



Bombay Stock Exchange Limited  
First Floor, New Trading Ring  
Rotunda Building, P J Towers  
Dalal Street, Fort, Mumbai 400 001  
**Kind Attn : Mr Khushro A. Bulsara, GM & Head**  
**- Listing Compliance & Legal Regulatory**

National Stock Exchange of India Ltd.  
Exchange Plaza, 5<sup>th</sup> Floor  
Plot No.C/1, G Block  
Bandra-Kurla Complex  
Bandra (East), Mumbai 400 051  
**Kind Attn: Mr Avinash Kharkar, Asst. Vice**  
**President**

August 10, 2016  
Sc- 15174

Dear Sirs,

**Re: 71<sup>st</sup> Annual General Meeting of the Company for FY 2015-16 held on August 9, 2016**

This is to inform you that Annual General Meeting (AGM) of the Company was held on August 9, 2016 at 3:00 p.m. at Birla Matushi Sabhagar, Mumbai.

Enclosed please find 71<sup>st</sup> Annual Report of the Company for FY 2015-16 after adoption of the financial statements for the said Financial Year by the shareholders at the AGM as per the requirement under Regulation 34 of the SEBI LODR Regulations.

Yours faithfully,  
Tata Motors Limited

H K Sethia  
Company Secretary

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**TATA MOTORS LIMITED**

Bombay House 24 Homi Mody Street Mumbai 400 001

Tel 91 22 6665 8282 Fax 91 22 6665 7799

[www.tatamotors.com](http://www.tatamotors.com) CIN L28920MH1945PLC004520

TATA MOTORS



TOWARDS  
TOMORROW



71<sup>st</sup> ANNUAL REPORT 2015-2016

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**Jaguar Land Rover's Business**

The strengths of Jaguar Land Rover include iconic globally positioned brands, a strong product portfolio of award winning luxury and high performance cars and premium all-terrain vehicles, a global distribution network, strong product development and engineering capabilities and a strong management team.



**Tata Motors' Business**

Tata Motors have progressed in key areas of engineering, manufacturing, world-class sales and service support, for an overall superior customer experience.

**ANNUAL GENERAL MEETING**

**Date:** Tuesday, August 9, 2016      **Time:** 3.00 p.m.

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



## **MISSION**

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**We innovate, with passion, mobility solutions to enhance quality of life**

## **VALUES**

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- Integrity
- Teamwork
- Accountability
- Customer Focus
- Excellence
- Speed

## **VISION**

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**As a High Performance Organization, we are, by FY2019**

- Among the Top 3 in Global CV and Domestic PV
- Achieving Sustainable Financial Performance
- Delivering Exciting Innovations

## CORPORATE INFORMATION

### CHAIRMAN EMERITUS

**Mr Ratan N Tata**

### BOARD OF DIRECTORS

**Mr Cyrus P Mistry**

*Non Executive Director and Chairman*

**Mr N N Wadia**

*Non Executive, Independent Director*

**Dr R A Mashelkar**

*Non Executive, Independent Director*

**Mr S Bhargava**

*Non Executive, Independent Director*

**Mr N Munjee**

*Non Executive, Independent Director*

**Mr V K Jairath**

*Non Executive, Independent Director*

**Ms Falguni Nayar**

*Non Executive, Independent Director*

**Dr Ralf Speth**

*Non Executive Director*

**Mr Guenter Butschek**

*CEO and Managing Director*

**Mr Ravindra Pisharody**

*Executive Director (Commercial Vehicles)*

**Mr Satish Borwankar**

*Executive Director (Quality)*

### ExCom

**Mr Guenter Butschek**

*CEO and Managing Director*

**Mr Ravindra Pisharody**

*Executive Director  
(Commercial Vehicles)*

**Mr Satish Borwankar**

*Executive Director (Quality)*

**Mr C Ramakrishnan**

*Group Chief Financial Officer*

**Mr Mayank Pareek**

*President*

*(Passenger Vehicle Business Unit)*

**Dr Timothy Leverton**

*President and Head,*

*Advanced and Product Engineering*

**Mr Gajendra Chandel**

*Chief Human Resource Officer*

**Mr Shailesh Chandra**

*Vice President Corporate Strategy  
& Business Transformation*

**Ms Minari Shah**

*Head - Corporate Communications  
(Associate Member of ExCom)*

### OTHER SENIOR MANAGEMENT

**Mr Prasann Chobe**

*Sr Vice President*

*(Head Mfg Operations, CVBU)*

**Mr Girish Wagh**

*Sr Vice President (PPPM, PVBU)*

**Mr Abhijit Gajendragadkar**

*Sr Vice President*

*(Business Planning and Controlling)*

**Mr R Ramakrishnan**

*Sr Vice President*

*(Product Strategy and Planning & Customer Value)*

**Mr Nagesh Pinge**

*Vice President (Internal Audit)*

### COMPANY SECRETARY

**Mr H K Sethna**

## REGISTERED OFFICE

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

Tel: +91-22-66658282

Fax: +91-22-66657799

Email: [inv\\_rel@tatamotors.com](mailto:inv_rel@tatamotors.com)

Website: [www.tatamotors.com](http://www.tatamotors.com)

## AUDITORS

[Deloitte Haskins & Sells LLP](#)

(Registration No. 117366W/W — 100018)

## CORPORATE IDENTITY NUMBER (CIN)

[L28920MH1945PLC004520](#)

## WORKS

Jamshedpur

Pune

Lucknow

Pantnagar

Sanand

Dharwad

## SHARE REGISTRARS

[TSR Darashaw Limited](#)

6-10, Haji Moosa Patrawala Industrial Estate 20,  
Dr E Moses Road, Mahalaxmi, Mumbai 400 011

Tel: +91-22-66568484

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Website: [www.tsrdarashaw.com](http://www.tsrdarashaw.com)

## BANKERS

Allahabad Bank

Andhra Bank

Bank of America

Bank of Baroda

Bank of India

Bank of Maharashtra

Central Bank of India

Citibank NA

Corporation Bank

Deutsche Bank

Federal Bank

HDFC Bank

Hongkong and Shanghai  
Banking Corporation

ICICI Bank

IDBI Bank

Indian Bank

Kotak Mahindra Bank

Karur Vysya Bank

Punjab National Bank

Standard Chartered Bank

State Bank of India

State Bank of Mysore

State Bank of Patiala

Union Bank of India

United Bank of India

## CHAIRMAN'S MESSAGE

### Dear Shareholders,

The Financial Year 2015-16 was one of continued global volatility across different markets. The fall in oil prices and commodities have had varied impact across different companies and countries. The China slowdown continues to be an important global economic factor.

The news was more positive for India with robust GDP growth, making the country one of the fastest growing economies worldwide. The sustained start-up environment has also played an important role in bringing in global and domestic investment, opening up new opportunities and also helping to carry economic development beyond just the tier one cities. Moreover, there is, rightly so, a greater thoughtfulness towards investing in new or emerging companies with a greater attention to the right business models. This is a positive sign of a more mature and responsible economy.

Nonetheless there remain key challenges. The continued delay of some of the tax reforms continue to pose operational bottlenecks in a more streamlined movement of goods and services across the

country. The shadow of NPAs continue to haunt the Indian financial sector even as the sector is all set to grow with new financial institutions.

For the Tata Motors Group, 2015-16 was a year of mixed results but it was important to note the return to profitability. It was therefore a turnaround year, backed by strong Jaguar Land Rover growth despite challenges, as well as the start of the turnaround for Tata Motors standalone.

Jaguar Land Rover continued to show strong global sales, despite the China slowdown. It showed a strong growth in the key markets of North America and Europe. Its strong revenue growth reflected the demand for the new models such as Land Rover Discovery Sport, Jaguar XE and XF, that helped the Company add new customers to both brands across UK, Europe and North America. Jaguar Land Rover's solid financial performance through last year was clearly showcased by its selling more than half a million cars in one year for the first time.

Last year, it thus produced and sold more cars than at any time in its history. Its vehicles have received more than 140 awards for design, technology, safety and environmental sustainability. Besides winning the accolade of 'Best UK Employer' by Bloomberg, Jaguar Land Rover is one of the UK's largest exporters, with more than 80 percent of its revenue coming from exports.

There was good news for the Tata Motors standalone business as well. Tata Motors M&HCV business showed sustained growth for a year to lead the turnaround of the Indian business. Within this while some segments like the multi-axle vehicles and tractor



“

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trailers emerged as the key growth drivers, the tipper segment also started showing signs of recovery with demand coming primarily from coal mining regions. After the launch of advanced new platforms like Prima and Ultra, the launch of Signa in the last quarter of 2015-16 ensures that we lead from the front in bringing the most advanced technology to mainstream trucking. We expect this growth to sustain especially with the planned infrastructure projects now getting into execution. Strong GDP growth and consumer sentiment will also help sustain this momentum as will the upcoming regulatory changes.

As one of the world's largest bus manufacturers, with the most complete range of transit vehicles, meeting every need arising from day-to-day travel, Tata Motors continued to bring global technology for safe, comfortable and economical travel. The Company's push towards electric hybrid buses and articulated buses to meet the future transport needs for the envisaged Smart Cities got a significant validation with the order from MMRDA for 25 hybrid buses for Mumbai's modernistic business hub, the Bandra Kurla Complex.

We have witnessed some encouraging growth in LCVs and will continue to lead and grow in this space with new product introductions, also reaching out to customers in smaller cities and towns through new sales and service points.

2015-16 also saw a strong growth in defence as the Company transitions from a supplier of defence logistics solutions to a design and development company providing a comprehensive range of solutions including armoured combat vehicles. This has opened up significant domestic as well as international opportunities as Tata Motors joins hands with global partners to develop solutions for defence agencies everywhere.

The year was an exciting one for PV — not only did it mark the launch of the stylishly designed hatchback Tiago but it also was the first preview for what's coming. Since its launch, Tiago as the first completely new product marking the PV transformational journey has received strong bookings and great customer response. I was also delighted personally by the response that our new cars Hexa, Nexon and Kite-5 received from the industry and customers at the Greater Noida (Delhi) Auto Expo 2016. Our continued efforts towards enhanced customer experience also bore results as we

saw strong improvement in the JD Power Customer Satisfaction Index, as we moved up to the third rank in the industry.

We are all becoming used to unpredictable and dynamic market environments, learning to manage by anticipating customer needs, leveraging strong processes and building competitive product portfolios and networks. The new financial year will not be any different in the challenges it will pose, especially as the continued sway of technology is impacting the entire industry as consumer behaviour undergoes significant change. The recent Brexit Referendum will also add some uncertainty to the world of global business, but we are confident we can see through it with careful understanding of its long-term impact and strong robust processes to handle volatility. At Jaguar Land Rover, we will continue to invest in a sustainable, profitable growth strategy with a market defining product portfolio.

The Company remains the largest investor in automotive research in the UK, with cutting-edge innovation as the key to its future growth.

For the Tata Motors standalone business, this will mark a milestone year of growth, great launches and transformation. There continues to be the growing pressure of competition and we will look to bring in significant launches in PV and CV with focus on cost efficiencies to remain competitive.

A very important aspect of this transformational journey is the appointment of Guenter Butschek as the new CEO and MD for the Tata Motors standalone business. He brings tremendous global experience and expertise as well as operational insights to lead this transformation. I am delighted to welcome him on board.

I am optimistic about the future — it may be challenging but offers many positive opportunities across Tata Motors and Jaguar Land Rover. We remain committed to all our stakeholders and to the communities we work in, for sustainable profitable growth with continual community engagement.

Thank you all for your continued support, which I gently appreciate and cherish.



Chairman



Our continued efforts towards enhanced customer experience also bore results as we saw strong improvement in the JD Power Customer Satisfaction Index, as we moved up to the third rank in the industry.



## MANAGING DIRECTOR'S MESSAGE

### Dear Shareholders,

The Financial Year 2015-16 has been a year of recovery for Tata Motors with focus on introducing exciting mobility solutions and keeping customers central to our plans. Last year marked the start of the transformational journey of Tata Motors. A journey to leverage our global resources of people, design and R&D to offer differentiated products, with a comprehensive commercial and passenger vehicle offering. I see the previous financial year as the building base for this transformational journey to make Tata Motors future-ready.

A strong part of being prepared for the future is our product story. The Prima, Ultra and Signa platforms offer new paradigms for mainstream M&HCV markets and are well-timed to leverage the sustained growth in this segment from the last few quarters. These new launches represent the new technology-oriented Tata Motors, for instance with Telematics now a mandated feature on the Signa trucks. These are future-proofed platforms that can serve the Company's interests as new regulatory changes come into effect for trucks and buses, enabling the Company to continue leading and gaining market share. The new Bus Code and the government focus on smart cities offer clear opportunities for our well-established investments in Tata Marcopolo.

With the versatile Ace platform and the improved macro-economic trends, we should also see an improved growth there, including the pick-up segment where we expect to bring in new products. We expect SCVs to grow in the coming year, with greater proliferation of the Hub-N-Spoke logistics model and the implementation of GST. Relatively untapped potential in semi-urban and rural areas and improving urbanisation levels will further help improve volumes in this segment.

Defence is the other major segment for growth and an opportunity in the years to come, as it opens up to greater private sector participation. Tata Motors has long been a Defence partner, in no small reason because of its ability to work closely for multi-year product development cycles. With its ever-greater technology orientation and the ability to bring in global partnerships, as seen in recent agreements with Bharat Forge and General Dynamics, the Company will continue to widen its product portfolio that allows it to take advantage of domestic as well as international market opportunities.

Global expansion will in fact be an important theme for going forward as it offers economies of scale and returns on our R&D investment, longer product cycles across markets and is the best de-risking strategy to reduce dependence on cyclical markets. The previous year saw us increase our exports and the comprehensive CV portfolio offers us multiple opportunities to grow these further, especially in emerging markets of Asia, Africa and Latin America. It also offers the added benefit of an enhanced global mindset in our products, services and processes.

The launch of the new mid-segment hatchback Tiago and the overwhelming customer response mark the start of a completely new product portfolio for our cars. At the Noida (New Delhi) Auto Expo in February 2016, we provided a sneak preview of the exciting range of cars coming up. These cars from the lifestyle SUV Hexa to the compact SUV Nexon; as well as the new compact sedan currently code-named Kite 5 all won acclaim from the public and critics alike. We look forward to continually bringing these and more disruptive and exciting new offerings for passenger vehicle customers.



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Across CV and PV, we are determined to bring product offerings that lead the change the true hallmark of an innovator. Our well-defined plan includes developing multiple new platforms with advanced technologies, constantly working on improving the performance and reliability of existing ones, keeping in mind changing customer preferences and regulations. Additionally, we continue to work towards network enhancement to ensure unremitting focus on customer service. We will provide greater on-ground and virtual access to our customers for new products as well as after-sales services while constantly upgrading the delight quotient.

### Building a "FUTUREADY" organisation

However, it is important to emphasise that the transformation goes beyond just the products — we have launched a holistic journey that will touch upon all the key aspects of our business. We have recently re-articulated the Tata Motors Mission and Vision in clear and differentiated terms to clearly explain who we are, as well as to put forth a tangible action plan with defined results for the immediate future.

Our Mission is to **innovate mobility solutions with passion to enhance quality of life**. We are a company that has consistently

innovated across passenger and commercial vehicles to provide mobility solutions for people and goods. With deep insight into customer needs, we offer the widest portfolio of solutions. We have regularly created new categories to fulfil latent needs, bringing in the most advanced technologies to offer relevant solutions.

As a part of the Tata group, we believe in making a difference for our people, for the communities we are part of and for the country. This Mission statement clearly defines our *raison d'être* and our passionate commitment to bring innovation into everything we do.

Our Vision defines more specific targets: to achieve **sustainable financial profitability in the next three years**. We are working towards growing, not just the volumes and top line but the bottom line as well. We aim to **be among the top 3 global CV and domestic PV** and lastly, **deliver exciting innovations**.

There is a well defined roadmap to achieve these with a deep focus on robust processes, cost efficiencies and people management to enhance productivity and align business goals across the Company. These initiatives will help us build a faster, leaner, more agile organisation with focus on globally benchmarked design, technology and quality. Last but certainly not the least, these will be backed by a well-considered brand strategy to guide and prioritise business planning ahead.

In short, we had the start of a turnaround last year. We have an exciting journey ahead in the coming years. I am delighted to be a part of and leading this journey. With a result-oriented plan ahead, I am sure the coming year will be as fulfilling for all of us at Tata Motors as for our shareholder family.



Managing Director



We have launched a holistic journey that will touch upon all the key aspects of our business. We have recently re-articulated the Tata Motors Mission and Vision in clear and differentiated terms to clearly explain who we are, as well as to put forth a tangible action plan with defined results for the immediate future.



## BOARD OF DIRECTORS



**Mr Cyrus P Mistry**  
*Non-Executive Director and Chairman*

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

Mr Mistry was earlier managing director of the Shapoorji Pallonji group. He was also responsible for building the infrastructure development vertical in the Shapoorji Pallonji group.

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

**Mr Nusli N Wadia**  
*Non-Executive, Independent Director*

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

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



**Dr Raghunath A Mashelkar**  
*Non-Executive, Independent Director*

Dr Mashelkar is an eminent chemical engineering scientist who retired from the post of Director General from the CSIR and is the President of Indian National Science Academy (INSA), National Innovation Foundation, Institution of Chemical Engineers, UK and Global Research Alliance.

The President of India honoured Dr Mashelkar with the Padma Shri (1991), the Padma Bhushan (2000) and the Padma Vibhushan (2014). Dr Mashelkar holds a Ph.D. in Chemical Engineering from the Bombay University.

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





### Mr Nasser Munjee

*Non-Executive, Independent Director*

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

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

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

### Mr Subodh Bhargava

*Non-Executive, Independent Director*

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

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

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



### Mr Vinesh K Jairath

*Non-Executive, Independent Director*

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

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

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



**Dr Ralf Speth***Non-Executive Director*

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

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

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

**Ms Falguni S Nayar***Non-Executive, Independent Director*

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

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

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

**Mr Guenter Butschek***CEO and Managing Director*

Mr Guenter Butschek is the Chief Executive Officer and Managing Director of the Company. Mr Butschek's last assignment was with Airbus group where he served as Chief Operating Officer and Member of the Group Executive Committee. Prior to Airbus, Mr Butschek worked at Daimler AG, where he gained more than 25 years of experience in international automotive management, holding functions like production, industrialisation and procurement. He has rich global experience of growing organisations and in developing new markets.

Mr Butschek graduated in Business Administration and Economics with a diploma from the University of Cooperative Education Stuttgart, Germany. Mr Butschek was appointed as an Additional Director of Tata Motors with effect from February 15, 2016.





**Mr Ravindra Pisharody**  
*Executive Director (Commercial Vehicles)*

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



**Mr Satish B Borwankar**  
*Executive Director (Quality)*

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

## HIGHLIGHTS

### All eyes on the Tiago

One of the highlights of the year was the launch of Tata Motors' cool new hatchback, the TIAGO. With design inputs from Pune, UK and Italy, the globally benchmarked Tiago sets a new and high standard for the Indian hatchback segment. The Tiago is the first car to be launched under our Made Of Great campaign and the first to embody our new Impact Design language.

### #madeofgreat

One of the year's standout events was the signing up of football legend Lionel Messi, voted Best Player of the World four times in a row. Messi is the brand ambassador for Tata Motors passenger vehicles globally. The association campaign, appropriately named #madeofgreat, emphasises the strong consumer motivation of 'seeking excellence' and 'self belief'. The core idea of this campaign is the inspiring thought – 'What drives us from within is what makes us great' – the essence of Tata Motors.

### A new design language

The Passenger Vehicle Business's new Impact Design language was developed keeping the media-saturated customer in mind. It stands for 'Immediate impact at first sight, lasting impact over time'. Impact design will be achieved through key design elements on the exterior and interior of vehicles. Exterior design will be defined through 'EXciting', 'EXpressive' and 'EXtraordinary' features such as exciting architecture and pleasing proportions, expressive surfaces and graphics, and details inspired by Indian architecture. 'INViting', 'INTelligent' and 'INTouch' features such as intelligent cabin and driver-focused layout and layered cockpit design will define the interior of the vehicles.

### GenX Nano is here

The ground-breaking Nano continues to innovate and evolve in line with the needs of our customers. Tata Motors launched the all-new GENX NANO range, which comes with advanced technological features such as automated manual transmission, power steering, bluetooth connectivity and much more, making the GenX Nano the perfect city car.

### Signa signals the future

Tata Motors launched the new and future ready SIGNA range of world class medium and heavy commercial vehicles, designed for



applications in haulage and construction. With smartly designed cabin space, improved ergonomics and NVH levels, best-in-class fuel efficiency and the Tata Fleetman telematics system, the Signa offers drivers and owners a superior driving experience unlike any other.

(12-15)



### The ultimate Ultra

After the world-class range of Prima trucks, the ULTRA represents the global standard in intermediate and light commercial vehicles. Stylish and futuristic, with smart utility features, the Tata Ultra has been engineered to meet changing customer needs. The new Tata Ultra 1518 launched recently is a fabulous combination of world-class performance parameters, with enhanced levels of durability, reliability, driver comfort, high load carrying capacity and safety, along with best life-cycle cost.

### Mega superior

The launch of the Tata ACE MEGA with its best-in-class combination of power, speed and fuel efficiency stands to redefine the benchmarks of the small commercial vehicle segment. The Ace Mega comes preloaded with enhanced looks, a strong cabin, rated payload of one tonne, and lowest cost of ownership, which makes it a valuable and an innovative cargo transport solution for both intra and intercity transportation.



### Jaguar Land Rover surges ahead

This year has been a big year for Jaguar Land Rover with the launch of two vehicles, increasing the offering and creating new growth opportunities: the Range Rover Evoque Convertible – the most capable convertible ever, and the Jaguar F-PACE – the ultimate practical sports car. Other highlights included the Jaguar XE and XF winning a host of awards.

The new Jaguar F-TYPE SVR made its global debut at the Geneva Motor Show and will go on sale in summer 2016. Capable of 200mph, the new F-TYPE SVR is the first Jaguar SVR and is developed to exploit the two-seat aluminium sports car's full potential while retaining its day-to-day usability. Lighter, faster and more powerful, the new F-TYPE SVR takes performance, dynamics and driver involvement to a new level yet retains the comfort and duality of character inherent to all Jaguar cars.







### Land Rover goes convertible

Launched in 1948, the Land Rover line is now 68 years old. The landmark six-millionth Land Rover was a Range Rover Vogue SE, which rolled off Jaguar Land Rover's Solihull production line in April. Range Rover took a new step by launching the new Range Rover Evoque Convertible in London, heralding the dawn of a new era in all-season convertible driving. Lowering its roof for the first time, the vehicle opened up the world of roof-down motoring all year round for drivers all around the globe.

This was also an iconic year for the Land Rover Discovery Sport with the 100,000th sold, and launched in China and India. Winning a host of awards, particularly in the prestigious safety category, has confirmed the excellence of the vehicle's design, versatility and capability. With a Discovery Sport rolling off the production line every three minutes, strong demand continues to fill the order books.

### T1 racing roars again

Season 3 of the Tata Motors T1 Racing Championship opened in Delhi with an added innovative element. This time around there were two separate categories of races, the Pro class with internationally experienced racing truck drivers, and the Super class featuring Indian talent. This year Tata Motors introduced the T1 Racer Program, which attracted over 550 driver nominations from our customers' businesses. A dozen drivers, shortlisted based on their driving experience, participated. A crowd of over 50,000 cheered the powerful racing trucks at the Buddh International Circuit in Delhi.



### Combat vehicles

Tata Motors Defence Solutions is participating in a programme to make Future Infantry Combat Vehicles (FICV) for the Indian Ministry of Defence (MoD). For this Tata Motors has signed a strategic agreement with India's Bharat Forge Limited and US-based General Dynamics Land Systems (GDLS). Tata Motors will lead the consortium, with Bharat Forge Limited as a partner, while General Dynamics Land Systems will bring in its much proven expertise in combat vehicle platforms.

The FICV is a high mobility armoured battle vehicle. It needs to be compact, tracked and amphibious, no heavier than 18-20 tonnes, so that it can be air-portable and transportable by other means, onto combat zones. The vehicle must fire anti-tank guided missiles to ranges beyond four kilometers, with a capability to carry a crew of three and eight combat-kitted infantrymen. The FICV will replace the Indian Army's fleet of 2610 Russian-designed BMP (Sarith BMP-II) series armed vehicles, that are in operation since 1980.

### Upping the ante on service

Tata Motors has consistently tried to offer its customers an enhanced service experience and its efforts have catapulted it to the 3rd spot in the JD Power India Customer Service Index Study 2015. One of the new, industry-leading service initiatives undertaken last year was a series of mega service camps which were organised at all Tata Motors dealerships and authorised

service centres across 287 cities. The third phase of the free comprehensive vehicle health check-up camp was conducted at over 1,000 locations. Customers availed of discounts, special offers and attractive exchange offers.

### Superior service experiences

Continuing its endeavour to get closer to its customers, Tata Motors is expanding its network, both for passenger and commercial vehicles. As a part of its commitment to increase its network by three-fold in the next 5 years across the country, Tata Motors has set up state-of-the-art dealerships in strategic locations such as Jogeshwari in Mumbai, Salem in Tamil Nadu and Firozabad in Uttar Pradesh. These strategically located dealerships provide customers with a complete '3S' experience of sales, service and spare parts, fulfilling their requirements and enabling an enhanced purchase experience and quality after-sales support under one roof.

### Investment in innovation

Tata Motors is continuing to invest in auto technologies for the future. The new £150 million National Automotive Innovation Centre (NAIC) coming up on the campus of the University of Warwick in UK will be the largest automotive research centre of its kind in Europe. It is funded by Jaguar Land Rover, Tata Motors, the University of Warwick and the UK Government.

NAIC's 33,000 sq m complex, which seats 1,000 engineers and designers, will help deliver breakthrough technologies in areas such as carbon reduction, smart and connected vehicles, and advanced propulsion systems including internal combustion engines, hybrid and electric systems. The high tech research facilities will include a design and simulation space creating innovative automotive solutions, an Advanced Propulsion Research Laboratory, and the world's most adaptable and advanced fully immersive drive-in car simulator.

### A year of milestones

Tata Motors celebrated the 10th anniversary of Tata Ace, India's number one mini truck. When it was launched in 2005, Tata Ace pioneered the small commercial vehicle (SCV) category. In just a decade, the Ace family has crossed the 1.5 million sales mark and captured 85% market share. It is also the most successful SCV brand -- one in every five commercial vehicles sold in India is from the Ace family.

Tata Motors achieved yet another feat in its last mile public transport portfolio. Its popular public transport vehicle, Tata Magic, crossed the 3 lakh sales mark. What makes this achievement significant is that with Tata Magic, Tata Motors has been able to capture the market despite the stringent regulations that have to be met.

### News from around the world

- ▶ Tata Ace crosses 100,000 in sales in international markets across South Asia, Africa, and the ASEAN regions and is currently available in over 20 countries
- ▶ Sri Lanka is introduced to the GenX Nano
- ▶ Tata Bolt is launched in South Africa
- ▶ Zest and Bolt are launched in the Sri Lanka and Nepal markets
- ▶ Dubai gets the Tata Elnaza bus
- ▶ Bangladesh sees entry of Ultra range of trucks
- ▶ Tata Xenon and the Prima Prime Mover launched in Malaysia
- ▶ Tata Motors to assemble CVs in Tunisia

## INNOVATION AT TATA MOTORS

Cutting edge auto technologies are core to the company's new product development processes. The Tiago car and Signa range of trucks represent the most advanced vehicle architecture for passenger and commercial vehicles developed in India today. Our new concept cars Hexa and Kite, and the Nexon SUV showcase the innovative capabilities built up by the company.

### Innovation Plus

For years, Tata Motors has consciously worked to embed innovation deep in the organisation's culture. Today over 4,500 engineers and scientists work to push the edges of innovative thinking in the company's R&D centres in India, UK and South Korea. The impact of this focus on innovation is most evident in the company's expanding portfolio of products.



### Engineered for the customer

Customer centricity is at the heart of several of our technology innovations. For example, the Zest, Bolt and Tiago cars now offer customers the convenience of the multi-drive option – where the customer can choose between three different drive modes depending upon whether they need more power, higher fuel efficiency or a blend of both. The new engines, Revotron and Revotorq, which have pushed the envelope for Indian diesel and petrol cars were developed in the company's R&D centres at India and UK. Our commercial vehicles are engineered to offer customers the ideal mix of power, fuel efficiency and lowest cost of ownership. Technologically, they have advanced to offer fleet owners the fingertip convenience of nationwide networking and telematics through the Tata Fleetman telematics systems.

The organisation's ability to develop new mobility solutions extends to the defence sector. Tata Motors designed and developed the Kestrel, a futuristic combat vehicle, along with the Defence Research and Development Organisation. The amphibious and wheeled infantry combat automobile was developed in a record period of 18 months.

### Green technologies

Sustainability is one of the organisation's pillars and also the heart of the innovation programme – an example of this is the intensive work being done on alternate fuels. Tata Motors has developed hydrogen fuel cell technology that can power both passenger and commercial vehicles to reduce dependency on fossil fuels. This technology was developed with support from the Government of India's Department of Scientific and Industrial Research.



The hydrogen fuel cell technology works by combining compressed hydrogen with oxygen to generate electricity in the fuel cell. This charges a battery that powers the motor, with water vapour being the only emission. This futuristic technology turned heads when it was showcased at the Auto Expo 2016 on the Magic Iris Ziva, our popular last mile passenger transport vehicle.

Tata Motors has already developed next-gen clean, green fuel based commercial vehicles, such as the Magic Iris Electric, a zero-



emission commercial passenger vehicle which uses solar energy for supplementary charging, and the hybrid Starbus, a clean fuel solution for public transport.

### Culture of innovation

Innovation at Tata Motors goes deep beyond product and technology to encompass other aspects of operations such as marketing and customer service. The Madeofgreat campaign that roped in football legend Lionel Messi as a brand ambassador for Tata Motors cars created waves around the world. Another case in point is the path-breaking T1 racing championship event that multiplies the excitement of Formula1 racing with the raw power and force of truck engines.

Our customers get the benefit of the Tata Motors' creative approach at various touchpoints. For example, the Tiago offers a virtual test drive app that uses motion and gesture recognition technology to give the user a virtual on-road driving experience, while also showcasing the car's noteworthy features.

India's first service app –Tata Motors Connect – gives our customers a stress-free driving experience by connecting instantly to the dealer and workshop network through GPS navigation. VTabs is another new service-related application that tracks vehicles that come in to our service centres through RFID readers; this helps reduce time taken for servicing, thus directly benefiting our customers.

Innovative thinking percolates through the organisation in many ways. Our people engage with each other through creative

## Environmental innovation

Our subsidiary Jaguar Land Rover has placed its focus on environmental innovation at the centre of its business vision. As the UK's biggest investor in automotive R&D, Jaguar Land Rover has developed a range of solutions to reduce the carbon footprint of vehicles and improve air quality while maintaining the performance and refinement standards expected by customers.

Other advances include enhancements to the customer value proposition, such as the InControl Touch Pro infotainment system. This already leads the industry and Jaguar Land Rover was the first to launch the UK's real-world testing of connected and autonomous vehicle technology. Innovation is clearly the best platform to handle challenges from transformative technologies powered by new entrants such as Apple and Google.

platforms such as the enterprise social networking tool Yammer, informal networking sessions, learning sessions and webinars, etc.

At Tata Motors, we constantly strive to offer the best vehicle experience to our global customers. Innovation is one of the drivers of this journey.

## DESIGN LANGUAGE

### Impact at first sight

First impressions matter. The latest vehicles from the Tata Motors portfolio are designed to stand out from the crowd because of their appearance and style. Technology and user experience are critical, but the first impression created in the customer's mind comes through exteriors and looks, making design a key factor in purchase decisions.

Design at Tata Motors is not a standalone function, it is the first step in the new product development process, thus ensuring that aerodynamic fluidity, unique design elements and contemporary styling are embedded in the basic exoskeleton of the vehicle.

Tata Motors has introduced its new Impact Design language for the Passenger Vehicles division, a philosophy that creates a youthful,

energetic and bold look and makes our cars stand out on the road. The newly launched Tiago and the Signa range of trucks are the first vehicles from the company that bear the unique Tata Motors' signature stamp.

### International styling

Design@Tata Motors is a global function, operating out of its three design studios in Pune, Italy and UK. Our designers share a love for automobiles along with the best of tools, training and experience, globally. From a strength of 80 a few years ago, the Design team is now 200 strong.

The three centres work as a seamless team to deliver exciting and compelling designs. Each centre brings unique strengths and tools to the table. The Pune Design Studio has enormous experience in bringing products to market. Most of the CV designs are created out of the Pune studio. The UK Design Studio leverages its proximity to some of the best design schools in the world to deliver high quality capabilities in clay and digital modelling. The Italy Design Studio delivers high end styling and looks through its team of creative engineers and craftsmen.



The newly launched Tiago embodies the best of design with its ideal segment size, perfect cabin-hood-body proportions and a dynamic silhouette. The Tiago interiors are designed to offer a premium experience along with best-in-class features and technologies.

Our Design Studios have together delivered the BOLT, ZEST and the TIAGO, bringing international styling and flair to the Indian car market.

### The design process

Design is now an integral part of the NPI process at Tata Motors. The Design team is involved from the early stages of the product definition process. This includes identifying the target customer, core vehicle architecture, etc. After an intense creative phase, where the designers make hundreds of sketches, there is rigorous shortlisting phase where only a handful of designs make it to the final stage. The next step is to go 3D! The Design team uses 3D modelling, creating both digital and physical models in foam and clay, to give realistic representations of what the product will look like. The best design goes into production, and then on the road, to earn auto awards!

