.2**	**Rs. 320.3**	**Rs. (26.7)**

(c) The movement of Hedging reserve is as follows:

	Year ended March 31,			
	2014	2014	2013	2012
	(In millions)			
Balance at the beginning	US$ (280.4)	Rs. (16,801.3)	Rs. (1,695.3)	Rs. 1,528.7
Gain/(loss) recognised on cash flow hedges	1,676.2	100,428.5	(24,737.3)	(2,748.5)
Income tax relating to gain/loss recognized on cash flow hedges	(353.1)	(21,158.1)	5,736.3	696.8
(Gain)/loss reclassified to profit or loss	(179.8)	(10,771.4)	5,047.2	(1,615.0)
Income tax relating to gain/loss reclassified to profit or loss	41.7	2,500.5	(1,152.2)	442.7
Balance at the end	**US$ 904.6**	**Rs. 54,198.2**	**Rs.(16,801.3)**	**Rs.(1,695.3)**

(d) Summary of Other components of equity:

	As at March 31,			
	2014	2014	2013	2012
	(In millions)			
Currency translation reserve	US$1,178.4	Rs. 70,610.8	Rs. 3,820.6	Rs. 3,033.0
Available-for-sale investments reserve	13.4	800.2	320.3	(26.7)
Hedging reserve	904.6	54,198.2	(16,801.3)	(1,695.3)
Total	**US$2,096.4**	**Rs.125,609.2**	**Rs.(12,660.4)**	**Rs. 1,311.0**

27. Notes to reserves and dividends

Capital redemption reserve

The Indian Companies Act, 1956 (the "Companies Act") requires that where a company purchases its own shares not out of proceeds of a fresh issue but out of free reserves, then a sum equal to the nominal value of the shares so purchased shall be transferred to a capital redemption reserve account, which may be applied to issue fully paid bonus shares. Tata Motors Limited established this reserve pursuant to the redemption of preference shares issued in earlier years.

Debenture redemption reserve

The Companies Act requires that where a company issues debentures, it shall create a debenture redemption reserve from profits every year until such debentures are redeemed. Manufacturing companies are required to maintain a minimum proportion of the outstanding redeemable debentures as a reserve. The amounts credited to the debenture redemption reserve may not be utilized by the company except to redeem debentures.

Reserve for research and human resource development

In terms of Article 9 of the Act on Special Taxation Restriction in Korea, Tata Daewoo Commercial Vehicle Company Limited (TDCV, a subsidiary company) is entitled for deferment of tax in respect of expenditure incurred on product development cost subject to fulfillment of certain conditions, by way of deduction from the taxable income, provided TDCV appropriates an equivalent amount from 'Retained Earnings' to 'Reserve for Research and Human Resource Development'.

The deferment is for a period of three years and from the fourth year onwards one-third of the reserve is offered to tax and an equal amount is then transferred from the reserve to 'Retained earnings available for appropriation'.

Special reserve

The special reserve represents the reserve created by two subsidiaries of Tata Motors Limited pursuant to the Reserve Bank of India Act, 1934 (the "RBI Act") and related regulations applicable to those companies. Under the RBI Act, a nonbanking finance company is required to transfer an amount not less than 20 per cent of its net profit to a reserve fund before declaring any dividend. Appropriation from this reserve fund is permitted only for the purposes specified by the RBI.

Earned surplus reserve

Under the Korean commercial code, Tata Daewoo Commercial Vehicle Company Limited (TDCV, a subsidiary company) is required to appropriate at least 10% of cash dividend declared each year to a legal reserve until such reserves equal to 50% of capital stock. This reserve may not be utilized for cash dividends, but may only be used to offset against future deficit, if any, or may be transferred to capital stock.

Dividends

The final dividend is recommended by the Board of Directors and is recorded in the books of account upon its approval by the shareholders. Tata Motors Limited paid dividend per share of Rs. 2 for Ordinary Shares (face value of Rs. 2 each) and Rs. 2.10 for 'A' Ordinary Shares (face value of Rs. 2 each) during the year ended March 31, 2014, and Rs. 4 for Ordinary Shares (face value of Rs. 2 each) and Rs. 4.10 for 'A' Ordinary Shares (face value of Rs. 2 each) during the year ended March 31, 2013. In the meeting of Board of Directors of Tata Motors Limited held on May 29, 2014, the Board recommended a dividend of Rs. 2 per Ordinary Share (face value of Rs. 2 each) and Rs. 2.10 per 'A' Ordinary Share (face value of Rs. 2 each), which will be subject to approval by the shareholders at their Annual General Meeting on July 31, 2014, result of which is awaited.

28. Employee cost

Employee cost consists of the following:

	Year ended March 31,			
	2014	2014	2013	2012
	(In millions)			
Salaries, wages and welfare expenses	US$3,135.5	Rs.187,862.2	Rs.149,928.7	Rs.110,171.0
Contribution to provident fund and other funds	434.6	26,040.8	17,240.8	15,033.9
Total	**US$3,570.1**	**Rs.213,903.0**	**Rs.167,169.5**	**Rs.125,204.9**

A subsidiary of the Company operates a Long Term Incentive Plan (LTIP) arrangement for certain employees. The scheme provides a cash payment to the employee based on a specific number of phantom shares at grant and the share price of Tata Motors Limited (TML) at the vesting date. The cash payment is dependent on the performance of the underlying TML shares over the 3 year vesting period and continued employment at the end of the vesting period. The fair value of the awards is calculated using a Black Scholes model at the grant date. The fair value is updated at each reporting date as the awards are accounted for as cash settled plan. The inputs into the model are based on the Tata Motors Limited historic data, the risk-free rate and the weighted average fair value of shares, in the scheme at the reporting date. The amount expensed in relation to the long term incentive plan was Rs. 1,057.9 million, Rs. 464.3 million and Rs. 328.3 million, for the year ended March 31, 2014, 2013 and 2012, respectively. The Company considers these amounts as not material and accordingly has not provided further disclosures as required by IFRS 2 “Share-based payment”.

29. Other expenses

Other expenses consist of the following:

	Year ended March 31,			
	2014	2014	2013	2012
	(In millions)			
Stores, spare parts and tools consumed	US$ 280.8	Rs. 16,823.4	Rs. 14,241.2	Rs. 12,606.9
Freight and transportation expenses	1,259.1	75,438.5	55,930.4	45,951.7
Research and product development cost	428.1	25,651.2	20,339.5	13,957.1
Warranty and product liability expenses	967.3	57,957.3	42,028.7	36,172.8
Allowance for trade and other receivables, and finance receivables	447.8	26,829.9	10,569.5	6,774.0
Works operation and other expenses	3,105.7	186,066.6	143,923.5	111,888.2
Repairs to buildings and plant and machinery	59.2	3,549.1	3,252.3	2,834.0
Processing charges	182.5	10,935.3	14,505.6	15,391.4
Power and fuel	188.2	11,278.0	10,777.2	10,275.9
Insurance	47.1	2,823.0	2,299.2	2,319.5
Publicity	1,359.0	81,425.4	66,556.2	54,284.6
Total	**US$8,324.8**	**Rs.498,777.7**	**Rs.384,423.3**	**Rs.312,456.1**

30. Other income/(loss) (net)

Other income/(loss) (net) consist of the following:

	Year ended March 31,			
	2014	2014	2013	2012
	(In millions)			
Miscellaneous income	US$203.3	Rs.12,179.3	Rs. 7,485.1	Rs. 7,414.8
Dividend income and income on mutual funds	6.3	375.1	384.0	416.8
Gain on sale / (loss) on fair valuation of available-for-sale investments (net)	18.4	1,102.1	(275.2)	484.5
Gain/(loss) on change in the fair value of conversion options	(14.0)	(838.2)	801.6	2,432.4
Gain / (loss) on fair value of prepayment options on Senior Notes	(80.0)	(4,791.6)	3,932.6	—
Loss on sale of assets/assets written off and others (net)	(5.0)	(294.1)	(229.0)	(709.1)
Total	**US$129.0**	**Rs. 7,732.6**	**Rs.12,099.1**	**Rs.10,039.4**

31. Interest expense (net)

Interest expense (net) consists of the following:

	Year ended March 31,			
	2014	2014	2013	2012
	(In millions)			
Gross interest expense	US$1,136.1	Rs. 68,075.3	Rs. 54,152.1	Rs.47,044.6
Less: Interest capitalized *	(250.0)	(14,980.6)	(13,360.1)	(8,086.9)
Total	**US$ 886.1**	**Rs. 53,094.7**	**Rs. 40,792.0**	**Rs.38,957.7**

The weighted average rate for capitalization of interest relating to general borrowings was approximately 7.9%, 8.7% and 8.3% for the year ended March 31, 2014, 2013 and 2012, respectively.

* Represents borrowing costs capitalized during the year on qualifying assets (property plant and equipment and product development).

32. Employee benefits

Defined Benefit Plan

Pension and post retirement medical plans

The following table sets out the funded and unfunded status and the amounts recognized in the financial statements for the pension and the post retirement medical plans, in respect of Tata Motors, its Indian subsidiaries and joint operations:

	As of March 31,					
	Pension Benefits			Post retirement medical Benefits		
	2014	2014	2013	2014	2014	2013
	(In millions)					
Change in defined benefit obligations :						
Defined benefit obligation, beginning of the year	US$ 136.0	Rs. 8,148.3	Rs. 7,578.1	US$ 18.4	Rs. 1,104.5	Rs. 1,001.2
Transfers	—	—	0.4	—	—	—
Current service cost	9.8	585.3	528.4	0.9	51.8	40.6
Interest cost	10.7	638.1	601.9	1.5	90.6	83.4
Remeasurements (gains) / losses						
Actuarial (gains) / losses arising from changes in demographic assumptions	(0.1)	(4.3)	(70.9)	—	—	(2.2)
Actuarial (gains) / losses arising from changes in financial assumptions	(7.8)	(464.8)	95.7	(0.1)	(8.1)	109.8
Actuarial (gains) / losses arising from changes in experience adjustments	3.9	231.9	231.1	0.6	34.6	(87.6)
Past service cost	—	1.6	—	0.1	5.5	—
Benefits paid	(13.5)	(809.4)	(816.4)	(0.7)	(39.0)	(40.7)
Benefits paid directly by employer	(0.8)	(49.1)	—	—	—	—
Defined benefit obligation, end of the year	**US$ 138.2**	**Rs. 8,277.6**	**Rs. 8,148.3**	**US$ 20.7**	**Rs. 1,239.9**	**Rs. 1,104.5**
Change in plan assets:						
Fair value of plan assets, beginning of the year	US$ 123.1	Rs. 7,373.7	Rs. 6,767.2	US$ —	Rs. —	Rs. —
Transfers	—	—	0.4	—	—	—
Interest income	9.8	584.8	536.4	—	—	—
Remeasurements gains / (losses)						
Return on plan assets, (excluding amount included in net Interest expense)	(4.1)	(248.5)	206.2	—	—	—
Employer’s contributions	6.2	374.7	679.9	—	—	—
Benefits paid	(13.5)	(809.4)	(816.4)	—	—	—
Others	(1.2)	(69.3)	—	—	—	—
Fair value of plan assets, end of the year	**US$ 120.3**	**Rs. 7,206.0**	**Rs. 7,373.7**	**US$ —**	**Rs. —**	**Rs. —**

	As of March 31,					
	Pension Benefits			Post retirement medical Benefits		
	2014	2014	2013	2014	2014	2013
	(In millions)					
Amount recognized in the balance sheet consists of:						
Present value of defined benefit obligation	US$ 138.2	Rs. 8,277.6	Rs. 8,148.3	US$ 20.7	Rs. 1,239.9	Rs. 1,104.5
Fair value of plan assets	120.3	7,206.0	7,373.7	—	—	—
Net liability	**US$ (17.9)**	**Rs. (1,071.6)**	**Rs. (774.6)**	**US$ (20.7)**	**Rs. (1,239.9)**	**Rs. (1,104.5)**
Amounts in the balance sheet:						
Non–current assets	US$ 0.5	Rs. 33.1	Rs. 93.9	US$ —	Rs. —	Rs. —
Non–current liabilities	(18.4)	(1,104.7)	(868.5)	(20.7)	(1,239.9)	(1,104.5)
Net liability	**US$ (17.9)**	**Rs. (1,071.6)**	**Rs. (774.6)**	**US$ (20.7)**	**Rs. (1,239.9)**	**Rs. (1,104.5)**

Total amount recognized in other comprehensive income consists of:

	As of March 31,							
	Pension Benefits				Post retirement medical Benefits			
	2014	2014	2013	2012	2014	2014	2013	2012
	(In millions)							
Remeasurements (gains) / losses	US$ 30.8	Rs. 1,848.2	Rs. 1,836.9	Rs. 1,787.2	US$ 2.8	Rs. 169.0	Rs. 142.5	Rs. 122.5
	US$ 30.8	**Rs. 1,848.2**	**Rs. 1,836.9**	**Rs. 1,787.2**	**US$ 2.8**	**Rs. 169.0**	**Rs. 142.5**	**Rs. 122.5**

Information for funded plans with a defined benefit obligation is in excess of plan assets:

	As of March 31,		
	Pension Benefits		
	2014	2014	2013
	(In millions)		
Defined benefit obligation	US$ 114.0	Rs. 6,830.3	Rs. 760.1
Fair value of plan assets	US$ 108.8	Rs. 6,517.0	Rs. 651.4

Information for funded plans with a defined benefit obligation is less than plan assets:

	As of March 31,		
	Pension Benefits		
	2014	2014	2013
	(In millions)		
Defined benefit obligation	US$ 11.0	Rs. 655.9	Rs. 6,628.3
Fair value of plan assets	US$ 11.5	Rs. 689.0	Rs. 6,722.3

Information for unfunded plans:

	As of March 31,					
	Pension Benefits			Post retirement medical Benefits		
	2014	2014	2013	2014	2014	2013
	(In millions)					
Defined benefit obligation	US$ 13.2	Rs. 791.4	Rs. 759.9	US$ 20.7	Rs. 1,239.9	Rs. 1,104.5

Net pension and post retirement medical cost, consist of the following components:

	Year ended March 31,							
	Pension Benefits				Post retirement medical Benefits			
	2014	2014	2013	2012	2014	2014	2013	2012
	(In millions)							
Service cost	US$ 9.8	Rs. 585.3	Rs. 528.4	Rs. 469.7	US$ 0.9	Rs. 51.8	Rs. 40.6	Rs. 42.2
Past Service cost	—	1.6	—	—	0.1	5.5	—	—
Net interest cost / (income)	0.9	53.3	65.5	55.4	1.5	90.6	83.4	81.4
Net periodic cost	**US$ 10.7**	**Rs. 640.2**	**Rs. 593.9**	**Rs. 525.1**	**US$ 2.5**	**Rs. 147.9**	**Rs. 124.0**	**Rs. 123.6**

Other changes in plan assets and benefit obligation recognized in other comprehensive income:

	Year ended March 31,							
	Pension Benefits				Post retirement medical Benefits			
	2014	2014	2013	2012	2014	2014	2013	2012
	(In millions)							
Remeasurements								
Return on plan assets, (excluding amount included in net Interest expense)	US$ 4.1	Rs. 248.5	Rs.(206.2)	Rs. 31.6	US$ —	Rs. —	Rs. —	Rs. —
Actuarial (gains) / losses arising from changes in demographic assumptions	(0.1)	(4.3)	(70.9)	(114.5)	—	—	(2.2)	(88.5)
Actuarial (gains) / losses arising from changes in financial assumptions	(7.8)	(464.8)	95.7	220.9	(0.1)	(8.1)	109.8	—
Actuarial (gains) / losses arising from changes in experience adjustments on plan liabilities	3.9	231.9	231.1	81.0	0.6	34.6	(87.6)	28.3
Total recognized in other comprehensive income	**US$ 0.1**	**Rs. 11.3**	**Rs. 49.7**	**Rs. 219.0**	**US$ 0.5**	**Rs. 26.5**	**Rs. 20.0**	**Rs. (60.2)**
Total recognized in statement of operations and other comprehensive income	**US$ 10.8**	**Rs. 651.5**	**Rs. 643.6**	**Rs. 744.1**	**US$ 3.0**	Rs. **174.4**	**Rs. 144.0**	**Rs. 63.4**

The assumptions used in accounting for the pension and post retirement medical plans are set out below:

	As of March 31,					
	Pension Benefits			Post retirement medical Benefits		
	2014	2013	2012	2014	2013	2012
Discount rate	6.75% - 9.30%	6.75% - 8.35%	6.75% - 8.50%	9.20%	8.35%	8.50%
Rate of increase in compensation level of covered employees	5.00% - 11.00%	5.00% - 11.00%	5.00% - 10.00%	NA	NA	NA
Increase in health care cost	NA	NA	NA	6.00%	5.00%	4.00%

Plan Assets

The fair value of Company's pension plan asset as of March 31, 2014 and 2013 by category are as follows:

	Pension benefits	
	Plan assets as of March 31	
	2014	2013
Asset category:		
Cash and cash equivalents	1%	4%
Debt instruments (Quoted)	65%	66%
Debt instruments (Unquoted)	6%	7%
Amounts with Insurance companies	28%	23%
	100%	100%

The Company's policy is driven by considerations of maximizing returns while ensuring credit quality of the debt instruments. The asset allocation for plan assets is determined based on investment criteria prescribed under the Indian Income Tax Act, 1961, and is also subject to other exposure limitations. The Company evaluates the risks, transaction costs and liquidity for potential investments. To measure plan asset performance, the Company compares actual returns for each asset category with published bench marks.