### Uniquely Tata

Tata Motors' Impact Design language integrates the best of style and convenience to give the customer a look like no other. Here are some of the unique elements of the Design language:

- ▶ New front façade with a signature grille that displays the 32 Trust and Humanity lines
- ▶ Diamond shaped window graphic
- ▶ Slingshot line that emphasises the rear architecture

### Intelligent design

The Design Function is complemented by the capabilities of the R&D centres at Pune and UK. For example, through the UK-based Tata Motors European Technical Centre (TMETC), Tata Motors is developing body structures which are lightweight, cost effective, and supply ever increasing levels of performance, quality and refinement, the result of a diligent approach to intelligent Body in White design.

Our subsidiary Jaguar Land Rover operates at the cutting edge of automotive design, technology and innovation to create the world's best products and services for our customers. Some of the successes include a remote control Range Rover Sport which can be operated through the user's smartphone (useful for getting out of tight parking spaces).

Thus, vehicles from Tata Motors are now being designed to be more user-centric and intelligent, with better fuel efficiency and stronger performance levels. And, the new focus on design has led to a global design language that is both customer centric and innovative, thus redefining the company's signature looks and elevating the design standard across the passenger and commercial vehicle car segments.



## PRODUCT SUSTAINABILITY

### Zippy performance, zero emission

Tata Motors showcased its futuristic hydrogen fuel cell technology at the Auto Expo 2016 in the Magic Iris Ziva, its popular last mile passenger transport vehicle. The gearless vehicle will have zero emissions due to the use of a hydrogen fuel cell. It also boasts of a powerful electric motor, powered by batteries, which enables the vehicle to run up to 40km in pure electric mode. The perfect solution for smart connected cities, the Magic Iris Ziva was developed with support from the Government of India's Department of Scientific and Industrial Research under the Technology Development and Demonstration Programme.



### Clean power, green drives

Tata Motors' concern for the environment and commitment to sustainability has placed it at the forefront of the Indian automobile industry's efforts to tackle pollution and intensify its focus on developing alternative fuel engine technologies.

### The future of transport

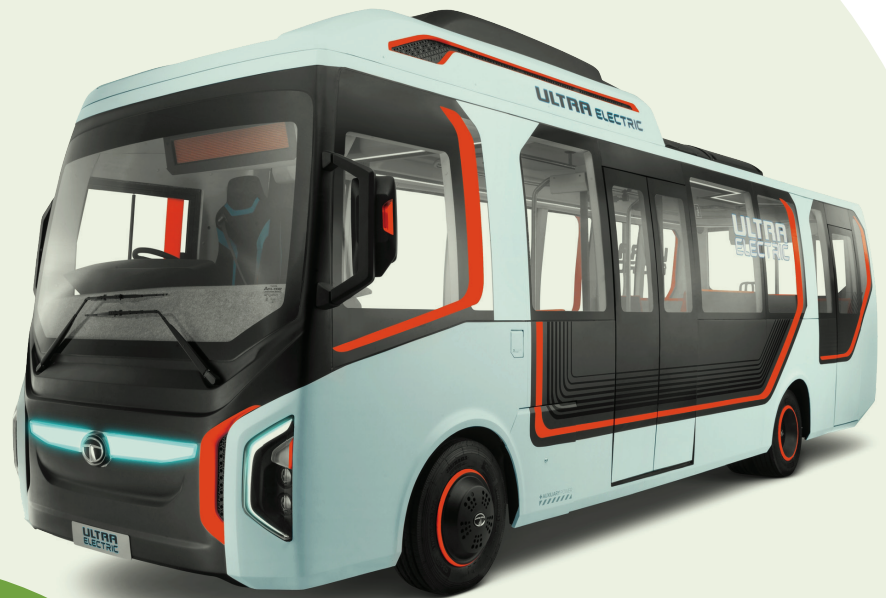
Reiterating its commitment towards reducing carbon emissions, Tata Motors showcased Starbus Hybrid, the world's first commercially produced CNG hybrid bus, at the Auto Expo 2016. A radical new transport option, the Starbus Hybrid offers substantial improvement in fuel economy and emits lower emissions as compared to conventional buses. The vehicle produces zero emissions when it works on electric mode, while the CNG mode is BS 4 compliant. It also uses new-generation lithium ion phosphate batteries (prismatic cell).

It is a matter of pride for Tata Motors that it recently bagged the single largest order awarded for hybrid electric vehicles. It signed a contract to supply 25 Starbus Diesel Series hybrid electric buses to the Mumbai Metropolitan Region Development Authority. These buses will be used to connect Bandra Kurla Complex to Sion, Bandra and Kurla railway stations over the next year, improving feeder services to Mumbai's fastest-growing business hub.



## An electric ride

The Ultra Electric Bus, the first fully electric bus from Tata Motors, was introduced at the Auto Expo 2016. Built on the popular Tata Motors Ultra platform, the electric bus is meant for the urban commute. With complete electric drivetrain and zero emissions, the Ultra Electric Bus ensures low noise and vibration for a comfortable ride. Other features include roomy interiors which can be customised, utility provisions like charging ports and Wi-fi hotspot for on-the-go connectivity, high levels of security with Intelligent Transport System and security cameras, and new-generation telematics for efficient and user-friendly vehicle maintenance and tracking.



## Clean speed

Jaguar Land Rover has been working on the electrification of powertrains over the last seven years. The company has developed a range of advanced plug-in hybrid (PHEV), mild hybrid (MHEV) and battery electric vehicle (BEV) propulsion systems.

As well as hybridisation and electrification, Jaguar Land Rover is working to make internal combustion engines cleaner and more energy efficient. The highly efficient diesel Ingenium engine achieves just 109g/km CO<sub>2</sub> in the new Evoque, and 99g/km of CO<sub>2</sub> in the new Jaguar XE. Moreover, the company has made advances in lightweight aluminium vehicle architecture to significantly reduce the weight of the body. Jaguar Land Rover is the largest user of sheet aluminium in the UK, and a world leader in aluminium recycling.



## CONNECTED VEHICLES

### Intelligent transport systems

Connected vehicles represent a big step forward in mobility solutions by integrating vehicles with communication systems. The technology platform allows users to connect to the vehicle via smartphones, wi-fi networks, bluetooth technologies, etc. It brings the world of voice recognition, music, GPS systems, navigation guides, vehicle tracking and much more, to the customer's fingertips.

Tata Motors' collaboration with Harman brings some of the industry best solutions for connectivity and convenience to our customers. The Tiago is the first car to roll out with these advanced features.

### Next-gen infotainment system

Recognising the customers' increasing need for connectivity, Tata Motors' new hatchback, the Tiago, is equipped with an intelligent infotainment system designed exclusively by Harman. The audio acoustics system can play music via radio, USB, iPod, auxiliary cable and Bluetooth audio. It also boasts of an eight-speaker audio system with speed-dependent volume control. The system, also available in the Bolt and Zest, supports a rich multimedia experience, video playback, smartphone-based navigation, advanced Bluetooth technology, smart voice recognition, advanced smartphone integration, and incoming SMS notification and read-outs.



### Navigation made simple

The Tiago also introduces a segment-first application – the Turn-by-Turn Navi app that displays map navigation when connected to a smartphone via Bluetooth. Audio prompts and hard key operations that control navigation enhance convenience. The app also provides guidance on the estimated time of arrival and next manoeuvre, which simplifies navigation while driving. Along with Bluetooth pairing, it also supports speed-dependent volume control, steering wheel mounted information controls and phonebook on-the-fly.



## Juke box car

The Tiago also comes with the Juke-Car application, another first-in-segment feature, which utilises a mobile hotspot to create a virtual network and host a service to share a list of songs in the device. All connected devices can view the song list on the hotspot device and users can then queue their requested song. The Juke-Car app then plays the songs one after the other.

## Tata Fleetman expands

In 2013, Tata Motors took a pioneering step forward by introducing Tata Fleetman – a telematics technology based service offering – in its commercial vehicles to offer fleet owners the convenience of tracking their vehicles in real time. Now fleet management services have been technologically strengthened and expanded through a partnership with Microlise, one of Europe's leading telematics services companies.

**TATA**  
**FleetMan**  
 Fleet Telematics for higher productivity

Since April 2015, the revamped telematics-based fleet management solutions are being provided as a complimentary bundled service on select heavy commercial vehicle models. Tata Fleetman is a key differentiator for Tata Motors as the customer gets significant added value in terms of enhanced fleet productivity and reduced cost of operation.

Tata Motors is the first commercial vehicle OEM in India to have launched these next generation services.

## The connected Signa

The new Signa range of medium and heavy commercial vehicles comes equipped with Tata Fleetman as an inbuilt telematics system. The fleet telematics service combines state-of-the-art IT and telecom equipment and software with features like real-time fleet tracking, SMS and email alerts, geofencing and remote unit management. The service is currently installed as a standard fitment in Tata Motors range of medium and heavy commercial vehicles, and offers customers one of the most advanced telematics solutions in the country.

## Intelligent vehicles

Jaguar Land Rover has designed its ground-breaking InControl Touch Pro Infotainment System entirely in-house. The system leads the industry with regard to connectivity technologies. Jaguar Land Rover is also the first to launch the UK's real-world testing of connected and autonomous vehicle technology.



## ADVANCES IN ENGINES

### Fuelled to drive

In recent years, Tata Motors has been working to create Powertrains that offer best-in-class driving experiences, while giving customers the benefit of high value propositions with regard to fuel efficiency, engine performance and cost of maintenance.

### New Gen DICR Engines

Tata Motors is making strategic investments in developing and manufacturing of new generation diesel engines of 3L and 5L capacities for commercial vehicle applications. With technology at the fore front, these state of the art diesel engines are being developed to deliver enhanced value to customers.

These engines offer best in class fuel economy, excellent performance (flat torque curve & high low end torque etc.), lower total cost of ownership, better reliability and durability. Both engines are indigenously developed and incorporate several innovative ideas and features (such as off-set crank, top-down cooling, rear gear train, piezo injectors, cylinder block with bed plate etc.) and are design protected to meet future emission requirements (BS-VI).

The new gen engines are being developed along with top technology leaders like Delphi, Federal Mogul, BorgWarner among others and are being manufactured in the company's world class Pune plant.

Tata 3L New  
Generation  
DICR Engine



Tata 5L New  
Generation  
DICR Engine



### Tata Cummins Engines

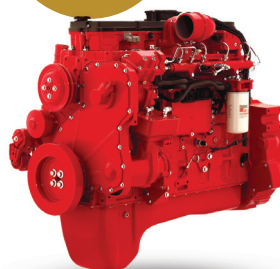
Tata Motors recently launched its range of Signa medium and heavy commercial vehicles which are powered by Cummins engines. The Signa 4923.S ensures best-in-class fuel efficiency due to its proven and reliable Cummins ISBe 5.9 common rail engine that delivers power of 230PS and a torque of 850Nm. The Signa 3118.T and Signa 2518.K are powered by a world-class Tata Cummins B5.9 L- 6 cylinder engine with an optimum combination of 180PS and flat torque of 675Nm at the lowest RPM range, delivering best-in-class fuel efficiency and the highest engine life.

Tata Motors is collaborating with Cummins Inc. for developing state-of-art engines for the medium and heavy commercial vehicle segment. Tata-Cummins engines are manufactured in world-class manufacturing facilities at Phaltan and Jamshedpur.

Tata-Cummins manufactures mechanical engines on 6B and 4B and full authority electronic engines on ISB5.9, ISB6.7 and ISL8.9 platforms. Various engine aggregates such as turbo chargers, filters, fuel systems and emission solutions from Cummins coupled with strong integration capabilities help in improving the reliability and performance of our vehicles.

Cummins is a global technology leader with a century-old legacy of engineering expertise and innovation. It has a range of best-in-class engines that deliver high value propositions like fuel economy, reliability and durability. Cummins engines offer cost-effective methods to obtain fuel economy improvements – for example the Load Based Speed Control (LBSC), Gear Down Protection (GDP) and Vehicle Acceleration Management (VAM). All these technologies combined give optimal output and hence, better fuel economy. Cummins also has experience in meeting

ISLe 8.9L  
Engine



ISBe 6.7L  
Engine



various emission norms across the globe. It already has a BSIV ready engine range to cater to the CV segment in India and Euro VI products ready to meet forthcoming norms.

### Revotron

The Revotron 1.2T, indigenously developed by Tata Motors, has been designed to deliver superior fuel economy and a peppy driving experience. India's first 1.2L turbocharged multi-point fuel Injection petrol engine, the Revotron 1.2T has been globally benchmarked for advanced performance on the road. The extremely silent engine powers the Zest and Bolt. It offers a segment-first feature: the multi-drive mode – Sports, City and Eco – which makes it equivalent to three engines in one. An advanced engine management system (EMS) supports the three drive modes. The Revotron 1.2T engine's design was optimised by AVL Austria, a global engine consultant, and key technology partners — Bosch, Honeywell and INA. It has stiffened crank case to minimise noise, vibration and harshness, while the smart electronic control unit ensures precise control. In short, the Revotron 1.2T engine offers an optimum blend — of performance, refinement and fuel economy.



### Revotorq

Tata Motors' Revotorq 1.05L diesel engine makes its debut with the Tiago. It has been built to endure extreme performance and deliver a new level of driving experience. The engine has been globally benchmarked on various parameters such as performance, economy and refinement. Like the Revotron 1.2T, the Revotorq 1.05L has been programmed for superior fuel economy and refined road performance. The diesel engine also offers the multi-drive mode which is supported by the advanced EMS.

At the recent Geared for Great Challenge, the Tiago underwent the ultimate endurance test to complete an unbelievable 50,000km

under high-stress conditions. This is something that an average car consumer would take years to do in real life. Conducted under the aegis of the Federation of Motor Sports Clubs of India, the 18-day, non-stop, high-speed drive saw the petrol and the diesel variants average 120kmph.



### Jaguar Land Rover's new powertrains

Jaguar Land Rover is focusing on vehicle light-weighting, powertrain right-sizing and increasing the application of electrification in their propulsion systems to successfully deliver their environmental (CO<sub>2</sub>) strategy.

Jaguar Land Rover continues to engineer lightweight vehicles by increasing the use of aluminium across their range of models while also improving the performance of engines, including the increased use of their own efficient Ingenium engines manufactured at Wolverhampton in the UK. Jaguar Land Rover's innovative Ingenium diesel engines already achieve just 99g/km of CO<sub>2</sub> in the Jaguar XE and 104g/km of CO<sub>2</sub> in the Jaguar XF.

Jaguar Land Rover also continues to invest significantly in the development of new powertrain technologies with plans to introduce Mild Hybrids (MHEV's), Plug in Hybrids (PHEV's) and Battery Electric Vehicles (BEV's) into its product range. It currently offers diesel hybrid variants of the Range Rover and Range Rover Sport. Furthermore, Jaguar Land Rover recently announced that its Jaguar brand would be competing in the FIA Formula E championship from August 2016 to create a test bed for future Jaguar Land Rover electrification technology.

## CORPORATE SOCIAL RESPONSIBILITY

### Positive impact

Tata Motors has been at the forefront of productive community engagement throughout its six decades of existence. Our CSR initiatives, in line with our philosophy of giving back to society, have continued to improve the quality of people's lives across India.

We focus on four areas: Health, Education, Employability and Environment. Moreover, in line with the Group's Affirmative Action framework, we work to help people from Scheduled Castes (SCs) and Scheduled Tribes (STs) get access to better opportunities for education and livelihoods.

For this, we have forged synergetic partnerships with community members, civil society organisations and concerned government departments to undertake large-scale projects, which have helped create a positive impact on the lives of people.

### Health: Tackling malnutrition

Our initiatives in Health focus on preventing and treating malnutrition. We work with young children (up to six years old), adolescent girls, pregnant women and lactating mothers on their overall well-being, nutritional supplements and dietary requirements. Health camps and awareness sessions are also held for community members to drive preventive and curative measures.

Access to safe drinking water is another concern that our initiative, *Amruthdhara*, aims to address. *Amruthdhara* has made a difference to 16,000 people while 178,200 have benefitted from our health programme.



## Education: Focus on secondary school students

Education is yet another important area for us. We aim to improve the academic performance of secondary school students by disbursing financial aid and conducting special coaching classes for them. We also aspire to enhance their retention capabilities through the use of interesting audio-visual media. Encouraging students to participate in co-curricular activities ensures their holistic growth. Our education programme has helped 51,000 students.

## Employability: Training youth in automotive trades

As part of our Employability or skill development programme, we focus on training unemployed youth in automotive trades, mainly as drivers and mechanics. Once they complete their training, they find ready employment in the Tata Motors' ecosystem. During the year, we skilled 73,000 youth. We also engage with community-based groups of women and farmers to help them earn supplementary incomes through our agriculture and allied programmes.

## Environment: Building green awareness

We regularly organise awareness sessions to help educate people on the importance of various aspects of the Environment. Our sessions have witnessed 12,600 participants. We have also planted 67,000 trees on wastelands in an attempt to increase the green cover.

## Measuring impact

A Social Return on Investment (SROI) study is conducted to measure the impact of our CSR programmes. We have also voluntarily undertaken a CSR assurance audit to augment the effectiveness of our programmes. Through our employee volunteering programme, we aim to encourage a culture of empathy and action among our colleagues. Under the Tata Engage programme, Tata Volunteering Week was celebrated in September-October 2015 and March-April 2016. Around 25 percent of our colleagues volunteered for various social causes along with their family members. Our commitment to active community engagement and social initiatives has gone from strength to strength and we are convinced that it will only get stronger in the future.



## Tata Motors' community initiatives

The impact  
**51,000**  
students

### The focus on **Education**

Provide secondary school students with financial aid, audio-visual learning material and special coaching classes

### The focus on **Environment**

Organise environmental awareness sessions  
Plant trees on wastelands to increase the green cover

The impact  
**12,600**  
participants

**67,000**  
trees planted

The impact  
**178,200**  
beneficiaries

### The focus on **Health**

Prevent and treat malnutrition through sensitisation, health camps and awareness sessions

**Amruthdhara:** An initiative to provide access to safe drinking water

**16,000**  
benefitted from  
*Amruthdhara*

### The focus on **Employability**

Train unemployed youth from India and other developing countries in automotive trades

Help community-based groups of women and farmers earn supplementary income

The impact  
**73,000**  
Indian youth  
trained

**25**  
youth from  
developing  
countries  
trained

## Global initiatives

Going beyond India's shores, we have also started skill development programmes for youngsters from other developing countries. Our channel partners in other countries help us identify youth who are then provided with intensive motor vehicle mechanic training for six months at our Jamshedpur training centre. Once this is successfully completed, the youngsters return home and undergo further on-the-job training in the workshops of our channel partners.

This year, we trained 25 youth from Sri Lanka, Bangladesh, Nepal, Bhutan, Myanmar, Nigeria and Mozambique.

## Engaging with the world

As well as being a good employer and industry leader, Jaguar Land Rover is also committed to improving the lives of the communities in which it operates. Through our global CSR programme, the company is on course to create opportunities for millions of people through education and employability programmes, health and well-being, and deploying technology for social good.

We believe in the power of engineering to improve lives. Jaguar Land Rover employees spend up to two days volunteering time per year supporting community projects. Our workforce donated over 100,000 hours of volunteering time in total last year. For example, a team of four apprentices applied their engineering skills to design and make a set of aluminium steps to enable a young disabled horse rider to realise her passion.

Our global CSR programme has improved the lives of over four million people since 2013, including reaching over 500,000 vulnerable people through projects with the Red Cross; about 300,000 children in 375 schools in Bungoma, Kenya now have clean water to drink.

This year, the UK Ministry of Defence gave the company their Gold Award for our support of ex-armed forces men and women, reinforcing our position as an employer of choice for those who have served their country. Jaguar Land Rover is proud to be serving them as the presenting partner of the Invictus Games.

### Inspiring Tomorrow's Engineers (ITE)

Jaguar Land Rover has a wide range of educational initiatives with the aim of getting young people excited about engineering and crucially, to encourage them to pursue STEM subjects at GCSE-level and beyond. Our STEM challenges (Jaguar Maths in Motion, Land Rover 4x4 in Schools and Jaguar Primary Schools Challenge) give teams of students hands-on experience of engineering practices and principles and engaged more than 500,000 students last year.

Education Business Partnership Centres are a vital element of our education programme and offer tours of our manufacturing, design and engineering sites to over 20,000 young people each

year. Jaguar Land Rover is the only automotive manufacturer in the UK to run EBPCs at its facilities. There are now 6 EBPCs at UK sites, which provide an interactive and practical approach to learning across all stages of the national curriculum. EBPCs aim to raise students' aspirations and attainment, improve employability skills and inspire young people to consider engineering careers. Activities relate schoolwork to practical situations, and provide an insight into the world of work in the manufacturing sector. At least 60 young people who have participated in our education programme over the past five years are now apprentices and graduates at Jaguar Land Rover.

#### Highlights of the ITE initiative

- ▶ More than three million young people have participated in ITE activities since 2000, with 686,000 young people directly participating in 2015.
- ▶ 4,900 employees donated 102,000 hours to support the ITE school STEM education programme.
- ▶ Employees support Education Business Partnership Centres (EBPCs) which run school visits and work placements at the company's sites by helping develop curriculum materials, delivering presentations to groups, supporting external careers events or mentoring young people on work experience placements.
- ▶ In 2015, 20,300 school children and 2,000 teachers visited Jaguar Land Rover's EBPCs and an additional 300 young people participated in work experience placements.
- ▶ Jaguar Land Rover recruited 333 graduates, 244 apprentices and 230 undergraduates on industrial placements in 2015 to develop the next generation of engineers. Some of them had previously participated in the Inspiring Tomorrow's Engineers programme.



## AWARDS+ACCOLADES

### Jaguar Land Rover

▶ Jaguar Land Rover was handed the **Queen's Award for Sustainable Development by the UK Government**

▶ Jaguar Land Rover also won the **Gold Award**, for its active support of the UK Armed Forces community

▶ The company was ranked **Best Employer in the UK by Bloomberg**

▶ Range Rover Evoque was declared the **'Best in Compact SUV'** by **Autonis Design Awards, Germany**

▶ Range Rover Sport was awarded the **'Best Large SUV of the Year'** by **Autocar, South Africa**

▶ Discovery Sport was declared **'Family Car of the Year'** by **Top Gear Magazine, UK**

▶ Jaguar XF won the **Design Award from Auto Bild, Germany**

▶ Jaguar XE was awarded the **'Best Large Car'** by **2015 Diesel Car Magazine Awards, UK**

### Corporate

▶ Tata Motors won the **Tata Affirmative Action Programme Jury Award**, for exemplary work in positive discrimination and affirmative action towards underprivileged communities in India

▶ The company was awarded the **Bronze in SSON Excellence Awards 2015**, for Excellence in Customer Service in India



## Plants

- ▶ **Tata Motors' Jamshedpur plant received the Srishti Good Green Governance Award** for the sixth consecutive year

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- ▶ **The Lucknow plant received the Srishti Good Green Governance Award**

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- ▶ **The Ahmedabad plant won the CII's Best Kaizen Competition 2015 at Gujarat state level**

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- ▶ **The Dharwad plant won the First Prize National Energy Conservation Award**

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- ▶ **The Pantnagar plant won the Golden Peacock Award 2015**

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- ▶ **The Pune plant won the CII Green Co Best Practice Award in Life Cycle Assessment**

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- ▶ **The Dharwad and Pantnagar plants received the WCQ Level II certification**

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- ▶ **The Jamshedpur, Lucknow, Dharwad and Pune plants all won Excellent Energy Efficient Unit Awards**

### PVBU

- ▶ The Nano was declared the Most Trusted Brand in Car (Hatchback category) by The Brand Trust Report, India Study 2013 & 2014

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- ▶ The Zest won the Compact Sedan of the Year award at Flywheel Auto Awards 2015

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- ▶ The company's 'Madeofgreat' campaign won 1st position at NDTV Car & Bike Awards for Integrated communications

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- ▶ Tata Motors' pavilion at Auto Expo India was declared the best at NDTV Car & Bike Awards

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- ▶ The Zest Record Run event made it into the Asia Book of Records for Largest Convoy of Single Brand Vehicles

### CVBU

- ▶ Season 2 of the path-breaking T1 Prima Truck Racing Championship won a Gold at EEMAX GLOBAL Awards 2015 for Best Execution of a Sports Event

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- ▶ The event also won a Gold at WOW Awards 2015 for Sport Event Property of the Year



## PRESENCE ACROSS MARKETS

We operate in 163 countries across the world and have over 6,000 sales and service touch points.

### SUBSIDIARIES, ASSOCIATES & JVS

Australia	Morocco
Austria	Netherlands
Bahamas	Nigeria
Bangladesh	Portugal
Belgium	Romania
Brazil	Russia
Canada	Slovakia
China	Singapore
France	South Africa
Germany	South Korea
India	Spain
Indonesia	Thailand
Ireland	UAE
Italy	UK
Japan	USA
Mexico	

### MANUFACTURING

Bangladesh
Brazil
China
India
Senegal
South Africa
South Korea
Thailand
Ukraine
UK

### R & D AND DESIGN

Germany
India
Italy
Spain
Sweden
UAE
UK
USA

### North America

Bahamas, British Virgin Islands, Canada, Guam, Mexico, Puerto Rico, St Barthelemy, USA

### Central and South America

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



## Europe

Albania, Andorra, Armenia, Austria, Belarus, Belgium, Bulgaria, Croatia, Cyprus (North), Cyprus (South), Czech Republic, Denmark, Estonia, Faroe Islands, Finland, France, Georgia, Germany, Gibraltar, Gran Canaria, Greece, Guadeloupe, Hungary, Iceland, Ireland, Italy, Kosovo, Latvia, Liechtenstein, Lithuania, Luxembourg, Macedonia, Malaysia, Malta, Martinique, Moldova, Monaco, Mongolia, Montenegro, Netherlands, Norway, Poland, Portugal, Reunion, Romania, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, Tenerife, Turkey, UK

## Russia & CIS

Russia, Ukraine

## Asia & Oceania

Afghanistan, Australia, Azerbaijan, Bangladesh, Bhutan, Brunei, Cambodia, China, Fiji, Hong Kong, India, Indonesia, Japan, Kazakhstan, Laos, Macau, Malaysia, Myanmar, Nepal, New Caledonia, New Zealand, Pakistan, Papua New Guinea, Philippines, Singapore, South Korea, Sri Lanka, Taiwan, Thailand, Vietnam

## Middle East

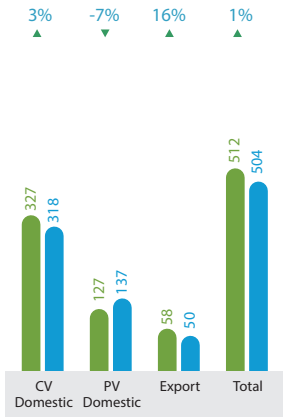
Abu Dhabi, Bahrain, Dubai, Iraq, Israel, Jordan, Kuwait, Lebanon, Oman, Palestine, Qatar, Saudi Arabia

## Africa

Algeria, Angola, Botswana, Congo, Djibouti, Egypt, Ethiopia, Ghana, Ivory Coast, Kenya, Libya, Mauritius, Morocco, Mozambique, Namibia, Nigeria, Senegal, Seychelles, South Africa, Sudan, Tanzania, Tunisia, Uganda, Yemen, Zambia, Zimbabwe

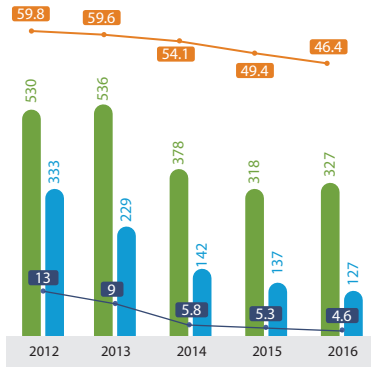
# FINANCIAL PERFORMANCE (COMPANY STANDALONE)

## Volume Growth



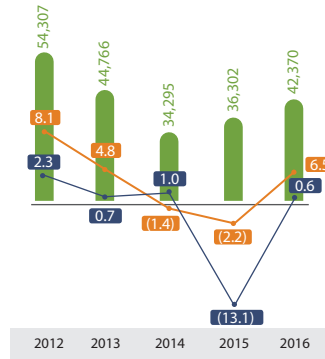
Volume Growth

## Vehicle Sales (Domestic) and Market Share



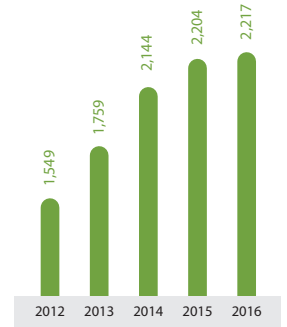
Vehicle Sales (Domestic) and Market Share

## Net Income, EBITDA Margin, Net Margin



Net Income, EBITDA Margin, Net Margin

## R&D Expenditure



R&D Expenditure

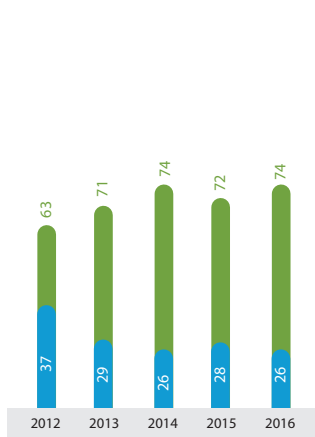
- 2016 (in thousands)
- 2015 (in thousands)
- ▲ GROWTH

- CV VOLUMES (in thousands)
- PV VOLUMES (in thousands)
- CV MARKET SHARE(%)
- PV MARKET SHARE(%)

- NET INCOME\* (₹ crores)
- EBITDA MARGIN (%)
- PAT AS A % OF TURNOVER
- \*Excludes other income

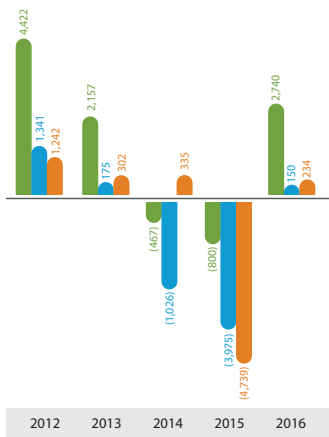
- R&D EXPENDITURE (₹ crores)

## Product Mix (Volumes)



Product Mix (Volumes)

## Profits (EBITDA, PBT, PAT)

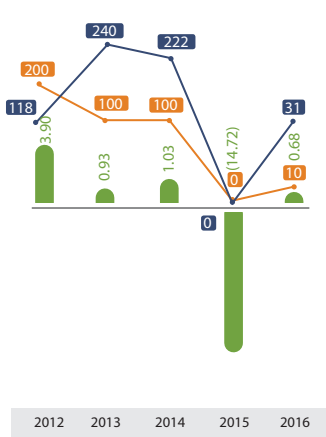


Profits (EBITDA, PBT, PAT)

- CV (%)
- PV (%)

- EBITDA
  - PBT
  - PAT
- (₹ crores)

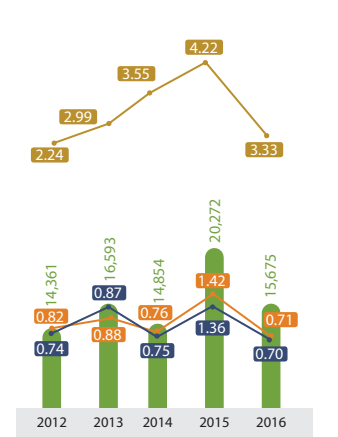
## Dividend & EPS



Dividend & EPS

- EPS (₹)
- DIVIDEND (%)
- DIVIDEND PAYOUT (as % to PAT)

## Borrowings (Net of surplus cash) & Interest as % of Sales

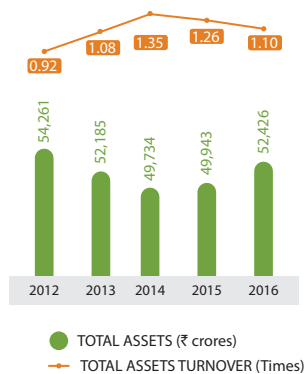


Borrowings (Net of surplus cash) & Interest as % of Sales

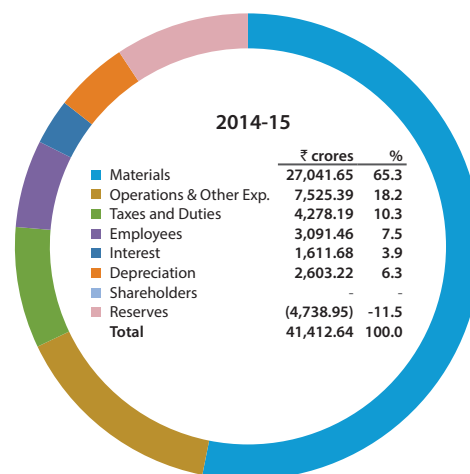
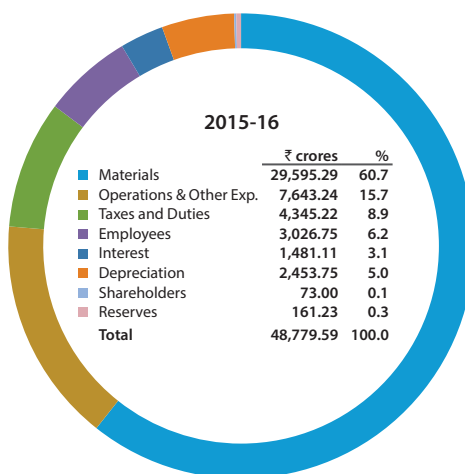
- BORROWINGS (Net of surplus cash) (₹ crores)
- INTEREST AS A % OF TOTAL INCOME
- DEBT EQUITY RATIO
- DEBT (net of surplus cash) Equity ratio

(34-37)

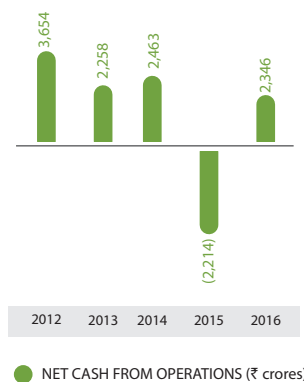
**Total Assets & Asset Turnover Ratio**



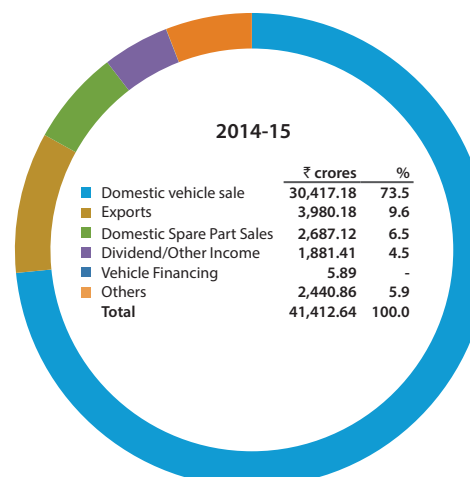
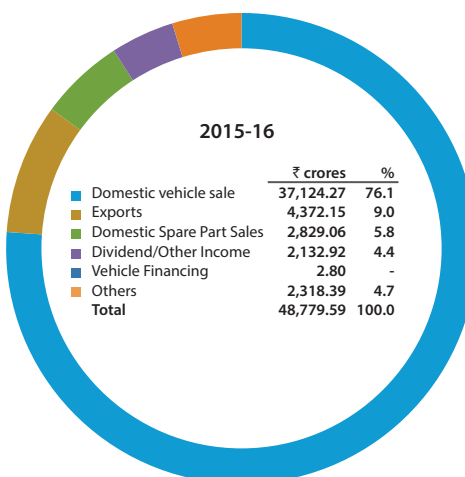
**Distribution of Revenue**



**Net Cash from Operations**

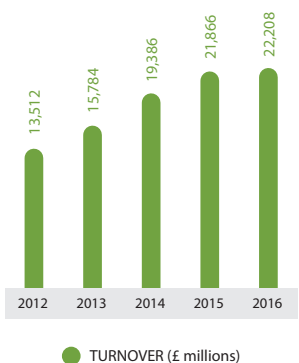


**Sources of Revenue**

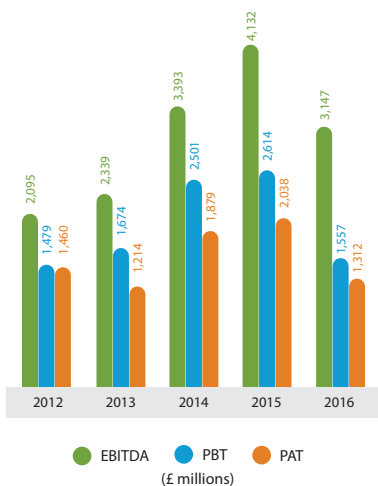


## FINANCIAL PERFORMANCE - AS PER IFRS (JAGUAR LAND ROVER GROUP)

### Turnover



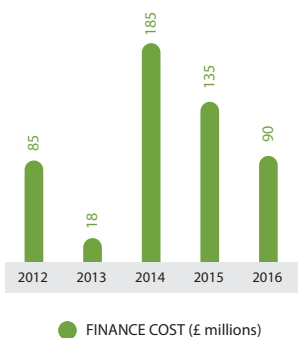
### Profits



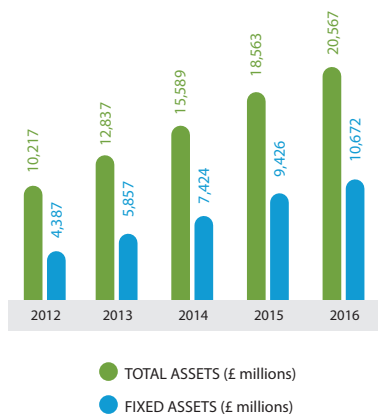
### R & D Expenditure



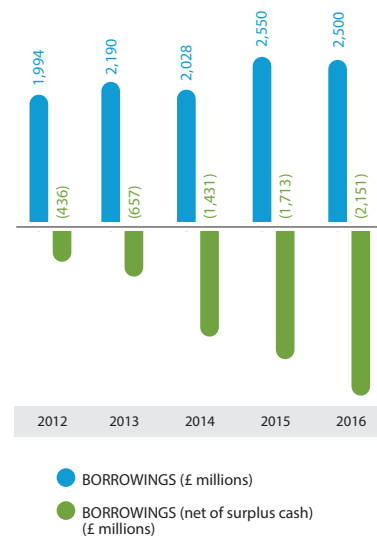
### Finance Cost



### Assets



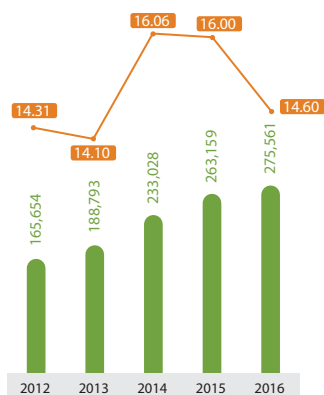
### Borrowings



(34-37)

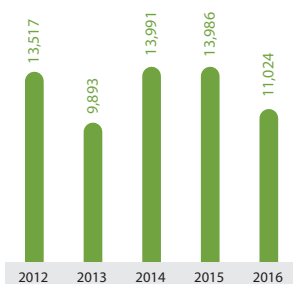
# FINANCIAL PERFORMANCE (TATA MOTORS GROUP)

## Net Revenue, EBITDA Margin



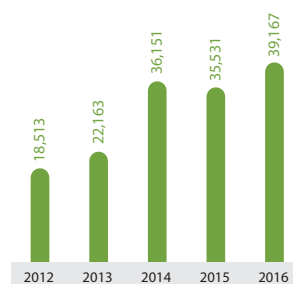
● NET REVENUE (₹ crores)  
 — EBITDA Margin (%)

## Profit for the year



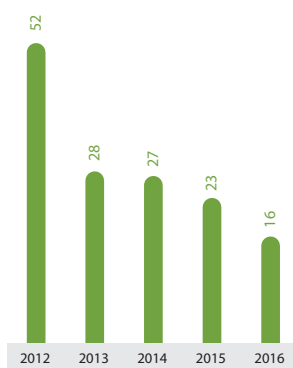
● PROFIT (₹ crores)

## Net Cash from Operations



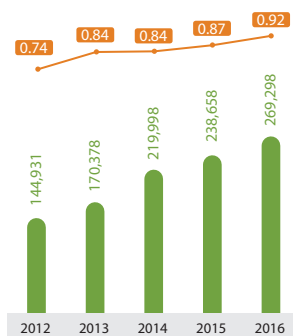
● NET CASH FROM OPERATIONS (₹ crores)

## Return on Equity



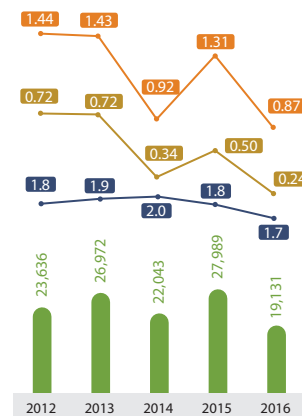
● RETURN ON EQUITY (%)

## Total Assets & Assets Turnover Ratio



● TOTAL ASSETS (₹ crores)  
 — TOTAL ASSETS TURNOVER (Times)

## Borrowings (Net of surplus cash) & Interest as % of Sales



● BORROWINGS (Net) (₹ crores)  
 — DEBT EQUITY RATIO  
 — DEBT (net of surplus cash) RATIO  
 — INTEREST AS A % OF TOTAL INCOME



## TATA MOTORS GROUP (CONSOLIDATED)

### Summarised Balance Sheet

(₹ crores)

WHAT THE COMPANY OWNED		As at March 31, 2016	As at March 31, 2015
1.	Fixed assets	128,850.67	112,422.59
2.	Goodwill (on consolidation)	4,836.52	4,696.99
3.	Non-current investments	1,253.15	1,240.50
4.	Deferred tax assets (net)	2,726.43	2,733.20
5.	Long-term loans and advances	13,940.82	14,948.31
6.	Other non-current assets	2,374.88	858.00
7.	Current assets	115,315.13	101,758.40
<b>Total Assets</b>		<b>269,297.60</b>	<b>238,657.99</b>

WHAT THE COMPANY OWED			
1.	Long-term borrowings	51,876.31	56,071.34
2.	Other long-term liabilities	9,946.52	9,141.92
3.	Long-term provisions	11,817.30	15,134.27
4.	Net worth		
	Share capital	679.18	643.78
	Reserves and surplus	80,103.49	55,618.14
5.	Minority interest	888.26	433.34
6.	Deferred tax liabilities (net)	3,166.08	1,343.20
7.	Current liabilities	110,820.46	100,272.00
<b>Total Liabilities</b>		<b>269,297.60</b>	<b>238,657.99</b>

(38-41)

## Summarised Statement of Profit and Loss

(₹ crores)

1.	INCOME	2015-2016	2014-2015
	Revenue from operations	280,096.72	266,707.90
	Less: Excise duty	4,535.61	3,548.92
		275,561.11	263,158.98
	Other income	981.72	898.74
	<b>Total</b>	<b>276,542.83</b>	<b>264,057.72</b>
2.	EXPENDITURE		
	Cost of material consumed	152,445.39	149,956.54
	Purchase of products for sale	12,850.27	13,293.82
	Changes in inventories of finished goods, work-in-progress and products for sale	(2,876.62)	(3,330.35)
	Employee benefits expense	29,198.89	25,548.96
	Finance Cost	4,623.35	4,861.49
	Depreciation and amortisation expense	17,014.18	13,388.63
	Product development / engineering expenses	3,480.43	2,875.17
	Other expenses	60,424.95	50,980.37
	Expenditure transferred to capital and other accounts	(16,718.43)	(15,404.18)
	<b>Total Expenses</b>	<b>260,442.41</b>	<b>242,170.45</b>
	Profit before exceptional items, extraordinary items and tax	16,100.42	21,887.27
	Exchange loss (net) including on revaluation of foreign currency borrowings, deposits and loans	240.19	91.72
	Employee separation cost	32.72	92.99
	Provision for costs associated with closure of operations and impairment of intangibles of a subsidiary company	44.31	-
	Impairment of capitalised fixed assets	163.94	-
	Others	1,638.39	-
3.	PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	13,980.87	21,702.56
4.	Tax expense (net)	2,872.60	7,642.91
5.	PROFIT AFTER TAX FROM CONTINUING OPERATIONS (3-4)	11,108.27	14,059.65
6.	Share of profit/(loss) of associates (net)	21.34	13.42
7.	Minority interest	(105.86)	(86.78)
8.	PROFIT FOR THE YEAR	11,023.75	13,986.29

**COMPANY (STANDALONE)****Summarised Balance Sheet**

(₹ crores)

WHAT THE COMPANY OWNED		As at March 31, 2016	As at March 31, 2015
1.	Fixed assets	<b>22,244.86</b>	21,824.02
2.	Non current investments	<b>16,975.46</b>	16,966.95
3.	Long-term loans and advances	<b>2,363.22</b>	2,403.56
4.	Other non-current assets	<b>136.80</b>	175.67
5.	Current assets	<b>10,705.91</b>	8,572.97
	<b>Total Assets</b>	<b>52,426.25</b>	49,943.17

WHAT THE COMPANY OWED			
1.	Long-term borrowings	<b>10,687.94</b>	12,318.96
2.	Other long-term liabilities	<b>210.12</b>	286.80
3.	Long-term provisions	<b>1,409.05</b>	2,104.19
4.	Net worth		
	Share capital	<b>679.18</b>	643.78
	Reserves and surplus	<b>21,688.90</b>	14,218.81
5.	Current liabilities	<b>17,751.06</b>	20,370.63
	<b>Total Liabilities</b>	<b>52,426.25</b>	49,943.17

## Summarised Statement of Profit and Loss

(₹ crores)

1.	INCOME	2015-2016	2014-2015
	Revenue from operations	46,646.67	39,531.23
	Less: Excise duty	4,276.85	3,229.60
		42,369.82	36,301.63
	Other Income	2,132.92	1,881.41
	<b>Total</b>	<b>44,502.74</b>	<b>38,183.04</b>
2.	EXPENDITURE		
	Cost of material consumed	24,313.08	22,155.23
	Purchase of products for sale	5,259.27	5,765.24
	Changes in inventories of finished goods, work-in-progress and products for sale	22.94	(878.82)
	Employee cost/benefits expense	3,026.75	3,091.46
	Finance cost	1,481.11	1,611.68
	Depreciation and amortisation expense	2,453.75	2,603.22
	Product development / engineering expenses	424.61	437.47
	Other expenses	8,041.81	8,087.28
	Expenditure transferred to capital and other accounts	(1,034.18)	(1,118.75)
	Total Expenses	43,989.14	41,754.01
	Profit / (Loss) before exceptional items, extraordinary items and tax	513.60	(3,570.97)
	Exchange loss (net) including on revaluation of foreign currency borrowings, deposits and loans	91.37	320.50
	Provision for investments and costs associated with closure of operations of a subsidiary	97.86	-
	Impairment of capitalised fixed assets	163.94	-
	Employee Separation Cost	10.04	83.25
3.	PROFIT / (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	150.39	(3,974.72)
	Tax expense / credit (net)	(83.84)	764.23
4.	PROFIT / (LOSS) AFTER TAX FOR THE YEAR FROM CONTINUING OPERATIONS	234.23	(4,738.95)

## FUNDS FLOW - LAST FIVE YEARS

(₹ crores)

SOURCES OF FUNDS		FY 2015-16	FY 2014-15	FY 2013-14	FY 2012-13	FY 2011-12
1.	Funds generated from operations					
A.	Profit / (Loss) after tax	234.23	(4,738.95)	334.52	301.81	1,242.23
B.	Depreciation (including Lease Equalisation)	2,453.75	2,600.95	2,065.78	1,813.10	1,602.23
C.	Provision / (Reversal) for diminution in value of investments (net)	49.59	-	19.43	(9.67)	-
D.	Net deferred tax charge / (credit)	4.68	(50.29)	(1,920.32)	(127.44)	98.24
E.	Credit for Dividend Distribution Tax of Subsidiary Companies	-	-	-	1.48	1.48
F.	Exchange gain (net) on Long term Foreign currency monetary items deferred consequent to amendment to AS-11	(82.50)	186.29	13.77	43.35	(258.35)
G.	Marked to Market Exchange loss on Forward contracts transferred to Hedging Reserve Account on adoption of principles of hedge accounting under AS30 [Note (a) and b(iii)below]	(13.98)	25.28	-	-	-
H.	Profit on sale of division	-	-	-	(82.25)	-
	<b>Total</b>	<b>2,645.77</b>	<b>(1,976.72)</b>	<b>513.18</b>	<b>1,940.38</b>	<b>2,685.83</b>

2.	Proceeds from Rights issue of Ordinary shares and 'A' Ordinary shares	7,490.49	-	-	-	-
3.	Proceeds from FCCN, Warrants and Convertible Debentures converted into Ordinary Shares and premium thereon	-	-	413.43	233.00	0.02
4.	(a) Decrease in Working Capital	178.84	-	4,069.76	292.96	-
	(b) Decrease in Finance receivables	20.57	1.38	14.99	64.77	144.96
5.	Increase in Borrowings (net of repayments)	-	6,081.61	-	918.38	-
6.	Investment sold (net of investment made)	-	1,471.25	1,456.54	568.83	2,130.66
7.	Decrease in short term deposits with banks	-	-	223.87	576.08	525.86
8.	Proceeds from sale of division	-	-	-	110.00	-
	<b>Total</b>	<b>10,335.67</b>	<b>5,577.52</b>	<b>6,691.77</b>	<b>4,704.40</b>	<b>5,487.33</b>

APPLICATION OF FUNDS						
9.	Capital Expenditure (net)	2,976.89	2,806.33	3,568.10	2,952.38	3,346.88
10.	Repayment of Borrowings (net of additional borrowings)	5,247.16	-	1,746.15	-	34.86
11.	Investments made (net of sales)	1,773.88	-	-	-	-
12.	Payment of Redemption Premium on NCD	-	744.18	658.05	96.55	-
13.	Increase in short term deposits with banks	210.31	5.58	-	-	-
14.	Increase in Working Capital	-	2,243.34	-	-	571.38
15.	Dividends (including tax thereon)	73.00	(93.40)	666.27	724.23	1,463.72
16.	Premium paid on redemption of CARS	-	-	-	843.37	-
17.	Miscellaneous Expenditure (to the extent not written off or adjusted) and utilisation of Securities Premium Account[Note (a) below]	54.43	128.51	53.20	87.87	70.49
	<b>Total</b>	<b>10,335.67</b>	<b>5,577.52</b>	<b>6,691.77</b>	<b>4,704.40</b>	<b>5,487.33</b>

## Notes :

(a)	Utilisation of Securities Premium Account includes FCCN / CARS / Rights issue expenses and premium on redemption of Debentures	54.43	128.51	53.20	87.87	70.49
(b)	The Sources and Application of funds does not include					
	(i) Provision for premium on redemption of CARS / FCCN	-	-	(0.46)*	83.19*	929.46*
	(ii) Liability towards premium on redemption of NCD	-	-	(919.23)	(1,577.28)	1,673.83
	(iii) Deferred Tax on account of item 1(G)	(4.68)	8.59	-	-	-
	* net of deferred tax					
(c)	Figures for the previous years have been regrouped wherever necessary.					

# FINANCIAL STATISTICS

## COMPANY (STANDALONE)

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

# FINANCIAL STATISTICS

## COMPANY (STANDALONE)

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

## Notes:

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

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

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

# Includes Interim Dividend where applicable.

+ Including on Bonus Shares issued during the year.

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

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

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

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

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

## Includes reversal of dividend distribution tax of earlier year.

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

# FINANCIAL STATISTICS

## COMPANY (CONSOLIDATED)

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

### Notes :

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

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

# Includes Interim Dividend where applicable.

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

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

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

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

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

## Includes reversal of dividend distribution tax of earlier year.

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



## PREFACE TO THE ANNUAL GENERAL MEETING NOTICE

### I. SUMMARY OF PROPOSALS UNDER ITEM NOS. 5 TO 8 OF THE NOTICE:

#### A. APPROVAL FOR APPOINTMENT AND PAYMENT OF REMUNERATION TO CHIEF EXECUTIVE OFFICER AND MANAGING DIRECTOR (CEO and MD)

#### B. RE-APPOINTMENT AND PAYMENT OF REMUNERATION TO EXECUTIVE DIRECTORS

Name of Whole Time Directors	Designation	Date of previous Shareholders' Approval	Date of Appointment	Tenure
Mr Guenter Butschek	CEO and MD	NA	February 15, 2016	5 Years
Mr Ravindra Pisharody	Executive Director (Commercial Vehicles)	August 10, 2012	July 1, 2016	Upto November 24, 2020
Mr Satish Borwankar	Executive Director (Quality)	August 10, 2012	July 1, 2016	Upto July 15, 2017

❖ Members' approval is now being sought (vide Special Resolutions) for:-

- ♦ Appointment of Mr Guenter Butschek, as Director as set out in the **Resolution No. 5** and CEO and MD w.e.f. February 15, 2016, for a tenure of 5 years and payment of remuneration, including minimum remuneration as set out in the **Resolution No. 6**.
- ♦ Re-appointment of Mr Ravindra Pisharody, Executive Director (Commercial Vehicles) for a tenure from July 1, 2016 to November 24, 2020 and Mr Satish Borwankar, Executive Director (Quality) for a tenure from July 1, 2016 to July 15, 2017 and payment of remuneration, including minimum remuneration to them on terms similar to the Ordinary Resolutions passed by the Members at the Annual General Meeting held on August 10, 2012, except for certain changes as set out in the Resolution and Explanatory Statement at **Item Nos. 7 and 8**.

In respect of proposals at **Resolution Nos. 5 and 6**

- ❖ The proposals for the appointment of Mr Guenter Butschek, as Director w.e.f. the date of Annual General Meeting and CEO and MD w.e.f. February 15, 2016, for a tenure of 5 years and payment of remuneration, including minimum remuneration are in the context of the following: -
  - ♦ Over the last couple of years, the Company has been going through a set of unprecedented circumstances i.e. sustained industry wide lower demand, heightened competitive pressures from global OEM's, flux in regulatory environment, drop in profitability & productivity and a sudden demise of the Late Karl Slym, Managing Director on January 26, 2014. Given below are the financial highlights on the turnover and profits for the last 5 years:

(₹ in crores)

Particulars	FY 2015-16	FY 2014-15	FY 2013-14	FY 2012-13	FY 2011-12
Consolidated Revenue from Operations (Gross)	280,096.72	266,707.90	236,820.78	193,559.01	170,677.58
Standalone Revenue from Operations (Gross)	46,646.67	39,531.23	37,764.64	49,319.66	59,220.94
Consolidated Profit for the period	11,023.75	13,986.29	13,991.02	9,892.61	13,516.50
Standalone Profit for the period	234.23	(4,738.95)	334.52	301.81	1,242.23
Standalone Net Profit/(Loss) under Section 198 of the Act	(465.05)	(3,981.54)	(2,570.99)	449.31	1,349.81

Note: Previous year figures have been regrouped wherever necessary to correspond with the current year classification.

- ♦ Previous year figure have been regrouped wherever necessary to correspond with the current year classification
- ♦ The Company is in the midst of an organizational transformational initiative in response to the above
- ♦ Given these challenges and strategic priorities, the Company was looking for an outstanding organizational level leader, who could provide strategic direction and create suitable execution framework to ensure the organisation's success, both for short term and long term basis. After interviews by Nomination and Remuneration Committee ("NRC") Members of various Executives with large scale global automotive experience along with some exposure to complex restructuring/turnaround programs and cultural transformation initiatives, Mr Butschek had been identified and the Board appointed Mr Butschek as CEO and MD w.e.f. February 15, 2016.
- ❖ Mr Butschek, aged 55, graduated in Business Administration and Economics with a diploma from the University of Cooperative Education Stuttgart, Germany. Mr Butschek joined the Company after his last assignment at Airbus Group where he served as Chief Operating Officer and Member of the Group Executive Committee. Prior to Airbus, Mr Butschek worked at Daimler AG for more than 25 years in international automotive management. He held several positions in logistics, human resources and procurement in the automotive and aerospace industries in various geographies, significantly being South Africa, Netherlands, China and France. He was responsible for various restructuring and transformational turnaround initiatives with significant improvements in performance, quality, and productivity. For detailed information on Mr Butschek's profile and achievements, please refer to Mr Butschek's profile given in the

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"Statement containing Additional Information" as part of the Explanatory Statement.

- ♦ The Company has taken various initiatives, to maintain its leadership, improve market share and financial performance. It has been aggressively pursuing and implementing its strategies to improve volumes and reduce costs through launch of new products (particularly in passenger vehicles planned since July 2014) coupled with sales, services, marketing campaigns and customer engagement programs.
- ❖ In particular, the following initiatives are being taken by Mr Butschek alongwith the leadership team:
  - ♦ Major strategic and operational transformation for significant and sustained improvement in the overall business and financial performance comprehensively covering all areas of the Company's operations like Company strategy, platform and product strategy, manufacturing, supply chain, employee and managerial productivity, cost reduction and efficiency improvements, improved effectiveness in sales & marketing and customer satisfaction/relationships and breakthrough improvements in achieving world class quality standards.
  - ♦ The 8 pillars of transformation initiatives under the following categories for setting the agenda and targets are under implementation:
    - i. Enhancing the brand perception of Tata Motors
    - ii. Providing unique and delightful customer experience
    - iii. Excellence in delivery of new products
    - iv. Delivering reliable and high quality products with focus on world-class quality processes
    - v. World-class manufacturing
    - vi. Agile and cost-effective supply chain
    - vii. Cost competitiveness
    - viii. People processes and organization structure

It will be worthwhile to note that under the above 8 pillars, the Company has over a 100 individual initiatives on which various cross functional teams of high performers across the organization have been identified and deployed.

- ❖ Mr Butschek leads all operations of Tata Motors in India which, *inter-alia*, include South Korea, Thailand, Indonesia and South Africa, but excluding Jaguar Land Rover which continues to be managed independently. The consolidated revenues from these operations is above ₹ 50,000 crores.
- ❖ Taking into consideration the size and complexity of the Company's global operations, the enormous responsibility for oversight of the Tata Motors' Group (excluding Jaguar Land Rover business) and the qualifications and accomplishments of Mr Butschek and based on the recommendation of the NRC, the Board of Directors (the "Board"), at its meeting held on January 18, 2016, subject to the approval of the Members and the Central Government, appointed Mr Butschek as an Additional Director. Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 (Act), the Rules framed thereunder and the Articles of Association of the Company, Mr Butschek would cease to

hold office at the ensuing Annual General Meeting but would be eligible for appointment as a Director. Notice under Section 160 of the Act has been received from a Member signifying his intention to propose Mr Butschek's appointment as a Director and the Members' approval is sought for the said proposal given in the **Resolution No. 5**. At the said meeting, the Board also appointed Mr Butschek as the CEO and MD of the Company for a period of 5 years pursuant to Sections 196, 197 and other applicable provisions, if any, read together with Schedule V to the Act and the Rules framed thereunder on the terms and conditions as given in the **Resolution No. 6**.

- ❖ While details on remuneration of Mr Butschek have been stated in the **Resolution No. 6** of the Notice, the remuneration in monetary terms is as under:

Description	(₹ in lakhs)		
	15.2.2016 to 15.2.2017	15.2.2017 to 15.2.2018	15.2.2018 to 15.2.2019
Salary	248.70	248.39	248.39
Perquisite and allowances (includes payment in lieu of pension)#	1442.44	1342.99	1344.22
Commission, Bonus and Performance Linked Incentive*	@1004.00	1190.21	1241.96
Retirals	29.84	29.81	29.81
<b>Total Remuneration</b>	<b>2724.98</b>	<b>2811.40</b>	<b>2864.38</b>

# Certain Perquisites and Allowances are based on realistic assumptions  
 \* Incentive assumed at maximum level of €825,000, whereas the Agreement provides a range from €550,000 to €825,000  
 @ Includes joining bonus and relocation expenses.  
 Note: Remuneration of ₹ 2724.98 lakhs from February 15, 2016 to February 15, 2017 in US\$ equivalent is US\$ 4,057,221 (1 USD=₹ 67.1687 as on May 30, 2016)  
 The remuneration is denominated in € converted into ₹ on the date of payment. Foreign Exchange Rate is assumed at a constant of 1€ = ₹ 75, except for FY2015-16 where it is paid on actual basis.

- ❖ Remuneration of Mr Butschek is commensurate with the remuneration of expatriates appointed at CEO/MD levels of similar sized multinationals taking into consideration the responsibilities shouldered by him. Mr Butschek's remuneration is based on his past remuneration and has been subjected to peer level benchmarks for global automotive OEMs as per survey conducted by Aon Hewitt, an independent consultant. The table below illustrates the requisite comparative data of the CEO remuneration in the global industry at the time of his appointment:

(₹ in lakhs)				
10th percentile	25th percentile	Median	75th percentile	90th percentile
2152	2913	3450	5187	6209

Exchange rate: 1 € = ₹ 70.467  
 (Data Source: Aon Hewitt Compensation Study, Positions of Business Heads who are Direct reports to the CEO for global automotive OEM's.)  
 Note: It may be observed that the remuneration decided for Mr Butschek is comparable with global auto OEM's and be commensurate with the set benchmarks taking into consideration the responsibilities being shouldered by him.

### In respect of proposals at **Resolution Nos. 7 and 8**

❖ The proposals for the re-appointment of Mr Ravindra Pisharody, Executive Director (Commercial Vehicles) for a tenure from July 1, 2016 to November 24, 2020 and Mr Satish Borwankar, Executive Director (Quality) for a tenure from July 1, 2016 to July 15, 2017 and payment of remuneration, including minimum remuneration to them on terms similar to the Ordinary Resolutions passed by the Members at the Annual General Meeting held on August 10, 2012, except for the following changes in the terms of appointment and remuneration:

a) The tenure of appointment (which was upto June 2017 for both the Executive Directors) has been changed so as to be co-terminus with their respective dates of retirement - completion of 65 years as under:

- ♦ Mr Pisharody – July 1, 2016 to November 24, 2020
- ♦ Mr Borwankar – July 1, 2016 to July 15, 2017.

b) The salary scale of the Executive Directors has been changed as under:

- ♦ Mr Pisharody - upto a maximum of ₹10 lakhs per month (from ₹ 7 lakhs earlier)
- ♦ Mr Borwankar - upto a maximum of ₹7 lakhs per month (unchanged).

The increment which was previously uncapped would be limited to 20% of basic salary per annum.

c) Commission which was previously uncapped, now has a limit of 400% of salary as under:

Commission would be within the applicable limits under Section 197 of the Companies Act but will in any case not exceed 400% of the basic salary.

d) Incentive Remuneration which was previously uncapped, now has a limit of 200% of salary as under:

Incentive remuneration would be paid in case of inadequacy of profits/losses in any financial year which shall not exceed 200% of the basic salary.

❖ Despite adverse macro-economic market conditions, the Company made a recovery in the second half of Fiscal 2016 and recorded profits for the said Fiscal under the able stewardship at that time, of the said two executive directors of its Senior Management.

❖ The Company showcased a line-up of cutting edge new products in the Auto Expo 2016. The passenger vehicle line-up comprised Tiago, Hexa SUV, Kite 5 compact sedan and Nexon compact SUV which received an overwhelming response from all market participants, including the potential customer base. The GenX-Nano and Safari Storme 400Nm from the existing platform launched during the year too were well received.

The commercial vehicle line-up at the Auto Expo 2016, comprising SIGNA range of M&HCV Trucks, Tata ULTRA 1518 Sleeper, ACE MEGA XL, MAGIC IRIS ZIVA – gearless, clutchless

with futuristic hydrogen fuel cell technologies for zero emission, ULTRA 1415 4X4-A 4X4, STARBUS HYBRID – World's first commercially produced CNG Hybrid Bus, using Electric & CNG modes (BS IV compliant) as fuel, ULTRA ELECTRIC bus – First full-electric bus with zero emission and noiseless operations received immense enthusiasm from the customers and dealer fraternity.

❖ The leadership team, including the CEO and MD and the two executive directors would drive the operational transformation through initiatives identified under the said 8 critical success factors. The Company expects this journey of transformation to take 2 to 3 years and will help the Company achieve significant growth, improve market share in all segments, be amongst the top in India in terms of quality through cost efficient operations and a highly motivated and engaged team.

❖ Mr Pisharody aged 61, is a B. Tech (Elec.), PG Diploma in Management (Marketing), with wide and varied experience in business and the automobile industry. Mr Pisharody is the Executive Director (Commercial Vehicles) since June 21, 2012 having joined the Company in 2007 as Vice President, Sales and Marketing. Before joining the Company, he worked with Castrol Ltd., a subsidiary of British Petroleum and with Philips India in various roles. He is responsible for the Commercial Vehicle Business Unit of the Company involving product design and development, manufacturing, sales and marketing functions. Since the time he took over as the Head of Commercial Vehicles, he has held the business strong in the midst of intensifying competition in every product segment. Under his able leadership the Company has maintained a strong and innovative product pipeline, pioneered novel customer service initiatives and restructured network management bringing end-to-end accountability. Mr Pisharody has charted out the Company's long-term strategy for preserving the Company's lead position in the commercial vehicle segment in the Indian automobile market and concurrently increasing market penetration in international markets. His effective leadership coupled with his multi-industry experience and stellar academic record makes him a valuable resource for the Company and would be best suited for delivering the vision of the Company. During Fiscal 2016, he was the Chairman of the Board of Tata Cummins Pvt. Ltd., Tata Daewoo Commercial Vehicles Co. Ltd., Tata Marcopolo Motors Ltd. and Tata Motors SA (Pty) Ltd. It is worthy to note that the Company or these subsidiaries (except Tata Daewoo Commercial Vehicles Ltd. in view of his significant contributions as its Board Member, to its improved performance) do not additionally compensate him, in any manner, for these additional activities. For detailed information on Mr Pisharody's profile and achievements, please refer to Mr Pisharody's profile given in the "Statement containing Additional Information" as part of the Explanatory Statement.