The weighted average duration of the defined benefit obligation is 15.6 years (2013 : 15.3 Years)

The Company expects to contribute Rs. 1,027.7 million to the funded pension plans in fiscal 2015.

The table below outlines the effect on the service cost, the interest cost and the defined benefit, obligation in the event of an increase/decrease of 1% in the assumed rate of discount rate, salary escalation and health care cost:

Assumption	Change in assumption	Impact on defined benefit obligation	Impact on service cost and interest cost
Discount rate	Increase by 1%, Decrease by 1%	Decrease by Rs. 616.7 million Increase by Rs. 713.9 million	Decrease by Rs. 106.9 million Increase by Rs. 99.7 million
Salary escalation rate	Increase by 1%, Decrease by 1%	Increase by Rs. 530.9 million Decrease by Rs. 472.4 million	Increase by Rs. 98.6 million Decrease by Rs. 98.5 million
Health care cost	Increase by 1%, Decrease by 1%	Increase by Rs. 147.7 million Decrease by Rs. 124.5 million	Increase by Rs. 25.0 million Decrease by Rs. 20.5 million

Severance indemnity plan

Severance indemnity is a funded plan of Tata Daewoo Commercial Vehicles Limited (TDCV), a subsidiary of Tata Motors Limited.

The following table sets out, the amounts recognized in the financial statements for the severance indemnity plan.

	As of March 31,		
	2014	2014	2013
	(In millions)		
Change in defined benefit obligation:			
Defined benefit obligation, beginning of the year	US$ 27.4	Rs. 1,644.4	Rs. 2,525.5
Service cost	6.5	387.5	372.4
Interest cost	0.9	56.4	93.0
Remeasurements (gains) / losses			
Actuarial (gains) / losses arising from changes in demographic assumptions	—	—	0.9
Actuarial (gains) / losses arising from changes in financial assumptions	(2.3)	(136.8)	171.4
Actuarial (gains) / losses arising from changes in experience adjustments on plan liabilities	1.1	65.4	(796.3)
Past service cost	—	—	(61.7)
Benefits paid	(1.1)	(68.3)	(879.7)
Foreign currency translation	4.1	246.8	218.9
Defined benefit obligation, end of the year	**US$ 36.6**	**Rs. 2,195.4**	**Rs. 1,644.4**
Change in plan assets:			
Fair value of plan assets, beginning of the year	US$ —	Rs. —	Rs. —
Interest income	—	0.4	—
Employer's contributions	22.5	1,350.3	—
Benefits paid	(1.1)	(68.3)	—
Foreign currency translation	0.2	11.9	—
Fair value of plan assets, end of the year	**US$ 21.6**	**Rs 1,294.3**	**Rs —**

	As of March 31,		
	2014	2014	2013
	(In millions)		
Amount recognized in the balance sheet consist of:			
Present value of defined benefit obligation	US$ 36.6	Rs. 2,195.4	Rs. 1,644.4
Fair value of plan assets	21.6	1,294.3	—
Net liability	**US$ (15.0)**	**Rs. (901.1)**	**Rs. (1,644.4)**
Amounts in the balance sheet:			
Non- current liabilities	**US$ (15.0)**	**Rs. (901.1)**	**Rs. (1,644.4)**

Total amount recognized in other comprehensive income for severance indemnity consists of:

	As of March 31,			
	2014	2014	2013	2012
	(In millions)			
Remeasurements (gains) / losses	US$ (9.0)	Rs. (539.1)	Rs. (467.7)	Rs. 156.3
	US$ (9.0)	**Rs. (539.1)**	**Rs. (467.7)**	**Rs. 156.3**

Net severance indemnity cost consists of the following components:

	As of March 31,			
	2014	2014	2013	2012
	(In millions)			
Service cost	US$ 6.5	Rs.387.5	Rs.372.4	Rs.211.8
Past service cost	—	—	(61.7)	—
Net interest cost	0.9	56.0	93.0	102.6
Net periodic pension cost	**US$ 7.4**	**Rs.443.5**	**Rs.403.7**	**Rs.314.4**

Other changes in plan assets and benefit obligation recognized in other comprehensive income for severance indemnity plan:

	Year ended March 31,			
	2014	2014	2013	2012
	(In millions)			
Remeasurements (gains) / losses				
Actuarial (gains) / losses arising from changes in demographic assumptions	US$—	Rs. —	Rs. 0.9	Rs. —
Actuarial (gains) / losses arising from changes in financial assumptions	(2.3)	(136.8)	171.4	98.4
Actuarial (gains) / losses arising from changes in experience adjustments on plan liabilities	1.1	65.4	(796.3)	(182.3)
Total recognized in other comprehensive income	**US$(1.2)**	**Rs. (71.4)**	**Rs.(624.0)**	**Rs. (83.9)**
Total recognized in statement of operations and other comprehensive income	**US$ 6.2**	**Rs. 372.1**	**Rs.(220.3)**	**Rs. 230.5**

The assumptions used in accounting for the Severance indemnity plan is set out below:

	Year ended March 31,		
	2014	2013	2012
Discount rate	3.60%	3.07%	4.03%
Rate of increase in compensation level of covered employees	5%	5%	5%-7%

The table below outlines the effect on the service cost, the interest cost and the defined benefit obligation in the event of an increase/decrease of 1% in the assumed rate of discount rate, salary escalation rate:

Assumption	Change in assumption	Impact on scheme liabilities	Impact on service cost and interest cost
Discount rate	Increase by 1% Decrease by 1%	Decrease by Rs. 227.8 million Increase by Rs. 268.9 million	Decrease by Rs. 41.5 million Increase by Rs. 54.2 million
Salary escalation rate	Increase by 1% Decrease by 1%	Increase by Rs. 262.4 million Decrease by Rs. 227.1 million	Increase by Rs. 68.0 million Decrease by Rs. 50.8 million

Severance indemnity plans asset allocation by category is as follows:

	As of March 31,	
	2014	2013
Deposit with banks	100%	—

The weighted average duration of the defined benefit obligation is 11.3 years (2013 : 11.4 Years)

The Company expects to contribute Rs. 336.1 million to the funded severance indemnity plans in fiscal 2015.

Jaguar Land Rover Pension Plan

Jaguar Land Rover Ltd UK, have pension arrangements providing employees with defined benefits related to pay and service as set out in the rules of each fund.

The defined benefit schemes are administered by a separate fund that is legally separated from the Company. The trustees of the pension schemes are required by law to act in the interest of the fund and of all relevant stakeholders in the scheme are responsible for the investment policy with regard to the assets of the schemes and all other governance matters. The board of trustees must be composed of representatives of the Company and plan participants in accordance with the plan's regulations.

Through its defined benefit pension plans the Company is exposed to a number of risks, the most significant of which are detailed below :

Asset volatility

The plan liabilities are calculated using a discount rate set with references to corporate bond yields; if plan assets underperform compared to the corporate bonds discount rate, this will create a deficit. The defined benefit plans hold a significant proportion of equity type assets, which are expected to outperform corporate bonds in the long-term, while providing volatility and risk in the short-term.

As the plans mature, the Company intends to reduce the level of investment risk by investing more in assets that better match the liabilities.

However, the Company believes that due to the long-term nature of the plan liabilities and the strength of the supporting group, a level of continuing equity type investments is an appropriate element of the Company's long term strategy to manage the plans efficiently.

Changes in bond yields

A decrease in corporate bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plans' bond holdings and interest rate hedging instruments.

Inflation risk

Some of the Company's pension obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation). The plans hold a significant proportion of assets in index linked gilts, together with other inflation hedging instruments and also assets which are more loosely correlated with inflation. However an increase in inflation will also increase the deficit to some degree.

Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant in the UK defined benefit plans, where inflationary increases result in higher sensitivity to changes in life expectancy.

The following table sets out the disclosure pertaining to employee benefits of Jaguar Land Rover Limited , UK.

	As of March 31, Pension benefits		
	2014	2014 (In millions)	2013
Change in defined benefit obligation:			
Defined benefit obligation, beginning of the year	US$8,249.5	Rs.494,269.4	Rs.400,656.7
Service cost	282.5	16,926.4	10,584.5
Interest cost	420.9	25,216.6	21,263.5
Remeasurements (gains) / losses			
Actuarial (gains) / losses arising from changes in demographic assumptions	(62.6)	(3,750.7)	(9,888.0)
Actuarial (gains) / losses arising from changes in financial assumptions	(390.1)	(23,370.0)	81,769.6
Actuarial (gains) / losses arising from changes in experience adjustments on plan liabilities	13.8	827.1	1,263.9
Past service cost	9.3	557.8	490.1
Plan curtailment	(0.2)	(9.6)	—
Benefits paid	(219.4)	(13,146.8)	(11,126.2)
Member contributions	2.1	125.0	601.9
Other adjustments	—	—	(86.0)
Foreign currency translation	1,749.9	104,843.7	(1,260.6)

Defined benefit obligation, end of the year	**US$ 10,055.7**	**Rs. 602,488.9**	**Rs. 494,269.4**
Change in plan assets:			
Fair value of plan assets, beginning of the year	US$ 7,351.5	Rs.440,462.7	Rs.383,729.0
Interest Income	380.4	22,793.0	20,446.7
Remeasurements gains / (losses)			
Return on plan assets, (excluding amount included in net Interest expense)	(653.1)	(39,132.8)	33,000.2
Employer's contributions	534.5	32,025.6	14,427.9
Members contributions	2.2	134.6	601.9
Benefits paid	(219.4)	(13,146.8)	(11,126.2)
Expenses paid	(12.8)	(769.4)	(851.2)
Other adjustments	—	—	(86.0)
Foreign currency translation	1,559.0	93,410.6	320.4
Fair value of plan assets, end of the year	**US$ 8,942.3**	**Rs. 535,777.5**	**Rs. 440,462.7**

	Year ended March 31, Pension benefits		
	2014	2014	2013
		(In millions)	
Amount recognized in the balance sheet consists of:			
Present value of defined benefit obligation	US$ 10,055.7	Rs. 602,488.9	Rs. 494,269.4
Fair value of plan Assets	8,942.3	535,777.5	440,462.7
Surplus/ (deficit)	(1,113.4)	(66,711.4)	(53,806.7)
Restriction of pension asset (as per IFRIC 14)	(5.0)	(298.6)	(61.1)
Net liability	**US$ (1,118.4)**	**Rs. (67,010.0)**	**Rs. (53,867.8)**
Amount recognized in the balance sheet consists of:			
Non-current assets	US$ 0.8	Rs. 45.0	Rs. 36.1
Non-current liabilities	(1,119.2)	(67,055.0)	(53,903.9)
Net liability	**US$ (1,118.4)**	**Rs. (67,010.0)**	**Rs. (53,867.8)**

Total amount recognized in other comprehensive income

	As of March 31, Pension benefits			
	2014	2014	2013	2012
		(In millions)		
Remeasurements (gains) / losses	US$ 1,825.9	Rs. 109,398.5	Rs. 96,559.3	Rs. 56,414.0
Restriction of Pension asset (as per IFRIC 14)	(228.0)	(13,659.9)	(13,871.5)	(11,520.7)
Onerous obligation, excluding amounts included in interest expenses	(143.1)	(8,573.7)	(8,573.7)	(499.90)
	US$ 1,454.8	**Rs. 87,164.9**	**Rs. 74,114.1**	**Rs. 44,393.4**

Net pension and post retirement cost, consist of the following components:

	Year ended March 31, Pension benefits			
	2014	2014	2013	2012
	(In millions)			
Current service cost	US$ 282.5	Rs. 16,926.4	Rs. 10,584.5	Rs. 8,243.4
Past service cost	9.3	557.8	490.1	1,129.9
Administrative expenses	12.8	769.4	851.2	656.6
Interest cost on Onerous obligations	—	—	507.3	671.8
Net interest cost / (income)	40.5	2,423.6	816.8	328.3
Net periodic pension cost	**US$ 345.1**	**Rs. 20,677.2**	**Rs. 13,249.9**	**Rs. 11,030.0**

Amount recognized in other comprehensive income

	Year ended March 31, Pension benefits			
	2014	2014	2013	2012
	(In millions)			
Remeasurements (gains) / losses				
Actuarial (gains) / losses arising from changes in demographic assumptions	US$ (62.6)	Rs. (3,750.7)	Rs. (9,888.0)	Rs. 2,519.3
Actuarial (gains) / losses arising from changes in financial assumptions	(390.1)	(23,370.0)	81,769.6	19,772.9
Actuarial (gains) / losses arising from changes in experience adjustments on plan liabilities	13.8	827.1	1,263.9	5,725.7
Remeasurement losses / (gains) on the return on plan assets, (excluding amount included in net Interest expense)	653.1	39,132.8	(33,000.2)	(14,505.2)
Change in restriction of pension asset (as per IFRIC 14)	3.6	211.6	(2,350.8)	(427.5)
Change in onerous obligation, excluding amounts included in interest expenses	—	—	(8,073.8)	(3,710.3)
Total recognized in other comprehensive income	**US$ 217.8**	**Rs. 13,050.8**	**Rs. 29,720.7**	**Rs. 9,374.9**
Total recognized in statement of operations and other comprehensive income	**US$ 562.9**	**Rs. 33,728.0**	**Rs. 42,970.6**	**Rs. 20,404.9**

The assumptions used in accounting for the pension plans are set out below:

	Year ended March 31, Pension benefits		
	2014	2013	2012
Discount rate	4.60%	4.40%	5.10%
Expected rate of increase in compensation level of covered employees	3.90%	3.90%	3.80%
Inflation increase	3.40%	3.40%	3.30%
The assumed life expectations on retirement at age 65 are (years)			
Retiring today :			
Male	20.0	22.2	23.3
Female	24.5	24.6	23.7
Retiring in 20 years :			
Male	23.8	23.9	25.0
Female	26.4	26.6	25.6

In fiscal 2013, Jaguar Land Rover revised its mortality assumption which resulted in a decrease in pension liability by Rs. 12,467.5 million. The revision in mortality assumptions has been made consequent to the mortality analysis performed as part of the latest funding valuation of the benefit schemes. The revised mortality assumptions reflect the latest available tables/experience available for United Kingdom Pension Schemes.

Pension plans asset allocation by category is as follows:

	As of March 31, 2014	As of March 31, 2013
Asset category:		
Cash and cash equivalents	7%	4%
Equity instruments (quoted)		
- Information technology	1%	2%
- Energy	1%	2%
- Manufacturing	1%	2%
- Financials	3%	4%
- Others	5%	9%
Debt instruments (quoted)		
- Government	40%	39%
- Corporate bonds (investment grade)	22%	21%
Debt instruments (unquoted)		
- Corporate bonds (non investment grade)	5%	4%
Property funds (unquoted)	4%	3%
Derivatives (unquoted)	—	-1%
Others (unquoted)	11%	11%
	100%	100%

Significant actuarial assumptions used for the determination of the defined benefit obligation and service cost, are discount rate, inflation rate and mortality rate. The sensitivity analysis below has been determined based on reasonable possible changes of the assumptions occurring at the end of the reporting period assuming that all other assumptions are held constant.

Assumption	Change in assumption	Impact on scheme liabilities	Impact on service cost
Discount rate	Increase / decrease by 0.25%	Decrease / increase by Rs. 33,468.2 million	Decrease / increase by Rs. 1,154.1 million
Inflation rate	Increase / decrease by 0.25%	Increase / decrease by Rs. 28,274.9 million	Increase / decrease by Rs. 1,154.1 million
Mortality rate	Increase / decrease by 0.25%	Increase / decrease by Rs. 13,945.1 million	Increase / decrease by Rs. 384.7 million

The Company has agreed that it will aim to eliminate the pension plan funding deficit over the next 8 years. Funding levels are monitored on an annual basis and the current agreed contribution rate is 22.3% of pensionable salaries in the UK. The next triennial valuation is due to be carried out as at April 5, 2015 and completed by June 5, 2016. The Company considers that the contribution rates set at the last valuation date are sufficient to eliminate the deficit over the agreed period and that regular contributions, which are based on service costs, will not increase significantly.