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❖ Mr Borwankar aged 63, is a B. Tech (Hons.) Mech, with wide experience in automobile industry, particularly in manufacturing and quality functions. Having started his career with the Company in 1974, as a Graduate Engineer Trainee, he has worked in various executive positions, for overseeing and implementing product development, manufacturing operations and quality control initiatives of the commercial vehicle business unit of the Company. He has played a significant role in setting up Greenfield projects of the Company. Mr Borwankar is the Executive Director (Quality) since June 21, 2012 and is responsible for the quality function for the Company for both commercial and passenger vehicles. He also shoulders responsibility for reviewing and overseeing the implementation of Safety, Health and Environment related practices of the Company and the Tata Business Excellence Model (TBEM) guidelines. Also "Sankalp" a suppliers' improvement project, mentored by him, is expected to transform the Company's supplier

quality standards. The Company's future strategy emphasises on Quality Excellence as an important pillar for achieving its Vision. Mr Borwankar, with several years of multi-functional experience spanning across the Company's value chain, has consistently delivered exceptional results throughout his career. As a Director, nominated on the Board of certain subsidiary companies, he provides valued direction and insight. It is worthy to note that the Company or these subsidiaries (except Tata Daewoo Commercial Vehicle Company for his significant contribution as its Board member) do not compensate him, in any manner, for these additional activities undertaken by him. He is an ideal candidate to help fructify the Vision of achieving par-excellence in product and process quality. For detailed information on Mr Borwankar's profile and achievements, please refer to Mr Borwankar's profile given in the "Statement containing Additional Information" as part of the Explanatory Statement.

❖ While details on remuneration of Mr Pisharody and Mr Borwankar have been stated in the Resolutions at Item No. 7 and 8 of the Notice respectively, the remuneration in monetary terms since their appointment as Executive Directors is as under:

(₹ in lakhs)

Mr R Pisharody				
	FY12-13 <sup>(§ ~9.5 months)</sup>	FY13-14	FY14-15	FY15-16
Basic Salary	42.00	57.24	62.40	66.84
Benefits, Perquisites and Allowances	40.25	@135.39	60.71	62.22
Commission/Incentive Remuneration	160.00	114.48	120.00	130.00
Retirement Benefits#	11.34	15.45	16.85	18.05
Total Remuneration	253.59	322.56	259.96	277.11
Less: Permissible Deductions under relevant Schedule XIII/Schedule V	N.A.	(7.87)	(8.49)	(9.03)
<b>Total Remuneration under relevant Schedule XIII/Schedule V</b>	<b>253.59</b>	<b>314.69</b>	<b>251.47</b>	<b>268.08</b>

§ Appointed as ED on June 21, 2012 and remuneration paid is for the period upto March 31, 2013, approximately 9.5 months

@ Includes long term cash award pertaining to performance for FY2010-11 which on vesting was paid in FY2013-14

# Excludes provision for special retirement benefits in view of his eligibility under the applicable guidelines, but is payable at the discretion of the Board for FY2012-13- ₹229.17 lakhs; FY2013-14- ₹52.81 lakhs; FY2014-15- ₹10.61 lakhs and FY2015-16- ₹62.56 lakhs.

(₹ in lakhs)

Mr S Borwankar				
	FY12-13 <sup>(§ ~9.5 months)</sup>	FY13-14	FY14-15	FY15-16
Basic Salary	33.13	45.12	49.20	52.68
Benefits, Perquisites and Allowances	47.02	@123.69	71.36	76.45*
Commission/Incentive Remuneration	85.00	75.00	80.00	100.00
Retirement Benefits#	8.95	12.18	13.28	14.22
Total Remuneration	174.10	255.99	213.84	243.35
Less: Permissible Deductions under relevant Schedule XIII/ Schedule V	N.A.	(6.41)	(6.90)	(7.32)
<b>Total Remuneration under relevant Schedule XIII/Schedule V</b>	<b>174.10</b>	<b>249.58</b>	<b>206.94</b>	<b>236.03</b>

§ Appointed as ED on June 21, 2012 and Remuneration paid is for the period upto March 31, 2013, approximately 9.5 months

@ Includes long term cash award pertaining to performance for FY2010-11 which on vesting was paid in FY2013-14

\* Includes leave encashment

# Excludes provision for special retirement benefits in view of his eligibility under the applicable guidelines, but is payable at the discretion of the Board for FY2012-13- ₹497.32 lakhs; FY2013-14- ₹26.79 lakhs; FY2014-15 - credit of ₹47.90 lakhs and FY2015-16 - ₹41.54 lakhs.

It may be seen from the tables of remuneration and benchmarks that in view of the muted financial performance of the Company on a standalone basis since FY 2013-14, the Company had significantly reduced the variable portion of the two EDs remuneration, viz incentive remuneration. The salary increments too in these years were on the lower side as compared to the industry benchmarks and took into consideration the Company's performance and growth plans but with a view to retain talent.

- ❖ Remuneration paid/payable to EDs in particular for FY 2015-16 is commensurate with industry standards and Board level positions held in similar sized companies, taking into consideration the individual responsibilities shouldered by them. The tables below illustrate the comparative data:

(₹ in lakhs)

Name	10th percentile	25th percentile	Median	75th percentile	90th percentile
Mr Pisharody	670	790	925	1141	1445
Mr Borwankar	298	359	375	523	693

[Data Source: Aon Hewitt Compensation Study, Positions similar to Mr Pisharody (Business Heads with P&L responsibility) and Mr Borwankar (Business Heads with a functional responsibility) in companies with Revenues in excess of ₹10,000 crores for FY 2015-16. The value represented above refers to Cost to Company, which includes basic salary, all allowances, benefits valuations, performance bonuses / commissions and Long term incentives.]

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

- ❖ Considering the various business cycles wherein the Company may have a situation of inadequate profits as calculated under the provisions of Section 198 of the Act in any financial year during a period of 3 years w.e.f. April 1, 2016, the approval for the payment of remuneration being sought would include the payment of minimum remuneration as per the terms stated in the **Resolution No. 7 and 8**.
- ❖ It is in this context that the Board, based on the recommendations of the NRC, approved of the reappointment of the 2 Executive Directors on the said revised terms of appointment and remuneration.
- ❖ financial year. Further, whilst the Company has improved its performance in Fiscal 2016, it may be likely that the Company may have a scenario wherein there are inadequacy of profits under the said provisions of the Act in any of the financial years during the 3 years' period from the date of their appointment. As a matter of abundant caution Members' approval is being sought for payment of minimum remuneration as defined in the said resolutions.

#### In respect of proposals at **Resolution Nos. 5 to 8**

- ❖ Pursuant to the provisions of Section 197 of the Act, the remuneration payable to any one managing director or whole-time director shall not exceed 5% of its profits as calculated under Section 198 of the Act and if there is more than one such director then the remuneration to them shall not exceed 10% of such profits. In case of loss or inadequacy of profits as per Section 198 of the Act, a company may pay remuneration within the limits prescribed under Schedule V of the Act based on its effective capital, subject to shareholders' approval vide a Special Resolution which would be valid for a period of 3 years. Further, any sums paid in excess of the said statutory limits become refundable to the company and is held in trust for the company by the said director, unless the company waives the recovery of the said amount by way of a special resolution passed by the Members and such waiver is approved by the Central Government.
- ❖ The Company recorded a net profit of ₹11,023.75 crores on a consolidated basis and ₹234.23 crores on a standalone basis for the financial year ended March 31, 2016. However, as per the provisions of Section 198 of the Act, the Company on a standalone basis, had a loss of ₹465.05 crores for the said financial year. Based on the Company's Effective Capital of ₹10,169.76 crores as at March 31, 2015, the Company is permitted to pay, on an individual basis, the Executive Directors a maximum remuneration of ₹3.18 crores and in respect of the CEO & MD ₹40 lacs (pro-rated for period from February 15, 2016 to March 31, 2016) for FY 2015-16. Based on the Company's Effective Capital of ₹14,411.75 crores as at March 31, 2016, the Company would be permitted to pay ₹4.02 crores per director for FY 2016-17 in case if the Company has inadequate profits in the financial year. The Executive Directors remuneration would be within the said limits in case of no/inadequacy of profits during their said tenure. Considering that Mr Butschek's remuneration would exceed the said limits in case of no/inadequacy of profits in any financial year and that he is a German citizen and non-resident of India, the approval of the Central Government is being sought.
- ❖ The Company remains committed to pursue the long term interest of all stakeholders, including the Company's Members and employees. It is necessary to balance this with recruiting and retaining industry proven management team through the long term. This involves ensuring that the Company's leadership and talent base is appropriately remunerated, notwithstanding cyclical phases. This is particularly important when the Company has ongoing significant turnaround and growth strategies under execution. It is in this context that the Board have recommended the **Resolution Nos. 5 to 8** for approval by the Members.

## II. SUMMARY OF PROPOSALS FOR THE OTHER ITEM Nos. 1 to 4, 9 and 10 OF THE NOTICE:

- ❖ **ITEM Nos. 1 and 2** pertain to approval of the Company's Financial Statements and declaration of dividend, respectively for FY 2015-16.
- ❖ **ITEM No. 3** pertains to the appointment of Mr R Pisharody who retires at this Annual General Meeting pursuant to Section 152 of the Act and being eligible the proposal for his appointment as Director has been included in the Notice for approval of the Members. A proposal for his re-appointment as Executive Director is included in **Resolution No. 7**.
- ❖ **ITEM Nos. 4 and 9** pertain to the ratification by the Members of the appointment of the Company's Statutory Auditors and the Cost Auditors, respectively for FY 2016-17.
- ❖ **ITEM No. 10** pertains to the raising of funds by way of private placement of NCDs upto ₹3,000/- crores as part of the Company's ongoing efforts to strengthen the capital structure. The proposed Resolution is in lieu of the **Resolution No. 5** passed by the Members at the last Annual General Meeting held on August 13, 2015 which was valid for a period of 12 months and would expire on August 12, 2016.

Note: For further information on the proposals, kindly refer the notice and explanatory statement appended hereto.

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## NOTICE

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

Dear Member,

NOTICE IS HEREBY GIVEN THAT THE SEVENTY FIRST ANNUAL GENERAL MEETING OF TATA MOTORS LIMITED will be held on Tuesday, August 9, 2016, at 3 p.m. at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai 400 020 to transact the following business:

#### ORDINARY BUSINESS

1. To receive, consider and adopt
  - (a) the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2016 together with the Reports of the Board of Directors and the Auditors thereon; and
  - (b) the Audited Consolidated Financial Statements of the Company for the Financial year ended March 31, 2016 together with the Report of the Auditors thereon.
2. To declare a dividend on Ordinary Shares and 'A' Ordinary Shares.
3. To appoint a Director in place of Mr Ravindra Pisharody (DIN: 01875848), who retires by rotation and being eligible, offers himself for re-appointment.

#### 4. Ratification of Auditors' Appointment

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

"RESOLVED that pursuant to the provisions of Section 139 and such other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time and pursuant to the resolution passed by the Members at the Sixty-Ninth Annual General Meeting (AGM) held on July 31, 2014 in respect of appointment of the auditors, Deloitte Haskins & Sells LLP, Chartered Accounts (ICAI Firm Registration No.117366W/W-100018) (DHS) till the conclusion of the AGM to be held in the year 2017, the Company hereby ratifies and confirms the appointment of DHS, as Auditors of the Company to hold office from the conclusion of this AGM till the conclusion of the Seventy- Second AGM of the Company to be held in the year 2017 to examine and audit the accounts of the Company for the Financial Year ending March 31, 2017 on such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors."

#### SPECIAL BUSINESS

#### 5. Appointment of Mr Guenter Butschek as a Director

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

"RESOLVED that Mr Guenter Butschek (DIN: 07427375), who was appointed by the Board of Directors as an Additional Director of the Company with effect from February 15, 2016 and who holds office upto the date of this Annual General Meeting of the Company

under Section 161(1) of the Companies Act, 2013 ("the Act"), but who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act read with the Companies (Appointment and Qualifications of Directors) Rules, 2014, proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company."

#### 6. Appointment of Mr Guenter Butschek as the Chief Executive Officer and Managing Director

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

"RESOLVED that pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, read alongwith Schedule V of the Companies Act, 2013 ("the Act"), and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including any statutory modifications thereof and subject to the approval of the Central Government and on such conditions and modifications as may be prescribed or imposed, if any, whilst granting such approval, the Company do hereby accord their approval for the appointment and terms of remuneration of Mr Guenter Butschek (DIN: 07427375) as the Chief Executive Officer and Managing Director ("MD") of the Company for a period of 5 years with effect from February 15, 2016 (the date of appointment) till February 14, 2021, upon the following terms and conditions, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the period of 3 years from the date of appointment, with liberty to the Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Directors and Mr Butschek:

- I. **NATURE OF DUTIES:** The MD shall, devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board from time to time and separately communicated to him. Subject to the superintendence, control and directions of the Board, the MD be entrusted with substantial powers of management which are in connection with and in the best interests of the business of the Company and the business of any one or more of its subsidiaries and/or associate companies, including performing duties as assigned by the Board from time to time by serving on the boards of such associate companies and/or subsidiaries or any other executive body or any committee of such a company.

#### II. REMUNERATION:

a) **Basic Salary:** €27,500 per month;

b) **Benefits, Perquisites and Allowances:**

Details of Benefits, Perquisites and Allowances are as follows:

- i. Living allowance of €110,000 intended to support the transition for Mr Butschek (who is a German citizen) to India. A

one-time cost for his relocation from Toulouse, France will be borne by the Company

- ii. Rent-free residential accommodation (furnished or otherwise) with the Company bearing the cost of repairs, maintenance, society charges and utilities (e.g. gas, electricity and water charges) for the said accommodation
  - iii. Reimbursement of hospitalization and major medical expenses incurred as per Rules of the Company
  - iv. Two Company maintained cars with drivers as per Company Policy.
  - v. Telecommunication facility as per Rules of the Company
  - vi. Other perquisites and allowances given below: -
    - Medical Insurance Plan with global cover for self and spouse
    - Business Class travel, four times a year for self and spouse to Austria
    - Personal Accident Insurance Premium
    - Premium towards policy for compensating loss of life
    - Annual club membership fees
  - vii. Retirement benefits will be limited to contributions to Provident Fund and Gratuity Fund only as per the Rules of the Company
  - viii. Additional payment of €204,000 per annum in lieu of loss of pension in home country. This payment will be made after adjusting for contributions made towards elements of pension in India, listed in (vii) above
  - ix. Leave entitlement of 30 days of privilege leave, 10 days of sick leave and 8 days of casual leave will be available. Whilst unavailed casual leave would lapse if not availed during the calendar year, unavailed privilege and sick leave would lapse if not availed during the said term.
- c) Incentive Remuneration in the form of:**
- i. Performance Linked Bonus: The target performance linked bonus will be €5,50,000 per annum upto a maximum of €8,25,000 per annum. This performance linked bonus would be payable subject to the achievement of certain performance criteria and such other parameters as may be considered appropriate from time to time by the Board which will be payable after the Annual Accounts have been approved. An indicative list of factors that may be considered for determining the extent of performance linked bonus by the Board as recommended by the Nomination and Remuneration Committee of Directors are:
    - ◆ Company performance on certain defined qualitative and quantitative parameters as may be decided by the Board from time to time
    - ◆ Industry benchmarks of remuneration
    - ◆ Performance of the individual.
  - ii. Long Term Incentive: With the objective of achieving long term value creation through retention and continuity of the leadership, it is intended that a long term incentive

plan would be made available. The value of the long term incentive plan is intended to be a target of €5,50,000 per annum but not exceeding €8,25,000 per annum. This incentive would be payable subject to the achievement of certain performance criteria and such other parameters as may be considered appropriate from time to time by the Board. No amount would be payable if termination of the agreement is initiated by the Managing Director prior to completion of the term.

For the period from the date of joining upto March 31, 2017, the amount for Performance Linked Bonus and Long Term Incentive will be the target annual performance amount of €5,50,000 for each of the said Performance Linked Bonus and the Long Term Incentive, prorated for the actual period worked.

- d) One time Joining Bonus:** €2,50,000 payable in the first month of joining.

### III. FOREIGN EXCHANGE CONVERSION AND TAXES:

The above remuneration would be paid in rupee equivalent according to the prevalent €/₹ rate at the time of each payment and would be subject to deduction of all applicable taxes at source. All applicable taxes would be payable by and to the account of Mr Butschek, except for certain categories of benefits and perquisites.

### IV. MINIMUM REMUNERATION:

Notwithstanding anything to the contrary herein contained, where in any financial year during the period of 3 years in the currency of the term of the MD, the Company has no profits or its profits are inadequate, the Company will pay to the MD, remuneration by way of basic salary, benefits, perquisites and allowances, incentive remuneration and retirement benefits as specified above.

### V. OTHER TERMS OF APPOINTMENT:

- i. The terms and conditions of the said appointment may be altered and varied from time to time by the Board as it may, in its discretion deem fit, irrespective of the limits stipulated under Schedule V to the Act or any amendments made hereafter in this regard in such manner as may be agreed to between the Board and the MD, subject to such approvals as may be required
- ii. The MD shall not become interested or otherwise concerned, directly or through his spouse and/or children, in any selling agency of the Company
- iii. The Contract with the MD may be terminated earlier, without any cause by either party giving to the other party six months' notice of such termination or the Company paying six months' remuneration which shall be limited to provision of basic salary, benefits, perquisites and allowances (including Living Allowance) and any pro-rated incentive remuneration, in lieu of such notice. Additionally,

in case of termination initiated by the Company before the end of the Term for the reasons other than Tata Code of Conduct ("TCoC"), the MD shall be entitled to severance pay for a period of 12 months or balance term of the agreement whichever is less and which shall be limited to provision of basic salary, living allowance and any pro-rated incentive remuneration

- iv. This appointment may not be terminated by the Company without notice or payment in lieu of notice except for reasons of breach of TCoC. In case of breach of TCoC, MD shall not be entitled to Severance
- v. In the event the MD is not in a position to discharge his official duties due to any physical or mental incapacity, he shall be entitled to receive notice pay and the severance as mentioned above and this contract shall stand terminated
- vi. Upon the termination by whatever means of employment of the MD:
  - ♦ the MD shall immediately cease to hold offices held by him in any subsidiaries or associate companies without claim for compensation for loss of office by virtue of Section 167(1)(h) of the Act and shall resign as trustee of any trust connected with the Company
  - ♦ the MD shall not without the consent of the Board at any time thereafter represent himself as connected with the Company or any of its subsidiaries or associate companies.
- vii. All Personnel Policies of the Company and the related Rules which are applicable to other employees of the Company shall also be applicable to the MD, unless specifically provided otherwise
- viii. If and when the Agreement expires or is terminated for any reason whatsoever, the appointee will cease to be the Chief Executive Officer and MD and also cease to be a Director. If at any time, the appointee ceases to be a Director of the Company for any reason whatsoever, he shall cease to be the MD and the Agreement shall forthwith terminate. If at any time, the appointee ceases to be in the employment of the Company for any reason whatsoever, he shall cease to be a Director and Chief Executive Officer and MD of the Company
- ix. The terms and conditions of appointment with the MD also include clauses pertaining to adherence with the TCoC, no conflict of interest with the Company, protection and use of Intellectual Properties, non-solicitation post termination of agreement and maintenance of confidentiality."

"RESOLVED FURTHER that the Board of Directors or a Committee thereof, be and is hereby, authorized to take all such steps as may be necessary for obtaining necessary approvals - statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign

and execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such other acts, deeds, matters and things that may be necessary, proper, expedient or incidental for giving effect to this Resolution."

## 7. Re-appointment of Mr Ravindra Pisharody – Executive Director (Commercial Vehicles) and payment of remuneration

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

"RESOLVED that pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any, read alongwith Schedule V of the Companies Act, 2013 ("Act"), and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including any statutory modifications thereof, the Company do hereby accord their approval for the re-appointment and terms of remuneration of Mr Ravindra Pisharody (DIN:01875848) as the Executive Director (Commercial Vehicles) of the Company with effect from July 1, 2016 to November 24, 2020, upon the following terms and conditions, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the period of 3 years from the date of re-appointment, with liberty to the Directors to alter and vary the terms and conditions of the said re-appointment in such manner as may be agreed to between the Directors and Mr Pisharody and also the payment of remuneration from April 1, 2016 to June 30, 2016, as approved by the Members at their Annual General Meeting ("AGM") held on August 10, 2012:

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

## II. REMUNERATION:

**a. Basic Salary:** ₹6,00,000/- per month; upto a maximum of ₹10,00,000/- per month.

The annual increment which will be effective 1st April each year, will be decided by the Board based on the recommendation of the Nomination and Remuneration Committee ("NRC") in consonance with individual performance and the performance of the Company, within the aforementioned maximum basic salary limit. The annual increment that would be effective on 1st April every year, would be limited upto an amount not



exceeding 20% of the basic salary as may be decided by the Board in the above manner.

#### **b. Benefits, Perquisites and Allowances:**

Details of Benefits, Perquisites and Allowances are as follows:

- i. Rent-free residential accommodation (furnished or otherwise) with the Company bearing the cost of repairs, maintenance, society charges and utilities (e.g. gas, electricity and water charges) for the said accommodation  
OR  
House Rent and Maintenance Allowance (in case residential accommodation is not provided by the Company) of 85% of Basic Salary.
- ii. Reimbursement of hospitalisation and major medical expenses incurred as per Rules of the Company (this includes mediclaim insurance premium)
- iii. Car facility as per Rules of the Company
- iv. Telecommunication facility as per the rules of the Company including broadband, internet and fax
- v. Other perquisites and allowances given below subject to a maximum of 55% of Basic Salary, which includes:
  - Medical allowance
  - Leave Travel Concession/Allowance
  - Other Allowances
  - Personal Accident Insurance Premium
  - Annual club membership fees
- vi. Retirement benefits: Contribution to Provident Fund, Superannuation Fund or Annuity Fund and Gratuity Fund as per the Rules of the Company. Provision of Special Retirement Benefits viz. Pension and Medical Benefits upon his superannuation, only if he continues with the Company or any Tata Company till that time. The Special Retirement Benefits are discretionary and can be withdrawn by the Board in case of conviction by the judicial authorities for any offences and include clauses on non-compete after superannuation
- vii. Leave and encashment of unavailed leave as per the Rules of the Company.

#### **c. Commission:**

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

#### **d. Incentive Remuneration:**

In case where the net profits of the Company are inadequate

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

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

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

#### **III. MINIMUM REMUNERATION:**

Notwithstanding anything to the contrary herein contained, wherein any financial year during the period of 3 years in the currency of the tenure of the Executive Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of basic salary, benefits, perquisites and allowances, incentive remuneration and retirement benefits as specified above.

#### **IV. OTHER TERMS OF APPOINTMENT:**

- i. The terms and conditions of the said re-appointment may be altered and varied from time to time by the Board as it may, in its discretion deem fit, irrespective of the limits stipulated under Schedule V to the Act or any amendments made hereafter in this regard in such manner as may be agreed to between the Board and the Executive Director, subject to such approvals as may be required
- ii. The Executive Director shall not become interested or otherwise concerned, directly or through his spouse and/or children, in any selling agency of the Company
- iii. This appointment may be terminated by either party by giving to the other party six months' notice of such termination or the Company paying six months' remuneration in lieu of the Notice
- iv. The employment of the Executive Director, may be terminated by the Company without notice or payment in lieu of notice:
  - ◆ if the Executive Director, is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associate company to which he is required by the Agreement to render services; or
  - ◆ in the event of any serious repeated or continuing breach (after prior warning) or non-observance by the Executive Director, of any of the stipulations contained in the

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Agreement to be executed between the Company and the Executive Director; or

- ◆ in the event the Board expresses its loss of confidence in the Executive Director.
- v. In the event the Executive Director is not in a position to discharge his official duties due to any physical or mental incapacity, the Board shall be entitled to terminate his contract on such terms as the Board may consider appropriate in the circumstances
- vi. Upon the termination by whatever means of employment of the Executive Director:
- ◆ the Executive Director shall immediately cease to hold offices held by him in any subsidiaries or associate companies without claim for compensation for loss of office by virtue of Section 167(1)(h) of the Act and shall resign as trustee of any trust connected with the Company
  - ◆ the Executive Director shall not without the consent of the Company at any time thereafter represent himself as connected with the Company or any of its subsidiaries or associate companies.
- vii. All Personnel Policies of the Company and the related Rules which are applicable to other employees of the Company shall also be applicable to the Executive Director, unless specifically provided otherwise
- viii. If and when the Agreement expires or is terminated for any reason whatsoever, the appointee will cease to be the Executive Director and also cease to be a Director. If at any time, the appointee ceases to be a Director of the Company for any reason whatsoever, he shall cease to be the Executive Director and the Agreement shall forthwith terminate. If at any time, the appointee ceases to be in the employment of the Company for any reason whatsoever, he shall cease to be a Director and Executive Director of the Company
- ix. The terms and conditions of re-appointment with the Executive Director also include clauses pertaining to adherence with the Tata Code of Conduct, no conflict of interest with the Company, protection and use of Intellectual Properties, non-solicitation post termination of agreement and maintenance of confidentiality."

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

## 8. Re-appointment of Mr Satish Borwankar – Executive Director (Quality) and payment of remuneration

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

"RESOLVED that pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any, read alongwith Schedule V of the Companies Act, 2013 ("Act"), and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including any statutory modifications thereof, the Company do hereby accord their approval for the re-appointment and terms of remuneration of Mr Satish Borwankar (DIN:01793948) Executive Director (Quality) of the Company with effect from July 1, 2016 to July 15, 2017 upon the following terms and conditions, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during his said tenure, with liberty to the Directors to alter and vary the terms and conditions of the said re-appointment in such manner as may be agreed to between the Directors and Mr Borwankar and also the payment of remuneration from April 1, 2016 to June 30, 2016, as approved by the Members at their Annual General Meeting ("AGM") held on August 10, 2012:

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

### II. REMUNERATION:

**a. Basic Salary:** ₹ 4,75,000/- per month; upto a maximum of ₹ 7,00,000/- per month.

The annual increment which will be effective 1st April each year, will be decided by the Board based on the recommendation of the Nomination and Remuneration Committee ("NRC") in consonance with individual performance and the performance of the Company, within the aforementioned maximum basic salary limit. The annual increment that would be effective on 1st April every year, would be limited upto an amount not exceeding 20% of the basic salary as may be decided by the Board in the above manner.

### b. Benefits, Perquisites and Allowances:

Details of Benefits, Perquisites and Allowances are as follows:

- i. Rent-free residential accommodation (furnished or otherwise) with the Company bearing the cost of repairs,

maintenance, society charges and utilities (e.g. gas, electricity and water charges) for the said accommodation

OR

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

- ii. Reimbursement of hospitalisation and major medical expenses incurred as per Rules of the Company (this includes mediclaim insurance premium)
- iii. Car facility as per Rules of the Company
- iv. Telecommunication facility as per the rules of the Company including broadband, internet and fax
- v. Other perquisites and allowances given below subject to a maximum of 55% of Basic Salary, which includes:
  - ◆ Medical allowance
  - ◆ Leave Travel Concession/Allowance
  - ◆ Other Allowances
  - ◆ Personal Accident Insurance Premium
  - ◆ Annual club membership fees.
- vi. Retirement benefits: Contribution to Provident Fund, Superannuation Fund or Annuity Fund and Gratuity Fund as per the Rules of the Company. Provision of Special Retirement Benefits viz. Pension and Medical Benefits upon his superannuation, only if he continues with the Company or any Tata Company till that time. The Special Retirement Benefits are discretionary and can be withdrawn by the Board in case of conviction by the judicial authorities for any offences and include clauses on non-compete after superannuation
- vii. Leave and encashment of unavailed leave as per the Rules of the Company.

**c. Commission:**

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

**d. Incentive Remuneration:**

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

An indicative list of factors that may be considered for

determining the extent of commission/incentive remuneration, by the Board (recommended by the NRC) which will be payable annually after the Annual Accounts have been approved, are:

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

**III. MINIMUM REMUNERATION:**

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

**IV. OTHER TERMS OF APPOINTMENT:**

- i. The terms and conditions of the said re-appointment may be altered and varied from time to time by the Board as it may, in its discretion deem fit, irrespective of the limits stipulated under Schedule V to the Act or any amendments made hereafter in this regard in such manner as may be agreed to between the Board and the Executive Director, subject to such approvals as may be required
- ii. The Executive Director shall not become interested or otherwise concerned, directly or through his spouse and/or children, in any selling agency of the Company
- iii. This appointment may be terminated by either party by giving to the other party six months' notice of such termination or the Company paying six months' remuneration in lieu of the Notice
- iv. The employment of the Executive Director, may be terminated by the Company without notice or payment in lieu of notice:
  - ◆ if the Executive Director, is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associate company to which he is required by the Agreement to render services; or
  - ◆ in the event of any serious repeated or continuing breach (after prior warning) or non-observance by the Executive Director, of any of the stipulations contained in the Agreement to be executed between the Company and the Executive Director; or
  - ◆ in the event the Board expresses its loss of confidence in the Executive Director.
- v. In the event the Executive Director is not in a position to discharge his official duties due to any physical or mental incapacity, the Board shall be entitled to terminate his contract on such terms as the Board may consider appropriate in the circumstances
- vi. Upon the termination by whatever means of employment of the Executive Director:

- ♦ the Executive Director shall immediately cease to hold offices held by him in any subsidiaries or associate companies without claim for compensation for loss of office by virtue of Section 167(1)(h) of the Act and shall resign as trustee of any trust connected with the Company
  - ♦ the Executive Director shall not without the consent of the Company at any time thereafter represent himself as connected with the Company or any of its subsidiaries or associate companies.
- vii. All Personnel Policies of the Company and the related Rules which are applicable to other employees of the Company shall also be applicable to the Executive Director, unless specifically provided otherwise.
- viii. If and when the Agreement expires or is terminated for any reason whatsoever, the appointee will cease to be the Executive Director and also cease to be a Director. If at any time, the appointee ceases to be a Director of the Company for any reason whatsoever, he shall cease to be the Executive Director and the Agreement shall forthwith terminate. If at any time, the appointee ceases to be in the employment of the Company for any reason whatsoever, he shall cease to be a Director and Executive Director of the Company.
- ix. The terms and conditions of re-appointment with the Executive Director also include clauses pertaining to adherence with the Tata Code of Conduct, no conflict of interest with the Company, protection and use of Intellectual Properties, non-solicitation post termination of agreement and maintenance of confidentiality."

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

## 9. Payment of Remuneration to the Cost Auditor

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

"RESOLVED that pursuant to the provisions of Section 148(3) and such other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules 2014, as amended from time to time, the remuneration of ₹5,00,000/- (Rupees Five Lakhs) plus service tax, out-of-pocket, travelling and living expenses incurred in connection with the audit, as recommended by the Audit Committee and approved by the Board payable to M/s Mani & Co., Cost Accountants (Firm Registration No. 000004) as Cost Auditors to conduct the Audit of the relevant cost records of the Company as prescribed under the Companies (Cost Records and Audit) Rules, 2014 as

amended from time to time, for the financial year ending March 31, 2017 be and is hereby ratified and confirmed."

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

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

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

"RESOLVED that pursuant to the provisions of Sections 42, 71 and such other applicable provisions, if any, of the Companies Act, 2013 read together with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as may be amended from time to time and such other regulations as may be applicable, the approval of the Members be and is hereby granted to the Board of Directors of the Company for making offer(s) or invitation(s) to subscribe to the issue of Non-Convertible Debentures on a private placement basis, fixing the terms and conditions of the issue as the Board of Directors may from time to time, determine and consider proper and most beneficial to the Company, in one or more tranches such that that the aggregate amount does not exceed ₹3,000 crores (Rupees Three Thousand crores) during a period of one year from the date of passing of this Resolution and that the said borrowing is within the overall borrowing limit of the Company."

"RESOLVED FURTHER that for the purpose of giving effect to this Resolution, the Board of Directors, including any committee thereof be and is hereby authorized to fix the terms and conditions of the issue and from time to time, do all such acts, deeds and things and give such directions as may be deemed necessary or expedient in the interest of the Company."

By Order of the Board of Directors

**H K SETHNA**

Company Secretary

FCS No.: 3507

Mumbai

May 30, 2016

### Registered Office:

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

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

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

CIN - L28920MH1945PLC004520

### NOTES:

- a. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") in respect of the business under Item Nos. 5 to 10 set out above and details as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") in respect of Directors seeking appointment and reappointment at this Annual General Meeting are annexed hereto

- b. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. The instrument appointing Proxy as per the format included in the Annual Report should be returned to the Registered Office of the Company not less than FORTY-EIGHT HOURS before the time for holding the Meeting. Proxies submitted on behalf of limited companies, societies, partnership firms, etc. must be supported by appropriate resolution/authority, as applicable, issued by the Member organization
- A person can act as a proxy on behalf of Members (not exceeding 50 Members) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or a Member.
- c. Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send to the Company, a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting
- d. Only registered Members (including the holders of 'A' Ordinary Shares) of the Company may attend and vote at the Annual General Meeting. The holders of the American Depositary Receipts (the "ADRs") of the Company shall not be entitled to attend the said Annual General Meeting. However, the ADR holders are entitled to give instructions for exercise of voting rights at the said Meeting through the Depository, to give or withhold such consent, to receive such notice or to otherwise take action to exercise their rights with respect to such underlying shares represented by each such American Depositary Share. A brief statement as to the manner in which such voting instructions may be given is being sent to the ADR holders by the Depository.
- e. In case of joint holder attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote
- f. Relevant documents referred to in the Notice and the accompanying Statement are open for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.
- g. The Register of Members and Transfer Books of the Company will be closed from Wednesday, July 20, 2016 to Tuesday, August 9, 2016, both days inclusive. If the dividend as recommended by the Board of Directors is approved at the Annual General Meeting, payment of such dividend will be made on or after August 11, 2016 as under:
- i. To all Beneficial Owners in respect of shares held in electronic form, as per the data made available by the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), as of the close of business hours on July 19, 2016
  - ii. To all Members in respect of shares held in physical form, after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on July 19, 2016.
- The 'A' Ordinary Shareholders will receive dividend for any financial year at five percentage points more than the aggregate rate of dividend declared on Ordinary Shares for that financial year.
- h. Members who hold shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.
- i. Non-Resident Indian Members are requested to inform the Company's Registrars and Transfer Agents, immediately of:
- a) Change in their residential status on return to India for permanent settlement.
  - b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
- j. SEBI has mandated the submission of Permanent Account Number (PAN) for participating in the securities market, deletion of name of deceased holder, transmission/transposition of shares. Members are requested to submit the PAN details to their Depository Participant in case of holdings in dematerialized form and to the Company's Registrars and Transfer Agents, mentioning their correct reference folio number in case of holdings in physical form.
- k. Updation of Members' Details:  
The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the Act requires the Company/ Share Registrars and Transfer Agents to record additional details of Members, including their PAN details, email address, bank details for payment of dividend, etc. A form for capturing the additional details in physical form are requested to submit the filled in form to the Company or its Share Registrars and Transfer Agents. Members holding shares in electronic form are requested to submit the details to their respective Depository Participants.
- l. Members holding shares in dematerialised mode are requested to intimate all changes pertaining to their bank details, NECS, mandates, nominations, power of attorney, change of address/ name, PAN details, etc. to their Depository Participant only and not to the Company's Registrars and Transfer Agents. Changes intimated to the Depository Participant will then be automatically reflected in the Company's records which will help the Company and its Registrars and Transfer Agents to provide efficient and better service to the Members.
- m. Members' attention is particularly drawn to the "Corporate Governance" section in respect of unclaimed and unpaid dividends.
- n. Members desiring any information as regards the Accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready at the Meeting.

- o. As an austerity measure, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their attendance slip alongwith a copy of Annual Report to the Meeting.
- p. To support the 'Green Initiative', the Members who have not registered their email addresses are requested to register the same with Company's Registrars and Transfer Agents/ Depositories. In other cases, an Abridged Annual Report is being sent to the members. The Members who are desirous of receiving the full Annual Report may write to the Company's Registrar for a copy of the same.

**q. Voting by Members:**

**A. INSTRUCTIONS FOR E-VOTING**

- (i) In compliance with provisions of Section 108 of the Act and the Rules framed thereunder and Regulation 44 of the SEBI Listing Regulations, the Company is pleased to provide Members the facility to exercise their right to vote on resolutions by electronic means either by (a) remote e-voting (by using an electronic voting system provided by CDSL as explained in the Remote e-voting at para B herein below) or (b) electronic ballot at the AGM venue, (as provided in C for electronic ballot below). Resolution(s) passed by Members through e-voting is/are deemed to have been passed as if they have been passed at the AGM.
- (ii) The voting rights of the Ordinary Shareholders shall be in the same proportion to the paid up Ordinary share capital and in case of voting rights on the 'A' Ordinary share, the holder shall be entitled to one vote for every ten 'A' Ordinary shares held as on the cut-off date. A person, whose name is recorded in the Register of Members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting through electronic ballot at the meeting.
- (iii) In this regard, the Member's demat account/folio number as on August 2, 2016 i.e. cut-off date has been enrolled by the Company for participation in voting on resolutions placed by the Company on the voting system.
- (iv) The Members can opt for only one mode of voting, i.e., either by remote e-voting or electronic ballot at the

meeting. The Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting through electronic ballot. The Members who have cast their vote by remote e-voting are eligible to attend the meeting but shall not be entitled to cast their vote again.

- (v) The Board of Directors have appointed Mr P N Parikh of M/s Parikh & Associates, Practicing Company Secretaries (Membership No. FCS327) as the Scrutinizer to scrutinize the remote e-voting and electronic ballot process at the venue, in a fair and transparent manner.
- (vi) Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holding shares as of cut-off date, should follow the same instructions mentioned in **"B. Instructions for Remote E-Voting"**. However, if you are already registered with CDSL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset it by using "Forget User Details/ Password" option available on [www.evotingindia.com](http://www.evotingindia.com).

**B. INSTRUCTIONS FOR REMOTE E-VOTING:**

- (i) The period for remote e-voting starts on Thursday, August 4, 2016 at 9:00 a.m. and ends on Monday, August 8, 2016 at 5:00 p.m.. Remote e-voting shall be disabled by CDSL at 5:00 p.m. on Monday, August 8, 2016 and Members shall not be allowed to vote through remote e-voting thereafter. Any person who is not a member as on the cut-off date should treat this Notice for information purposes only.
- (ii) Log on to [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on "SHAREHOLDERS/ MEMBERS" tab.
- (iv) Enter your User ID. For CDSL- 16 digits beneficiary ID; for NSDL- 8 Character DP ID followed by 8 Digits Client ID; and for Members holding shares in Physical Form - Folio Number registered with the Company. Thereafter, enter the Captcha code as displayed and click on Login.
- (v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user, follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat Shareholders/ Members as well as physical shareholders). Kindly note: Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field or the demat account/ folio number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Bank Details OR Date of Birth(DOB)	Enter the Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. Kindly note that if both the details are not recorded with the depository or Company, please enter the member id / folio number in the Bank details field as mentioned in instruction (iv).

- (vii) After entering these details, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form, will directly reach the Company selection screen. Kindly note that the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Members holding shares in demat form, will reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) If a demat account holder has forgotten the login password, the forgot password option code can be availed to reset the password.
- (xi) Click on the EVSN for Tata Motors Limited. Kindly note that there are separate **EVSN** for **Ordinary Shares (160701007)** and for **"A" Ordinary Shares (160701008)**. In case you are holding both classes of shares, please complete your voting for one EVSN and then cast your vote for another EVSN.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES / NO" for voting. Select the option YES (assent to the Resolution) or option NO (dissent to the Resolution).
- (xiii) Click on the "RESOLUTIONS FILE" link if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Kindly note that once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the voting done by you.
- (xvii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available on Google Play Store, App Store and Windows Phone Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.

**(xviii) Note for Institutional Members and Custodians**

- ◆ Institutional Shareholders/Members (i.e. other than Individuals, HUF, NRI, etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- ◆ A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

- ◆ After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- ◆ The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- ◆ A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- (ix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). You can also send your queries/grievances relating to e-voting at:-

**Name** : Mr Rakesh Dalvi, Deputy Manager

**Address** : Phiroze Jeejeebhoy Towers,  
16th Floor, Dalal Street,  
Mumbai - 400001

**Email Id Phone Number(s)** : [rakeshd@cdslindia.com](mailto:rakeshd@cdslindia.com)  
022 22728588  
Toll free no: 18002005533

**C. VOTING AT AGM:**

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

**D. DECLARATION OF RESULTS ON THE RESOLUTIONS:**

- (i) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than 48 hours from conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against the resolution, invalid votes, if any and whether the Resolution(s) has/have been carried or not, to the Chairman or a person authorized by him in writing who shall countersign the same.
- (ii) The results declared along with the Scrutinizer's Report shall be placed on the Company's web-site [www.tatamotors.com](http://www.tatamotors.com) and on the web-site of CDSL [www.evotingindia.com](http://www.evotingindia.com) immediately after the result is declared. The Company shall simultaneously forward the results to BSE Limited and National Stock Exchange of India Ltd., where the securities of the Company are listed.
- (iii) Subject to the receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of Meeting i.e. August 9, 2016.

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

The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act"), given hereunder sets out all material facts relating to the special business mentioned at Item Nos. 5 to 10 of the accompanying Notice dated May 30, 2016. As additional information, the Explanatory Statement also contains material facts pertaining to ordinary business mentioned at Item No. 4 of the said Notice:

### Item No.4

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

In the Annual General Meeting of the Company held on July 31, 2014, Deloitte Haskins & Sells LLP (DHS) Chartered Accountants (ICAI Firm Registration No.117366W/W-100018), Mumbai had been appointed as the Statutory Auditors of the Company for a period of 3 years to hold office from the conclusion of the sixty-ninth Annual General Meeting held on July 31, 2014 till the conclusion of the seventy-second Annual General Meeting of the Company to be held in the year 2017, subject to the ratification of their appointment at every Annual General Meeting by Members.

Accordingly, ratification of the Members is being sought for appointment of the Statutory Auditors as per the proposal contained in the Resolution set out at Item No. 4 of the Notice. As per the requirement of the Act, DHS have confirmed that the appointment if made would be within the limits specified under Section 141(3)(g) of the Act and it is not disqualified to be appointed as Auditor in terms of the provisions of Sections 139 and 141 of the Act and the Companies (Audit and Auditors) Rules, 2014.

In view of the above, DHS continuing to be eligible to act as Auditors of the Company and based on the recommendation of the Audit Committee at its Meeting held on May 30, 2016 and pursuant to Rule 3 of the Companies (Audit and Auditors) Rules, 2014, the Board commends the Resolution at Item No. 4 for approval by the Members.

It may be noted that the Board on recommendation of the Audit Committee had approved the payment of ₹5.05 crores to audit the Standalone and Consolidated Financial Statements and Results prepared by the Company on quarterly basis for the financial year ended March 31, 2016. For further details on fees paid to the auditors for services rendered by them, Members attention is drawn to the Notes forming part of Financial Statements.

The Company has in place a Policy for pre-approval of services to be rendered by the Auditors across its subsidiaries by the Audit Committee to ensure that the Auditors function in an independent manner.

None of the Directors, Key Managerial Personnel or their relatives are concerned or interested, financially or otherwise in the Resolution at Item No. 4 of the Notice.

### Item Nos. 5 to 8

**In respect of Item Nos. 5 and 6 of the Notice dealing with the appointment of Mr Guenter as a Director and the Chief Executive Officer and Managing Director, it is stated that:**

Mr Guenter Butschek was appointed as an Additional Director and

the Chief Executive Officer and Managing Director (the "MD") of the Company w.e.f. February 15, 2016 (the "Date of Appointment") and was entrusted with the overall responsibility of Tata Motors' operations in India and international markets (but excluding Jaguar Land Rover operations) which, *inter alia*, included South Korea, Thailand, Indonesia and South Africa. Mr Butschek, 55, graduated in Business Administration and Economics with a diploma from the University of Cooperative Education Stuttgart, Germany.

Having joined the Airbus Group in March 2011, Mr Butschek's last position in this Group was of the Chief Operating Officer wherein he was also a Member of the Group Executive Committee. He was also responsible for its global operations leading a team of 42,000 employees spread across 20 locations (engineering centers, production plants) in 8 countries/geographies and a global supplier network. He reshaped the industrial strategy, empowered operational units, implemented a global operating system, enhanced the end-to-end supply chain performance and launched new aircraft types to structurally improve productivity and flexibility.

Prior to Airbus, Mr Butschek worked at Daimler AG since 1984, where he gained more than 25 years of experience in international automotive management. At Daimler, he held several positions in logistics, human resources and procurement in various geographies significant being South Africa, Netherlands and China and was responsible for various restructuring and transformational turnaround initiatives with significant improvements in performance, quality, and productivity. He launched several new production lines for Mercedes, Chrysler, and Mitsubishi products setting the footprint for future profitable growth. For detailed information on Mr Butschek's profile and achievements, please refer to Mr Butschek's profile given in the statement containing additional information.

Taking into consideration the size and complexity of the Company's global operations, the enormous responsibility for oversight of the Tata Motors' Group (excluding Jaguar Land Rover business), the qualifications and accomplishments of Mr Butschek and based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors (the "Board"), at its Meeting held on January 18, 2016, subject to the approval of the Members and the Central Government, appointed Mr Butschek as an Additional Director. Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 (Act), the Rules framed thereunder and the Articles of Association of the Company, Mr Butschek would cease to hold office at the ensuing Annual General Meeting but would be eligible for appointment as a Director. Notice under Section 160 of the Act has been received from a Member signifying his intention to propose Mr Butschek's appointment as a Director and the Members' approval is sought for the said proposal given in the Resolution No. 5. At the said meeting, the Board also appointed Mr Butschek as the MD of the Company for a period of 5 years pursuant to Sections 196, 197 and other applicable provisions, if any, read together with Schedule V to the Act and the Rules framed thereunder on the terms and conditions as given in **Resolution No. 6.**



**In respect of Item Nos. 7 and 8 of the Notice dealing with the re-appointment of Mr Pisharody and Mr Borwankar as Executive Directors and payment of remuneration, it is stated that:**

The Members at the 67th Annual General Meeting held on August 10, 2012 had vide Ordinary Resolutions Nos. 9 and 11 approved the appointment of Mr Ravindra Pisharody, Executive Director (Commercial Vehicles) and Mr Satish Borwankar, Executive Director (Quality) of the Company respectively for a period of 5 years commencing from June 21, 2012, including the terms of remuneration payable to them, as enumerated below for ease of reference:

**Remuneration:**

- (i) Basic Salary: Upto a maximum of ₹7,00,000/- per month with authority to the Board or a Committee thereof to fix the salary and annual increments, which would be effective April 1 every year, as may be decided by the Board, based on merit and taking into account the Company's performance, within the said maximum basic salary amount;
- (ii) Incentive remuneration, if any, and/or commission, based on certain performance criteria to be laid down by the Board; and
- (iii) Benefits, perquisites and allowances as may be determined by the Board from time to time.

Minimum Remuneration: Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the Appointee(s), the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of basic salary, incentive remuneration, benefits, perquisites and allowances, as specified above.

Further, the Members have vide Postal Ballot - Notice dated December 9, 2014, also by Special Resolutions approved of the payment of minimum remuneration to the above Executive Directors in view of inadequacy of losses as calculated under the provisions of Section 198 of the Act, for the FY 2014-15 and FY 2015-16, which remuneration was within the prescribed limits.

Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors at its Meeting held on May 30, 2016 approved of the re-appointment of the said Executive Directors with the following changes and have recommended the same to the Members of the Company, including the termination of their existing agreements with effect from July 1, 2016:

- a) Tenure (being co-terminus with their respective dates of retirement - completion of 65 years):
  - ♦ Mr R Pisharody – July 1, 2016 to November 24, 2020
  - ♦ Mr S Borwankar – July 1, 2016 to July 15, 2017.
- b) Salary scale:
  - ♦ Mr R Pisharody - upto a maximum of ₹10 lakhs per month (increased from ₹ 7 lakhs)
  - ♦ Mr S Borwankar - upto a maximum of ₹7 lakhs per month (unchanged).

The increments, which were previously uncapped, would be limited to 20% of basic salary per annum.

- c) Commission, which was previously uncapped, would be within the applicable limits under Section 197 of the Act, but will in any case not exceed 400% of the basic salary.
- d) Incentive remuneration, which was previously uncapped, would be paid in case of inadequacy of profits/losses in any financial year which shall not exceed 200% of the basic salary.

Considering the various business cycles wherein the Company may have a situation of inadequate profits as calculated under the provisions of Section 198 of the Act in any financial year during a period of 3 years w.e.f. April 1, 2016, the approval for the payment of remuneration being sought would include the payment of minimum remuneration as per the terms stated in the **Resolutions Nos. 7 and 8** of the Notice.

**In respect of Item Nos. 6 to 8 of the Notice, it is stated that:**

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

The Company recorded a net profit of ₹11,023.75 crores on a consolidated basis and ₹234.23 crores on a standalone basis for the financial year ended March 31, 2016. However, as per the provisions of Section 198 of the Act, the Company on a standalone basis, had a loss of ₹465.05 crores for the said financial year. Further, whilst the Company has improved its performance in FY 2015-16, it may be likely that the Company may have a scenario wherein there are inadequacy of profits under the said provisions of the Act in any of the financial years during the 3 years' period from the date of their appointment/re-appointment. As a matter of abundant caution Members' approval is being sought for payment of minimum remuneration as defined in the said resolutions. For details pertaining to relevant profits, the reasons for losses for FY 2015-16 and steps taken to improve the performance of the Company please refer to Point Nos. 1 and 2 of Item III on 'Other Information' in 'The Statement containing Additional Information as required under Schedule V of the Act' provided below.

Based on the Company's Effective Capital of ₹10,169.76 crores as at March 31, 2015, the Company is permitted to pay, on an individual basis, the Executive Directors a maximum remuneration of ₹3.18 crores and in respect of the MD ₹40 lacs (pro-rated for period from February 15, 2016 to March 31, 2016) for FY 2015-16. Based on the Company's Effective Capital of ₹14,411.75 crores as at March 31, 2016, the Company would be permitted to pay ₹4.02 crores per director for FY 2016-17 in case if the Company has inadequate profits in the financial year. The Executive Directors' remuneration would be within the said limits in case of no/inadequacy of profits during their said

tenure. Considering that Mr Butschek's remuneration would exceed the said limits in case of no/inadequacy of profits in any financial year and that he is a German citizen and non-resident of India, the approval of the Central Government is being sought.

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

### I. GENERAL INFORMATION:

#### 1. Nature of industry:

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

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

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

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

Not Applicable

#### 4. Financial performance based on given indicators:

(₹ in crores)

Particulars	FY 2015-16	FY 2014-15	FY 2013-14	FY 2012-13	FY 2011-12
Consolidated Revenue from Operations (Gross)	280,096.72	266,707.90	236,820.78	193,559.01	170,677.58
Standalone Revenue from Operations (Gross)	46,646.67	39,531.23	37,764.64	49,319.66	59,220.94
Consolidated Profit for the period	11,023.75	13,986.29	13,991.02	9,892.61	13,516.50
Standalone Profit for the period	234.23	(4,738.95)	334.52	301.81	1,242.23
Standalone Net Profit/(Loss) under Section 198 of the Act	(465.05)	(3,981.54)	(2,570.99)	449.31	1,349.81

Note: Previous year figures have been regrouped wherever necessary to correspond with the current year classification.

It may be noticed from the above table that the Company has significantly improved its operating performance and financial results in Fiscal 2016. Coinciding with the improvements in the macro economic scenario and as may be seen from the Company's financial results, the Company has posted EBITDA of ₹2,740.15 crores in Fiscal 2016 as compared to negative EBITDA of ₹800.01 crores in the Fiscal 2015. New product launches have been stepped up, particularly in the Passenger Vehicle business with the launch of Bolt and Zest in Fiscal 2016 and the Tiago in early Fiscal 2017. Further, in order to deleverage the Company to reduce the borrowing costs, the Company has raised equity from the Promoters and Shareholders to the extent of about ₹7,498 crores in May 2015. This helped to curtail the borrowings and reduce interest costs. With more and improved products in the pipeline and the number of initiatives/actions underway, the Company expects to significantly step up its operating and financial performance in the next few quarters and in the coming financial years.

It may be worthwhile to note that Tata Motors' Standalone financial performance reflects positive results as compared to previous year's loss as stated above under Section 198 of the Act, signifying a turnaround in the Company's performance. Tata Motors' Consolidated financial performance continues to show improvements (except for Q2FY15-16 due to weaker sales in China and product mix and JLR vehicles being damaged due to explosion at Tianjin port).

#### 5. Foreign investments or collaborations, if any:

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

## II. INFORMATION ABOUT THE APPOINTEE(S):

### A. Mr Guenter Butschek, Chief Executive Officer and Managing Director

#### 1. Background details:

Mr Butschek, aged 55, graduated in Business Administration and Economics with a diploma from the University of Cooperative Education Stuttgart, Germany.

Mr Butschek's last position in the Airbus Group was of the Chief Operating Officer wherein he was also a Member of the Group Executive Committee. Mr Butschek joined Airbus on March 1, 2011, as Executive Vice President of Operations, Member of the Airbus Executive Committee and Chairman of the Board of Management of Airbus in Germany. He was responsible for its global operations leading a team of 42,000 employees spread across 20 locations (engineering centers, production plants) in 8 countries/geographies and a global supplier network. He reshaped the industrial strategy, empowered operational units, implemented a global operating system and enhanced the end-to-end supply chain performance in order to master the rate increases, launch of new aircraft types and to structurally improve productivity and flexibility.

Prior to Airbus, Mr Butschek worked at Daimler AG, where he gained more than 25 years of experience in international automotive management, e.g. production, industrialization and procurement. Mr Butschek began his professional career in 1984 at Mercedes-Benz AG in Stuttgart, Germany, as Project Engineer Central Material Management. After several positions at the Mercedes-Benz Passenger Cars division, Mr Butschek became a Member of the Management Board of DaimlerChrysler South

Africa (DCSA) with full operational responsibility in 2000. In 2002, Mr Butschek moved to the Netherlands as President and Chief Executive Officer of Netherlands Car B.V., a contract manufacturer within the global manufacturing network of DaimlerChrysler and Mitsubishi Motors Corporation. As part of a holistic transformation, he successfully managed the restructuring of processes and a turnaround program. The last role he held was President and Chief Executive Officer of Beijing Benz Automotive Co., Ltd, a joint venture between Daimler AG and Beijing Automotive Industrial Holding in Beijing, China. Leading the joint venture, he relocated the operations to an all new state-of-the-art facility and increased productivity and flexibility of the plant.

## 2. Job Profile and his suitability:

The appointment of Mr Butschek is in the context of following: -

- Over the last couple of years, the Company is going through a set of unprecedented circumstances i.e. sustained industry-wide lower demand, heightened competitive pressures from global OEM's, flux in regulatory environment, drop in profitability & productivity and a sudden demise of the Managing Director.
- The Company is in the midst of a organizational transformational initiatives in response to the above. Given these challenges and strategic priorities, a search was undertaken on a global basis and multiple candidates were interviewed for the CEO & Managing Director's role.
- The Company was looking for an outstanding organizational level leader, who could provide strategic direction and create suitable execution framework to ensure the organization's success, both for short term and long term basis. Executives with large scale global automotive experience along with some exposure to complex restructuring/turnaround programs and cultural transformation initiatives were considered.

After interviewing by NRC members of multiple Executives with large scale global automotive experience alongwith some exposure to complex restructuring/turnaround programs and cultural transformation initiatives, Mr Butschek had been identified. It may be appreciated from the above that the NRC and Board have considered Mr Butschek appropriate for heading the Company.

Tata Motors Limited is India's largest automobile company, with consolidated revenues (net) of ₹2,75,561.11 crores (US\$ 41.6 billion) in Fiscal 2016. Through subsidiaries and associate companies, Tata Motors has operations in the UK, South Korea, Thailand, South Africa and Indonesia. Among them is Jaguar Land Rover, the business comprising the two iconic British brands. It also has an industrial joint venture with Fiat in India. With over 8 million Tata vehicles plying in India, Tata Motors is the country's market leader in commercial vehicles and among the top in passenger vehicles. Tata cars, buses and trucks are being marketed in several countries in Europe, Africa, the Middle East, South Asia, South East Asia, South America, Australia, CIS and Russia.

Mr Butschek leads all operations of Tata Motors in India which, *inter-alia*, include South Korea, Thailand, Indonesia and South

Africa, but excluding Jaguar Land Rover which continues to be managed independently. The consolidated revenues from these operations is above ₹50,000 crores.

Mr Butschek provides Tata Motors with profound knowledge in complex restructuring/turnaround programs and cultural transformation initiatives by onboarding employees and creating ownership in the organization. His leadership creates international teams and fosters a culture of cross-functional teamwork, agility and accountability.

Taking into consideration the size of the Company, the complex nature of its operations, the strategic and operational restructuring and transformation required and Mr Butschek's broad functional and general management skills, his rich global experience of growing organizations and developing new markets, the Board appointed Mr Guenter Butschek. Also as a Director, he is nominated on the Board of certain subsidiary companies. It may be noted that the Company or its subsidiaries does not additionally compensate him in any manner for these additional activities.

## 3. Remuneration proposed:

Details on remuneration have been stated in the **Resolution No. 6** of the Notice. In monetary terms the remuneration for the 3 year period from the date of his appointment is given hereunder:

Description	₹ (in lakhs)		
	15.2.2016 to 15.2.2017	15.2.2017 to 15.2.2018	15.2.2018 to 15.2.2019
Salary	248.70	248.39	248.39
Perquisite and allowances (includes payment in lieu of pension)#	1442.44	1342.99	1344.22
Commission, Bonus and Performance Linked Incentive*	@1004.00	1190.21	1241.96
Retirals	29.84	29.81	29.81
<b>Total Remuneration</b>	<b>2724.98</b>	<b>2811.40</b>	<b>2864.38</b>

# Certain Perquisites and Allowances are based on realistic assumptions

\* Incentive assumed at maximum level of €825,000, whereas the Agreement provides a range from €550,000 to €825,000

@ Includes joining bonus and relocation expenses.

Note: Remuneration of ₹2724.98 lakhs from February 15, 2016 to February 15, 2017 in US\$ equivalent is US\$ 4,057,221 (1USD=₹67.1687 as on May 30, 2016)

The remuneration is denominated in € converted into ₹ on the date of payment. Foreign Exchange Rate is assumed at a constant of 1€ = ₹75, except for FY2015-16 where it is paid on actual basis.

## 4. Comparative Remuneration profile with respect to the industry, size of the Company, profile of the position and person (in case of expatriates, the relevant details would be with respect to the country of its origin):

Remuneration of Mr Butschek is commensurate with the remuneration of expatriates appointed at CEO/MD levels of similar sized multinationals taking into consideration the responsibilities shouldered by him. Mr Butschek's remuneration is commensurate with his past remuneration and has been subjected to peer level

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benchmarks for global automotive OEMs as per survey conducted by Aon Hewitt, an independent consultant. The table below illustrates the requisite comparative data of the CEO remuneration in the global industry at the time of his appointment:

(₹ in lakhs)				
10th percentile	25th percentile	Median	75th percentile	90th percentile
2152	2913	3450	5187	6209

Exchange rate: 1 € = ₹ 70.467

(Data Source: Aon Hewitt Compensation Study, Positions of Business Heads who are Direct reports to the CEO for global automotive OEMs.)

Note: It may be observed that the remuneration decided for Mr Butschek is comparable with global auto OEMs and be commensurate with the set benchmarks taking into consideration the responsibilities being shouldered by him.

### 5. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:

Mr Butschek has joined the Company in a professional capacity and meets the criteria of a professional director with appropriate qualifications, does not hold any securities of the Company and is not related to the promoters or any director of the Company.

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

## B. Mr Ravindra Pisharody, Executive Director (Commercial Vehicles)

### 1. Background details:

Mr. Pisharody aged 61, is a B. Tech (Elec.), PG Diploma in Management (Marketing), with wide and varied experience in business and the automobile industry.

### 2. Past Remuneration:

Financial Year	(₹ in Lakhs)	
	2015-16	2014-15
Basic Salary	66.84	62.40
Benefits, Perquisites and Allowances	62.22	60.71
Commission/ Incentive Remuneration	130.00	120.00
Retirement Benefits*	18.05	16.85
<b>Total Remuneration</b>	<b>277.11</b>	<b>259.96</b>
Less: Permissible Deductions under Schedule V	(9.03)	(8.49)
<b>Total Remuneration under Schedule V</b>	<b>268.08</b>	<b>251.47</b>
Applicable Limits on remuneration under Schedule V	318.39	327.86

\*Excludes (a) provision for Special Retirement Benefits of ₹62.56 lakhs for FY 2015-16 and ₹10.61 lakhs for Fiscal 2016 and Fiscal 2015 respectively in view of their eligibility under the applicable guidelines but would be payable only at the discretion of the Board (b) provision for encashable leave and gratuity as separate actuarial valuation for Executive Directors is not available.

Note: Remuneration of ₹277.10 Lakhs for Fiscal 2016 in USD equivalent to \$412,543 (1US\$=₹67.1687 as on May 30, 2016)

It may be noted that in view of the financial performance of the Company on a standalone basis for the past few years, the Company had significantly reduced the variable portion

of the remuneration, viz. incentive remuneration. The salary increments were decided based on industry benchmarks, the Company's growth plans and with a view to retain talent. For further information, please refer to point no. 5 pertaining to 'Comparative Remuneration Profile'.

The Company does not have an Employee Stock Option Scheme for any of its employees or directors.

### 3. Job profile and his suitability:

Mr Pisharody is the Executive Director (Commercial Vehicles) since June 21, 2012. He joined the Company in 2007 as Vice President, Sales and Marketing. He is responsible for the Commercial Vehicle Business Unit of the Company involving product design and development, manufacturing, sales and marketing functions. Since the time he took over as the Head of Commercial Vehicles, he has held the business strong in the midst of intensifying competition in every product segment. Before joining the Company, he worked with Castrol Ltd., a subsidiary of British Petroleum and with Philips India, a subsidiary of the Dutch company in various roles. Mr Pisharody is an alumnus of IIT, Kharagpur and IIM, Kolkata. He actively participates as a Member of National Council of the Confederation of Indian Industry and is currently the Vice President of Society of Indian Automobile Manufacturers (SIAM). Under his able leadership the Company has maintained a strong and innovative product pipeline, pioneered novel customer service initiatives and restructured network management bringing end-to-end accountability. Mr Pisharody has charted out the Company's long-term strategy for preserving the Company's lead position in the commercial vehicle segment in the Indian automobile market and concurrently increasing market penetration in international markets. His effective leadership coupled with his multi-industry experience and stellar academic record makes him a valuable resource for the Company and would be best suited for delivering the vision of the Company.

In addition to the above, he also Chairs the Corporate Social Responsibility (CSR) Steering Committee of the Company and participates in the CSR Committee of the Board. Spearheads and mentors the Critical Success Factor (CSF) initiatives of CVBU focusing on improving internal efficiencies, adopting globally benchmarked best practices and increasing the profitability of the organization. Reviews and oversees implementation of Safety, Health and Environment related practices of the Company and the Tata Business Excellence Model (TBEM) guidelines. He has also been mentoring the TBEM external assessment team of other Tata companies over the years. He is part of the Company's Diversity Council, apex body that guides and reviews efforts to have a diversified workforce. As a Director nominated on the Board of 10 subsidiary companies, which includes the international subsidiaries in Thailand, South Korea and Indonesia, he provides valued direction and business

acumen. During the Fiscal 2016, he was the Chairman of the Board of Tata Cummins Pvt. Ltd., Tata Daewoo Commercial Vehicles Co. Ltd., Tata Marcopolo Motors Ltd. and Tata Motors SA (Pty) Ltd. It is worthy to note that the Company or these subsidiaries (except Tata Daewoo Commercial Vehicles Ltd. in view of his significant contributions as a Board Member, to its improved performance) do not additionally compensate him, in any manner, for these additional activities.

### Achievements and Performance Highlights during FY 2015-16:

- ◆ A robust leadership ensured that the Company maintained industry leadership in the most challenging environment with increased competition, as more and more global players infiltrated the industry. The Company has been able to maintain strong market share of 56% in the critical M&HCV truck segment.
- ◆ Oversaw 327 vehicle launches during the year in domestic as well as international business, comprising of new generation vehicles as well as derivatives and enhancements of existing product line, covering various segments. Prominent amongst these were the SIGNA range of M&HCVs and ACE Mega, the all-new Smart and Small Pick-up Truck. Our products won 3 prestigious awards at the Apollo CV Awards:
  - Cargo carrier of the year - Tata LPS 4923
  - School Bus of the year - Tata Cityride Skool Bus
  - Special Application CV of the year - Tata MHC 2038
- ◆ Development and implementation of the Commercial Vehicle Business Unit (CVBU) Strategy, which included brand building, focusing on organizational and leadership development to build a cohesive CVBU team with aligned views, achieving enhanced customer satisfaction and loyalty.
- ◆ Was instrumental in the expansion of global footprint through the launch of Tata Prima in Kenya, Uganda and Bangladesh; Ultra Bus in Sri Lanka; Ultra trucks in Bangladesh; Elanza bus in UAE and Ace Express, Ace Mega in Sri Lanka and Nepal. Continuing the journey to be a true global player, the company also opened Assembly units with third party vendors in Tunisia and Vietnam. The Company participated in key motor shows and conclaves around the world such as the Colombo Motor Show, Nepal Automobile Dealers' Association (NADA) Auto Show, Thailand Motor Expo, Thailand Defense Expo and Malaysia Truck and Bus Components Expo.
- ◆ Continued the success of Prima Truck Racing Championship with its Season 3 which attracted over 50,000 spectators. The highlight this year was the first ever race of Indian truck racing talent, trained and nurtured in India. Tata Motors has conceptualized and introduced an Indian Driver Training and Selection program - "T1 Racer Program" to induct and mould Indian truck drivers as 'racers'.
- ◆ Participated in SIAM Auto Expo 2016 and showcased future technology solutions including Magic Iris Ziva, Starbus Hybrid and Ultra Electric along with the SIGNA M&HCV range, ULTRA 1518 Sleeper, ACE MEGA XL and ULTRA 1415 4X4.

- ◆ Signed a contract to supply 25 Tata Starbus Diesel Series Hybrid Electric Buses with Full Low floor configuration, with the Mumbai Metropolitan Region Development Authority (MMRDA) – the single largest order awarded for Hybrid Electric vehicle technology.
- ◆ The business was honored with the 'Best Telematics Product or Launch in the Emerging market' award for its Telematics solution, based on the popular Android platform developed for the Tata Magic Iris Electric.
- ◆ Pioneered industry first Marketing Service Initiatives such as Tata Kavach, Tata Zippy, Truck World Advanced Trucking Expo and driver engagement initiative 'Ek Shaam Saarthi Ke Naam'. Tata Motors Loyalty Program (Tata Delight and Tata Emperor) was recognized by DMA Asia ECHO™ Awards and PMAA Dragons of Asia.
- ◆ Leading growth of the critical Defense business with over ₹1,000 crores in revenue and over ₹1400 crores in order books. The business bagged an order to supply 1,239 units of high-mobility 6X6 multi-axle trucks, from the Indian Army – the single largest order awarded to an Indian private OEM in land systems under the DPP by the Indian Army, followed up with an additional order for 619 units. Submitted the EOI for the USD 12 billion Future Infantry Combat Vehicle (FICV) with Bharat Forge as the Consortium Partner & General Dynamics as the Platform Integration Partner.
- ◆ Improved safety of working conditions across the CVBU and reduced the frequency of accidents by 20% surpassing targets.
- ◆ Promoting energy efficient manufacturing practices with our plants winning several accolades - Golden Peacock Environment Management award for Pantnagar plant, Lucknow plant won the Bureau Energy Efficiency National Energy Conservation Award fourth time this year, Pune plant received CII-GBC Green Co Best Practices Award-2015, First Prize titled 'Excellence in Energy Efficient Unit-2015' Award' by CII for Dharwad plant and Jamshedpur Plant has been rated 'Green Co Gold' by CII-Godrej GBC Jamshedpur Plant became the 'First Company in Eastern India' to achieve this prestigious rating.