The average duration of the defined benefit obligation at March 31, 2014 is 22.5 years (2013 : 22.5 Years)

The expected net periodic pension cost for the year ended March 31, 2015 is Rs. 20,504.2 million. The Company expects to contribute Rs. 11,247.5 million to the funded pension plans of Jaguar Land Rover Limited, UK in fiscal 2015.

Defined contribution plan

The Company's contribution to defined contribution plans aggregated Rs. 4,928.0 million, Rs. 3,338.1 million and Rs 3,099.9 million, for year ended March 31, 2014, 2013 and 2012, respectively.

33. Acquisitions

In May 2013, the Company, through a subsidiary, acquired 100% equity stake in Cambric Holdings Inc, US, for a cash consideration of Rs. 1,630.6 million. The fair value of net assets acquired was Rs. 476.8 million resulting in a goodwill of Rs. 1,153.8 million. The goodwill is mainly attributable to the skilled work force with engineering and technological experience. The effect of the acquisition on the consolidated revenues, net income and other comprehensive income, is insignificant.

The goodwill arising on this acquisition is not expected to be deductible for tax purposes.

34. Commitments and contingencies

In the normal course, the Company faces claims and assertions by various parties. The Company assesses such claims and assertions and monitors the legal environment on an ongoing basis, with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

The following is a description of claims and assertions where a potential loss is possible, but not probable. The Company believes that none of the contingencies described below would have a material adverse effect on the Company's financial condition, results of operations or cash flows.

Litigation

The Company is involved in legal proceedings, both as plaintiff and as defendant. There are claims which management does not believe to be of material nature, other than those described below.

Income Tax

The Company has ongoing disputes with income tax authorities relating to tax treatment of certain items. These mainly include disallowed expenses, tax treatment of certain expenses claimed by the Company as deductions, and the computation of, or eligibility of, certain tax incentives or allowances.

Most of these disputes/disallowances, being repetitive in nature, have been raised by the income tax authorities consistently in most of the years.

The Company has a right of appeal to the Commissioner of Income Tax (Appeals) [CIT(A)] or Income Tax Appellate Tribunal [ITAT] against adverse decisions by the income tax authorities or CIT(A). The income tax authorities have similar rights of appeal to the ITAT against adverse decisions by the CIT(A). The Company has a further right of appeal to the High Court or Supreme Court against adverse decisions by the appellate authorities for matters involving substantial question of law. The income tax authorities have similar rights of appeal.

As of March 31, 2014, there are matters/disputes pending in appeal aggregating Rs. 1,214 million, which includes Rs. 137 million in respect of equity accounted investees (Rs. 1,060 million, which includes Rs. Nil in respect of equity accounted investees as at March 31, 2013).

Customs, Excise Duty and Service Tax

As at March 31, 2014, there were pending litigations on various counts relating to Customs, Excise Duty and Service Tax, involving demand (including interest and penalty) of Rs. 9,942 million, which includes Rs. 48 million in respect of equity accounted investees (Rs. 10,116 million, which includes Rs. 45 million in respect of equity accounted investees, as at March 31, 2013). These demands challenged the basis of valuation of the Company's products and denial of the 'Central Value Added Tax' ("CENVAT") credit on inputs. The details of the demands for more than Rs. 200 million are as follows:

The Excise Authorities had denied CENVAT credit of Rs. 797 million as at March 31, 2014 (Rs. 759 million as at March 31, 2013), in respect of consulting engineering services alleged to have been availed exclusively for producing prototypes at Engineering Research Centre Pune. The contention of the department is that since the Company claims exemption from CENVAT under Notification No.167/71-CE dated September 11, 1971, the Company is not entitled to avail service tax credit on consulting engineering services used in Engineering Research Centre. The matter is being contested by the Company before the Appellate Authorities. The Company, based on merits, is of the opinion that it has sustainable case, since the consulting engineering services are not exclusively used in the manufacture of prototypes and they form part of assessable value of final products manufactured by the Company on which CENVAT is paid. As of March 31, 2014, the Company has won the matter in appeals amounting to Rs. 362 million (Rs. 362 million as at March 31, 2013), which has been further contested by the department before the Appellate Tribunal.

The Excise Authorities have raised a demand for Rs. 907 million as at March 31, 2014 (Rs. 1,014 million as at March 31, 2013). The demand is on account of alleged undervaluation to the extent of ex-factory discount given by Company on passenger vehicles through invoice. The matter is being contested by the Company before the appellate authority.

The Excise Authorities had denied CENVAT credit of Rs. 837 million as at March 31, 2014 (Rs. 837 million as at March 31, 2013) in earlier years, on technical grounds. The matter is being contested by the Company before the appellate authorities.

The Excise Authorities had levied penalty and interest of Rs. 4,557 million as at March 31, 2014 (Rs. 4,560 million as at March 31, 2013) in the matter of CENVAT credit in earlier years, on inputs, stating that vehicles manufactured at Uttarakhand plant are "Exempted Products" and the Company is not eligible for CENVAT Credit. The Company has challenged this demand as vehicle suffers National Calamity Contingent Duty (NCCD) and Auto Cess, which are `duties of excise'. Therefore the vehicles cannot be called as exempted products. The matter is being contested by the Company before the appellate authorities.

The Excise Authorities have raised a demand of Rs. 295 million as at March 31, 2014 (Rs. 295 million as of March 31, 2013) on pre-delivery inspection charges and free after sales service charges incurred by dealers on certain products on the alleged ground that the pre delivery inspection and free after sales services are provided by the dealer on behalf of the Company and should be included in excisable value of the vehicle. The case is pending before Tribunal, which has granted an unconditional stay.

The Excise Authorities have raised a demand of Rs. 219 million as at March 31, 2014 (Rs. 219 million as at March 31, 2013) of Customs Duty on dies and fixtures imported under EPCG Scheme and installed at premises of a vendor. The matter is pending with adjudicating authority.

Sales Tax

The total sales tax demands (including interest and penalty), which are being contested by the Company amounting to Rs. 9,605 million, which includes Rs. 190 million in respect of equity accounted investees as at March 31, 2014 (Rs. 4,574 million, which includes Rs. 153 million in respect of equity accounted investees, as at March 31, 2013). The details of the demands for more than Rs. 200 million are as follows:

The Sales Tax Authorities have raised demand of Rs. 1,652 million as at March 31, 2014 (Rs. 855 million as at March 31, 2013) towards rejection of certain statutory forms for lower/nil tax rate (Form F and Form C) on technical grounds such as late submission, single form issued against two months dispatches, etc. and denial of exemption from tax in absence of proof of export for certain years. The Company has contended that the benefit cannot be denied on technicalities, which are being complied with. The matter is pending at various levels.

In some of the states in India, the Sales Tax Authorities have raised disputes totaling up to Rs. 431 million as at March 31, 2014 (Rs. 431 million as at March 31, 2013), treating the stock transfers of vehicles from the Company's manufacturing plants to sales offices and the transfers between two sales offices, as sales liable for levy of sales tax. The Company is contesting this issue in appeal.

The Sales tax authorities have denied input tax credit and levied interest and penalty on the same on various counts, aggregating to Rs. 3,348 million as at March 31, 2014 (Rs. Nil as at March 31, 2013). The reasons for disallowing credit was mainly, non-payment of taxes by vendors, incorrect method of calculation of set off as per the department, suppression of sales as alleged by the department etc. The matter is contested in appeal.

Sales tax demand aggregating Rs. 2,615 million as at March 31, 2014 (Rs. 1,611 million as at March 31, 2013) has been raised by Sales tax authorities disallowing the concessional rate of 2% on certain purchases of raw materials in case the final product is stock transferred for sale outside the state. The matter is is pending with various authorities.

Other Taxes and Dues

Other amounts for which the Company may contingently be liable aggregate to Rs. 5,209 million, which include Rs. 14 million in respect of equity accounted investees as at March 31, 2014 (Rs. 3,055 million, which include Rs. 24 million in respect of equity accounted investees, as at March 31, 2013). Following are the cases involving more than Rs. 200 million:

The municipal authorities in certain states levy octroi duty (a local indirect tax) on goods brought inside the municipal limits, at rates based on the classification of goods. Demands aggregating Rs. 617 million as at March 31, 2014 (Rs. 617 million as of March 31, 2013) had been raised demanding higher octroi duties on account of classification disputes relating to components purchased for the manufacture of vehicles and retrospective increase in octroi rates relating to past periods. The dispute relating to classification is presently pending before the Supreme Court and the other dispute is pending before the Bombay High Court on remand by the Supreme Court.

As at March 31, 2014, property tax amounting to Rs. 440 million (Rs. 394 million as at March 31, 2013) has been demanded by the local municipal authorities in respect of vacant land of the Company in the plant in Pimpri, Pune. The Company has filed Special Leave Petition (SLP) before the Supreme Court against an unfavorable decision of the Bombay High Court. The Supreme Court has disposed off the SLP and remanded the matter back to the local municipal corporation for fresh adjudication.

As at March 31, 2014, a penalty of Rs. 562 million is likely to be imposed relating to a matter of regularisation of the construction of certain buildings in respect of which approvals from appropriate authorities are awaited. However, as the buildings were constructed according to the applicable development rules, the Company believes it would be possible to obtain a waiver of the same.

Other claims

There are other claims against the Company, majority of which pertain to motor accident claims and product liability claims/consumer complaints. Some of the cases also relate to replacement of parts of vehicles and/or compensation for deficiency in the services by the Company or its dealers.

Commitments

The Company has entered into various contracts with vendors and contractors for the acquisition of plant and machinery, equipment and various civil contracts of capital nature aggregating Rs. 126,348 million, which includes Rs. 316 million in respect of equity accounted investees as at March 31, 2014 (Rs. 39,092 million, which includes Rs. 174 million in respect of equity accounted investees, as at March 31, 2013), which are yet to be executed.

The Company has entered into various contracts with vendors and contractors for the acquisition of intangible assets of capital nature aggregating Rs. 3,126 million as at March 31, 2014 (Rs. 1,959 million as at March 31, 2013), which are yet to be executed.

Under the joint venture agreement with Chery Jaguar Land Rover Automotive Co. Limited, the Company is committed to contribute Rs. 33,741 million towards its share in the capital of the joint venture of which Rs. 15,665 million has been contributed as at March 31, 2014. As at March 31, 2014, the Company has an outstanding commitment of Rs. 18,076 million.

For commitments related to leases, refer note 13.

35. Capital Management

The capital management is intended to create value for shareholders by facilitating meeting of long term and short term goals of the Company.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity, convertible and non-convertible debt securities and other long-term / short-term borrowings. The Company's policy is aimed at combination of short-term and long-term borrowings.

The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

Total debt includes all long and short-term debts as disclosed in notes 18 and 19 to the consolidated financial statements. Equity comprises all components excluding (profit) / loss on cash flow hedges and foreign currency translation reserve.

The following table summarizes the capital of the Company:

	As at March 31,		
	2014	2014	2013
		(In millions)	
Equity*	US$ 8,454.8	Rs. 506,561.4	Rs.386,862.5
Short- term borrowings and current portion of long term debt	2,769.8	165,960.6	234,897.4
Long- term debt	7,579.7	454,138.6	330,718.1
Total debt	10,349.5	620,099.2	565,615.5
Total capital (Debt + Equity)	**US$18,804.3**	**Rs.1,126,660.6**	**Rs.952,478.0**

* Details of equity

	As at March 31,		
	2014	2014	2013
		(In millions)	
Total equity as reported in balance sheet	US$10,543.2	Rs.631,696.3	Rs.373,905.7
Currency translation reserve attributable to			
- Shareholders of Tata Motors Limited	(1,178.4)	(70,610.8)	(3,820.6)
- Non-controlling interests	(5.4)	(325.9)	(23.9)
Hedging reserve	(904.6)	(54,198.2)	16,801.3
Equity as reported above	**US$ 8,454.8**	**Rs.506,561.4**	**Rs.386,862.5**

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 consolidated financial statements.

(a) *Financial assets and liabilities*

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities as of March 31, 2014.

Financial assets	Cash, and loans and receivables	Available for-sale financial assets	Derivatives in other than hedging relationship	Derivatives in hedging relationship	Total carrying value	Total fair value	Total carrying value	Total fair value
				(In millions)				
Cash and cash equivalents	Rs.159,921.5	Rs. —	Rs. —	Rs. —	Rs.159,921.5	Rs.159,921.5	US$ 2,669.1	US$ 2,669.1
Short-term deposits with bank	125,150.4	—	—	—	125,150.4	125,150.4	2,088.8	2,088.8
Finance receivables	185,275.2	—	—	—	185,275.2	185,007.6	3,092.3	3,087.8
Trade receivables	109,644.8	—	—	—	109,644.8	109,644.8	1,830.0	1,830.0
Unquoted equity investments*	—	3,919.7	—	—	3,919.7	—	65.4	—
Other investments	75.0	97,882.1	—	—	97,957.1	97,957.1	1,634.9	1,634.9
Other financial assets:								
– current	8,061.9	—	1,174.7	34,737.7	43,974.3	43,974.3	734.0	734.0
– non-current	8,797.1	—	2,339.8	41,307.1	52,444.0	52,355.4	875.4	873.8
Total	**Rs.596,925.9**	**Rs.101,801.8**	**Rs.3,514.5**	**Rs.76,044.8**	**Rs.778,287.0**	**Rs.774,011.1**	**US$12,989.9**	**US$12,918.4**

* The fair value in respect of the unquoted equity investments cannot be reliably measured.

Financial liabilities	Derivatives other than in hedging relationship	Derivatives in hedging relationship	Other financial liabilities	Total carrying value	Total fair value	Total carrying value	Total fair value
				(In millions)			
Accounts payable	Rs. —	Rs. —	Rs. 544,197.3	Rs. 544,197.3	Rs. 544,197.3	US$ 9,082.8	US$ 9,082.8
Acceptances	—	—	51,620.4	51,620.4	51,620.4	861.6	861.6
Short-term debt (excluding current portion of long-term debt)	—	—	100,464.7	100,464.7	100,464.7	1,676.7	1,676.7
Long-term debt (including current portion of long-term debt)	—	—	519,634.5	519,634.5	538,824.4	8,672.8	8,993.1
Other financial liabilities:							
– current	1,063.8	5,374.9	28,485.5	34,924.2	34,924.2	582.9	582.9
– non-current	1,800.8	3,682.8	3,689.1	9,172.7	9,305.6	153.0	155.3
Total	**Rs.2,864.6**	**Rs.9,057.7**	**Rs.1,248,091.5**	**Rs.1,260,013.8**	**Rs.1,279,336.6**	**US$21,029.8**	**US$21,352.4**

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities as of March 31, 2013.

Financial assets	Cash, and loans and receivables	Available for-sale financial assets	Derivatives in other than hedging relationship	Derivatives in hedging relationship	Total carrying value	Total fair value
			(In millions)			
Cash and cash equivalents	Rs. 116,909.9	Rs. —	Rs. —	Rs. —	Rs.116,909.9	Rs.116,909.9
Short-term deposits with bank	68,957.0	—	—	—	68,957.0	68,957.0
Finance receivables	198,219.2	—	—	—	198,219.2	201,119.5
Trade receivables	105,790.7	—	—	—	105,790.7	105,790.7
Unquoted equity investments*	—	3,877.0	—	—	3,877.0	—
Other investments	80.0	77,516.4	—	—	77,596.4	77,596.4
Other financial assets:						
- current	19,575.9	—	138.0	2,430.1	22,144.0	22,144.0
- non-current	10,849.9	—	1,983.0	4,211.7	17,044.6	16,916.4
Total	**Rs. 520,382.6**	**Rs. 81,393.4**	**Rs. 2,121.0**	**Rs. 6,641.8**	**Rs. 610,538.8**	**Rs. 609,433.9**

* The fair value in respect of the unquoted equity investments cannot be reliably measured.

Financial liabilities	Derivatives other than in hedging relationship	Derivatives in hedging relationship	Other financial liabilities	Total carrying value	Total fair value
			(In millions)		
Accounts payable	Rs. —	Rs. —	Rs.417,313.9	Rs.417,313.9	Rs.417,313.9
Acceptances	—	—	43,931.3	43,931.3	43,931.3
Short-term debt (excluding current portion of long-term debt)	—	—	117,378.2	117,378.2	117,378.2
Long-term debt (including current portion of long-term debt)*	(92.3)*	—	448,329.6	448,237.3	471,084.1
Other financial liabilities:					
- current	2,345.9	14,703.8	21,463.6	38,513.3	38,513.3
- non-current	4,486.6	12,848.4	4,665.9	22,000.9	21,881.8
Total	**Rs. 6,740.2**	**Rs. 27,552.2**	**Rs. 1,053,082.5**	**Rs. 1,087,374.9**	**Rs. 1,110,102.6**

* Net of fair value of (a) prepayment options in Senior Notes and (b) conversion options in Foreign Currency Convertible Notes.