Taking into consideration the qualifications, achievements and varied experience, the Board continues to bestow upon Mr Pisharody the responsibilities of Executive Director (Commercial Vehicles).

#### 4. Remuneration proposed:

Details on remuneration have been stated in the Resolution at Item No. 7 of the Notice.

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

In view of the financial performance of the Company on a standalone basis for the past few years, the Company had significantly reduced the variable portion of the remuneration, viz. incentive remuneration. The salary increments to the Executive Director for FY 2015-16 of 7% was decided based on industry

(46-73)

benchmarks, the Company's performance and growth plans and with a view to retain talent. The metrics used by the Nomination and Remuneration Committee while deciding the salary increase of 8% for FY 2016-17 were *inter alia* based on a survey conducted by Aon Hewitt, an independent consultant, depicting an average salary increase in India averaging around 10.6% and the Indian automotive manufacturing industry the salary increment was around 10%.

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

(₹ in lakhs)				
10th percentile	25th percentile	Median	75th percentile	90th percentile
670	790	925	1141	1445

(Data Source: Aon Hewitt Compensation Study, Positions of Business Heads (with P&L responsibility) in companies with Revenues in excess of ₹ 10,000 crores in FY 2015-16. The value represented above refers to Cost to Company, which includes basic salary, all allowances benefits valuations, performance bonuses / commissions and Long term incentives.) Note: A percentile is a measure used in statistics, indicating the value under which a given percentage of observations in a group of observations fall. For example, the 25th percentile is the value (or score) under which 25% of the observations may be found.

## 6. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:

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

## C. Mr Satish Borwankar, Executive Director (Quality)

### 1. Background details:

Aged 63, is a B. Tech (Hons.) Mech, with wide experience in automobile industry, particularly in manufacturing and quality functions.

### 2. Past Remuneration:

Financial Year	(₹ in Lakhs)	
	2015-16	2014-15
Basic Salary	52.68	49.20
Benefits, Perquisites and Allowances#	76.45	71.36
Commission/ Incentive Remuneration	100.00	80.00
Retirement Benefits*	14.22	13.28
<b>Total Remuneration</b>	<b>2,43.35</b>	<b>213.84</b>
Less: Permissible Deductions under Schedule V	(7.32)	(6.90)
<b>Total remuneration under Schedule V</b>	<b>236.03</b>	<b>206.94</b>
Applicable Limits on remuneration under Schedule	318.39	327.86

#Includes leave encashment

\*Excludes (a) provision for Special Retirement Benefits of ₹41.54 lakhs for FY 2015-16 and credit of ₹47.90 lakhs for FY 2014-15 in view of their eligibility under the applicable guidelines but would be payable only at the discretion of the Board (b) provision for encashable leave and gratuity as separate actuarial valuation for Executive Directors is not available.

It may be noted that in view of the financial performance of the Company on a standalone basis for the past few years, the

Company had significantly reduced the variable portion of the remuneration, viz. incentive remuneration. The salary increments were decided based on industry benchmarks, the Company's growth plans and with a view to retain talent. For further information, please refer to point no. 5 pertaining to 'Comparative Remuneration Profile'.

The Company does not have an Employee Stock Option Scheme for any of its employees or directors.

## 3. Job profile and suitability:

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

He also shoulders responsibility for reviewing and overseeing the implementation of Safety, Health and Environment related practices of the Company and the Tata Business Excellence Model (TBEM) guidelines. As a Director, nominated on the Board of certain subsidiary companies, he provides valued direction and insight. Also "Sankalp" a suppliers' improvement project, mentored by him, is expected to transform the Company's supplier quality standards. It is worthy to note that, the Company or these subsidiaries do not additionally compensate him, in any manner, for these additional activities undertaken by him. The Company's future strategy emphasises upon Quality excellence as an important pillar for achieving its Vision. Mr Borwankar, an engineer from IIT Kanpur, with several years of multi-functional experience spanning across the Company's value chain and has consistently delivered exceptional results throughout his career. He is an ideal candidate to help fructify the vision of achieving par-excellence in product quality, as envisioned by the Company.

## Achievements and Performance Highlights during FY 2015-16:

- Introduced forward model quality and quality assessment processes for the first time in Tata Motors in 13-14, has now developed the maturity. This approach has helped in launching defect free products like Zest, Bolt, Tiago in PV segment and Ultra and Prima Variants in CV segment.
- Introduced Digital Craftsmanship assessment for new launches started prior to the physical assessment as per the new rolled out process, for PV, new product development.

- ♦ Initiated Supplier Quality improvement through "Project Sankalp" and "Supplier Quality Improvement Initiative (SQIT)" resulting into substantial improvement of the selected suppliers on Safety, Quality, Cost front.
- ♦ IT enablement has helped in strengthening the product Quality through initiatives like Project Tantra & DDMS.
- ♦ Proactive field, customer and dealer visits by plant teams are continuing with rigor to understand the opportunities for improvement and also to understand improvements carried are meeting the customer satisfaction.
- ♦ In the recently held dealer Conference in May 2016, the Company's products were appreciated for significant improvement in quality, reliability & durability. Dealers also mentioned about the noteworthy reduction in warranty failures and warranty expenses on these products.
- ♦ 'Tata Motors Limited (India Operations)' has been conferred the 'Golden Peacock National Quality Award' for the year 2016 for its significant improvement in product & process Quality.
- ♦ During FY 16, Dharwad, Pantnagar, Lucknow & Jamshedpur plants achieved WCQ Level 2, whereas subsidiaries like Pro-life & TMLDL achieved WCQ Level 1.
- ♦ Product Quality improvement has resulted into Retro costs reduction by more than 65%, resulting in a value creation of more than ₹50 crores for the company.
- ♦ Aggressive actions to arrest thermal incidences has yielded very good results in reducing the thermal instances and increased customer safety.
- ♦ Perceived Quality of vehicles is observed to have taken a quantum leap of improvement after the introduction of CPA and Craftsmanship audits at all plants.
- ♦ Pune CV plant has achieved 6MMA IPTV of 85 and Dharwad Plant has achieved IPTV of 70 & EPV 95. These are below 100 for the first time ever.
- ♦ Zest and Bolt have reached 6 Months IPTV levels of 55~60 IPTV. Storme and Sumo have reached their best IPTV performance in the history, this year.
- ♦ Engine replacement within 30K Kms has been drastically reduced on account of improved Quality.
- ♦ Due to sustained efforts on Chassis Transportation on Trailer, the number of transit accidents have been reduced by 65% in 2 years.
- ♦ Dealer PDI time for rework & rectification has been significantly reduced from 2 days to same day delivery within few hours.
- ♦ JDP IQS performance: TML PV products performance improved from 13th rank, at the bottom of the chart to move up to 8th rank

in the 2015 IQS results. The TML performance improved by 37 PPH while the overall industry improved by 3 PPH.

- ♦ Nano stood second rank in the entry compact segment at 91 PPH, the best performance by Nano so far in the JDP IQS.

Taking into consideration the qualifications, achievements and varied experience, the Board continues to bestow upon Mr Borwankar the responsibilities of Executive Director (Quality).

#### 4. Remuneration proposed:

Details on remuneration have been stated in the Resolution at Item No. 8 of the Notice.

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

In view of the financial performance of the Company on a standalone basis for the past few years, the Company had significantly reduced the variable portion of the remuneration, viz. incentive remuneration. The salary increments to the Executive Director for FY2015-16 of 7% was decided based on industry benchmarks, the Company's performance and growth plans and with a view to retain talent. The metrics used by the Nomination and Remuneration Committee while deciding the salary increase of 8% for FY2016-17 were inter alia based on a survey conducted by Aon Hewitt, an independent consultant, depicting an average salary increase in India averaging around 10.6% and the Indian automotive manufacturing industry the salary increment was around 10%.

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

(₹in lakhs)				
10th percentile	25th percentile	Median	75th percentile	90th percentile
298	359	375	523	693

(Data Source: Aon Hewitt Compensation Study, Positions of Business Heads (with a functional responsibility) in companies with Revenues in excess of ₹10,000 crores in FY 2015-16. The value represented above refers to Cost to Company, which includes basic salary, all allowances, benefits valuations, performance bonuses / commissions and Long term incentives.)

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

#### 6. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:

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

## 7. Recognition or Awards:

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

### Corporate:

- SSON Excellence Awards 2015, Bronze for Excellence in Customer Service
- Maha-Entrepreneur 2015 awarded by Praj Industries and Symbiosis International University.

### Plants:

Jamshedpur:

- The Srishti Good Green Governance Award for the sixth consecutive year
- 'Best Corporate Award' for Jamshedpur Plant
- Excellent Energy Efficient Unit Award awarded by CII.

Lucknow:

- CII Energy Efficient Unit by Bureau of Energy Efficiency, Government of India
- "PARIVARTAN" (PE Shop) & "WARRIOR" (TCF Line 2) won PAR Excellence Award (National Convention on Quality concepts-2015)
- National Energy Conservation Award –2015 for CVBU Lucknow Works by CII.

Dharwad:

- Excellent Energy Efficiency awarded by CII
- First Prize National Energy Conservation Award.

Pantnagar:

- Conferred with the Golden Peacock National Quality Award for the year 2016 for significant improvement in product and process Quality
- Best Company for CSR Initiatives in Uttarakhand 2015 by TV 100 Media Group and State Industrial Development Corporation of Uttarakhand (SIDCUL)
- Project 'Sankalp' in Supply Chain Category Awarded at PERP 2015.

Pune:

- CII Green Co Best Practice Award in Life Cycle Assessment
- CII Energy Efficient Unit Award 2015.

### CVBU:

Silver and Gold medals for T1 Prima Truck Racing Championship, Season – 2, at EEMAX Global Awards 2015 for Best Public Event and for Best Execution of a Sports Event, respectively. Gold medals at WOW Awards 2015 for the said events in the category of Sport Event Property of the Year and New Property of the Year.

### PVBU

- Nano won 1st position at Brand Trust for Brand by The Brand Trust Report, India Study 2013 & 2014
- Tata Motors made it to the ET best brands list for ET best brands 2016
- Tata Motors won Make in India award at T3 Awards for Make in India category.

## III. OTHER INFORMATION

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

For Fiscal 2016 the Consolidated revenue from operation (net of Excise Duty) and Profit After Tax was ₹ 2,75,561 crores and ₹ 11,024 crores respectively as against the Consolidated revenue and Profit After Tax of ₹ 2,63,159 crores and ₹ 13,986 crores respectively, for the corresponding period of the previous years. The Standalone revenue from operation (net of Excise Duty) and Profit After Tax for Fiscal 2016 was ₹ 42,370 crores and Profit After Tax was ₹ 234 crores respectively as against the Standalone revenue and Loss After Tax of ₹ 36,302 crores and ₹ 4,739 crores respectively for the corresponding period of the previous year. The loss as calculated under Section 198 of the Act for FY 2015-16 was ₹ 456 crores.

The Indian economic environment has been very challenging in the last few years i.e. from FY 2012-13 to FY 2014-15 and the downturn during this period has been one of the sharpest, particularly the auto industry which shrunk by more than (8%), within which, commercial vehicles (which account for more than 60% of the Company's turnover), shrunk by 30%.

The Company was more severely impacted in view of certain sectors performing more adversely, which impacted segments in which the Company had larger volumes and higher market shares. Small commercial vehicles wherein the Company has a market share of more than 70% was severely challenged during this period and is yet to show a recovery. The Company's Passenger Vehicle business was also impacted by lack of new products in the market and delays in product launches. The Financial Year 2015-16 has seen a recovery of certain segments, noticeably the

M&HCV where the industry has grown by 9.6% in Fiscal 2016. However, there is still low capacity utilization due to large installed capacity and its impact is continuing to be felt in the financial performance. In general, due to low capacity utilization amongst automotive players and lower demand, there has been aggressive competition in pricing, with marketing and selling cost increasing substantially, thereby creating further pressure on the margins and profitability.

It may be worthwhile to note that Tata Motors' Standalone financial performance reflects positive results as compared to previous year's loss as stated above under Section 198 of the Act, signifying a turnaround in the Company's performance. Tata Motors' Consolidated financial performance continues to show improvements (except for Q2FY15-16 due to weaker sales in China and product mix and JLR vehicles being damaged due to explosion at Tianjin port).

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

- ❖ The Company has taken various initiatives, to maintain its leadership, improve market share and financial performance. It has been aggressively pursuing and implementing its strategies to improve volumes and reduce costs through launch of new products, (particularly in passenger vehicles planned since July 2014) coupled with sale, service, marketing campaigns and customer engagement programs.
- ❖ The Company has taken steps to strengthen its business fundamentals through focused network engagements, enhancing customer experience, thrust on rural programs and



improving working capital management. On the International front, the Company proposes to aggressively pursue its traditional markets as also enter recently opened markets. The results of these initiatives are likely to be felt in the coming years.

- ❖ Mr Guenter Butschek alongwith the Executive Directors will be leading the Company in a major strategic and operational transformation for significant and sustained improvement in the overall business and financial performance. This transformation initiative under their leadership will comprehensively cover all areas of the Company's operations in the Company like Company strategy, platform and product strategy, manufacturing, supply chain, employee and managerial productivity, cost reduction & efficiency improvements, improved effectiveness in sales & marketing and customer satisfaction / relationships and breakthrough improvements in achieving world class quality standards.
- ❖ The Company, under their leadership, will be drawing on the 8 pillars of transformation initiatives under the following categories for setting the agenda and targets:
  - i. Enhancing the brand perception of Tata Motors- A comprehensive exercise is being initiated to develop the brand purpose and positioning of Tata Motors as a brand. This will be then executed seamlessly across the value chain to provide consistent and credible experience to the stakeholders aligned to the Company's brand promise.
  - ii. Providing unique and delightful customer experience- Multiple initiatives right from pre-sales stage to after sales have been identified to deliver high customer Satisfaction performance.
  - iii. Excellence in delivery of new products- The initiatives under this imperative focus on benchmarking with world class new product development processes in order to ensure consistency and adherence to the planned time, cost and quality.
  - iv. Delivering reliable and high quality products with focus on world-class quality processes- There are several projects initiated to deliver high quality products by improving internal process capabilities and supplier processes.
  - v. World-class manufacturing – This stream's focus is to improve the productivity performance and delivery versus schedule. There are additional projects undertaken to reduce manufacturing related costs and yield improvement. The Company believes that this initiative will enable it to support and strengthen the 'Make in India Campaign', for encouraging India to become a key center for global manufacturing.
  - vi. Agile and Cost-effective Supply Chain- This stream's focus will be to improve the supply-chain processes like

Material Requirement Planning, strengthen relationship with Strategic suppliers, rationalize the supplier base for agility, improve manufacturing and quality processes and information systems. Considering the size and scale of the Company's operations and the vast supply chain relationships, this will again strengthen and support the Government's aim under the 'Make in India Campaign'.

- vii. Cost competitiveness – There are more than 50 initiatives, addressing each and every cost element for cost competitiveness, with clear targets in cost areas like Direct Material, Marketing, Fixed Cost, Variable Conversion Cost, Product Development Costs, etc. These projects will help in significantly reducing the Company's cost structure. It will be relevant to add that this cost reduction initiative will help not only the Company, but the entire value chain, including hundreds of vendors and other partners, providing further strength and support to the 'Make in India Campaign'.
- viii. People processes and organization structure- In this initiative, projects have been undertaken to drive high-performance culture, improve functional competencies, improve employee engagement, achieve benchmark levels of employee productivity and build a pipeline of talented workforce

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

The Company expects this journey of transformation to take 2 to 3 years and will help the Company achieve significant growth, improve market share in all our segments, be amongst the top in India in terms of quality through cost efficient operations and a highly motivated and engaged team.

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

Coinciding with the improvements in the macro economic scenario and as may be seen from the Company's financial results, the Company has posted EBITDA ₹2,740 crores in Fiscal 2016 as compared to negative EBITDA of ₹800 crores in the previous FY2014-15. New product launches have been stepped up, particularly in the Passenger Vehicle business with

the launch of Bolt and Zest in FY2015-16 and the Tiago in early FY2016-17. Further, in order to deleverage the Company to reduce the borrowing costs, the Company has raised equity from the Shareholders (including Promoters) to the extent of about ₹7,498 crores in May 2015. This helped curtail the borrowings and reduce interest costs. With more and improved products in the pipeline and the number of initiatives/actions underway, the Company expects to significantly step up its operating and financial performance in the next few quarters and in the coming financial years.

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

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

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

Taking into consideration the above and the terms of appointment (including payment of Minimum Remuneration) agreed with the Mr Butschek, Mr Pisharody and Mr Borwankar and based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors have on May 30, 2016, accorded their approval to the said proposals and in the interest of the Company have recommended the aforesaid resolutions set out at Item Nos. 5 to 8 in this Notice for the approval of the Members.

None of the Directors, Key Managerial Personnel of the Company and their relatives is in any way concerned or interested in the said Resolutions, except for Mr Butschek, Mr Pisharody and Mr Borwankar in the respective Resolutions at Item Nos.5 to 8 of the Notice.

#### Item No.9

Pursuant to Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, the Company is required to have the audit of its cost records for specified products conducted by a Cost Accountant in Practice. Based on the recommendation of the Audit Committee, the Board had on May 27, 2016, approved the appointment and remuneration of M/s Mani & Co., the Cost Auditors (ICAI Firm Registration No 000004) to conduct the audit of the Cost records maintained by the Company, pertaining to the relevant products prescribed under the aforesaid Rules, for the Financial Year ending March 31, 2017 at a remuneration of ₹5,00,000/- (Rupees Five Lakhs) plus service tax, out-of-pocket, travelling and living expenses.

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

In accordance with the provisions of Section 148 of the Act read along with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, ratification for the remuneration payable to the Cost Auditors to audit the cost records of the Company for the said financial year by way of an Ordinary Resolution is being sought from the Members as set out at Item No. 9 of the Notice.

M/s Mani & Co have furnished a certificate dated May 6, 2016 regarding their eligibility for appointment as Cost Auditors of the Company.

The Board commends the Ordinary Resolution set out at Item No. 9 of the Notice for approval by the Members.

None of the Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 9 of the Notice

#### Item No. 10

The Non-Convertible Debentures ("NCDs") issued on private placement basis is one of the cost effective sources of long term borrowings raised by the Company. The Company had obtained the approval of the Members vide Postal Ballot on June 27, 2014 to borrow from time to time any sum(s) of monies which, together with monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's Bankers in the ordinary course of business) upto an amount not exceeding ₹30,000 crores. The borrowings of the Company as at March 31, 2016 aggregate approximately ₹15,887.25 crores, of which outstanding NCDs aggregate to ₹5,550 crores. The Company's Net Debt-Equity ratio (on stand-alone basis) as at March 31, 2016 is 0.61:1 and the Company believes that the aggregate borrowings would be well within acceptable levels. Further, the Company had obtained Members' approval for borrowing up to ₹4,400 crores by way of NCDs at the Annual General Meeting held on August 13, 2015, which is valid for a period of one year from date of the said approval. The Company has borrowed ₹600 crores by way of unsecured NCDs up to May 2016, in accordance with the aforesaid Members' approval.

In continuation of its efforts to strengthen its capital structure, the Company intends to augment the resources through a mix of internal accruals and long term borrowings. Accordingly, it is proposed to issue NCDs and/or Rupee Denominated Non-Convertible Foreign Currency Bonds on a private placement basis aggregating upto ₹3,000 crores, in one or more series/tranches during the 12 month period from the date of this Annual General Meeting, with an intention to finance, *inter alia* the repayment of certain NCDs/term loans from Banks and to fund part of the ongoing capital expenditure during the next 12 months as also for general corporate purposes. The Company intends to raise NCDs on face value (at par) for tenors ranging between 2 to 10 years and expects the coupon rate of NCDs to be lower

than 1 year MCLR rate of State Bank of India (prevailing at 9.15% p.a. as on June 1, 2016) plus a spread of 50 bps, considering the current credit rating of the Company of AA by ICRA and AA+ by CARE.

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

Considering the above, the Company proposes to obtain shareholders' approval for borrowings up to ₹3,000 crores by way of secured / unsecured NCDs and / or Rupee Denominated Foreign Currency Bonds for tenors ranging between 2 to 10 years. This would be an enabling Resolution authorizing the Board of Directors to make specific issuances based on the Company's requirements, market liquidity and appetite at the opportune time.

The above proposal as set out in Item No. 10 of the Notice is in the interest of the Company and your Directors commend the same for approval by the Members.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in the resolution set out at Item No. 10 of the Notice.

By Order of the Board of Directors

**H K SETHNA**

Company Secretary

FCS No.: 3507

Mumbai  
May 30, 2016

#### Registered Office:

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

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

Email: [inv\\_rel@tatamotors.com](mailto:inv_rel@tatamotors.com); Website: [www.tatamotors.com](http://www.tatamotors.com)

CIN - L28920MH1945PLC004520

(46-73)

### Details of Directors seeking appointment and re-appointment at the Annual General Meeting Pursuant to SEBI Listing Regulations and Secretarial Standard - 2 on General Meetings

Particulars	Mr Guenter Butschek	Mr Ravindra Pisharody	Mr Satish Borwankar
<b>Director Identification Number</b>	07427375	01875848	01793948
<b>Date of Birth</b>	October 21, 1960	November 24, 1955	July 15, 1952
<b>Date of Appointment</b>	February 15, 2016	June 21, 2012	June 21, 2012
<b>Qualifications</b>	Graduated in Business Administration and Economics with a diploma from the University of Cooperative Education Stuttgart, Germany	Alumnus of IIT, Kharagpur and IIM, Kolkata	B.E (Mech) – IIT, Kanpur
<b>Expertise in specific functional areas</b>	Global experience in international automotive management, functional (in particular manufacturing, logistics, human resources and procurement) and general management skills	Wide experience in sales, marketing and business development	Wide experience in implementing product development, manufacturing operations and quality control initiatives
<b>Directorships held in other companies</b>	<ul style="list-style-type: none"> <li>• Tata Daewoo Commercial Vehicle Company Limited, South Korea</li> <li>• Tata Cummins Private Limited</li> </ul>	<ul style="list-style-type: none"> <li>• Tata Marcopolo Motors Limited</li> <li>• Tata Cummins Private Limited</li> <li>• Tata International Limited</li> <li>• Tata Motors Finance Limited</li> <li>• Automobile Corporation of Goa Limited</li> <li>• Tata Hispano Motors Carrocera SA</li> <li>• Tata Hispano Motors Carrosseries Maghreb, Morocco</li> <li>• Tata International Singapore Pte Limited</li> <li>• Nita Company Limited, Bangladesh</li> <li>• Tata Daewoo Commercial Company Limited, Korea</li> <li>• Tata Motors (SA) (PTY) Limited</li> <li>• Tata Motors (Thailand) Limited</li> <li>• PT Tata Motors Indonesia</li> <li>• PT Tata Motors Distribusi Indonesia</li> <li>• TNML Motor Service Nigeria Limited</li> </ul>	<ul style="list-style-type: none"> <li>• TML Drivelines Limited</li> <li>• Tata Daewoo Commercial Vehicle Company Limited</li> <li>• Tata Cummins Private Limited</li> <li>• Tata Motors (Thailand) Limited</li> <li>• TAL Manufacturing Solutions Limited</li> </ul>
<b>Memberships/Chairmanships of statutory committees across companies</b>	Nil	<b>Audit</b> <ul style="list-style-type: none"> <li>• Tata International Limited</li> <li>• Tata Cummins Private Limited</li> </ul> <b>NRC</b> <ul style="list-style-type: none"> <li>• Automobile Corporation of Goa Limited</li> </ul> <b>CSR</b> <ul style="list-style-type: none"> <li>• Tata Motors Finance Limited</li> </ul>	<b>NRC</b> <ul style="list-style-type: none"> <li>• TML Drivelines Limited</li> </ul>
<b>No. of shares held in the Company</b>	Nil	AOS-50	Nil

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

## BOARD'S REPORT

### TO THE MEMBERS OF TATA MOTORS LIMITED

The Directors present their Seventy First Annual Report alongwith the Audited Statement of Accounts for Fiscal 2016.

### FINANCIAL PERFORMANCE SUMMARY

(₹ in crores)

	Tata Motors (Standalone)		Tata Motors Group (Consolidated)	
	Fiscal 2016	Fiscal 2015	Fiscal 2016	Fiscal 2015
<b>FINANCIAL RESULTS</b>				
Gross Revenue	<b>46,646.67</b>	39,531.23	<b>280,096.72</b>	266,707.90
Net Revenue (excluding excise duty)	<b>42,369.82</b>	36,301.63	<b>275,561.11</b>	263,158.98
Total expenditure	<b>39,629.67</b>	37,101.64	<b>235,324.45</b>	221,045.16
Operating profit/(loss)	<b>2,740.15</b>	(800.01)	<b>40,236.66</b>	42,113.82
Other Income	<b>2,132.92</b>	1,881.41	<b>981.72</b>	898.74
Profit before interest, depreciation, amortization, exceptional item and tax	<b>4,873.07</b>	1,081.40	<b>41,218.38</b>	43,012.56
Finance cost	<b>1,481.11</b>	1,611.68	<b>4,623.35</b>	4,861.49
Cash profit/(loss)	<b>3,391.96</b>	(530.28)	<b>36,595.03</b>	38,151.07
Depreciation, amortization and product development/engineering expenses	<b>2,878.36</b>	3,040.69	<b>20,494.61</b>	16,263.80
Profit/(loss) for year before exceptional items and tax	<b>513.60</b>	(3,570.97)	<b>16,100.42</b>	21,887.27
Exceptional Items - loss (net)	<b>363.21</b>	403.75	<b>2,119.55</b>	184.71
Profit/(loss) before tax	<b>150.39</b>	(3,974.72)	<b>13,980.87</b>	21,702.56
Tax expenses/(credit) (net)	<b>(83.84)</b>	764.23	<b>2,872.60</b>	7,642.91
Profit/(loss) after tax	<b>234.23</b>	(4,738.95)	<b>11,108.27</b>	14,059.65
Share of minority interest and share of profit of associates (net)	-	-	<b>(84.52)</b>	(73.36)
Profit/(loss) for the year	<b>234.23</b>	(4,738.95)	<b>11,023.75</b>	13,986.29
<b>APPROPRIATIONS</b>				
Profit/(loss) for the year	<b>234.23</b>	(4,738.95)	<b>11,023.75</b>	13,986.29
Add: Balance brought forward from previous year	<b>(3,667.96)</b>	977.59	<b>54,487.17</b>	40,530.48
Amount available for appropriations	<b>(3,433.73)</b>	(3,761.36)	<b>65,510.92</b>	54,516.77
Less: appropriations/(transfer from/to)				
General Reserve	<b>3,506.73</b>	-	<b>3,483.73</b>	(21.00)
Other Reserves	-	-	<b>(32.98)</b>	(39.52)
Dividend (including dividend distribution tax)	<b>(73.00)</b>	93.40	<b>(111.28)</b>	30.92
Balance carried to Balance Sheet	-	(3,667.96)	<b>68,850.39</b>	54,487.17

### DIVIDEND

Considering the Company's financial performance, the Directors have recommended a dividend of ₹0.20 per share (10%) on the capital of 2,887,203,602 Ordinary Shares of ₹2/- each (Nil for last year) and ₹0.30 per share (15%) on the capital of 508,476,704 'A' Ordinary Share of ₹2/- each for Fiscal 2016 (Nil for last year) and the same will be paid on or after August 11, 2016. The said dividend, if approved by the Members, would involve a cash outflow of ₹73 crores including dividend distribution tax (net of credit), resulting in a payout of 31.2% of standalone profits for Fiscal 2016 of the Company.

### TRANSFER TO RESERVES

The profit for the Fiscal 2016 is ₹234.23 crores. As the dividend has been declared from Reserves, a part of General Reserve has been

adjusted against the accumulated loss in the Profit and Loss Account. Accordingly, the balance of ₹3,506.73 crores is transferred from General Reserves to the Profit and Loss Account.

### OPERATING RESULTS AND PROFITS

The global macroeconomic landscape in Fiscal 2016 was rough and uncertain and characterized by weak growth of world output. The situation has been compounded by; (i) declining prices of a number of commodities, with reduction in crude oil prices being the most visible of them, (ii) turbulent financial markets (specially the equity markets) and (iii) volatile exchange rates. Global growth remained moderate with uneven prospects across the major economies. The outlook for advanced economies is improving, while growth in emerging market and developing economies is

projected to be lower, primarily reflecting weaker prospects for certain large emerging market economies alongside oil and raw material exporting economies. Oil prices have declined during Fiscal 2016 due to weaker than expected global activity and a weaker demand for oil. Exchange rate movements in recent months have been sizable, reflecting changes in expectations about growth and monetary policy across major economies. Long-term government bond yields have declined in major advanced economies, reflecting in part lower inflation expectations, the sharp decline in oil prices and weak domestic demand.

The US economy growth was stronger than with accompanying job growth, resulting in a decline in the unemployment rate. The Eurozone showed signs of economic improvement in 2015, with consumption supported by lower oil prices and higher net exports, driven by lower energy prices, a weaker Euro and a loose monetary policy by the European Central Bank. In Fiscal 2015, GDP in the UK slowed a little, but consumer spending growth remained relatively strong, partially due to lower oil prices. China recorded a pronounced deceleration in growth in Fiscal 2015, which suggests that China's slowdown over the past few years shows little sign of abating. The GDP growth rate moderated to 6.9% for Fiscal 2015 and coincided, with growing debt and excess housing and factory capacity. Brazil's economy sank into the deepest recession in recent history in 2015, amid low prices for key exports, soaring inflation and depressed confidence levels. Economic performance in Russia was impacted by the increase in geopolitical tensions, lower crude oil prices and economic sanctions.

However, India has registered a robust and steady pace of economic growth in Fiscal 2016 with GDP increased by 7.6%. Wholesale price inflation has been in negative territory for more than a year and the all important consumer prices inflation has declined to nearly half of what it was a few years ago. However, weak growth in advanced and emerging economies has taken its toll on India's exports. As imports have also declined, principally on account of reduced prices of crude oil for which the country is heavily dependent on imports, trade and current account deficits continue to be moderate. Growth in agriculture has slackened due to two successive years of less than-normal monsoon rains. The rupee has depreciated vis-à-vis the US dollar, like most other currencies in the world, although less so in magnitude. At the same time, it has appreciated against a number of other major currencies.

The **Tata Motors Group** registered a growth of 5.0% in gross turnover to ₹280,097 crores in Fiscal 2016 as compared to ₹266,708 crores in Fiscal 2015. The consolidated revenue (net of excise) for Fiscal 2016 ₹275,561 crores grew by 4.7% over last year on the back of strong growth in wholesale volumes across products of Jaguar Land Rover and complemented by strong M&HCV sales in India. The consolidated EBITDA margins for Fiscal 2016 stood at 14.6%. Consequently, Profit Before and After Tax were ₹13,981 crores and ₹11,024 crores respectively.

**Tata Motors Limited** recorded a gross turnover of ₹46,647 crores, 18.0% higher from ₹39,531 crores in the previous year. Tailwinds from improving macros - softening interest rates, lower fuel cost and inflation, steady replacement demand from large fleet operators has supported sales growth in M&HCV resulting in significant improvement in EBITDA margins to 6.5% in Fiscal 2016 as against negative 2.2% in Fiscal 2015. Profit Before and After Tax for Fiscal 2016 was at ₹150 crores and ₹234 crores respectively, as compared to Loss Before and After Tax of ₹3,975 crores and ₹4,739 crores, respectively for last Fiscal.

**Jaguar Land Rover (JLR)** (as per IFRS) recorded revenue of GB£22,208 million (₹219,019 crores) for Fiscal 2016, up 1.6% from the £21,866 million (₹215,646 crores) in the last Fiscal Year, primarily reflecting the successful introduction of new products.

Consolidated EBITDA for Fiscal 2016 was strong at GB£3,147 million (₹31,036 crores) but down compared to Fiscal 2015 of GB£4,132 million (₹40,750 crores), primarily driven by softer market and model mix and as well as one-time reserves and charges of GB£166 million (₹1,637 crores) including the US recall of potentially faulty passenger airbags supplied by Takata, doubtful debts and previously capitalised investment.

Profit Before Tax (PBT) in Fiscal 2016 was GB£1,557 million (₹15,355 crores) down by GB£1,057 million compared to the record PBT of GB£2,614 million (₹25,780 crores) in Fiscal 2015 primarily reflecting the lower EBITDA, higher depreciation and amortisation and the net exceptional charge of GB£157 million (₹1,638 crores) related to vehicles damaged or destroyed in the Tianjin port explosion in August 2015, partially offset by favourable revaluation of US Dollar debt and unrealised FX and commodity hedges as well as profits earned in the China Joint Venture.

**Tata Motors Finance Limited (TMFL)** (consolidated) the Company's captive financing subsidiary, registered a growth in revenues by 8.0% to ₹2,968 crores (previous year: ₹2,743 crores) and reported a Profit After Tax of ₹267 crores in Fiscal 2016, as compared to Loss after Tax of ₹611 crores in Fiscal 2015. TMFL's concerted efforts on collection and NPA management strategy has helped to reduce credit losses and gross non-performing assets during Fiscal 2016.

**Tata Daewoo Commercial Vehicle Company Limited (TDCV)** (as per Korean GAAP) South Korea registered revenues of KRW 880 billion (₹5,096 crores), a decline of 11% over the previous year mainly due to lower export sales partially offset by increase in domestic sales. The Profit after tax was KRW 46 billion (₹264 crores) compared to KRW 54 billion (₹304 crores) of previous year which included one-time reversal of provisions pertaining to ordinary wage lawsuit KRW 24 billion (₹136 crores). Better profitability of Euro 6 vehicles, better mix, favourable exchange realizations, continuous material cost reduction, various cost control and inventory initiatives helped in improving profits.

## VEHICLE SALES AND MARKET SHARES

The **Tata Motors Group** sales for the year stood at 1,064,596 vehicles, up by 6.7% as compared to Fiscal 2015. Global sales of all Commercial Vehicles were 390,953 vehicles, while sales of Passenger Vehicles were at 673,643 vehicles.

### TATA MOTORS

Tata Motors recorded sales of 511,931 vehicles, a growth of 1.5% over Fiscal 2015. The Indian Auto Industry, grew in Fiscal 2016 by 8%, resulting in the Company's market share decreasing to 13.1% in Fiscal 2016 from 14.1% in the previous year. The Company's exports on standalone basis grew by 16.3% to 58,058 vehicles in Fiscal 2016 as compared to 49,936 vehicles in Fiscal 2015.

#### Commercial Vehicles

Within the domestic market, the Company sold 326,755 Commercial Vehicles (CV), a growth of 2.8% from Fiscal 2015 driven by volume expansion across segments. While M&HCVs have been growing through the year, the LCV segment witnessed positive growth during the second half of the Fiscal 2016, both in goods and passenger carrier segment. M&HCV trucks continued strong growth, registering a 30.0% rise over last Fiscal Year and the Company has been able to retain a strong market share of 56% in this category.

Some of the highlights for the year were:

- ❖ Launched the new SIGNA range of M&HCV, at the SIAM Auto Expo 2016. Offered in various configurations, the SIGNA range of commercial vehicles is engineered and built to offer M&HCV buyers, a newly designed cabin, with proven Tata Motors aggregates, for a world-class trucking experience
- ❖ Launch of ACE Mega, the all-new Smart and Small Pick-up Truck with superior performance, enhanced looks, strong cabin with rated payload of 1Tonne, which offers the best-in-class fuel efficiency and lowest cost of ownership
- ❖ Achieved a new feat in the last mile public transport portfolio by reaching a remarkable sales mark of 3 Lakh Tata Magic, our most popular public transport vehicle
- ❖ Celebrated the 10<sup>th</sup> anniversary of the Tata Ace (launched in 2005) as the 'Decade of Trust' throughout the country
- ❖ The Company has been honoured with the 'Best Telematics Product or Launch in the Emerging Market' Award for its Telematics solution, based on the popular Android platform developed for the Tata Magic Iris Electric
- ❖ This year, the Company won 4 prestigious awards at the Apollo CV Awards:
  - ◆ Cargo carrier of the year - Tata LPS 4923
  - ◆ School Bus of the year - Tata Cityride Skool Bus
  - ◆ Special Application CV of the year - Tata MHC 2038
  - ◆ CV dealer of the year - Bhandari Automotive (Tata Motors dealership).

- ❖ Organized the Prima Truck Racing Championship Season 3, which drew in over 55,000 spectators. The highlight this year was the first ever race of Indian truck racing talent, trained and nurtured in India. The Company has conceptualized and introduced an Indian Driver Training and Selection program - "T1 Racer Program" to induct and mold Indian truck drivers as 'racers'
- ❖ Participated in the SIAM Auto Expo 2016 and the following vehicles were showcased:
  - ◆ SIGNA range of M&HCV Trucks
  - ◆ Tata ULTRA 1518 Sleeper from the Ultra range with 15.7T GVW and furnished with a spacious cabin and a fully trimmed power steering, seating three, along with a bed, ensures a safe and comfortable working design for the driver
  - ◆ ACE MEGA XL – Last mile cargo transport with a rated payload of 1Ton, 8-feet loading deck, with a top speed of 80 km/hr
  - ◆ MAGIC IRIS ZIVA – gearless, clutchless with futuristic Hydrogen Fuel Cell technologies, for zero emissions
  - ◆ ULTRA 1415 4X4 – A 4X4 rugged performer, with a snow plough and a hydraulic crane
  - ◆ STARBUS HYBRID – World's first commercially produced CNG Hybrid Bus, using Electric and CNG modes (BS IV compliant) as fuel
  - ◆ ULTRA ELECTRIC – First full-electric bus from the Company, with zero emissions and noiseless operations.
- ❖ Participated in EXCON 2015 and showcased four new construction vehicles - Tata PRIMA 3138.K 32 CuM Coal Tipper, Tata PRIMA LX 2523.K RePTO, Tata PRIMA LX 3128.K 19 CuM Scoop HRT and Tata SAK 1613
- ❖ Tata Motors Loyalty Program (Tata Delight and Tata Emperor) was recognized by DMA Asia ECHO™ Awards and PMAA Dragons of Asia in December 2015
- ❖ Awarded contract for 1,239 indigenously developed 6X6 high mobility multi-axle vehicles, from the Indian Army which was recently followed up with a repeat order for 619 units
- ❖ Signed a contract to supply 25 Tata Starbus Diesel Series Hybrid Electric Bus with Full Low floor configuration, with the Mumbai Metropolitan Region Development Authority (MMRDA) – the single largest order awarded for Hybrid Electric vehicle technology.

#### Passenger Vehicles

The domestic passenger vehicle industry grew by 7.6% during Fiscal 2016. Correction in fuel prices and easing financing cost has resulted in lower operating cost, which should further aid domestic PV growth in near to medium term. During the year, the Company's Passenger Vehicles sales were lower by 7.0% at 127,118 vehicles, registering a 4.6% market share. The Company sold 106,827 cars (lower by 3.8%) and 20,291 utility vehicles and vans (lower by 20.6%). The Company's sales in the Utility Vehicle segment suffered as competitive activity intensified with multiple new launches

mainly in the soft-roader category in this segment. The Company has taken various initiatives to improve its performance such as product refreshes/launch programs, operational efficiency, dealer effectiveness, working capital management and restructuring customer facing functions.

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

- ❖ Product Launches/Refreshes continued under the Horizonext Strategy
- ❖ GenX-Nano range was launched in May 2015, with latest technological advancements and design upgrade
- ❖ Safari Storme 400Nm was launched in November 2015, with high power/torque engine and new six speed manual gearbox.
- ❖ The Made of Great Brand Campaign was launched to uplift the Tata Motors brand in conjunction with Lionel Messi
- ❖ Hexa SUV, Kite 5 compact sedan and Nexon compact SUV were displayed at Auto Expo 2016.
- ❖ As a part of the overall social responsibility, the Company had to postpone the launch of "Tiago", due to the change in name responding against the epidemic "Zika".

The above new/refreshed product launches were in-line with the Company's objective of taking the brand to a higher level, while making it relevant for the younger buyer. The Company continued to focus on building brand strengths, refreshing products and enhancing sales and service experience.

### Exports

The Company exported 58,058 vehicles (Fiscal 2015: 49,936 vehicles) comprising 54,052 units of Commercial Vehicles and 4,006 units of Passenger Vehicles during Fiscal 2016.

Export of Commercial Vehicles grew by 16.5% in Fiscal 2016 with 54,052 units exported compared to 46,416 in Fiscal 2015. The traditional markets of SAARC remained stronger than last year growing by 26% with Sri Lanka, Bangladesh and Nepal contributing to the growth. However, the mid-term duty change in Sri Lanka and the lockdown in Nepal impacted the growth momentum. However, the subsequent opening of border and easing of pent up demand led to record shipments to Nepal in Q4 of Fiscal 2016. Low crude oil prices, Middle East geo-political situation, currency devaluations and political strife cast a big shadow over our strong markets of Middle East and Africa this year. The Company was able to grow market share in the key markets of Sri Lanka, Kenya, Nepal, Ghana, Congo and Senegal. In Fiscal 2016, the Company successfully bagged and executed several prestigious orders including 450 units Xenon troop carriers for the Ministry of Defence Myanmar taking the total order count to 1,450 units; 87 units of Elanza school buses in Saudi Arabia; 50 units Prima 4,438 in Saudi Arabia; 44 units Ultra truck delivery to Pran RFL Bangladesh and more than 1,000 units Tata Saathi, an application on the ACE platform to Bangladesh. Some of the key events in Fiscal 2016 were the launch of Tata Prima in

Kenya, Uganda and Bangladesh; Ultra Bus in Sri Lanka; Ultra trucks in Bangladesh; Elanza bus in UAE and Ace Express, Ace Mega in Sri Lanka and Nepal. The Company also opened Assembly units with 3rd party vendors in Tunisia and Vietnam. In Fiscal 2016, the Company achieved a key milestone of 1,000 Prima retails in export markets.

During the period Fiscal 2016, the Company's exports of Passenger Vehicles at 4,006 units were 13.8% higher than in Fiscal 2015, mainly due to improved sales in key markets like Sri Lanka and South Africa. Aggressive efforts on the back of the launch of Nano GenX and retails of Indica Xeta gave us strong volume growth in Sri Lanka, whereas in South Africa sales were boosted by the launch of the Bolt (hatchback) and Zest (compact sedan).

In Nepal, the launch of Bolt has helped the Company to improve its share of the hatch segment whereas Zest helped to augment Company's presence in the compact sedan segment and Sumo continues to be the Number One selling brand in UVs in Nepal. Indigo also found an increased acceptance in the commercial segment in Bangladesh, the Philippines and Uruguay.

### JAGUAR LAND ROVER (JLR)

In Fiscal 2016, JLR continued to experience growth in all geographical markets, except China with total wholesale sales of 544,085 units, a growth of 15.6% as compared to Fiscal 2015. JLR total retail sales were up 12.8%, with Jaguar up 22.8% and Land Rover up 10.9%. Sales were higher in the majority of markets in Fiscal 2016 as retails in the UK increased by 23.8% year on year, North America by 27.1% and Europe by 42.0% whilst sales growth in other Overseas markets were broadly similar to last year. However, retail sales in China were down 16.4% primarily reflecting softer economic conditions in China at the beginning of the year, the timing of new product launches and the transition of production to our China Joint Venture.

Some of the highlights of this year were:

- ❖ The new **Jaguar XE** went on general retail sale in May 2015
- ❖ The refreshed 16 Model Year **Range Rover Evoque** went on sale in August 2015
- ❖ Launch of the all new lightweight **Jaguar XF** went on sale in September 2015
- ❖ Production of the **Land Rover Discovery Sport** commenced at the China Joint Venture and went on sale locally in November 2015
- ❖ Launch of the refreshed 16 Model Year **Jaguar XJ** went on sale in December 2015
- ❖ Jaguar's all new luxury performance SUV was revealed to the public and went on sale at the end of the year
- ❖ Very own 4 cylinder diesel engine produced at the Engine Manufacturing Centre in Wolverhampton in the UK was first introduced into the Jaguar XE and is now available in some of other vehicles such as the **Jaguar XF, Range Rover Evoque and Land Rover Discovery Sport**



- ❖ Announced an additional GB£450 million investment in the Engine Manufacturing Centre in Wolverhampton to double capacity bringing total investment to almost GB£1 billion
- ❖ Announcement that an investment agreement has been signed to build a manufacturing plant in the city of Nitra in Slovakia with annual capacity of 150,000 units with production commencing in Fiscal 2018. The initial investment will be GB£1 billion with the option to invest a further GB£500 million to double capacity to 300,000 units per annum subject to a further feasibility study
- ❖ Jaguar will be competing in the FIA Formula E championship from August 2016 which presents a unique and exciting opportunity for Jaguar Land Rover to further the development of its future electric powertrain technology
- ❖ Announcement that the all new **Jaguar XF L (Long wheel base XF)** will be the third vehicle to be produced at the China Joint Venture.

#### Tata Daewoo Commercial Vehicle Company Limited

Tata Daewoo Commercial Vehicle Company Limited (TDCV) sold 9,116 vehicles, lower by 22.2% over Fiscal 2015, mainly due to lower export sales partially compensated by increase in domestic sales. TDCV continued the strong performance, in the domestic market in spite of increased competition by selling 7,036 vehicles, 2<sup>nd</sup> highest in its history, registering a growth of 3.3% compared to sales of 6,808 vehicles in Fiscal 2015. The newly introduced Euro 6 models were well accepted in the market resulting in an increase in the market share for both HCV and MCV Segments put together increasing to 31.0% as compared to 28.7% in Fiscal 2015. However, the export market scenario was very challenging. Factors like low oil prices, local currency depreciation against the US Dollar, new statutory regulations to reduce imports, slowdown in Chinese economy impacting commodity exporting countries, increased dealer inventory etc. adversely impacted TDCV's exports in major markets like Algeria, Russia, Vietnam, South Africa, GCC etc. The export sales were 2,080 units, 57.6% lower compared to 4,902 units in Fiscal 2015.

#### Tata Motors (Thailand) Limited

Tata Motors (Thailand) Limited (TMTL) sold 1,312 units in Fiscal 2016 as compared to 1,305 units in Fiscal 2015. The domestic retail sales figure was 1,124 units. The Thai Automobile Industry has witnessed the 3<sup>rd</sup> year of drop of 9.0% in Fiscal 2016 due to poor performance of the economy but witnessed a slew of new pickup launches by major OEMs during the year. In spite of the slow-down, TMTL domestic volume decline was 6.0% compared to 9.0% of industry. TMTL has increased its market share in "CNG and Bi-Fuel Pickups segment" to 25.2% (Previous Year 24.0%) to become the second largest player in the segment.

TMTL has taken the opportunity to refresh its products, services and network as well as to expand the range of offerings to the Thailand customers. Fiscal 2016 saw the launch of the Xenon 150N Series with

a host of new features, TDCV Novus and Super Ace Mint. During the year, TMTL exported 253 vehicles to Malaysia against specific order from POS Malaysia. TMTL is exploring similar opportunities in other parts of South East Asia and neighbouring continents.

#### Tata Motors (SA) (Pty) Limited

Tata Motors (SA) (Pty) Ltd (TMSA) sold 765 chassis in the South Africa market in Fiscal 2016 as compared to 839 chassis in Fiscal 2015. TMSA is in the process of homologating and introducing a range of new products including Prima and Ultra trucks as well as a couple of bus models for sale in South Africa.

#### Tata Motors Finance Limited

Tata Motors Finance Limited (TMFL) is a wholly owned subsidiary company is carrying out vehicle financing activity under the brand "Tata Motors Finance".

On March 31, 2016, TMFL has acquired from the Company, 100% shareholding in Sheba Properties Limited, a NBFC registered with the Reserve Bank of India as a part of restructuring and consolidation of financial services companies under the TMFL group.

The commercial vehicle business saw a growth during Fiscal 2016, majorly contributed by the M&HCV segment. As a result of which TMFL's total disbursements (including refinance) increased by 22.8% at ₹8,985 crores in Fiscal 2016 as compared to ₹7,316 crores in Fiscal 2015. TMFL financed a total of 1,12,114 vehicles reflecting a slight decline of 0.6% over 1,12,788 vehicles financed in Fiscal 2015. Disbursements for commercial vehicles increased by 30.4% and were at ₹7,485 crores (75,970 units) as compared to ₹5,741 crores (72,853 units) of Fiscal 2015. Disbursements of passenger vehicles declined by 9.9% to ₹1,350 crores (33,185 units) from a level of ₹1,498 crores (38,444 units). Disbursements achieved under refinance (through Tata Motors Finance Solutions Limited, a 100% subsidiary of TMFL) were at ₹150 crores (2,959 vehicles) during Fiscal 2016.

TMFL has increased its reach by opening limited services branches exclusively in Tier 2 and 3 towns, which have helped in reducing the turn-around-time to improve customer satisfaction. TMFL had 245 branches at the end of Fiscal 2016. The book size of TMFL's corporate lending business, which includes providing finance to TML's dealers & vendors, increased by 97.7%; ₹947 crores in Fiscal 2016 from ₹479 crores in Fiscal 2015.

#### MATERIAL CHANGES & COMMITMENT AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no material changes affecting the financial position of the Company subsequent to the close of the Fiscal 2016 till the date of this report.

#### SHARE CAPITAL

During the Fiscal 2016, the Company had issued on a Rights basis Ordinary Shares (including the rights offering to ADR holders) and 'A'

Ordinary Shares aggregating ₹7,500 crores. The particulars as required under Section 134 of the Companies Act, 2013 ("Act") read with Rule 4 of the Companies (Share Capital and Debentures) Rules, 2014 on issue of equity shares with differential voting rights on Rights basis during the Fiscal Year is annexed as **Annexure 1**.

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

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

### RISK MANAGEMENT

The Risk Management Committee (RMC) comprising of 4 Independent Directors, has been entrusted with responsibility to assist the Board in (a) overseeing the Company's risk management process and controls, risk tolerance and capital liquidity and funding; (b) setting strategic plans and objectives for risk management and review of risk assessment of the Company (c) review the Company's risk appetite and strategy relating to key risks, including credit risk, liquidity and funding risk, market risk, product risk and reputational risk as well as the guidelines, policies and processes for monitoring and mitigating such risks.

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

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

### INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENT

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

### HUMAN RESOURCES

The Tata Motors Group employed 76,598 permanent employees (previous year: 73,485 employees) as of the year end. The Company employed 26,569 permanent employees (previous year: 27,997 employees) as of the year end. The Tata Motors Group has generally enjoyed cordial relations with its employees and workers.

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

### Safety & Health – Performance and Initiatives

As part of Company's Safety Excellence Journey which aims to achieve ultimate goal of Zero Injuries to its employees and all stakeholders associated with the Company's operations, Company provides a safe and healthy workplace focusing on creating right Safety Culture across the organization.

The Company has identified four drivers behaviors which will help keep moving in this journey and attain Zero Injury viz. the drivers are engaged at all levels; governance; robust safety processes and improving safe behaviors.

The Company's India operation, has achieved improved performance with Lost Time Injury Frequency Rate (LTIFR) being 0.17 for the Fiscal 2016, a reduction in injury rate by 15% over Fiscal 2015. While overall safety performance has improved but there was one fatality during the year, involving a customer sales employee in a road incident while on the job.

All Manufacturing Plants in India of the Company are certified to ISO 14001 - Environment Management Systems and are also certified to OHSAS 18001 – Occupational Health & Safety Management System. Further, all CV Manufacturing Plants in India are certified to ISO 50001 - Energy Management System. The Company has undertaken several initiatives for resource conservation such as re-cycling of treated effluents back to process, energy and material recovery from hazardous wastes and rainwater harvesting. Manufacturing plants also generate in-house renewable power and source off-site green power where available.

The Senior Leadership is fully committed and engaged in safety and health journey and has set up a very robust Governance and Engagement model at various level right from having Safety Health and Environment Committee at Board, Business, Site, Corporate, Sub-committees and Factory Implementation Committees.

The Company continued Campaign 'i-drive safe' – an initiative on building a safe driving culture amongst its employee and associates

and have trained them Defensive Driving. In excess of 19,103 employees and associates till date have been trained under this campaign, initiated few years ago.

In line with Safety and Health Policy, to enhance safety standards of its business partners, the Company engages supply chain for safety. The objective of such engagement is to raise the Safety standards of dealer workshops. **Jagruiti – Safety Awareness Building Campaign** for Workshop Managers is a year-long campaign focused on building awareness on safety and understanding of the Company's expectations on Dealers Workshop Safety. This programme is collaboration of the Company, Castrol and training partner ICECD. The year-long campaign aims to cover works managers/representatives of 2,000 workshops (CV & PV) across India by January 2017. In Fiscal 2016, 21 sessions are conducted covering 565 workshops.

In health area, the Company under the '**Health Plus Because you matter!**' initiative engaged employees on various subject of Health. Series of initiatives like awareness sessions, mailers, etc. have been conducted under this initiative. For Food Safety, HACCP Certification process has been started at plant canteens.

The Jaguar Land Rover business drives its health and safety ambition through its campaign - **Destination Zero – A Journey to Zero Harm**. This is overseen by the statements on the Jaguar Land Rover, '**Blueprint for Lasting Success**' with the overall commitment that states "Our most valuable asset is our people, nothing is more important than their safety and wellbeing. Our co-workers and families rely on this commitment. There can be no compromise." The business maintains its accreditation to the external standard of OHSAS 18001, with all the UK locations accredited to the standard through a series of annual external assessments. The business has reviewed and re-launched its internal safety assessment process **SHARP** (Safety and Health Assessment Review Process) within its manufacturing locations. The Lost Time Case Rate in terms of incidents has remained steady with around 7.0% improvement over previous year's performance, against a backdrop of massive growth and increased headcount and volumes within the business. The activities deployed to deliver this ambition of **Zero Harm** are underpinned with everyone being encouraged to understand and take responsibility for their own and their fellow workers safety and wellbeing. Each functional area has ability to build their own plans of activities to drive the performance within their own area of responsibility. During last year the business has launched the **Wellbeing Charter** – an externally assessed framework to deliver excellence in wellbeing activities and strategies. This is a journey Jaguar Land Rover is embarking on, to achieve and sustain excellence in this subject. In the last quarter the business received its first recognition on this journey by being awarded the '**Commitment Level**' in the framework.

TDCV Korea achieved an improvement in Safety Index to 0.33 from 1.15 in Fiscal 2016. There has been continued leadership commitment and engagement with focus in areas safety communication, risk assessment, improving capabilities of employees for emergency situations.

TMTL, Thailand and TMSA, South Africa sustained good performance in area of Safety and Health during Fiscal 2016.

### Prevention of Sexual Harassment

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

During the Fiscal 2016, the Company has received 7 complaints on sexual harassments, which have been substantiated and appropriate actions were taken. The Company organized 15 workshops or awareness program against sexual harassment. There were no complaints pending for more than 90 days during the year.

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

## BUSINESS RESPONSIBILITY REPORT

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

## FINANCE

During the year, the free cash flows for Tata Motors Group were ₹6,543 crores, post spend on capex, design and development of ₹32,623 crores. Tata Motors Group's borrowing as at March 31, 2016 stood at ₹70,468 crores (as at March 31, 2015: ₹73,610 crores). Cash and bank balances and investments in mutual funds stood at ₹52,091 crores (as at March 31, 2015: ₹46,174 crores). With healthy profitability and cash flow generation, the Consolidated Net Automotive Debt to Equity Ratio stood at (0.01) as at March 31, 2016 as compared to 0.19 as at March 31, 2015.

The Cash flows from operations were positive ₹2,346 crores for standalone operations of the Company. Spend on capex, design and development were ₹2,982 crores (net). The borrowings of the Company as at March 31, 2016 stood at ₹15,887 crores (as at March 31, 2015: ₹21,134 crores). Cash and bank balances including mutual funds stood at ₹2,188 crores (as at March 31, 2015: ₹945 crores).

The Company did a Rights Issue for ₹7,498 crores (US\$1.2 billion) by allotting 15,04,90,480 Ordinary shares (including 3,20,49,820 shares

underlying the ADRs) of ₹2 each at a premium of ₹448 per share, aggregating ₹6,772.07 crores and 2,65,09,759 'A' Ordinary shares of ₹2 each at a premium of ₹269 per share, aggregating ₹718.42 crores. As per the object of the Issue, the proceeds of ₹500 crores from the share issue have been used for funding expenditure towards plant and machinery, ₹1,500 crores towards research and product development, ₹4,000 crores towards repayment in full or in part of certain long-term and short-term borrowings and ₹1,401.10 crores towards general corporate purposes.

The Company prepaid ₹140 crores of its unsecured 10% NCD due in 2019 and ₹10 crores of its unsecured 10.30% NCD due in 2018.

At JLR, post spend on capex, design and development of GB£2,806 million (₹27,673 crores), the free cash flows were GB£791 million (₹7,550 crores) for Fiscal 2016. The borrowings of JLR as at March 31, 2016, stood at GB£2,500 million (₹23,863 crores) [previous year: GB£2,550 million (₹23,574 crores)]. Cash and financial deposits stood at GB£4,651 million (₹44,394 crores) [previous year: GB£4,263 million (₹39,411 crores)]. Additionally, JLR has undrawn committed long term bank lines of GB£1,875 million (JLR data as per IFRS).

TML Holdings Pte Ltd, Singapore, a 100% subsidiary of the Company, holding the investment in Jaguar Land Rover and other foreign subsidiaries has refinanced existing unsecured multi currency loan of US\$600 million (US\$250 million and SG\$62.8 million maturing in November 2017 and US\$210 million and SG\$114 million maturing in November 2019) by a new syndicated loan of US\$600 million (US\$300 million maturing in October 2020 and US\$300 million maturing in October 2022). Subsequently TML Holdings Pte Ltd, Singapore has also refinanced the existing SG\$350 million 4.25% Senior notes due in May 2018 by a new syndicated loan of US\$250 million maturing in March 2020.

Tata Motors Finance Limited has raised an amount aggregating to ₹434 crores by way of Non-Participating Cumulative Compulsorily Convertible Preference Shares which qualified as Tier 1 capital to meet growth and maintain capital adequacy ratio. There has been no fresh issuance of perpetual debt instruments or subordinated debt instruments/debentures towards Tier 1 and Tier 2 Capital in Fiscal 2016.

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

During the year, the Company's rating for Foreign Currency Borrowings was retained at "Ba2"/Stable by Moody's and was retained by Standard & Poors to "BB"/with change in outlook to Stable. For borrowings in the local currency, the ratings was retained by Crisil at "AA"/Stable and by ICRA at "AA"/Stable. The Non-Convertible Debentures and Long Term Bank facilities i.e. (Buyers Credit) rating by CARE was retained at "AA"/Stable. During

the year, JLR's rating was retained by Moody's at "Ba2"/Positive and was retained by Standard & Poors at "BB"/with change in outlook to Stable for Tata Motors Finance, CRISIL has maintained its rating on long-term debt instruments and bank facilities to CRISIL "AA/ A1+/" Stable and ICRA has maintained its rating at AA/Stable for long term.

## FIXED DEPOSITS

The Company has not accepted any deposits from the public falling in the ambit of Section 73 of the Act and The Companies (Acceptance of Deposits) Rules, 2014.

## EXTRACT OF ANNUAL RETURN

As provided under Section 92(3) of the Act, the details forming part of the extract of the Annual Return is annexed herewith in **Form MGT 9 Annexure 2**.

## INFORMATION TECHNOLOGY AND DIGITAL PRODUCT DEVELOPMENT INITIATIVES

### Information Technology Initiatives

The Company is a forerunner in the Industry to adopt new technologies in the evolving digital area. The Company has a well-defined IT roadmap which revolves around user experience, mobility, analytics and cloud driven flexible infrastructure. It leverages its strong partnerships with product and services companies to harness the potential of Information Technology for ensuring execution of business initiatives towards a competitive advantage. The major highlights of IT at the Company are:

- ❖ Major technology upgrades undertaken including ERP, CRM, Analytics systems to make the systems current and leverage new versions' mobile friendly capabilities
- ❖ Implemented key projects in Supplier Relationship Management, comprehensively digitizing supplier processes to deliver speed, optimum in-line inventory and transparency
- ❖ Enabling World Class Quality initiative of the Company through key IT interventions on the shop floor e.g. Project Tantra for poka yoke on key aggregates
- ❖ IT has enabled customer care initiatives like implementation of Theory of Constraints in Spare Parts to improve parts availability, and reengineering the accident repair process for faster deliveries of repaired vehicles to customers
- ❖ Digital initiatives like job cards on tablets, customer self-service app, a new mobile friendly intranet and device and browser independent CRM in it upgraded avatar
- ❖ The IT initiatives towards the journey to digital readiness have been acknowledged with many industry awards including the Digitalist, Jewels of Digital, IDC Insights Award for Employee engagement, CIO Power List (Automotive Icon and Cloud Icon)

- ❖ Greater systematic collaboration with subsidiaries leveraging IT leadership in Tata Motors. A key achievement has been extension of collaboration solution to six subsidiaries
- ❖ Strengthening information security through multiple initiatives under ISO 27000 framework while covering mobiles under enterprise security
- ❖ Playing a leading role in AutoDx, the EDI initiative under the SIAM ACMA umbrella. AutoDX transactions have rapidly and successfully scaled up in Fiscal 2016.

Information Technology initiatives and Digital Business roadmap would help the Company in being forefront of automotive industry, supporting business growth and innovation to strengthen the Company's core technology capabilities.

### Digital Product Development Systems Initiatives

The Company has constantly adopted new technologies and practices in digital product development domain to improve the product development process. This has led to having a better front loading of product creation, validation and testing towards timely delivery and getting the new products first time right. Niche integration tools, systems and processes continue to be enhanced in the areas of CAx, Knowledge Based Engineering (KBE), Product Lifecycle Management (PLM) and Manufacturing Planning Management (MPM) for more efficient end-to-end delivery of the product development process.

Some of the key enhancements done in digital product development domain include:

- ❖ Embedding manufacturing feasibility and DfX in engineering and design to early detection and resolution of feasibility issues
- ❖ Enhancement of virtual simulation capability leading to front loading of activities, e.g. in crash
- ❖ Enhancement of PLM and addition of new functionality for process control and collaboration like auto flashing of ECU at dealer location, vehicle feature list release process and change management
- ❖ Implementation of 15 new KBE applications in the area of design and safety, e.g. dashboard reflection analysis, seat comfort analysis, etc
- ❖ Enhancement of product visualization process for realistic evaluations and showcasing the in-mobility applications
- ❖ Development of new 3D product data visualization application for aiding downstream agencies for better decision making
- ❖ Improved utilisation of Digital Manufacturing Planning and Factory Simulation shop floor in the form of 3D work instructions for shop floor usage.

## Subsidiaries

### Jaguar Land Rover (JLR)

JLR continues its business transformational initiative, 'i-PLM', delivered through a strategic partnership with a leading software technology provider. At the core of i-PLM is the philosophy of 'Single Source of Truth', author once and consume everywhere. This vision and the close alignment with the software platform, delivers a simplified product creation landscape which eliminates inefficient integration issues at source.

This transformational journey has begun with the implementation of the vision for one vehicle programme that has moved from its legacy systems, with several more to follow over the next few months and the support processes and team for the new solution are active with a very high level of customer satisfaction.

### Tata Daewoo Commercial Vehicles (TDCV)

TDCV continued the momentum of focusing on quality and speed in its digital product creation processes. As part of this, PLM application server infrastructure was refreshed, consolidated with the latest hardware and virtualization technology, enabling implementation of critical application suite resulting in improved availability.

### Tata Technologies Limited (TTL)

TTL continued to invest in new technological advancements as part of the hardware and software upgrades. It initiated a Virtual Desktop Infrastructure (VDI) setup in the training area to facilitate faster deployment of CAD/CAE/PLM software applications in a virtual environment.

### Tata Motors European Technical Centre (TMETC)

TMETC upgraded its data center infrastructure for PLM to the best in class virtualised environment. It implemented high performance computing to enable faster digital validation. Knowledge Based Engineering Applications were introduced in the engineering and design areas.

## TECHNOLOGY AND ENVIRONMENT FRIENDLY INITIATIVES

The Company is working on several electrification, hybridisation and alternate fuel technologies in addition to developing technologies that improve the footprint of conventional powertrains. Some of the key areas are enlisted below:

- ❖ Fully electric versions of small commercial vehicles aimed at complying to regulatory environment in crowded areas of cities where they ply, proving Company's thrust on cutting edge technologies
- ❖ Hybrid electric vehicles for passenger cars which are at various stages of maturity

- ❖ Delivery of diesel series hybrid buses to the city of Mumbai in near future based on successful fleet operation of CNG hybrid buses in Madrid, Spain which has covered close to a million kilometers in revenue service
- ❖ Fuel cell version of the hybrid bus as well as full electric buses, based on large format battery packs and overhead current collectors
- ❖ Dual fuel technology (CNG plus diesel) developed and limited field trials conducted
- ❖ Development of fuel efficient driveline oil (transmission and axle) enhancing customer delight
- ❖ Fuel efficiency improvement by implementing variable valve timing and variable oil pump technologies on passenger car gasoline engine
- ❖ Continuation of fuel efficiency improvement initiatives on passenger and commercial vehicles through software features in engine management system & vehicle level parameter optimization.

## CONSOLIDATED FINANCIAL STATEMENTS

Tata Motors announces consolidated financial results on a quarterly basis. As required under the SEBI Listing Regulations, consolidated financial statements of the Company and its subsidiaries, prepared in accordance with Accounting Standard 21 issued by the Institute of Chartered Accountants of India, form part of the Annual Report and are reflected in the consolidated financial statements of the Company. Pursuant to Section 129(3) of the Act, a statement containing the salient features of the financial statements of the subsidiary companies is attached to the financial statements in **Form AOC-1**. The Company will make available the said financial statements and related detailed information of the subsidiary companies upon the request by any member of the Company or its subsidiary companies. These financial statements will also be kept open for inspection by any member at the Registered Office of the Company and the subsidiary companies.

Pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of subsidiaries, are available on the website of the Company.

## SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANIES

The Company had 77 (direct and indirect) subsidiaries (11 in India and 66 abroad) as on March 31, 2016, as disclosed in the accounts.