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

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

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

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. The main items in this category are conversion option liability in foreign currency convertible notes and unquoted available-for-sale financial assets, measured at fair value.

	As at March 31, 2014			
	Level 1	Level 2	Level 3	Total
	(In millions)			
Financial assets measured at fair value				
Available-for-sale financial assets	Rs. 97,820.1	Rs. —	Rs. 62.0	Rs. 97,882.1
Derivative assets	—	79,559.3	—	79,559.3
Total	**Rs. 97,820.1**	**Rs. 79,559.3**	**Rs. 62.0**	**Rs. 177,441.4**
	US$ 1,632.6	**US$ 1,327.9**	**US$ 1.0**	**US$ 2,961.5**
Financial liabilities measured at fair value				
Derivative liabilities	Rs. —	Rs. 11,922.3	Rs. —	Rs. 11,922.3
Total	**Rs. —**	**Rs. 11,922.3**	**Rs. —**	**Rs. 11,922.3**
	US$ —	**US$ 199.0**	**US$ —**	**US$ 199.0**

Reconciliation of Level 3 category of financial assets and financial liabilities:

	Year ended March 31, 2014			
	Conversion option liability		Available-for-sale financial assets	
	(In millions)			
Balance at the beginning	US$ 62.8	Rs. 3,765.5	US$ 1.4	Rs. 84.6
Total losses:				
- loss recognized in income statement (refer note 30)	14.0	838.2	—	—
- recognized in other comprehensive income	—	—	0.4	24.0
Sale of investments	—	—	(0.8)	(46.6)
Conversion of notes during the year	(76.8)	(4,603.7)	—	—
Balance at the end	**US$ —**	**Rs. —**	**US$ 1.0**	**Rs. 62.0**

	As at March 31, 2013			
	Level 1	Level 2	Level 3	Total
	(In millions)			
Financial assets measured at fair value				
Available-for-sale financial assets	Rs.77,431.8	Rs. —	Rs. 84.6	Rs.77,516.4
Fair value of prepayment option #	—	3,857.8	—	3,857.8
Derivative assets	—	8,762.8	—	8,762.8
Total	**Rs.77,431.8**	**Rs.12,620.6**	**Rs. 84.6**	**Rs.90,137.0**
Financial liabilities measured at fair value				
Conversion option liability	Rs. —	Rs. —	Rs.3,765.5	Rs. 3,765.5
Derivative liabilities	—	34,384.7	—	34,384.7
Total	**Rs. —**	**Rs.34,384.7**	**Rs.3,765.5**	**Rs.38,150.2**

Fair value of prepayment option is netted off against the carrying value of Senior Notes (Refer note 19)

Reconciliation of Level 3 category of financial assets and financial liabilities:

	Year ended March 31, 2013	
	Conversion option liability	Available-for-sale financial assets
	(In millions)	
Balance at the beginning	Rs. 7,540.4	Rs. 82.3
Total losses:		
- gain recognized in income statement (refer note 30)*	(801.6)	—
- recognized in other comprehensive income	—	2.3
Conversion of notes during the year	(2,973.3)	—
Balance at the end	**Rs. 3,765.5**	**Rs. 84.6**

* Gain recognized in the income statement for the year ended March 31, 2013 includes Rs. 384.4 million in respect of conversion option liability in foreign currency convertible notes outstanding as of March 31, 2013.

There have been no transfers between level 1 and level 2 for the year ended March 31, 2014 and 2013.

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 March 31, 2014			
	Level 1	Level 2	Level 3	Total
	(In millions)			
Financial assets not measured at fair value				
Finance receivables	—	—	185,007.6	185,007.6
Other investments	—	75.0	—	75.0
Total	**Rs. —**	**Rs. 75.0**	**Rs. 185,007.6**	**Rs. 185,082.6**
	US$ —	**US$ 1.3**	**US$ 3,087.8**	**US$ 3,089.1**
Financial liabilities not measured at fair value				
Short-term debt (excluding current portion of long-term debt)	—	100,464.7	—	100,464.7
Long-term debt (including current portion of long-term debt)	213,685.7	325,138.7	—	538,824.4
Total	**Rs. 213,685.7**	**Rs. 425,603.4**	**Rs. —**	**Rs. 639,289.1**
	US$ 3,566.4	**US$ 7,103.4**	**US$ —**	**US$ 10,669.8**

	As at March 31, 2013			
	Level 1	Level 2	Level 3	Total
	(In millions)			
Financial assets not measured at fair value				
Finance receivables	—	—	201,119.5	201,119.5
Other investments	—	80.0	—	80.0
Total	**Rs. —**	**Rs. 80.0**	**Rs. 201,119.5**	**Rs. 201,199.5**
Financial liabilities not measured at fair value				
Short-term debt (excluding current portion of long-term debt)	—	117,378.2	—	117,378.2
Long-term debt (including current portion of long-term debt)	168,967.0	302,209.4	—	471,176.4
Total	**Rs. 168,967.0**	**Rs. 419,587.6**	**Rs. —**	**Rs. 588,554.6**

Notes

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

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

Fair value of prepayment options relates to the GBP 500 million and USD 410 million Senior Notes due 2018, which were bifurcated but have been repaid during the year ended March 31, 2014. The fair value represents the difference in the traded market price of the bonds and the expected price the bonds would trade at if they did not contain any prepayment features. The expected price is based on market inputs including credit spreads and interest rates.

The fair value of finance receivables have been estimated by discounting expected cash flows using rates at which loans of similar credit quality and maturity would be made and internal assumptions such as expected credit losses and estimated collateral value for repossessed vehicles as of March 31, 2014 and 2013. As unobservable inputs are applied, finance receivables are classified in Level 3.

Available-for-sale securities are carried at their fair values, which are generally based on market price quotations. The fair value in respect of the unquoted equity investments cannot be reliably measured.

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

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

Certain financial assets and financial liabilities are subject to offsetting where there is currently a legally enforceable right to set off recognised amounts and the group intends to either settle on a net basis, or to realise the asset and settle the liability, simultaneously.

Certain derivative financial assets and financial liabilities are subject to master netting arrangements, whereby in the case of insolvency, derivative financial assets and financial liabilities will be settled on a net basis.

The following table discloses the amounts that have been offset, in arriving at the balance sheet presentation and the amounts that are available for offset only under certain conditions as at March 31, 2014:

				Amounts subject to an enforceable master netting arrangement		
Financial assets	Gross amount recognised	Gross amount recognised as set off in the balance sheet	Net amount presented in the balance sheet	Financial instruments	Cash collateral	Net amount after offsetting
			(In millions)			
Derivative financial instruments	Rs. 85,332.3	Rs. (5,773.0)	Rs. 79,559.3	Rs. (11,944.2)	Rs. —	Rs. 67,615.1
Trade receivables	110,093.7	(448.9)	109,644.8	—	—	109,644.8
Cash and cash equivalents	162,111.3	(2,189.8)	159,921.5	—	—	159,921.5
Total	**Rs. 357,537.3**	**Rs. (8,411.7)**	**Rs. 349,125.6**	**Rs. (11,944.2)**	**Rs. —**	**Rs. 337,181.4**
	US$ 5,967.4	**US$ (140.4)**	**US$ 5,827.0**	**US$ (199.4)**	**US$ —**	**US$ 5,627.6**
Financial liabilities						
Derivative financial instruments	Rs. 17,695.3	Rs. (5,773.0)	Rs. 11,922.3	Rs. (11,944.2)	Rs. —	Rs. (21.9)
Accounts payable	544,646.2	(448.9)	544,197.3	—	—	544,197.3
Loans from banks / financial institutions (Short-term)	83,475.1	(2,189.8)	81,285.3	—	—	81,285.3
Total	**Rs. 645,816.6**	**Rs. (8,411.7)**	**Rs. 637,404.9**	**Rs. (11,944.2)**	**Rs. —**	**Rs. 625,460.7**
	US$ 10,778.8	**US$ (140.4)**	**US$ 10,638.4**	**US$ (199.4)**	**US$ —**	**US$ 10,439.0**

The following table discloses the amounts that have been offset in arriving at the balance sheet presentation and the amounts that are available for offset only under certain conditions as at March 31, 2013:

				Amounts subject to an enforceable master netting arrangement		
Financial assets	Gross amount recognised	Gross amount recognised as set off in the balance sheet	Net amount presented in the balance sheet	Financial instruments	Cash collateral	Net amount after offsetting
			(In millions)			
Derivative financial instruments	Rs. 9,665.9	Rs. (903.1)	Rs. 8,762.8	Rs. (8,620.3)	Rs. —	Rs. 142.5
Trade receivables	112,196.3	(6,405.6)	105,790.7	—	—	105,790.7
Total	**Rs.121,862.2**	**Rs.(7,308.7)**	**Rs.114,553.5**	**Rs. (8,620.3)**	**Rs. —**	**Rs.105,933.2**
Financial liabilities						
Derivative financial instruments	Rs. 35,287.8	Rs. (903.1)	Rs. 34,384.7	Rs. (8,620.3)	Rs. —	Rs. 25,764.4
Accounts payable	423,719.5	(6,405.6)	417,313.9	—	—	417,313.9
Total	**Rs.459,007.3**	**Rs.(7,308.7)**	**Rs.451,698.6**	**Rs. (8,620.3)**	**Rs. —**	**Rs.443,078.3**

(b) *Transfer of financial assets*

The Company transfers finance receivables in securitization transactions / direct assignments. In such transactions the Company surrenders control over the receivables though it continues to act as an agent for the collection of receivables. In most of the transactions, the Company also provides credit enhancements to the transferee.

Consequent to the existence of credit enhancements in such transactions, the Company continues to have the obligation to pay to the transferee, limited to the extent of credit enhancement, even if it does not collect the equivalent amounts from the original asset and continues to retain substantially all risks and rewards associated with the receivables, and hence, such transfer /assignments do not meet the derecognition criteria resulting into the transfer not being recorded as sale. Consequently, the proceeds received from the transfer are recorded as collateralized debt obligation.

Further the Company transfers certain trade receivables under the debt factoring arrangements. These do not qualify for derecognition, due to the recourse arrangement in place. Consequently the proceeds received from transfer are recorded as loans from banks / financial institutions and classified under short term borrowings.

The carrying amount of trade receivables and finance receivables along with the associated liabilities is as follows:

	As at March 31,					
	2014		2014		2013	
Nature of Asset	Carrying amount of asset sold	Carrying amount of associated liabilities	Carrying amount of asset sold	Carrying amount of associated liabilities	Carrying amount of asset sold	Carrying amount of associated liabilities
	(In millions)					
Trade receivables	US$336.1	US$336.1	Rs.20,135.9	Rs.20,135.9	Rs.22,373.3	Rs.22,373.3
Finance receivables	US$263.5	US$257.3	Rs.15,790.2	Rs.15,413.2	Rs.19,907.6	Rs.20,820.0

(c) *Cash flow hedges*

As at March 31, 2014, the Company has a number of cash flow hedging instruments in a hedging relationship. The Company and its subsidiaries uses both USD/GBP forward and option contracts, USD/Euro forward contracts and other currency options to hedge future cash flows from sales and purchases. Cash flow hedges are expected to be recognised in profit or loss during the years ending March 31, 2015 to 2018.

The Company and its subsidiaries also have a number of USD/Euro options and other currency options, which are entered into as an economic hedge of the financial risks of the Company. These contracts do not meet the hedge accounting criteria as per IAS 39, hence, the change in fair value is recognised immediately in the income statement.

The time value of options is considered ineffective in the hedge relationship and thus the change in time value is recognised immediately in the income statement.

Changes in fair value of forward exchange contracts to the extent determined to be an effective hedge is recognized in other comprehensive income and the ineffective portion of the fair value change is recognized in income statement. Accordingly, the fair value change of (net gain) Rs. 79,270.4 million (net of tax), (net loss) Rs. 19,001.0 million (net of tax), (net loss) Rs. 2,051.7 million (net of tax), was recognized in other comprehensive income during the year ended March 31, 2014, March 31, 2013 and March 31, 2012, respectively. Amount reclassified from hedging reserve of (net gain) Rs. 8,270.9 million (net of tax), (net loss) Rs. 3,895.0 million (net of tax) and (net gain) Rs. 1,172.3 million (net of tax) during the year ended March 31, 2014, 2013, and 2012, respectively, has been classified as foreign exchange gain/loss in the income statement.

(d) Financial risk management

In the course of its business, the Company is exposed primarily to fluctuations in foreign currency exchange rates, interest rates, equity price, liquidity and credit risk, which may adversely impact the fair value of its financial instruments.

The Company has a risk management policy which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities like interest rate risks and credit risks. The risk management policy is approved by the board of directors. The risk management framework aims to:

- Create a stable business planning environment – by reducing the impact of currency and interest rate fluctuations on the Company's business plan.
- Achieve greater predictability to earnings – by determining the financial value of the expected earnings in advance.

(i) Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rate, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

(i) – (a) Foreign currency exchange rate risk:

The fluctuation in foreign currency exchange rates may have potential impact on the income statement and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the respective consolidated entities.

Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar, Chinese Renminbi, Japanese Yen and Euro, against the respective functional currencies of Tata Motors Limited and its subsidiaries.

The Company, as per its risk management policy, uses foreign exchange and other derivative instruments primarily to hedge foreign exchange and interest rate exposure. Further, any movement in the functional currencies of the various operations of the Company against major foreign currencies may impact the Company's revenues in international business. Any weakening of the functional currency may impact the Company's cost of imports and cost of borrowings and consequently may increase the cost of financing our capital expenditures.

The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in accordance with its risk management policies.

The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates of all the currencies by 10%.

The following analysis has been worked out based on the gross exposure as of the Balance Sheet date, which could affect the income statement. There is no exposure to the income statement on account of translation of financial statements of consolidated foreign entities. Further, the exposure as indicated below is mitigated by some of the derivative contracts entered into by the Company as disclosed at clause (iv) below.

The following table sets forth information relating to foreign currency exposure (other than risk arising from derivatives disclosed at clause (iv) below) as of March 31, 2014:

	US Dollar	Euro	Chinese Renminbi	JPY	Others*	Total
			(In millions)			
Financial assets	Rs. 60,850.2	Rs. 31,938.5	Rs.83,609.6	Rs.1,692.9	Rs.54,389.8	Rs.232,481.0
Financial liabilities	Rs.232,914.3	Rs.140,077.3	Rs.71,172.2	Rs.6,793.5	Rs.49,416.9	Rs.500,374.2

* Others mainly include currencies such as Russian Rouble, Singapore dollars, Swiss Franc, Australian dollars, South African Rand, Thai baht and Korean won.

10% appreciation / depreciation of the respective foreign currencies with respect to functional currency of Tata Motors Limited and its subsidiaries would result in decrease / increase in the Company's net income before tax by approximately Rs. 23,248.1 million and Rs. 50,037.4 million for financial assets and financial liabilities, respectively for the year ended March 31, 2014.

The following table sets forth information relating to foreign currency exposure (other than risk arising from derivatives disclosed at clause (iv) below) as of March 31, 2013:

	US Dollar	Euro	Chinese Renminbi	JPY	Others*	Total
			(In millions)			
Financial assets	Rs. 31,668.6	Rs. 22,032.6	Rs. 54,809.0	Rs.2,891.8	Rs. 29,474.5	Rs.140,876.5
Financial liabilities	Rs. 163,664.9	Rs. 102,045.9	Rs. 54,144.3	Rs.9,076.0	Rs. 20,923.6	Rs.349,854.7

* Others mainly include currencies such as Russian Rouble, Singapore dollars, Swiss Franc, Australian dollars, South African Rand, Thai baht and Korean won.

10% appreciation / depreciation of the respective foreign currencies with respect to functional currency of Tata Motors Limited and its subsidiaries would result in decrease / increase in the Company's net income before tax by approximately Rs. 14,087.6 million and Rs. 34,985.5 million for financial assets and financial liabilities, respectively for the year ended March 31, 2013.

The following table sets forth information relating to foreign currency exposure (other than risk arising from derivatives disclosed at clause (iv) below) as of March 31, 2012:

	US Dollar	Euro	Chinese Renminbi	JPY	Others*	Total
			(In millions)			
Financial assets	Rs. 35,772.6	Rs. 19,799.6	Rs. 47,675.6	Rs. 2,607.9	Rs. 18,708.2	Rs.124,563.9
Financial liabilities	Rs. 169,425.9	Rs. 82,859.3	Rs. 30,164.1	Rs. 12,261.5	Rs. 17,136.4	Rs.311,847.2

* Others mainly include currencies such as Russian Rouble, Singapore dollars, Swiss Franc, Australian dollars, South African Rand, Thai baht and Korean won.

10% appreciation / depreciation of the respective foreign currencies with respect to functional currency of Tata Motors Limited and its subsidiaries would result in decrease / increase in the Company's net income before tax by approximately Rs. 12,456.4 million and Rs. 31,184.7 million for financial assets and financial liabilities, respectively for the year ended March 31, 2012.

(Note: The impact is indicated on the income/loss before tax basis).

(i) – (b) Interest rate risk

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the cash flows as well as costs.

The Company is subject to variable interest rates on some of its interest bearing liabilities. The Company's interest rate exposure is mainly related to debt obligations. The Company also uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like short term non-convertible bonds and short term loans.

In its financing business, the Company enters into transactions with customers which primarily result in receivables at fixed rates. In order to manage this risk, the Company has a policy to match funding in terms of maturities and interest rates and also for certain part of the portfolio, the Company does not match funding with maturities, in order to take advantage of market opportunities.

The Company also enters into arrangements of securitization of receivables in order to reduce the impact of interest rate movements.

As at March 31, 2014, 2013 and 2012, financial liability of Rs. 223,225.2 million, Rs. 206,495.4 million and Rs.176,635.3 million, respectively, was subject to the variable interest rate. Increase/decrease of 100 basis points in interest rates at the balance sheet date would result in an impact (decrease/increase in case of net income) of Rs. 2,232.3 million, Rs. 2,065.0 million and Rs. 1,766.4 million on income for the year ended March 31, 2014, 2013 and 2012, respectively.

The model assumes that interest rate changes are instantaneous parallel shifts in the yield curve. Although some assets and liabilities may have similar maturities or periods to re-pricing, these may not react correspondingly to changes in market interest rates. Also, the interest rates on some types of assets and liabilities may fluctuate with changes in market interest rates, while interest rates on other types of assets may change with a lag.

The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

(Note: The impact is indicated on the income/loss before tax basis).

(i) – (c) Equity Price risk

Equity Price Risk is related to the change in market reference price of the investments in equity securities.

The fair value of some of the Company's investments in available-for-sale securities exposes the Company to equity price risks. In general, these securities are not held for trading purposes. These investments are subject to changes in the market price of securities. The fair value of available- for- sale equity securities as of March 31, 2014, 2013 and 2012, was Rs. 2,770.1 million, Rs. 2,067.2 million and Rs. 2,885.3 million, respectively. A 10 % change in equity prices of available -for- sale securities held as of March 31, 2014, 2013 and 2012, would result in an impact of Rs. 277.0 million, Rs. 206.7 million and Rs. 288.5 million on equity, respectively.

The Company has investments in unquoted equity shares of Rs. 3,919.7 million as of March 31, 2014 and Rs. 3,877.0 million as of March 31, 2013, the fair value of which cannot be reliably measured.

(Note: The impact is indicated on equity before consequential tax impact, if any).

(ii) ***Credit risk***

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks.

Financial instruments that are subject to concentrations of credit risk, principally consist of investments classified as loans and receivables, available for sale debt instruments, trade receivables, finance receivables, loans and advances and derivative financial instruments. None of the financial instruments of the Company result in material concentrations of credit risks.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was Rs. 771,210.9 million as of March 31, 2014 and Rs. 604,180.1 million as of March 31, 2013, being the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables, finance receivables, margin money and other financial assets excluding equity investments.

Financial assets that are neither past due nor impaired

None of the Company's cash equivalents, including time deposits with banks, are past due or impaired. Regarding trade receivables and other receivables, and other loans or receivables that are neither impaired nor past due, there were no indications as of March 31, 2014, that defaults in payment obligations will occur.

Credit quality of financial assets and impairment loss

The ageing of trade receivables and finance receivables as of balance sheet date is given below. The age analysis has been considered from the due date.

	As at March 31,								
Trade receivables	**2014 Gross**	**2014 Allowance**	**2014 Net**	**2014 Gross**	**2014 Allowance**	**2014 Net**	**2013 Gross**	**2013 Allowance**	**2013 Net**
					(In millions)				
Period (in months)									
Not due	US$ 1,585.0	US$ (1.4)	US$ 1,583.6	Rs. 94,964.1	Rs. (82.5)	94,881.6	Rs. 82,701.4	Rs. (60.3)	82,641.1
Overdue upto 3 months	150.6	(0.8)	149.8	9,022.1	(47.0)	8,975.1	15,443.2	(64.3)	15,378.9
Overdue 3-6 months	38.7	(2.6)	36.1	2,319.9	(158.0)	2,161.9	3,245.4	(202.8)	3,042.6
Overdue more than 6 months	158.8	(98.3)	60.5*	9,518.5	(5,892.3)	3,626.2*	7,979.8	(3,251.7)	4,728.1*
Total	**US$ 1,933.1**	**US$ (103.1)**	**US$ 1,830.0**	**Rs. 115,824.6**	**Rs. (6,179.8)**	**Rs. 109,644.8**	**Rs. 109,369.8**	**Rs. (3,579.1)**	**Rs. 105,790.7**

* Trade receivables overdue more than six months include Rs. 1,627.8 million as of March 31, 2014 (Rs. 1,992.6 million as at March 31, 2013), outstanding from State Government organizations in India, which are considered recoverable.

	As at March 31,								
Finance receivables #	**2014 Gross**	**2014 Allowance**	**2014 Net**	**2014 Gross**	**2014 Allowance**	**2014 Net**	**2013 Gross**	**2013 Allowance**	**2013 Net**
					(In millions)				
Period (in months)									
Not due*	US$ 3,262.5	US$ (370.2)	US$2,892.3	Rs.195,470.3	Rs. (22,183.4)	173,286.9	Rs. 201,154.3	Rs. (7,053.1)	194,101.2
Overdue up to 11 months	243.3	(69.9)	173.4	14,574.5	(4,189.9)	10,384.6	6,704.0	(3,621.0)	3,083.0
Overdue more than 11 months	113.7	(87.1)	26.6	6,817.9	(5,214.2)	1,603.7	4,895.7	(3,860.7)	1,035.0
Total	**US$ 3,619.5**	**US$ (527.2)**	**US$3,092.3**	**Rs.216,862.7**	**Rs. (31,587.5)**	**Rs. 185,275.2**	**Rs. 212,754.0**	**Rs. (14,534.8)**	**Rs. 198,219.2**

* Allowance in the 'Not due' category includes allowance against installments pertaining to impaired finance receivables which have not yet fallen due.

\# Finance receivables originated in India.

(iii) Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company has obtained fund and non fund based working capital lines from various banks. Further, the Company has access to funds from debt markets through commercial paper programs, non -convertible debentures, fixed deposits from public and other debt instruments. The Company invests its surplus funds in bank fixed deposit and liquid and liquid plus schemes of mutual funds, which carry no/low mark to market risks. The Company has also invested 15% of the public deposits (taken by the Company) falling due for repayment in the next 12 months in bank deposits, to meet the regulatory norms of liquidity requirements.

The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

The table below provides details regarding the contractual maturities of financial liabilities, including estimated interest payments as of March 31, 2014:

	Carrying amount	Due in 1st Year	Due in 2nd Year	Due in 3rd to 5th Year	Due after 5th Year	Total contractual cash flows	Total contractual cash flows
				(In millions)			
Financial liabilities							
Accounts payable and acceptances	Rs. 595,817.7	Rs. 595,817.7	Rs. —	Rs. —	Rs. —	Rs. 595,817.7	US$ 9,944.4
Borrowings and interest thereon	628,411.5	195,668.5	108,082.5	250,009.6	220,964.5	774,725.1	12,930.4
Other financial liabilities	23,862.3	20,173.2	1,754.2	2,444.8	112.8	24,485.0	408.7
Derivative liabilities	11,922.3	7,067.0	4,802.7	1,094.9	—	12,964.6	216.4
Total	**Rs. 1,260,013.8**	**Rs. 818,726.4**	**Rs. 114,639.4**	**Rs. 253,549.3**	**Rs. 221,077.3**	**Rs. 1,407,992.4**	**US$ 23,499.9**

Contractual maturity of borrowings includes cash flows relating to collateralized debt obligation. This represents the amount received against the transfer of finance receivables in securitization transactions/ direct assignments, which do not qualify for derecognition. The liability of the Company in such cases is limited to the extent of credit enhancements provided. The contractual maturity of such collateralized debt obligation is as follows:

	Carrying amount	Due in 1st Year	Due in 2nd Year	Due in 3rd to 5th Year	Total contractual cash flows	Total contractual cash flows
			(In millions)			
Collateralized debt obligation	Rs. 15,413.2	Rs. 9,767.8	Rs. 5,722.1	Rs. 1,149.3	Rs. 16,639.2	US$ 277.7

The table below provides details regarding the contractual maturities of financial liabilities, including estimated interest payments as of March 31, 2013:

	Carrying amount	Due in 1st Year	Due in 2nd Year	Due in 3rd to 5th Year	Due after 5th Year	Total contractual cash flows
	(In millions)					
Financial liabilities						
Accounts payable and acceptances	Rs. 461,245.2	Rs. 461,245.2	Rs. —	Rs. —	Rs. —	Rs. 461,245.2
Borrowings and interest thereon	569,763.5	264,754.7	88,977.0	137,203.9	222,407.1	713,342.7
Other financial liabilities	21,981.5	17,315.6	1,777.8	3,598.4	321.8	23,013.6
Derivative liabilities	34,384.7	17,049.7	9,996.2	7,338.8	—	34,384.7
Total	**Rs. 1,087,374.9**	**Rs. 760,365.2**	**Rs. 100,751.0**	**Rs. 148,141.1**	**Rs. 222,728.9**	**Rs. 1,231,986.2**

Contractual maturity of borrowings includes cash flows relating to collateralized debt obligation. This represents the amount received against the transfer of finance receivables in securitization transactions/ direct assignments, which do not qualify for derecognition. The liability of the Company in such cases is limited to the extent of credit enhancements provided. The contractual maturity of such collateralized debt obligation is as follows:

	Carrying amount	Due in 1st Year	Due in 2nd Year	Due in 3rd to 5th Year	Total contractual cash flows
	(In millions)				
Collateralized debt obligation	Rs. 20,820.0	Rs. 11,749.4	Rs. 7,263.3	Rs. 3,827.0	Rs. 22,839.7

For the purpose of compiling the contractual cash flows, it has been assumed that the foreign currency convertible notes will be repaid on maturity. If these are converted, the amount repayable will reduce as follows:

	Carrying amount	Due in 1st Year	Due in 2nd Year	Due in 3rd to 5th Year	Total contractual cash flows
	(In millions)				
Foreign currency convertible Notes*	Rs. 3,939.3	Rs. 160.9	Rs. 4,525.5	Rs. —	Rs. 4,686.4

* excludes conversion option liability of Rs. 3,765.5 millions.

(iv) Derivative financial instruments and risk management

The Company has entered into variety of interest rate and foreign currency forward contracts and options, to manage its exposure to fluctuations in foreign exchange rates and interest rates. The counter party is generally a bank. These financial exposures are managed in accordance with its risk management policies and procedures.

The Company also enters into interest rate swaps and interest rate currency swap agreements, mainly to manage exposure on its fixed rate or variable rate debt. The Company uses interest rate derivatives or currency swaps to hedge exposure to exchange rate fluctuations on principal and interest payments for borrowings denominated in foreign currencies.

Specific transactional risks include risks like liquidity and pricing risks, interest rate and exchange rate fluctuation risks, volatility risks, counterparty risks, settlement risks and gearing risks.

The Company is also exposed to equity price risk, interest rate risk and currency risk on embedded derivative, i.e., conversion option in foreign currency convertible notes/convertible alternative reference securities which are accounted for separately.

Fair value of derivative financial instruments other than conversion options are determined using valuation techniques based on information derived from observable market data.

Fair value of conversion option in foreign currency convertible notes is determined using various option valuation models such as Black Scholes Merton model, Cox Ross Rubinstein model and Monte Carlo simulation. These models consider various inputs, such as stock price as at the date of valuation, strike price of the option as per terms of issue of the instrument, time to expiry, volatility of the underlying share price, risk free interest rate and expected dividend rate.

Main assumptions used in valuation of conversion option in foreign currency convertible notes (FCCN) as of March 31, 2013:

	Assumptions		
	Share price in foreign currency	**Volatility in share price**	**Risk free interest rate**
FCCN due in 2014	US$ 4.96	35%	0.6%

The fair value of derivative financial instruments including embedded derivative is as follows:

	As at March 31,		
	2014	**2014**	**2013**
		(In millions)	
Forward exchange contracts, options and interest rate swaps	US$1,128.9	Rs.67,637.0	Rs.(25,621.9)
Embedded derivative-conversion option	—	—	(3,765.5)
Embedded derivative- prepayment option	—	—	3,857.8
Total	**US$1,128.9**	**Rs.67,637.0**	**Rs.(25,529.6)**

The gain / loss on derivative contracts recognized in the income statement was Rs. 9,078.7 million (gain), Rs. 2,471.3 million (loss) and Rs. 1,316.4 million (loss) for the year ended March 31, 2014, 2013 and 2012, respectively.

In respect of Company's forward and option contracts (excluding conversion option and prepayment options), a 10% appreciation/ depreciation of the foreign currency underlying such contracts, would have resulted in an approximate gain / (loss) of Rs. 70,591 million / (Rs. 85,882.5 million) in Company's hedging reserve and an approximate gain / (loss) of Rs. 4,904.8 million / (Rs. 2,981.4 million) respectively, in the Company's income statement for the year ended March 31, 2014.

In respect of Company's forward and option contracts (excluding conversion option and prepayment options), a 10% appreciation/ depreciation of the foreign currency underlying such contracts, would have resulted in an approximate gain / (loss) of Rs. 52,621.5 million / (Rs. 71,451.7 million) in Company's hedging reserve and an approximate gain of Rs. 3,009.4 million / Rs. 2,407.5 million respectively, in the Company's income statement for the year ended March 31, 2013.

In respect of Company's forward and option contracts (excluding conversion option), a 10% appreciation/ depreciation of the foreign currency underlying such contracts, would have resulted in an approximate gain / (loss) of Rs. 37,637.2 million / (Rs. 29,392.1 million) in Company's hedging reserve and an approximate gain / (loss) of Rs. 2,137.6 million / (Rs. 687.1 million) respectively, in the Company's income statement for the year ended March 31, 2012.

Exposure to gain/loss on derivative instruments offset to some extent the exposure to foreign currency risk, interest rate risk as disclosed above.

In respect of embedded derivative, prepayment option:

The Company was exposed to interest rate risk with regards to the fair value of the prepayment option. As at March 31, 2013, a 25 basis points increase / decrease in interest rates would have resulted in an approximate gain / loss of Rs. 771.7 million, for the year ended March 31, 2013.

The Company was exposed to the impact of volatility with its own credit risk with regard to the fair value of prepayment option. As at March 31, 2013, a 25 basis points decrease / increase in credit spreads would have resulted in an approximate gain of Rs. 755.3 million and an approximate loss of Rs. 197.0 million respectively for the year ended March 31, 2013.

In respect of embedded derivative, conversion option:

A 10% increase/decrease in Company's share price volatility would have resulted in an approximate loss of Rs. 31.2 million and an approximate gain of Rs. 27.7 million respectively, for the year ended March 31, 2013.

A 10% increase/decrease in Company's share price volatility would have resulted in an approximate loss of Rs. 714.2 million and an approximate gain of Rs. 634.5 million respectively, for the year ended March 31, 2012.

A 10% appreciation/depreciation in the underlying foreign currency would have resulted in an approximate gain of Rs. 661.3 million and an approximate loss of Rs. 825.8 million respectively, for the year ended March 31, 2013.

A 10% appreciation/depreciation in the underlying foreign currency, would have resulted in an approximate gain of Rs. 1,566.2 million and an approximate loss of Rs. 2,748.3 million respectively, for the year ended March 31, 2012.

A 50 basis points increase/decrease in US interest rates would have resulted in an approximate loss of Rs. 27.6 million and an approximate gain of Rs. 27.8 million respectively, for the year ended March 31, 2013.

A 50 basis points increase/decrease in US interest rates would have resulted in an approximate loss of Rs. 73.5 million and an approximate gain of Rs. 73.5 million respectively, for the year ended March 31, 2012.

The above analysis assumes that all other variables (other than variable under consideration) remain constant.

(Note: The impact is indicated on the income/loss before tax basis).

37. Collaterals

Inventory, trade receivables, finance receivables, other financial assets, property, plant and equipment with a carrying amount of Rs. 239,650.1 million and Rs. 305,400.9 million are pledged as collateral/security against the borrowings and contingent liability as of March 31, 2014 and 2013, respectively.

Fair value of collaterals for which the Company has taken possession and held as of March 31, 2014 and March 31, 2013, amounted to Rs. 1,563.0 million and Rs. 1,659.0 million, respectively. The collateral represents vehicles financed by the Company and the Company normally undertakes disposal of these vehicles through auction process.

38. Segment reporting

The Company primarily operates in the Automotive segment. The Automotive segment includes all activities relating to development, design, manufacture, assembly and sale of vehicles including financing thereof, as well as sale of related parts and accessories. The Company provides financing for vehicles sold by dealers in India. The vehicle financing is intended to drive sale of vehicles by providing financing to the dealers' customers and as such, is an integral part of automotive business. The financing activity is assessed as an integral part of the overall automotive business. The operating results of the financing activity does not include all of the interest or cost of funds employed for the purposes of financing, and therefore the operating results of this activity is not used to make decisions about resources to be allocated or to assess performance.

The Company's products mainly include Tata and other brand vehicles and Jaguar and Land Rover vehicles.

The Company manages the automotive business globally with an integrated and synergic strategy.

Towards this objective, various steps have been initiated/being taken which mainly include sharing of resources, platforms, facilities for product development and manufacturing, sourcing strategy and mutual sharing of best practices.

As of March 31, 2014, the Automotive segment is bifurcated into the following two reportable segments:

Tata and other brand vehicles, including financing thereof and Jaguar Land Rover.

The Company's other segment comprises primarily activities relating to information technology or IT services, machine tools and factory automation solutions. None of the other operating segments meets the quantitative thresholds, to be separately disclosed as a reportable segment.

The segment information presented is in accordance with the accounting policies adopted for preparing the consolidated financial statements of the Company. Segment revenues, expenses and results include inter-segment transfers. Such transfers are undertaken either at competitive market prices charged to unaffiliated customers for similar goods or at contracted rates. These transfers are eliminated on consolidation.

	For the year ended / as of March 31, 2014							
	Automotive and related activity							
	Tata and other brand vehicles including financing thereof *	Jaguar Land Rover	Intra-segment eliminations	Total	Others	Inter-segment eliminations	Total	Total
	(In millions)							
Revenues:								
External revenue	Rs. 434,922.1	Rs.1,894,589.8	Rs. —	Rs.2,329,511.9	Rs.12,248.6	Rs. —	Rs. 2,341,760.5	US$39,084.7
Inter-segment / intra-segment revenue	89.6	—	(20.0)	69.6	12,740.2	(12,809.8)	—	—
Total revenues	**Rs. 435,011.7**	**Rs.1,894,589.8**	**Rs. (20.0)**	**Rs.2,329,581.5**	**Rs.24,988.8**	**Rs. (12,809.8)**	**Rs. 2,341,760.5**	**US$39,084.7**
Earnings before other income, interest and tax	(20,630.6)	228,026.6	—	207,396.0	2,633.9	(1,112.3)	208,917.6	3,486.8
Share of profit/ (loss) of equity accounted investees	211.6	(727.7)	—	(516.1)	(1,361.5)	—	(1,877.6)	(31.3)
Impairment in respect of an equity accounted investee	—	—	—	—	(8,033.7)	—	(8,033.7)	(134.1)
Reconciliation to net income:								
Other income / (loss) (net)							7,732.6	129.0
Foreign exchange gain/ (loss) (net)							19,104.2	318.9
Interest income							6,656.7	111.1
Interest expense (net)							(53,094.7)	(886.1)
Income tax expense							(48,226.5)	(804.9)
Net Income							**Rs.131,178.6**	**US$ 2,189.4**
Depreciation and amortization	Rs. 25,046.5	Rs. 84,941.8	Rs. —	Rs. 109,988.3	Rs. 474.3	Rs. —	Rs. 110,462.6	US$ 1,843.7
Capital expenditure	37,806.0	235,384.1	—	273,190.1	819.6	(1,177.7)	272,832.0	4,553.7
Segment assets	**Rs. 563,864.4**	**Rs.1,223,005.6**	**Rs. —**	**Rs.1,786,870.0**	**Rs.19,086.6**	**Rs. (7,937.1)**	**Rs. 1,798,019.5**	**US$30,009.5**
Investment in equity accounted investees	3,690.6	13,848.9		17,539.5	2,697.2		20,236.7	337.8
Reconciliation to total assets:								
Investments							101,876.8	1,700.3
Current and non-current income tax assets							11,978.5	200.0
Deferred income taxes							39,150.5	653.4
Other unallocated financial assets[1]							213,513.9	3,563.6
Total assets							**Rs.2,184,775.9**	**US$36,464.6**
Segment liabilities	**Rs. 146,968.7**	**Rs. 706,413.2**	**Rs. —**	**Rs. 853,381.9**	**Rs. 6,874.1**	**Rs. (1,961.8)**	**Rs. 858,294.2**	**US$14,325.2**
Reconciliation to total liabilities:								
Borrowings							620,099.2	10,349.5
Current income tax liabilities							13,986.7	233.4
Deferred income taxes							35,271.8	588.7
Other unallocated financial liabilities[2]							25,427.7	424.6
Total liabilities							**Rs. 1,553,079.6**	**US$25,921.4**

* Tata and other brand vehicles include Tata Daewoo and Fiat traded vehicles.

1. Includes interest bearing loans and deposits and accrued interest income.
2. Includes interest accrued and other interest bearing liabilities.

	For the year ended / as of March 31, 2013						
	Automotive and related activity						
	Tata and other brand vehicles including financing thereof *	Jaguar Land Rover	Intra-segment eliminations	Total	Others	Inter-segment eliminations	Total
				(In millions)			
Revenues							
External revenue	Rs. 515,992.6	Rs. 1,365,619.8	Rs. —	Rs. 1,881,612.4	Rs. 11,297.6	Rs. —	Rs. 1,892,910.0
Inter-segment / intra-segment revenue	874.1	—	(865.9)	8.2	10,881.2	(10,889.4)	—
Total revenues	**Rs. 516,866.7**	**Rs. 1,365,619.8**	**Rs. (865.9)**	**Rs. 1,881,620.6**	**Rs. 22,178.8**	**Rs. (10,889.4)**	**Rs. 1,892,910.0**
Earnings before other income, interest and tax	13,553.7	150,652.8	—	164,206.5	3,294.1	(1,033.8)	166,466.8
Share of profit/ (loss) of equity accounted investees	1,596.4	(1,016.4)	—	580.0	(711.5)	—	(131.5)
Reconciliation to net income:							
Other income / (loss) (net)							12,099.1
Foreign exchange gain/ (loss) (net)							(15,774.9)
Interest income							6,928.0
Interest expense (net)							(40,792.0)
Income tax expense							(39,238.8)
Net Income							**Rs. 89,556.7**
Depreciation and amortization	Rs. 22,580.9	Rs. 53,040.5	Rs. —	Rs. 75,621.4	Rs. 146.5	Rs. —	Rs. 75,767.9
Capital expenditure	31,506.2	181,313.2	(9.4)	212,810.0	375.5	(1,107.6)	212,077.9
Segment assets	**Rs. 569,686.0**	**Rs. 853,814.1**	**Rs. —**	**Rs. 1,423,500.1**	**Rs. 15,475.4**	**Rs. (6,446.9)**	**Rs. 1,432,528.6**
Investment in equity accounted investees	3,608.8	4,959.9	—	8,568.7	12,261.0	—	20,829.7
Reconciliation to total assets:							
Investments							81,473.4
Current and non-current income tax assets							10,210.0
Deferred income taxes							45,205.2
Other unallocated financial assets[1]							96,919.6
Total assets							**Rs. 1,687,166.5**
Segment liabilities	**Rs. 139,901.9**	**Rs. 523,970.2**	**Rs. —**	**Rs. 663,872.1**	**Rs. 6,613.4**	**Rs. (1,650.8)**	**Rs. 668,834.7**
Reconciliation to total liabilities:							
Borrowings							565,615.5
Current income tax liabilities							17,754.5
Deferred income taxes							16,056.4
Other unallocated financial liabilities[2]							44,999.7
Total liabilities							**Rs. 1,313,260.8**

* Tata and other brand vehicles include Tata Daewoo and Fiat traded vehicles.

1. Includes interest bearing loans and deposits and accrued interest income.
2. Includes interest accrued and other interest bearing liabilities.

	For the year ended March 31, 2012						
	Automotive and related activity						
	Tata and other brand vehicles including financing thereof *	Jaguar Land Rover	Intra-segment eliminations	Total	Others	Inter-segment eliminations	Total
				(In millions)			
Revenues							
External revenue	Rs. 607,017.9	Rs. 1,044,533.2	Rs. —	Rs. 1,651,551.1	Rs. 9,962.8	Rs. —	Rs. 1,661,513.9
Inter-segment / intra-segment revenue	691.5	—	(678.9)	12.6	8,941.9	(8,954.5)	—
Total revenues	**Rs. 607,709.4**	**Rs. 1,044,533.2**	**Rs. (678.9)**	**Rs. 1,651,563.7**	**Rs. 18,904.7**	**Rs. (8,954.5)**	**Rs. 1,661,513.9**
Earnings before other income, interest and tax	42,227.6	116,758.6	—	158,986.2	2,442.8	(1,131.1)	160,297.9
Share of profit/ (loss) of equity accounted investees	371.0	—	—	371.0	(957.8)	—	(586.8)
Impairment in respect of equity an accounted investee	—	—	—	—	(4,981.0)	—	(4,981.0)
Reconciliation to net income:							
Other income / (loss) (net)							10,039.4
Foreign exchange gain/ (loss) (net)							(11,511.7)
Interest income							4,953.4
Interest expense (net)							(38,957.7)
Income tax expense							(4,436.5)
Net Income							**Rs. 114,817.0**
Depreciation and amortization	Rs. 20,740.5	Rs. 35,576.9	Rs. —	Rs. 56,317.4	Rs. 106.6	Rs. —	Rs. 56,424.0
Capital expenditure	36,153.3	113,242.5	—	149,395.8	55.7	(1,197.0)	148,254.5

* Tata and other brand vehicles include Tata Daewoo and Fiat traded vehicles.

Entity wide disclosures

Information concerning principal geographic areas is as follows:

Net sales to external customers by geographic area by location of customers:

	Year ended March 31,			
	2014	2014	2013	2012
	(In millions)			
India	US$ 6,085.1	Rs. 364,590.6	Rs. 453,275.6	Rs. 549,173.9
United States of America	4,446.9	266,436.5	189,006.6	157,854.7
United Kingdom	4,842.9	290,161.9	224,604.0	179,865.6
Rest of Europe	4,879.9	292,377.8	221,035.4	190,056.5
China	10,951.1	656,138.0	446,508.4	296,923.2
Rest of the World	7,878.8	472,055.7	358,480.0	287,640.0
Total revenues	**US$39,084.7**	**Rs. 2,341,760.5**	**Rs. 1,892,910.0**	**Rs. 1,661,513.9**

Non-current assets (Property, plant and equipment, Intangible assets, other non-current assets and Goodwill) by geographic area:

	As at March 31,		
	2014	2014	2013
	(In millions)		
India	US$ 3,948.6	Rs. 236,588.0	Rs. 225,245.1
United States of America	50.3	3,013.5	5,274.4
United Kingdom	12,232.7	732,920.0	476,632.8
Rest of Europe	26.2	1,568.7	1,417.4
China	13.3	796.3	361.2
Rest of the World	337.6	20,228.6	13,909.9
Total	**US$16,608.7**	**Rs. 995,115.1**	**Rs. 722,840.8**

Information about product revenues:

	Year ended March 31,			
	2014	2014	2013	2012
	(In millions)			
Tata and Fiat vehicles	US$ 5,950.4	Rs. 356,514.0	Rs. 445,392.8	Rs. 548,922.2
Tata Daewoo commercial vehicles	793.3	47,532.3	39,204.1	31,648.4
Hispano buses and coaches	16.7	999.9	1,365.7	2,164.4
Finance revenues	498.6	29,875.9	30,013.3	24,340.4
Jaguar Land Rover vehicles	31,621.3	1,894,589.8	1,365,619.8	1,044,533.2
Others	204.4	12,248.6	11,314.3	9,905.3
Total revenues	**US$39,084.7**	**Rs. 2,341,760.5**	**Rs. 1,892,910.0**	**Rs. 1,661,513.9**

39. Related party transactions

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

The following table summarizes related party transactions and balances included in the consolidated financial statements for the year ended and as of March 31, 2014:

	Associates and its subsidiaries	Joint ventures	Joint operations	Tata Sons Ltd, its subsidiaries and joint ventures	Total	Total
	(In millions)					
Purchase of products	Rs. 13,275.6	Rs. —	Rs. 21,597.7	Rs. 497.1	Rs. 35,370.4	US$ 590.3
Sale of products	1,828.6	32.8	5,553.2	10,642.4	18,057.0	301.4
Services received	98.6	910.4	2.0	10,858.2	11,869.2	198.1
Services rendered	124.5	2,510.1	58.0	929.0	3,621.6	60.4
Bill discounted	—	—	—	16,015.4	16,015.4	267.3
Redemption / buy back of investments	—	96.2	—	—	96.2	1.6
Purchase of property, plant and equipment	—	—	—	8.0	8.0	0.1
Interest (income) / expense, dividend (income) / paid, net	(119.0)	—	(113.5)	1,556.6	1,324.1	22.1
Amounts receivable in respect of loans and interest thereon	1.1	—	1,733.0	89.7	1,823.8	30.4
Amounts payable in respect of loans and interest thereon*	160.0	—	—	289.4	449.4	7.5
Trade and other receivables	207.2	1,471.3	81.3	2,820.1	4,579.9	76.4
Accounts payable	715.2	22.1	1,749.1	2,268.3	4,754.7	79.4
Accounts payable (in respect of bill discounted)	—	—	—	1,359.8	1,359.8	22.7
Loans given / repaid	268.6	—	—	5.0	273.6	4.6
Purchase of unquoted equity shares	—	9,007.6	—	3.0	9,010.6	150.4
Loans taken / repaid	705.0	—	—	578.1	1,283.1	21.4
Deposits receivable	—	—	—	30.0	30.0	0.5

* Amounts payable in respect of loans and interest consist of collateralized debt obligation for financial assets transferred to a related party that does not meet the derecognition criteria because of credit enhancement features.

The following table summarizes related party transactions and balances included in the consolidated financial statements for the year ended and as of March 31, 2013:

	Associates and its subsidiaries	Joint ventures	Joint operations	Tata Sons Ltd, its subsidiaries and joint ventures	Total
			(In millions)		
Purchase of products	Rs.26,224.5	Rs. —	Rs.26,126.3	Rs. 1,354.4	Rs.53,705.2
Sale of products	2,078.8	9.8	3,111.1	8,303.6	13,503.3
Services received	1.5	0.4	2.4	5,181.1	5,185.4
Services rendered	153.7	745.0	23.0	575.7	1,497.4
Interest (income) / expense, dividend (income) / paid, net	(253.1)	(25.4)	(355.1)	2,986.7	2,353.1
Amounts receivable in respect of loans and interest thereon	38.0	—	1,625.7	53.3	1,717.0
Amounts payable in respect of loans and interest thereon*	295.0	—	—	1,431.1	1,726.1
Trade and other receivables	246.6	636.4	399.6	1,858.0	3,140.6
Accounts payable	729.3	—	184.4	2,321.5	3,235.2
Loans given / repaid	238.4	710.3	—	410.0	1,358.7
Purchase of unquoted equity shares	—	6,216.6	—	18.4	6,235.0
Loans taken / repaid	1,215.0	—	—	8,567.1	9,782.1
Deposits receivable	—	—	—	30.0	30.0

* Amounts payable in respect of loans and interest consist of collateralized debt obligation for financial assets transferred to a related party that does not meet the derecognition criteria because of credit enhancement features.

The following table summarizes related party transactions and balances included in the consolidated financial statements for the year ended and as of March 31, 2012:

	Associates and its subsidiaries	Joint ventures	Joint operations	Tata Sons Ltd, its subsidiaries and joint ventures	Total
			(In millions)		
Purchase of products	Rs.33,885.3	Rs. —	Rs.34,980.4	Rs. 1,819.5	Rs.70,685.2
Sale of products	3,068.3	11.0	3,642.6	8,388.4	15,110.3
Services received	21.8	6.0	—	4,431.4	4,459.2
Services rendered	174.7	3.6	70.3	504.7	753.3
Issue of shares by a subsidiary to non controlling interests shareholders	—	—	—	1,410.6	1,410.6
Interest (income) / expense, dividend (income) / paid, net	(206.7)	—	(299.5)	3,576.6	3,070.4
Amounts receivable in respect of loans and interest thereon	276.3	—	1,518.8	263.2	2,058.3
Amounts payable in respect of loans and interest thereon*	302.0	—	—	3,962.6	4,264.6
Trade and other receivables	899.1	45.4	97.6	1,917.3	2,959.4
Accounts payable	784.0	—	816.2	1,344.2	2,944.4
Loans given / repaid	710.0	—	—	10,106.3	10,816.3
Purchase of shares in subsidiary	—	—	—	3,043.4	3,043.4
Purchase of unquoted equity shares	—	—	—	346.8	346.8
Loans taken / repaid	940.0	—	—	4,019.8	4,959.8
Deposits receivable	—	—	—	30.0	30.0

* Amounts payable in respect of loans and interest consist of collateralized debt obligation for financial assets transferred to a related party that does not meet the derecognition criteria because of credit enhancement features.

Compensation of key management personnel:

	Year ended March 31,			
	2014	2014	2013	2012
	(In millions)			
Short-term benefits	US$ 7.0	Rs.417.6	Rs.357.5	Rs.487.9
Termination benefits	—	—	—	276.5
Post-employment benefits*#	1.6	95.3	148.9	219.3

* Excludes provision for encashable leave and gratuity for certain key management personnel as a separate actuarial valuation is not available.

\# Excludes statutory dues paid on the demise of Mr. Karl Slym to his legal heirs namely social security benefit and gratuity, aggregating Rs. 24.1 million.

Subsequent to the balance sheet date, the Company's resolution for approval of the compensation to certain key management personnel in excess of the statutory limit, amounting to Rs. 201.2 million (including payment to legal heir) did not receive the required percentage of shareholder votes for approval. The Company is considering its options.

Other transactions with key management personnel:

	Year ended March 31,			
	2014	2014	2013	2012
	(In millions)			
Interest (income) / expense, dividend (income) / paid, net	US$—	Rs.—	Rs. 5.9	Rs. 16.2
Amounts receivable in respect of loans and interest thereon	—	—	—	0.9
Fixed deposits repaid	—	—	—	129.0
Amounts payable in respect of fixed deposits and interest thereon	—	—	—	2.0

Refer note 32 for information on transactions with post-employment benefit plans.

40. Subsequent events

Subsequent to the year ended March 31, 2014, TML Holdings Pte Ltd Singapore (TMLHS), a subsidiary of the Company has issued unsecured USD 300 million (approximately Rs. 18,040.5 million), 5.75% Senior Notes due 2021.

41. Earnings per share ("EPS")

	Net income attributable to shareholders of Tata Motors Limited (In millions)	Weighted average shares (Nos.)	Earnings per share
For the year ended March 31, 2014:			
Ordinary Shares			
Basic net earnings per share	Rs. 111,076.1	2,732,346,381	Rs. 40.7
	US$ 1,853.9		US$ 0.7
Effect of shares kept in abeyance	Rs. (5.5)	489,261	Rs. (11.2)
	US$ (0.1)		US$ (0.2)
Diluted earnings per share	Rs. 111,070.6	2,732,835,642	Rs. 40.6
	US$ 1,853.8		US$ 0.7
'A' Ordinary Shares			
Basic net earnings per share	Rs. 19,641.0	481,962,228	Rs. 40.8
	US$ 327.8		US$ 0.7
Effect of shares kept in abeyance	Rs. 5.5	244,287	Rs. 22.5
	US$ 0.1		US$ 0.4
Diluted earnings per share	Rs. 19,646.5	482,206,515	Rs. 40.7
	US$ 327.9		US$ 0.7
For the year ended March 31, 2013:			
Ordinary Shares			
Basic net earnings per share	Rs. 75,224.4	2,706,014,707	Rs. 27.8
Effect of shares kept in abeyance	Rs. (3.8)	492,722	Rs. (7.7)
Diluted earnings per share	Rs. 75,220.6	2,706,507,429	Rs. 27.8
'A' Ordinary Shares			
Basic net earnings per share	Rs. 13,446.1	481,958,717	Rs. 27.9
Effect of shares kept in abeyance	Rs. 3.8	247,798	Rs. 15.3
Diluted earnings per share	Rs. 13,449.9	482,206,515	Rs. 27.9
For the year ended March 31, 2012:			
Ordinary Shares			
Basic net earnings per share	Rs. 96,677.9	2,691,542,867	Rs. 35.9
Effect of shares kept in abeyance	Rs. (6.4)	529,377	Rs. (12.1)
Effect of Zero Coupon Convertible Alternative Reference Securities (USD) due 2012 (CARS)	Rs. 2,730.8	105,818,480	25.8
Diluted earnings per share	Rs. 99,402.3	2,797,890,724	Rs. 35.5
'A' Ordinary Shares			
Basic net earnings per share	Rs. 17,357.8	481,900,898	Rs. 36.0
Effect of shares kept in abeyance	Rs. 6.4	305,518	Rs. 20.9
Effect of Zero Coupon Convertible Alternative Reference Securities (USD) due 2012 (CARS)	Rs. (184.3)	—	—
Diluted earnings per share	Rs. 17,179.9	482,206,416	Rs. 35.6

‘A’ Ordinary shares holders are entitled to receive dividend at 5 percentage points more than the aggregate rate of dividend determined by the Company on Ordinary shares for the financial year.

The effect of 28,549,588 Ordinary shares issuable as of March 31, 2013, on conversion of 4% Foreign Currency Convertible Notes (USD) due 2014, is anti-dilutive for the year ended March 31, 2013 and have not been considered in the computation of diluted EPS.

The effect of 44,777,255 Ordinary shares issuable as of March 31, 2012, on conversion of 4% Foreign Currency Convertible Notes (USD) due 2014 is anti-dilutive for the year ended March 31, 2012 and have not been considered in the computation of diluted EPS.

Schedule - 1

Condensed financial information of Tata Motors Limited ("Parent Company") on a standalone basis

A. Balance Sheet

	As at March 31,		
	2014	2014	2013
		(In millions)	
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	US$ 107.4	Rs. 6,437.8	Rs. 6,380.7
Reserves and surplus	3,093.2	185,328.7	184,967.7
Total shareholders' fund	**3,200.6**	**191,766.5**	**191,348.4**
Non-current liabilities:			
Long-term borrowings	1,626.7	97,464.5	80,517.8
Deferred tax liabilities (net)	7.2	431.1	19,639.1
Other long-term liabilities	192.9	11,554.8	12,384.4
Long-term provisions	136.1	8,152.0	6,911.9
Total non-current liabilities	**1,962.9**	**117,602.4**	**119,453.2**
Current liabilities:			
Short-term borrowings	796.0	47,690.8	62,169.1
Trade payables	1,614.3	96,723.6	84,550.2
Other current liabilities	411.1	24,631.8	49,231.0
Short-term provisions	315.9	18,929.1	15,095.8
Total current liabilities	**3,137.3**	**187,975.3**	**211,046.1**
Total liabilities	**5,100.2**	**305,577.7**	**330,499.3**
Total equity and liabilities	**US$ 8,300.8**	**Rs. 497,344.2**	**Rs. 521,847.7**
ASSETS:			
Non-current assets:			
Fixed assets			
Tangible assets	2,025.1	121,335.0	122,877.1
Intangible assets	518.6	31,070.7	31,680.3
Capital work-in-progress	286.5	17,168.5	15,078.4
Intangible assets under development	774.1	46,382.2	32,449.6
	3,604.3	**215,956.4**	**202,085.4**
Non-current investments	3,063.9	183,575.7	181,717.1
Long-term loans and advances	487.1	29,183.0	35,752.4
Other non-current assets	20.7	1,238.5	943.2
Total non-current assets	**7,176.0**	**429,953.6**	**420,498.1**
Current assets:			
Current investments	16.8	1,008.5	17,626.8
Inventories	644.7	38,625.3	44,550.3
Trade receivables	203.1	12,167.0	18,180.4
Cash and bank balances	37.7	2,261.5	4,628.6
Short-term loans and advances	204.3	12,237.7	15,320.9
Other current assets	18.2	1,090.6	1,042.6
Total current assets	**1,124.8**	**67,390.6**	**101,349.6**
Total assets	**US$ 8,300.8**	**Rs. 497,344.2**	**Rs. 521,847.7**

B. Statement of Profit and Loss

	Year ended March 31,			
	2014	2014	2013	2012
	(In millions)			
Revenue from operations	US$6,301.9	Rs. 377,580.0	Rs. 493,197.3	Rs. 592,209.4
Less: Excise duty	(579.1)	(34,698.9)	(45,540.1)	(49,143.8)
Net revenue from operations	5,722.8	342,881.1	447,657.2	543,065.6
Other income	639.7	38,330.3	20,882.0	5,740.8
Total revenues	**6,362.5**	**381,211.4**	**468,539.2**	**548,806.4**
Expenses:				
Cost of materials consumed	3,420.3	204,928.7	272,442.8	338,948.2
Purchase of products for sale	842.8	50,498.2	58,644.5	64,339.5
Changes in inventories of finished goods, work-in-progress and products for sale	62.0	3,717.2	(1,436.0)	(6,238.4)
Employee cost/benefits expense	480.3	28,776.9	28,370.0	26,914.5
Finance Cost	223.2	13,375.2	13,877.6	12,186.2
Depreciation and amortization expense	345.5	20,703.0	18,176.2	16,067.4
Product development expense / Engineering expenses	71.6	4,287.4	4,257.6	2,342.5
Other expenses	1,166.2	69,875.3	77,833.2	84,055.1
Expenditure transferred to capital and other accounts	(168.4)	(10,091.1)	(9,538.0)	(9,071.3)
Total expenses	**6,443.5**	**386,070.8**	**462,627.9**	**529,543.7**
Profit / (Loss) before exceptional items, extraordinary items and tax	**(81.0)**	**(4,859.4)**	**5,911.3**	**19,262.7**
Exceptional items :				
Exchange loss (net) including on revaluation of foreign currency borrowings, deposits and loans	45.7	2,730.6	2,631.2	4,552.4
Provision for loan given	33.7	2,020.0	2,450.0	1,300.0
Diminution in the value of investment in a subsidiary	2.9	175.2	(96.7)	—
Employee seperation cost	7.9	472.8	—	—
Profit on Sale of a division	—	—	(822.5)	—
	90.2	**5,398.6**	**4,162.0**	**5,852.4**
Profit / (Loss) before extraordinary items and tax	**(171.2)**	**(10,258.0)**	**1,749.3**	**13,410.3**
Extraordinary items	—	—	—	—
Profit / (Loss) before tax from continuing operations	**(171.2)**	**(10,258.0)**	**1,749.3**	**13,410.3**
Tax expenses / (credit)	(227.0)	(13,603.2)	(1,268.8)	988.0
Profit after tax for the year from continuing operations	**US$ 55.8**	**Rs. 3,345.2**	**Rs. 3,018.1**	**Rs. 12,422.3**

C. Statements of Cash Flows

	Year ended March 31,			
	2014	2014	2013	2012
	(In millions)			
Cash flows from operating activities:				
Profit after tax	US$ 55.8	Rs.3,345.2	Rs.3,018.1	Rs.12,422.3
Adjustments for:				
Depreciation / amortization	345.5	20,703.0	18,176.2	16,067.4
Lease equalisation adjusted in income	(0.8)	(45.2)	(45.2)	(45.2)
Profit on sale of a division	—	—	(822.5)	—
Provision for loans and inter corporate deposits (net)	—	—	52.9	—
Provision / (reversal) for dimunition in value of investments	2.9	175.2	(96.7)	—
Provision for loan given	33.7	2,020.0	2,450.0	1,300.0
(Profit) / loss on sale of assets (net) [including assets scrapped / written off]	3.4	202.9	29.6	(17.9)
Tax expenses / (credit) (net)	(227.0)	(13,603.2)	(1,268.8)	988.0
Profit on sale of investments (net)	(342.5)	(20,523.3)	(439.1)	(297.8)
Exchange differences (net)	46.2	2,769.0	1,993.9	5,875.9
Interest / Dividend (net)	(74.0)	(4,431.8)	(6,565.2)	6,743.2
Operating profit / (loss) before working capital changes	**(156.8)**	**(9,388.2)**	**16,483.2**	**43,035.9**
Trade receivable	100.4	6,013.4	8,902.8	(927.9)
Finance receivable	2.5	150.0	647.6	1,449.7
Other current and non-current assets	23.6	1,413.7	(1,383.0)	338.0
Inventories	98.9	5,925.0	1,294.2	(6,968.4)
Trade payable and acceptances	202.4	12,128.3	(2,499.3)	(780.2)
Other current and non-current liabilities	41.6	2,492.5	(3,815.0)	1,713.2
Provisions	107.8	6,460.5	1,880.6	2,040.4
Cash generated from operations	**420.4**	**25,195.2**	**21,511.1**	**39,900.7**
Income taxes (paid) / credit (net)	(9.4)	(560.6)	1,073.3	(3,364.8)
Net cash from operating activities	**411.0**	**24,634.6**	**22,584.4**	**36,535.9**
Cash flows from investing activities:				
Fixed / restricted deposits with scheduled banks made	(88.5)	(5,301.5)	(2,058.5)	(8,684.4)
Fixed / restricted deposits with scheduled banks realised	126.9	7,604.0	7,800.0	6,655.1
Fixed deposit with financial institution made	(33.4)	(2,000.0)	—	—
Fixed deposit with financial institution realised	33.4	2,000.0	—	—
Realisation of loans to associates and subsidiaries	49.7	2,978.3	—	—
Investment in subsidiary companies	(74.0)	(4,431.8)	(1,861.2)	(16,840.1)
Investment in associate companies	—	—	(0.1)	(44.5)
Investment- others	—	—	(8.4)	—
Investment in mutual fund (purchased) / sold (net)	74.4	4,456.3	(3,155.1)	1,147.8
Loans to associates and subsidiaries	(24.4)	(1,462.8)	(1,943.6)	(869.2)
Proceeds from sale of a division	—	—	1,100.0	—
Sale / redemption of investments in subsidiary companies	664.0	39,784.8	13,789.5	41,469.8
Advance towards investment in subsidiary companies	(22.6)	(1,351.5)	(168.2)	(1,228.6)
Advance towards investment in other companies	—	—	—	(250.0)
Redemption of investments in associate companies	—	—	210.0	—
Redemption of investments- others	—	—	107.5	7.5

	Year ended March 31,			
	2014	2014	2013	2012
	(In millions)			
Deposits of margin money / cash collateral	US$ —	Rs. —	Rs.(13.8)	Rs.(58.5)
Realisation of margin money / cash collateral	—	—	912.5	3,642.4
Investments in joint venture	(54.2)	(3,250.0)	—	(425.0)
(Increase) / decrease in short term inter corporate deposits	(6.7)	(400.0)	435.3	160.4
Interest received	30.3	1,817.0	4,040.7	3,311.1
Dividend received	267.5	16,026.8	16,606.5	1,806.3
Payments for fixed assets	(518.3)	(31,054.2)	(26,053.9)	(28,525.6)
Proceeds from sale of fixed assets	1.9	113.7	169.5	170.9
Decrease in investments in retained interests in securitisation transactions	—	—	6.3	1.8
Net cash from investing activities	**426.0**	**25,529.1**	**9,915.0**	**1,447.2**
Cash flows from financing activities:				
Expenses on Foreign Currency Convertible Notes (FCCN) / Convertible Alternative Reference Securities (CARS) conversion	(0.1)	(3.5)	(2.3)	—
Proceeds from issue of shares held in abeyance	—	0.9	1.6	0.2
Dividends paid (including dividend distribution tax)	(108.3)	(6,488.1)	(14,604.1)	(14,622.8)
Interest paid [including discounting charges paid, Rs. 3,737.8 million (2012-13 Rs. 3,450.6 million and 2011-12 Rs. 3,656.2 million)]	(292.1)	(17,499.0)	(18,094.2)	(14,823.5)
Brokerage and other expenses on Non-Convertible Debentures (NCD)	(14.6)	(875.4)	(930.2)	(766.9)
Premium paid on redemption of Non-Convertible Debentures (NCD)	(109.8)	(6,580.5)	(965.5)	—
Premium on redemption of FCCN / (CARS) (including tax)	—	—	(8,869.5)	(9.7)
Repayment of fixed deposits	(60.5)	(3,621.9)	(18,683.8)	(10,692.5)
Proceeds from short-term borrowings	1,426.7	85,480.0	118,737.9	44,422.6
Repayment of short-term borrowings	(1,448.7)	(86,798.6)	(101,778.0)	(73,262.4)
Net change in other short-term borrowing (with maturity up to three months)	(245.9)	(14,734.1)	12,877.5	3,166.1
Proceeds from long-term borrowings	385.6	23,105.9	25,628.4	24,982.4
Repayments of long-term borrowings	(372.6)	(22,323.8)	(33,774.7)	(749.4)
Net cash used in financing activities	**(840.3)**	**(50,338.1)**	**(40,456.9)**	**(42,355.9)**
Net decrease in cash and cash equivalents	(3.3)	(174.4)	(7,957.5)	(4,372.8)
Cash and cash equivalents as at April 01, (opening balance)	34.3	2,055.7	9,196.4	13,521.4
Exchange fluctuation on foreign currency bank balances	1.8	105.5	816.8	47.8
Cash and cash equivalents as at March 31, (closing balance)	**US$ 32.8**	**Rs.1,986.8**	**Rs.2,055.7**	**Rs.9,196.4**
Non-cash transactions:				
Foreign Currency Convertible Notes (FCCN) / Convertible Alternative Reference Securities (CARS) converted to Ordinary shares	US$ 69.0	Rs.4,133.4	Rs.2,328.3	Rs. —

D. 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 exits.

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 Rs. 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 cost 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 doesn't vest with the Company, other than leased assets, are depreciated over the estimated period of their utility or five years, whichever is less.

(e) Fixed assets

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

(ii) Product development cost incurred on new vehicle 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 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 Rs. 25,000 and product development costs relating to minor product enhancements, facelifts and upgrades are charged off to the Statement of Profit and Loss as and when incurred.

(f) **Impairment**

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

As 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 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 medicare scheme**

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

(n) **Income taxes**

Tax expenses 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 certainity 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.

F. Reconciliation from Indian GAAP to consolidated IFRS net income

	Year ended March 31, 2014	2014	2013	2012
	(In millions)			
Net income as per Indian GAAP parent only financial statements	US$ 55.8	Rs. 3,345.2	Rs. 3,018.1	Rs. 12,422.3
IFRS adjustments to parent only financial statements (net of consequential tax impact) :				
[a] Foreign currency convertible notes – conversion options and interest thereon	(19.5)	(1,170.2)	(941.5)	(718.3)
[b] Gain on fair value of below market interest loan (net of effective interest rate adjustment)	35.2	2,107.9	1,427.8	—
[c] Reversal of exchange gain / (loss) accumulated in foreign currency monetary item translation difference account	2.3	137.7	433.5	(2,583.5)
[d] Property, plant and equipment and intangible assets:				
(i) Foreign exchange (net of depreciation)	(17.9)	(1,073.5)	(1,326.5)	(1,083.7)
(ii) Pre-operative expenses (net of depreciation)	0.3	20.4	57.3	59.2
(iii) Interest capitalized (net of depreciation)	(1.3)	(75.4)	217.8	(33.4)
[e] Interest including debt issue expenses	(68.9)	(4,121.6)	(3,969.4)	(3,612.2)
[g] Loss on available-for-sale investments	—	—	(1,063.8)	—
Others (net)	1.1	65.3	32.6	224.1
Total IFRS adjustments to parent only financial statements	**(68.7)**	**(4,109.4)**	**(5,132.2)**	**(7,747.8)**
Net income as per IFRS parent only financial statements	**US$ (12.9)**	**Rs. (764.2)**	**Rs. (2,114.1)**	**Rs. 4,674.5**
Share of net income of subsidiaries and joint operations	2,370.1	141,998.6	92,030.8	115,922.0
Share of net Income / (loss) and impairment of equity accounted investees	(167.8)	(10,055.8)	(360.0)	(5,779.5)
Net income as per consolidated income statements under IFRS	**US$2,189.4**	**Rs.131,178.6**	**Rs. 89,556.7**	**Rs. 114,817.0**

G. Reconciliation from Indian GAAP to consolidated IFRS comprehensive income

	Year ended March 31, 2014	2014	2013	2012
	(In millions)			
Net income as per consolidated income statements under IFRS	**US$ 2,189.4**	**Rs. 131,178.6**	**Rs. 89,556.7**	**Rs. 114,817.0**
IFRS adjustments to parent only financial statements (net of consequential tax impact) :				
[g] Fair value gain / (loss) on available-for-sale investments	4.9	294.2	420.5	(669.7)
Others (net)	(0.9)	(53.2)	(9.2)	(38.4)
Total IFRS adjustments to parent only financial statements	**US$ 4.0**	**Rs. 241.0**	**Rs. 411.3**	**Rs. (708.1)**
Share of other comprehensive income of subsidiaries and joint operations	2,078.2	124,511.4	(37,426.1)	22,477.7
Share of other comprehensive income of equity accounted investees	7.2	430.0	27.4	41.7
Consolidated other comprehensive income / (loss) for the year under IFRS	**2,089.4**	**125,182.4**	**(36,987.4)**	**21,811.3**
Consolidated total comprehensive income for the year under IFRS	**US$ 4,278.8**	**Rs. 256,361.0**	**Rs. 52,569.3**	**Rs. 136,628.3**

H. Reconciliation from Indian GAAP to consolidated IFRS total shareholders' equity

		Year ended March 31,		
		2014	2014	2013
			(In millions)	
	Shareholders' equity as per Indian GAAP parent only financial statements	US$ 3,200.6	Rs.191,766.5	Rs.191,348.4
	IFRS adjustments to parent only financial statements (net of consequential tax impact) :			
[a]	Foreign currency convertible notes – conversion options and interest thereon	—	—	(3,341.3)
[b]	Gain on fair value of below market interest loan	59.0	3,535.7	1,427.8
[c]	Property, plant and equipment and intangible assets:			
&	(i) Foreign exchange (net of depreciation)	(76.5)	(4,583.0)	(3,509.5)
[d]	(ii) Pre-operative expenses (net of depreciation)	(5.9)	(356.3)	(376.7)
	(iii) Interest capitalized (net of depreciation)	23.5	1,408.1	1,483.5
[e]	Interest including debt issue expenses	56.1	3,359.0	6,606.5
[f]	Dividend	123.8	7,419.5	7,242.2
[g]	Fair value losses on available-for-sale investments	(11.5)	(686.5)	(980.7)
	Others (net)	8.0	485.7	814.8
	Total IFRS adjustments to parent only financial statements	**176.5**	**10,582.2**	**9,366.6**
	Shareholders' equity as per IFRS parent only financial statements	**US$ 3,377.1**	**Rs.202,348.7**	**Rs.200,715.0**
	Share of equity of subsidiaries and joint operations	7,129.1	427,130.3	161,347.6
	Share of retained earnings and fair value adjustment of equity accounted investees	37.0	2,217.3	11,843.1
	Shareholders' equity as per Consolidated Balance Sheet under IFRS	**US$10,543.2**	**Rs.631,696.3**	**Rs.373,905.7**

I. Notes to reconciliation between Indian GAAP to IFRS

[a] Foreign currency convertible notes

Under IFRS, conversion option embedded in foreign currency convertible notes is accounted for separately as derivative instrument. At the inception, issue proceeds from notes are allocated to conversion option with residual allocated to the notes to establish its initial carrying cost.

Subsequently the conversion option is measured at fair value through profit or loss with changes in fair value recognized in the income statement and the notes are carried at amortized cost.

Under Indian GAAP conversion option is not separately accounted for and full proceeds are allocated to the notes. Further, entire redemption premium and debt issue expenses associated with the notes are charged directly to additional paid-in capital. This results into following differences between IFRS and Indian GAAP in addition to fair value movements of conversion option recorded in the income statement under IFRS:

(i) Higher interest costs under IFRS; and

(ii) Higher interest capitalization as described below (refer to note [d]).

[b] Gain on fair value of below market interest loan

Under IFRS, if the Company has received below market interest rate loan, it is required to be recorded in the books at the fair value by discounting with borrowing rate as on date of obtaining the loan. Accordingly, a gain has been recorded in the income statement. The gain recorded will reverse through income statement going forward till maturity of the loan as interest expense through the effective interest rate method.

Under Indian GAAP, the loan is recorded at the amount received.

[c] Reversal of exchange gain / (loss) accumulated in Foreign Currency Monetary Item Translation Difference Account

Under IFRS, all exchange differences are accounted for in the Income statement in the period in which they arise.

Under Indian GAAP, exchange differences relating to long term foreign currency monetary assets/liabilities are accounted for in the following manner:

(i) Differences relating to borrowings attributable to the acquisition of the depreciable capital asset are added to / deducted from the cost of such capital assets;

(ii) Other differences are accumulated in Foreign Currency Monetary Item Translation Difference Account, to be amortised over the period, beginning April 1, 2011 or date of inception of such item, as applicable, and ending on March 31, 2020 or the date of its maturity, whichever is earlier.

[d] Property, plant and equipment and intangible assets

Under IFRS, all foreign exchange transaction gains and losses are included in net income except to the extent these are treated as an adjustment to interest cost and considered for capitalization. Under Indian GAAP, foreign exchange gains and losses arising on foreign currency denominated borrowings that are incurred to acquire property, plant and equipment and intangible assets are included in the cost of the asset and depreciated over their remaining useful life.

Further under Indian GAAP, the cost of property, plant and equipment and intangible assets also includes indirectly attributable expenses that are incurred before a property, plant and equipment and intangible assets is ready for its intended use.

Under IFRS, such costs are expensed as incurred. Under IFRS, interest costs are higher than under Indian GAAP resulting into higher interest capitalization (refer to note [a] above and [e] below). Consequently, depreciation relating to the above differences in the cost of property, plant and equipment under IFRS and Indian GAAP has also been adjusted.

[e] Interest including debt issue expenses

Under IFRS, redemption premium and debt issue expenses are recognized as interest cost over the life of the debt instrument / borrowing using the effective interest method.

Under Indian GAAP, entire redemption premium associated with the debt instruments is charged directly to additional paid-in capital and issue expenses are either charged directly to the additional paid-in capital and/or are deferred and amortized over the life of the debt instruments.

[f] Dividends

Under IFRS, dividends payable are recorded as a liability in the year in which these are declared and approved.

Under Indian GAAP, dividends payable are recorded as a liability in the year to which they relate.

[g] Investments

Under IFRS, available-for-sale investments consisting of debt securities and equity securities are measured at fair value at each reporting date except for investment in equity instruments which do not have quoted market price in an active market and whose fair value cannot be reliably measured. Unrealised gains or losses (net of tax) are recognized directly in statement of other comprehensive income. Impairment losses are reclassified to income statement.

Under Indian GAAP, investments are classified into current and long-term investments. Current Investments are carried at lower of cost or market value, while long term investments are carried at cost less any impairment that is other than temporary.

Notes to schedule – 1

Schedule-1 has been provided pursuant to the requirements of Rule 12-04 (a) and 4-08(e)(3) of Regulation S-X, which requires condensed financial information as to financial position, cash flows and results of operations of parent as of the same dates and for the same periods for which audited consolidated financial statements have been presented because restricted net assets of the consolidated subsidiaries exceed 25% of the consolidated net assets as at March 31, 2014.

As of March 31, 2014, Rs. 245,349.0 million of the restricted net assets are not available for distribution.

Basis of preparation:

The separate condensed financial information of Tata Motors Limited (parent only) has been presented in accordance with generally accepted accounting principles in India ("Indian GAAP") and includes a reconciliation of shareholders' equity, net income and total comprehensive income to the consolidated financial statements prepared under IFRS.

There are no material differences between Indian GAAP and IFRS as it relates to the separate cash flow statement of Tata Motors Limited.

Tata Motors Limited maintains its accounting records under Indian GAAP and does not provide separate financial information using IFRS for any other purpose.

During the year ended March 31, 2014, 2013, 2012, cash dividends amounting to Rs. 15,884 million, Rs. 16,424 million and Rs. 1,620 million were paid to the parent company by its subsidiaries, joint operations and equity accounted investees, respectively.

COMPUTATION OF NET DEBT TO SHAREHOLDERS' EQUITY RATIO

Computation of net debt to equity ratio

The computation of net debt to equity ratio as of March 31, 2014 and 2013 is as follows.

	As of March 31, 2014	As of March 31, 2013
	(Rs. millions)	
Long-term debt	454,138.6	330,718.1
Short-term debt (including current portion)	165,960.6	234,897.4
Total debt (A)	620,099.2	565,615.5
Cash and cash equivalents	159,921.5	116,909.9
Mutual funds (current portion)	95,016.2	75,327.0
Total investible surplus (B)	254,937.7	192,236.9
Net debt (A - B)	365,161.5	373,378.6
Equity (including minority interest)	631,696.3	373,905.7
Net debt/equity	0.58	1.00

EXHIBIT 8.1

We have the following subsidiaries as of March 31, 2014:

Sr No.	Name of the Subsidiary Company	Country of incorporation
1.	Concorde Motors (India) Ltd.	India
2.	Sheba Properties Ltd.	India
3.	TAL Manufacturing Solutions Ltd.	India
4.	Tata Motors European Technical Centre Plc.	UK
5.	Tata Motors Insurance Broking and Advisory Services Ltd.	India
6.	Tata Motors Finance Ltd.	India
7.	TML Holdings Pte. Ltd.	Singapore
8.	Tata Daewoo Commercial Vehicle Co. Ltd.	South Korea
9.	Tata Daewoo Commercial Vehicle Sales and Distribution Co. Ltd.	South Korea
10.	Tata Motors (Thailand) Ltd.	Thailand
11.	Tata Motors (SA) (Proprietary) Ltd.	South Africa
12.	TML Distribution Company Ltd.	India
13.	Tata Hispano Motors Carrocera S.A.	Spain
14.	Tata Hispano Motors Carrocerries Maghreb SA	Morocco
15.	TML Drivelines Ltd.	India
16.	PT Tata Motors Indonesia	Indonesia
17.	PT Tata Motors Distribusi Indonesia	Indonesia
18.	Trilix S.r.l.	Italy
19.	Tata Precision Industries Pte. Ltd.	Singapore
20.	Tata Marcopolo Motors Ltd.	India
21.	Tata Technologies Ltd.	India
22.	Tata Technologies (Thailand) Ltd.	Thailand
23.	Tata Technologies Pte. Ltd,	Singapore
24.	INCAT International Plc.	UK
25.	Tata Technologies Europe Ltd	UK
26.	INCAT GmbH	Germany
27.	Tata Technologies Inc.	USA
28.	Tata Technologies de Mexico, S.A. de C.V.	Mexico
29.	Tata Technologies (Canada) Inc.	Canada
30.	Cambric Holdings Inc.	USA
31.	Cambric Corporation	USA
32.	Cambric Limited	Bahamas
33.	Cambric Consulting SRL	Romania
34.	Cambric GmbH	Germany
35.	Cambric UK, Limited	UK
36.	Cambric Managed Services Inc.	USA
37.	Midwest Managed Services	USA
38.	Cambric Manufacturing Technologies (Shanghai) Co. Limited *(Incorporated w.e.f. March 10, 2014)*	China
39.	Jaguar Land Rover Automotive Plc	UK
40.	Jaguar Land Rover Ltd.	UK
41.	Jaguar Land Rover Austria GmbH	Austria
42.	Jaguar Land Rover Belux NV	Belgium
43.	Jaguar Land Rover Japan Ltd.	Japan
44.	Jaguar Cars South Africa (Pty) Ltd.	South Africa
45.	Jaguar Land Rover Italia Spa	Italy

46.	JLR Nominee Company Limited	UK
47.	The Daimler Motor Company Ltd.	UK
48.	The Jaguar Collection Ltd.	UK
49.	Daimler Transport Vehicles Ltd.	UK
50.	S.S. Cars Ltd.	UK
51.	The Lanchester Motor Company Ltd.	UK
52.	Jaguar Land Rover Espana SL	Spain
53.	Jaguar Land Rover Deutschland GmbH	Germany
54.	Land Rover Ireland Ltd.	UK
55.	Land Rover Group Ltd.	UK
56.	Jaguar Land Rover North America LLC	USA
57.	Jaguar Land Rover Nederland BV	Netherlands
58.	Jaguar Land Rover Portugal - Veiculos e Pecas, LDA	Portugal
59.	Jaguar Land Rover Australia Pty Ltd	Australia
60.	Jaguar Land Rover Korea Co. Ltd	South Korea
61.	Jaguar Land Rover Automotive Trading (Shanghai) Ltd.	China
62.	Jaguar Land Rover Canada ULC	Canada
63.	Jaguar Land Rover France, SAS	France
64.	Jaguar Land Rover South Africa (Pty) Ltd	South Africa
65.	Jaguar e Land Rover Brasil Importacao e Comercia de Veiculos Ltda	Brazil
66.	Limited Liability Company “Jaguar Land Rover” (Russia)	Russia
67.	Land Rover Parts Ltd.	UK
68.	Jaguar Land Rover (South Africa) Holdings Ltd.	UK
69.	Jaguar Land Rover Holdings Limited	UK
70.	Jaguar Land Rover India Ltd	India