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

### Subsidiary companies formed/acquired:

- ❖ TMNL Motor Services Nigeria Limited was incorporated with effect from September 2, 2015
- ❖ Jaguar Land Rover Limited acquired Silkplan Limited with effect from April 16, 2015
- ❖ Jaguar Land Rover Slovakia s.r.o was incorporated with effect from August 27, 2015
- ❖ Jaguar Land Rover Singapore Pte. Limited was incorporated with effect from November 25, 2015
- ❖ Jaguar Racing Limited was incorporated with effect from February 2, 2016
- ❖ Inmotion Ventures Limited was incorporated with effect from March 18, 2016.

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

- ❖ Land Rover Parts Limited was dissolved and struck off with effect from July 14, 2015

### Name changes

- ❖ Jaguar e Land Rover Brasil Importacao e Comercia de Veiculos Ltda was renamed as Jaguar e Land Rover Brasil Industria e Comercio de Veiculos LTDA with effect from February 10, 2016

### Capital Re-structuring/change in nature of Company

- ❖ The Company's entire shareholding in Sheba Properties Limited, a wholly owned subsidiary, was sold to Tata Motors Finance Limited, another direct subsidiary of the Company with effect from March 31, 2016
- ❖ Tata Motors Finance Solutions Pvt. Ltd. was converted into a public limited company named Tata Motors Finance Solutions Ltd. with effect from June 4, 2015.

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

### Joint Ventures and Associate Companies

As at March 31, 2016, Tata Motors had 6 Associate Companies and 6 Joint Ventures. One of these Joint Ventures has 13 wholly owned subsidiaries, details of the same are disclosed in the accounts. During the year there were no changes in any of the Associates and Joint Ventures of the Company.

The Company has adopted a Policy for determining Material Subsidiaries and is available on the Company's website ([www.tatamotors.com/investors/pdf/material.pdf](http://www.tatamotors.com/investors/pdf/material.pdf)).

## ENERGY, TECHNOLOGY & FOREIGN EXCHANGE

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

## CORPORATE GOVERNANCE

A separate section on Corporate Governance forming part of the Board's Report and the certificate from the Practicing Company Secretary confirming compliance of Corporate Governance norms as stipulated in Regulation 34 read along with Schedule V of the SEBI Listing Regulations is included in the Annual Report.

### DIRECTORS

#### Appointment

During the year under review, on the recommendation of Nomination and Remuneration Committee ("NRC") and in accordance with provisions of Section 161 of the Act, Mr Guenter Butschek was appointed as an Additional Director with effect from February 15, 2016 and holds office upto the date of the forthcoming Annual General Meeting ("AGM") and being eligible has offered himself for appointment as Director. Mr Butschek is appointed as Chief Executive Officer and Managing Director of the Company for a period of 5 years with effect from February 15, 2016, subject to approval of Members and the Central Government.

#### Re-appointment

Mr Ravindra Pisharody, Executive Director (Commercial Vehicles) is being re-appointed w.e.f July 1, 2016 upto November 24, 2020 (upon the termination of the existing contract w.e.f July 1, 2016) and in accordance with the provisions of the Act and the Articles of Association of the Company, Mr Pisharody retires by rotation and is eligible for re-appointment.

Mr Satish Borwankar, Executive Director (Quality) is being re-appointed w.e.f July 1, 2016 upto July 15, 2017 (upon the termination of the existing contract w.e.f July 1, 2016).

There was no change in the composition of the Board during Fiscal 2016, other than appointment of Mr Butschek, CEO and Managing Director of the Company.

The disclosures required pursuant to Regulation 36 of SEBI Listing Regulations are given in the Notice of the AGM, forming part of the Annual Report and disclosure pursuant to Schedule V, Part II, proviso of Section II B(iv)IV of the Act and Schedule V of SEBI Listing Regulations is annexed hereto as **Annexure 4**.

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

#### Independent Directors

Pursuant to the provisions of Section 149 of the Act read along with the Rules framed thereunder and the Resolutions passed by the Members at the Annual General Meeting held on July 31, 2014, Mr N Munjee, Mr V K Jairath and Ms Falguni Nayar would continue as Independent Directors upto July 30, 2019. Mr Nusli Wadia, Dr Raghunath Mashelkar and Mr Subodh Bhargava would continue as Independent Directors

upto February 14, 2019, December 31, 2017 and March 29, 2017, respectively, as per the Governance Guidelines adopted by the Company. All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16 of the SEBI Listing Regulations.

### KEY MANAGERIAL PERSONNEL

During the year under review, the Company designated Mr Guenter Butschek as Chief Executive Officer and Managing Director of the Company as one of the Key Managerial Personnel (KMP), under Section 203 of the Act, with effect from February 15, 2016. The following Directors/Executives continued as KMPs of the Company during Fiscal 2016:

- ❖ Mr Ravindra Pisharody, Executive Director (Commercial Vehicles)
- ❖ Mr Satish Borwankar, Executive Director (Quality)
- ❖ Mr C Ramakrishnan, Group Chief Financial Officer \*
- ❖ Mr Hoshang Sethna, Company Secretary

*\* (Superannuated on June 30, 2015 and Re appointed as Group Chief Financial Officer w.e.f. July 1, 2015)*

### GOVERNANCE GUIDELINES

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

#### Selection and procedure for nomination and appointment of Directors

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

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

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

The NRC has formulated the criteria for determining qualifications,

positive attributes and independence of Directors in terms of provisions of Section 178 (3) of the Act and Regulation 19 read along with Schedule II of SEBI Listing Regulations, which is annexed as **Annexure 5**.

### REMUNERATION POLICY

The Company has in place a Remuneration Policy for the Directors, Key Managerial Personnel and other employees, pursuant to the provisions of the Act and Regulation 19 of SEBI Listing Regulations, and the same is annexed as **Annexure 6**.

### BOARD EVALUATION

Pursuant to the provisions of the Act and the Corporate Governance requirements as prescribed by SEBI Listing Regulations, the Board has carried out an annual evaluation of its own performance and that of its Committees and individual Directors.

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

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

### FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

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

### BOARD AND COMMITTEE COMPOSITION

Details of the composition of the Board and its Committees, Meetings held, attendance of the Directors at such Meetings and other relevant details are provided in the Corporate Governance Report.

### BOARD MEETINGS

During the year under review, 10 Board Meetings were convened and held.

### VIGIL MECHANISM

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

### PARTICULARS OF EMPLOYEES

The information on employees who were in receipt of remuneration of not less than ₹60 lakhs during the year or ₹5 lakhs per month during any part of the said year as required under Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in the Annexure forming part of the Report. In terms of proviso to Section 136(1) of the Act, the Report and Accounts are being sent to the shareholders excluding the aforesaid Annexure. The said statement is also open for inspection at the registered office of the Company. Any member interested in obtaining a copy of the same may write to the Company Secretary.

Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are Annexed to the report as **Annexure 4**.

### CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in **Annexure 7** of this Report in the format prescribed in the Companies (CSR Policy) Rules, 2014. The Policy is available on Company's web-site ([www.tatamotors.com/investors/pdf/csr-policy-16-17.pdf](http://www.tatamotors.com/investors/pdf/csr-policy-16-17.pdf)).



## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY

The details of Loans, Guarantees or Investments made under Section 186 of the Act during the year are given below:

(₹ in crores)

Sr No.	Companies	Nature of Transaction	Loans	Guarantees	Investments
1	TAL Manufacturing Solutions Limited	Inter-corporate deposits	5.00	-	-
2	Concorde Motors (India) Limited	Inter-corporate deposits	15.00	-	-
3	Tata Marcopolo Motors Limited	Inter-corporate deposits	25.00	-	-
4	TAL Manufacturing Solutions Limited	Investment in Rights Issue	-	-	15.00
5	Concorde Motors (India) Limited	Investment in Rights Issue	-	-	45.00
6	Tata Hispano Motors Carrosseries Maghreb	Investment in loans	58.32	-	-
7	Tata Motors European Technical Centre Plc	Investment in loans/shares	19.66	158.45*	73.09
8	Tata Motors Finance Limited	Compulsory Convertible Preference Shares with call option to TML			#

Notes:

- (i) \*Outstanding amount of Guarantee given to University of Warwick for development and funding of NAIC
- (ii) #The Company has not invested through CCPS of ₹434 crores The call option is available with the Company to acquire CCPS from investors.
- (iii) Guarantees other than in connection with a loan given to any person is given under Note No. 30 (ii) (c) in the Standalone Financial Statements in the full Annual Report

## PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were on an arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Act and SEBI Listing Regulations. There are no materially significant Related Party Transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions are placed before the Audit Committee comprising Mr N Munjee, Chairman, Dr RA Mashelkar, Mr VK Jairath and Ms Falguni Nayar being Independent Directors of the Company, for its approval. A statement of all Related Party Transactions is placed before the Audit Committee for its review on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.

The Company has adopted a revised Policy on Related Party Transactions to mainly incorporate changes pertaining to substitution of earlier Listing Agreement provisions with those of SEBI Listing Regulations and providing the parameters for granting omnibus approvals by the Audit Committee. The Policy, as approved by the Board, is uploaded on the Company's website ([www.tatamotors.com/investors/pdf/rpt-policy.pdf](http://www.tatamotors.com/investors/pdf/rpt-policy.pdf)).

During the Fiscal 2016, there have been no materially significant related party transactions between the Company and Directors, management, subsidiaries or relatives, as defined under Section 188 of the Act and Regulations 23 the SEBI Listing Regulations.

There are no transactions that are required to be reported in **Form AOC-2** and as such does not form part of the Report.

## AUDIT

In the 69<sup>th</sup> Annual General Meeting held on July 31, 2014, M/s. Deloitte Haskins & Sells LLP, (DHS), Chartered Accountants have been appointed Statutory Auditors of the Company for a period of 3 years. At the AGM held on August 13, 2015, the Members ratified the appointment of DHS for the 2<sup>nd</sup> year. Ratification of appointment of Statutory Auditors for the 3<sup>rd</sup> year is being sought from the Members of the Company at this AGM. Further, DHS have, under Section 139(1) of the Act and the Rules framed thereunder furnished a certificate of their eligibility and consent for appointment.

The report of the Statutory Auditors alongwith notes to Schedules is enclosed to this Report. The observations made in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

The Auditor's Report does not contain any qualification, reservation, adverse remark or disclaimer.

## COST AUDIT

As per Section 148 of the Act, the Company is required to have the audit of its cost records conducted by a Cost Accountant in practice. The Board of the Company has on the recommendation of the Audit Committee, approved the appointment of M/s Mani & Co. having registration No.000004 as the Cost Auditors of the Company to conduct cost audits pertaining to relevant products prescribed under the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time for the year ending March 31, 2017 at a remuneration of ₹5 lakhs plus out of pocket expenses.

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

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

## SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Parikh & Associates, a firm of Company Secretaries in practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit is annexed herewith as **Annexure 8**. The Secretarial Audit Report does not contain any qualifications, reservation, adverse remarks or disclaimer.

## DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, cost, external agencies and secretarial auditors, including audit of internal financial controls over financial reporting by the Statutory Auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during Fiscal 2016.

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

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- (b) they have, selected such accounting policies and have applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) they have prepared the annual accounts on a going concern basis;
- (e) they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were generally operating effectively\*; and
- (f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

*\* please refer to the Section "Internal Control Systems and their Adequacy in the Management Discussion and Analysis Report".*

## ACKNOWLEDGEMENT

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

On behalf of the Board of Directors  
**CYRUS P MISTRY**  
 Chairman

Mumbai,  
 May 30, 2016

## ANNEXURE 1

## Details of Issue of Equity Shares with Differential Rights completed during the Fiscal 2016

[Pursuant to Section 134 of the Companies Act, 2013 and Rule 4 of the Companies (Share Capital and Debentures) Rules, 2014]

(I) The details of the Rights Issue during the Fiscal Year 2016 are given hereunder:

Particulars	Ordinary Shares	'A' Ordinary Shares
Rights entitlement ratio	109:6	109:6
Issue Price (per share)	₹450/-	₹271/-
Premium amount (per share)	₹448/-	₹269/-
No of securities issued	15,06,44,759	2,65,30,290
Dividend and voting rights	Pari-passu with existing ordinary shares	Pari-passu with existing 'A' Ordinary Shares i.e. The 'A' Ordinary Shares would have differential rights as to voting and dividend. The 'A' Ordinary shareholders shall be entitled to one vote for every ten 'A' ordinary shares held and will be entitled to receive dividend at 5 percent more than the rate of dividend declared on the Ordinary shares. Further, if no dividend is recommended for Ordinary shares, 'A' Ordinary shares would also not receive any dividend
No of securities allotted on May 13, 2015 (excluding shares held in abeyance)	15,04,90,480	2,65,09,759
Amount raised	₹6,772.07 crores	₹718.42 crores

(II) Additional details on Issue of Equity Shares with Differential Rights as per the Companies (Share Capital and Debentures) Rules, 2014:

Particulars	Disclosure	
Total number of shares allotted with differential rights and details of differential rights relating to voting rights and dividend	Please see details in the table above.	
Percentage of the shares with differential rights to the total post issued equity share capital with differential voting rights at any point of time; and	5.21%	
Percentage of voting rights which the equity share capital with differential rights shall carry to the total voting right of the aggregate equity share capital	1.73%	
The price at which such shares have been issued	₹271/- (including premium of ₹269/-)	
The particulars of promoters, directors or key managerial personnel to whom such shares are issued	<b>Details of shares issued</b>	
	Promoters	Tata Sons Limited
	Directors	Mr Ravindra Pisharody
		Mr Satish B Borwankar
	KMP	Mr C Ramakrishnan
Mr H K Sethna		
The change in control, if any, in the company consequent to the issue of equity shares with differential voting rights	There is no change in control consequent to issue of shares with differential voting rights	
The diluted Earning Per Share pursuant to the issue of each class of shares, calculated in accordance with the applicable accounting standard	₹0.68 for Ordinary Shares and ₹0.78 for 'A' Ordinary Shares (for Fiscal 2016)	
The pre and post issue shareholding pattern along with voting rights in the format specified under sub-rule (2) of Rule 4	Given over leaf	

(74-117)

**(I) (a) Pre Rights Issue Shareholding Pattern of 'A' Ordinary Shares (Scrip Code BSE-570001 and NSE-TATAMTRDVR) as on May 2, 2015**

Category code	Category of shareholder	Number of share-holders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares	
					As a percentage of (A+B) <sup>(1)</sup>	As a percentage of (A+B+C)
<b>(A)</b>	Shareholding of Promoter and Promoter Group <sup>(2)</sup>					
<b>*1</b>	<b>Indian:</b>					
	Bodies Corporate	4	2478587	2478587	0.51	0.51
	<b>Sub-Total (A)(1)</b>	<b>4</b>	<b>2478587</b>	<b>2478587</b>	<b>0.51</b>	<b>0.51</b>
<b>*2</b>	<b>Foreign:</b>			Nil		
	<b>Sub-Total (A)(2)</b>			<b>Nil</b>		
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>4</b>	<b>2478587</b>	<b>2478587</b>	<b>0.51</b>	<b>0.51</b>
<b>(B)</b>	Public shareholding <sup>(3)</sup>					
<b>1</b>	<b>Institutions</b>					
(a)	Mutual Funds/ UTI	130	118504871	118504871	24.59	24.59
(b)	Financial Institutions/ Banks	6	385055	385055	0.08	0.08
(c)	Central Government/ State Government(s)	2	1445391	1445391	0.30	0.30
(d)	Insurance Companies	15	8678066	8678066	1.80	1.80
(e)	Foreign Institutional Investors	204	271893578	271893578	56.41	56.41
(f)	Any Other (specify)					
(f-1)	Foreign Portfolio Investors (Corp)	47	25308875	25308875	5.25	5.25
	<b>Sub-Total (B)(1)</b>	<b>404</b>	<b>426215836</b>	<b>426215836</b>	<b>88.43</b>	<b>88.43</b>
<b>2</b>	<b>Non-institutions</b>					
(a)	Bodies Corporate	948	7719881	7719696	1.60	1.60
(b)	Individuals					
	i. Individual shareholders holding nominal share capital up to ₹ 1 lakh.	64727	29672085	29436121	6.16	6.16
	ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	58	13139296	13139296	2.73	2.73
(c)	Any Other (specify)					
(c-1)	Non Resident Indians	1410	1675012	1671442	0.35	0.35
(c-2)	Clearing Member	377	778583	778583	0.16	0.16
(c-3)	Trusts	14	287156	287156	0.06	0.06
(c-4)	Directors and Relatives	2	509	509	0.00	0.00
	<b>Sub-Total (B)(2)</b>	<b>67536</b>	<b>53272522</b>	<b>53032803</b>	<b>11.06</b>	<b>11.06</b>
	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>67940</b>	<b>479488358</b>	<b>479248639</b>	<b>99.49</b>	<b>99.49</b>
	<b>TOTAL (A)+(B)</b>	<b>67944</b>	<b>481966945</b>	<b>481727226</b>	<b>100.00</b>	<b>100.00</b>
<b>(C)</b>	Shares held by Custodians and against which Depository Receipts have been issued					
				Nil		
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>67944</b>	<b>481966945</b>	<b>481727226</b>	<b>100.00</b>	<b>100.00</b>

Shares pledged or otherwise encumbered - Nil for all categories.

\* Category of shareholders who do not hold shares in the Company are dropped

<sup>(1)</sup> For determining public shareholding<sup>(2)</sup> For definitions of "Promoter" and "Promoter Group", refer to Reg. 2(1)(w)<sup>(3)</sup> For definitions of "Public Shareholding", refer to Reg. 2(1)(y).

**(I) (b) Statement showing Shareholding of persons belonging to the category “Promoter and Promoter Group”**

Name of the shareholder	Number of shares	Shares as a percentage of total number of shares [i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above]
Tata Sons Limited	1995907	0.41
Ewart Investments Limited	417655	0.09
Af-Taab Investment Company Limited	48360	0.01
Tata Global Beverages Limited	16665	0.00
<b>TOTAL</b>	<b>2478587</b>	<b>0.51</b>

**(I) (c) (i) Statement showing Shareholding of persons belonging to the category “Public” and holding more than 1% of the total number of shares**

HSBC Global Investment Funds A/C HSBC Gif Mauritius	24878664	5.16
HDFC Trustee Company Limited-Hdfc Equity Fund	19987750	4.15
Franklin Templeton Investment Funds	18843138	3.91
Matthews Asia Dividend Fund	17472106	3.63
Cophall Mauritius Investment Limited	17366917	3.60
Goldman Sachs (Singapore) Pte	15201347	3.15
HDFC Trustee Company Limited - HDFC Top 200 F	14457057	3.00
Government Of Singapore	11147978	2.31
Swiss Finance Corporation (Mauritius) Limited	10708865	2.22
Government Pension Fund Global	9804032	2.03
Skagen Global Verdipapirfond	8181421	1.70
SBI Magnum Taxgain Scheme	7600000	1.58
Merrill Lynch Capital Markets Espana S.a. S.v	7523142	1.56
HSBC Indian Equity Mother Fund	7002596	1.45
Eastspring Investments India Equity Open Limited	6846182	1.42
HDFC Trustee Company Limited - HDFC Tax Saver	6685418	1.39
Nordea Emerging Market Equities Fund	6251657	1.30
D. E. Shaw Oculus Investments Bi-Fi 1 Mauritius	5500000	1.14
DSP Blackrock Top 100 Equity Fund	5345396	1.11
HDFC Trustee Company Limited - HDFC Prudence	5141965	1.07
<b>TOTAL</b>	<b>225945631</b>	<b>46.88</b>

**(I) (c) (ii) Statement showing holding of securities (including shares, warrants, convertible securities) of persons (together with PAC) belonging to the category “Public” and holding more than 5% of the total number of shares of the company**

HSBC Global Investment Funds A/C HSBC Gif Mauririus	24878664	5.16
<b>TOTAL</b>	<b>24878664</b>	<b>5.16</b>

**(I) (d) Statement showing details of locked-in shares:**

Nil

**(II) (a) Statement showing details of Depository Receipts (DRs):**

Nil

**(II) (b) Statement showing Holding of Depository Receipts (DRs), where underlying shares are in excess of 1% of the total number of shares:**

Nil

(III) (a) Statement showing the voting pattern of shareholders, if more than one class of shares/securities is issued by the issuer.

Class X: Ordinary Shares; Class Y: 'A' Ordinary shares with differential voting rights\*

Category	Category of shareholder	Number of Voting Rights held in each class of securities		Total Voting Rights (III+IV) (V)	Total Voting Rights	
		Class X (III)	Class Y (IV)		As a percentage of (A+B) (VI)	As a percentage of (A+B+C) (VII)
Code (I)	(II)					
(A)	<b>Promoter and Promoter Group</b>					
(1)	<b>Indian</b>					
(a)	Bodies Corporate	937781325	247858	938029183	42.59	33.68
(b)	Any Other (specify)					
(b-1)	Trusts	1774880	Nil	1774880	0.08	0.06
	<b>Sub-Total (A)(1)</b>	<b>939556205</b>	<b>247858</b>	<b>939804063</b>	<b>42.67</b>	<b>33.74</b>
(2)	<b>Foreign</b>			<b>Nil</b>		
	<b>Sub-Total (A)(2)</b>			<b>Nil</b>		
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>939556205</b>	<b>247858</b>	<b>939804063</b>	<b>42.67</b>	<b>33.74</b>
(B)	<b>Public shareholding</b>					
(1)	<b>Institutions</b>					
(a)	Mutual Funds/UTI	64765429	11923223	76688652	3.48	2.75
(b)	Financial Institutions/ Banks	1770891	38610	1809501	0.08	0.06
(c)	Central Government/ State Government(s)	2033825	144539	2178364	0.10	0.08
(d)	Insurance Companies	231346191	838564	232184755	10.54	8.34
(e)	Foreign Institutional Investors	641443501	27075510	668519011	30.35	24.01
(f)	Any Other (specify)					
(f-1)	Foreign Portfolio Investors (Corp)	65792527	2599158	68391685	3.11	2.46
(f-2)	Foreign Bodies-DR	11062751	Nil	11062751	0.50	0.40
(f-3)	Foreign Nationals-DR	991	Nil	991	Nil	Nil
(f-4)	FII-DR	2213	Nil	2213	Nil	Nil
	<b>Sub-Total (B)(1)</b>	<b>1018218319</b>	<b>42619604</b>	<b>1060837923</b>	<b>48.16</b>	<b>38.09</b>
(2)	<b>Non-institutions</b>					
(a)	Bodies Corporate	10031396	781985	10813381	0.49	0.39
(b)	Individuals -					
	i. Individual shareholders holding nominal share capital up to ₹ 1 lakh.	157898559	2916700	160815259	7.30	5.77
	ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	8218543	1314721	9533264	0.43	0.34
(c)	Any Other (specify)					
(c-1)	Non Resident Indians	10492370	168160	10660530	0.48	0.38
(c-2)	Clearing Member	4618550	119447	4737997	0.22	0.17
(C-3)	Trusts	4847441	28215	4875656	0.22	0.18
(c-4)	Overseas Corporate Bodies	490	Nil	490	Nil	Nil
(c-5)	Foreign Corporate Bodies (including FDI)	571059	Nil	571059	0.03	0.02
	<b>Sub-Total (B)(2)</b>	<b>196678408</b>	<b>5329228</b>	<b>202007636</b>	<b>9.17</b>	<b>7.25</b>
	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>1214896727</b>	<b>47948832</b>	<b>1262845559</b>	<b>57.33</b>	<b>45.34</b>
	<b>TOTAL (A)+(B)</b>	<b>2154452932</b>	<b>48196690</b>	<b>2202649622</b>	<b>100.00</b>	<b>79.08</b>
(C)	<b>Shares held by Custodians and against which Depository Receipts have been issued</b>	582260190	Nil	582260190	Nil	20.91
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>2736713122</b>	<b>48196690.3</b>	<b>2784909812</b>	<b>Nil</b>	<b>100.00</b>

(I) (a) Post Rights Issue Shareholding Pattern of 'A' Ordinary Shares (Scrip Code BSE-570001 and NSE-TATAMTRDVR) as on May 13, 2015

Category code	Category of shareholder	Number of share-holders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares	
					As a percentage of (A+B) <sup>(1)</sup>	As a percentage of (A+B+C)
(A)	Shareholding of Promoter and Promoter Group <sup>(2)</sup>					
*1	<b>Indian:</b>					
(a)	Bodies Corporate	4	2615022	2615022	0.51	0.51
	<b>Sub-Total (A)(1)</b>	<b>4</b>	<b>2615022</b>	<b>2615022</b>	<b>0.51</b>	<b>0.51</b>
*2	<b>Foreign:</b>			Nil		
	<b>Sub-Total (A)(2)</b>			Nil		
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>4</b>	<b>2615022</b>	<b>2615022</b>	<b>0.51</b>	<b>0.51</b>
(B)	Public shareholding <sup>(3)</sup>					
1	<b>Institutions</b>					
(a)	Mutual Funds/UTI	130	125061858	125061858	24.60	24.60
(b)	Financial Institutions/Banks	6	403642	403642	0.08	0.08
(c)	Central Government/State Government(s)	2	1524953	1524953	0.30	0.30
(d)	Insurance Companies	15	9189175	9189175	1.81	1.81
(e)	Foreign Institutional Investors	204	287217034	287217034	56.49	56.49
(f)	Any Other (specify)					
(f-1)	Foreign Portfolio Investors (Corp)	47	26628334	26628334	5.24	5.24
	<b>Sub-Total (B)(1)</b>	<b>404</b>	<b>450024996</b>	<b>450024996</b>	<b>88.50</b>	<b>88.50</b>
2	<b>Non-institutions</b>					
(a)	Bodies Corporate	955	8102421	8102236	1.60	1.60
(b)	Individuals					
	i. Individual shareholders holding nominal share capital up to ₹ 1 lakh.	65297	30585431	30338425	6.02	6.02
	ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	66	14334996	14334996	2.82	2.82
(c)	Any Other (specify)					
	Non Resident Indians	1410	1724601	1720902	0.34	0.34
	Clearing Member	378	793748	793748	0.16	0.16
	Trusts	14	294955	294955	0.06	0.06
	Directors and Relatives	2	534	534	0.00	0.00
	<b>Sub-Total (B)(2)</b>	<b>68122</b>	<b>55836686</b>	<b>55585796</b>	<b>10.98</b>	<b>10.98</b>
	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>68526</b>	<b>505861682</b>	<b>505610792</b>	<b>99.49</b>	<b>99.49</b>
	<b>TOTAL (A)+(B)</b>	<b>68531</b>	<b>508476704</b>	<b>508225814</b>	<b>100.00</b>	<b>100.00</b>
(C)	<b>Shares held by Custodians and against which Depository Receipts have been issued</b>			Nil		
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>68531</b>	<b>508476704</b>	<b>508225814</b>	<b>100.00</b>	<b>100.00</b>

Shares pledged or otherwise encumbered - Nil for all categories.

\* Category of shareholders who do not hold shares in the Company are dropped

<sup>(1)</sup> For determining public shareholding

<sup>(2)</sup> For definitions of "Promoter" and "Promoter Group", refer to Reg. 2(1)(w)

<sup>(3)</sup> For definitions of "Public Shareholding", refer to Reg. 2(1)(y).

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**(I) (b) Statement showing Shareholding of persons belonging to the category "Promoter and Promoter Group"**

Name of the shareholder	Number of shares	Shares as a percentage of total number of shares (i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above)
Tata Sons Limited	2105773	0.41
Ewart Investments Limited	440645	0.09
Af-Taab Investment Company Limited	51022	0.01
Tata Global Beverages Limited	17582	0.00
<b>TOTAL</b>	<b>2615022</b>	<b>0.51</b>

**(I) (c) (i) Statement showing Shareholding of persons belonging to the category "Public" and holding more than 1% of the total number of shares**

HSBC Global Investment Funds A/C HSBC Gif Mauritius	26248131	5.16
HDFC Trustee Company Limited-Hdfc Equity Fund	21087993	4.15
Franklin Templeton Investment Funds	19883265	3.91
Copthall Mauritius Investment Limited	18417573	3.62
Matthews Asia Dividend Fund	17472106	3.44
Goldman Sachs (Singapore) Pte	16120993	3.17
HDFC Trustee Company Limited - HDFC Top 200 F	15252858	3.00
Government Of Singapore	11822405	2.32
Swiss Finance Corporation (Mauritius) Limited	11356725	2.23
Government Pension Fund Global	10397152	2.04
Skagen Global Verdipapirfond	8676378	1.71
SBI Magnum Taxgain Scheme	8018348	1.58
Merrill Lynch Capital Markets Espana S.a. S.v	7971912	1.57
HSBC Indian Equity Mother Fund	7388060	1.45
Eastspring Investments India Equity Open Limited	7223036	1.42
HDFC Trustee Company Limited - HDFC Tax Saver	7053422	1.39
Nordea Emerging Market Equities Fund	6595784	1.30
D. E. Shaw Oculus Investments Bi-Fi 1 Mauritius	5802752	1.14
DSP Blackrock Top 100 Equity Fund	5639637	1.11
HDFC Trustee Company Limited - HDFC Prudence	5425008	1.07
<b>TOTAL</b>	<b>237853538</b>	<b>46.78</b>

**(I) (c) (ii) Statement showing holding of securities (including shares, warrants, convertible securities) of persons (together with PAC) belonging to the category "Public" and holding more than 5% of the total number of shares of the company**

HSBC Global Investment Funds A/C HSBC Gif Mauritius Limited	26248131	5.16
<b>TOTAL</b>	<b>26248131</b>	<b>5.16</b>

**(I) (d) Statement showing details of locked-in shares:**

Nil

**(II) (a) Statement showing details of Depository Receipts (DRs):**

Nil

**(II) (b) Statement showing Holding of Depository Receipts (DRs), where underlying shares are in excess of 1% of the total number of shares:**

Nil



## (III) (a) Statement showing the voting pattern of shareholders, if more than one class of shares/securities is issued by the issuer.

Class X: Ordinary Shares; Class Y: 'A' Ordinary Shares with differential voting rights\*

Category	Category of shareholder	Number of Voting Rights held in each class of securities		Total Voting Rights (III+IV) (V)	Total Voting Rights	
		Class X (III)	Class Y (IV)		As a percentage of (A+B) (VI)	As a percentage of (A+B+C) (VII)
<b>(A)</b>	<b>Promoter and Promoter Group</b>					
(1)	<b>Indian</b>					
(a)	Bodies Corporate	989884618	261502	990146120	42.61	33.70
(b)	Any Other (specify)					
(b-1)	Trusts	1774880		1774880	0.08	0.06
	<b>Sub-Total (A)(1)</b>	<b>991659498</b>	<b>261502</b>	<b>991921000</b>	<b>42.69</b>	<b>33.76</b>
(2)	<b>Foreign</b>			<b>Nil</b>		
	<b>Sub-Total (A)(2)</b>			<b>Nil</b>		
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>991659498</b>	<b>261502</b>	<b>991921000</b>	<b>42.69</b>	<b>33.76</b>
<b>(B)</b>	<b>Public shareholding</b>					
(1)	<b>Institutions</b>					
(a)	Mutual Funds/UTI	70223311	12506185	82729496	3.56	2.82
(b)	Financial Institutions/ Banks	1723709	40364	1764073	0.08	0.06
(c)	Central Government/ State Government(s)	2033825	152495	2186320	0.10	0.07
(d)	Insurance Companies	244316532	918917	245235449	10.55	8.35
(e)	Foreign Institutional Investors	677768383	28721703	706490086	30.40	24.05
(f)	Any Other (specify)					
(f-1)	Foreign Portfolio Investors (Corp)	70201115	2662833	72863948	3.14	2.48
(f-2)	Foreign Bodies-DR	11671707	Nil	11671707	0.50	0.40
(f-3)	Foreign Nationals-DR	991	Nil	991	0.00	0.00
(f-4)	FII-DR	2334	Nil	2334	0.00	0.00
	<b>Sub-Total (B)(1)</b>	<b>1077941907</b>	<b>45002497</b>	<b>1122944404</b>	<b>48.32</b>	<b>38.22</b>
(2)	<b>Non-institutions</b>					
(a)	Bodies Corporate	10293013	810242	11103255	0.48	0.38
(b)	Individuals -					
	i. Individual shareholders holding nominal share capital up to ₹ 1 lakh.	163488286	3058543	166546829	7.17	5.67
	ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	9094710	1433499	10528209	0.45	0.36
(c)	Any Other (specify)					
(c-1)	Non Resident Indians	10618443	172460	10790903	0.46	0.37
(c-2)	Clearing Member	4112366	79374	4191740	0.18	0.14
(c-3)	Trusts	5057091	29495	5086586	0.22	0.17
(c-4)	Directors and Relatives	25350	53	25403	0.00	0.00
(c-5)	Overseas Corporate Bodies	490	Nil	490	0.00	0.00
(c-6)	Foreign Corporate Bodies (including FDI)	602438	Nil	602438	0.03	0.02
	<b>Sub-Total (B)(2)</b>	<b>203292187</b>	<b>5583666</b>	<b>208875853</b>	<b>8.99</b>	<b>7.11</b>
	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>1281234094</b>	<b>50586163</b>	<b>1331820257</b>	<b>57.31</b>	<b>45.33</b>
	<b>TOTAL (A)+(B)</b>	<b>2272893592</b>	<b>50847665</b>	<b>2323741257</b>	<b>100.00</b>	<b>79.09</b>
<b>(C)</b>	<b>Shares held by Custodians and against which Depository Receipts have been issued</b>			<b>Nil</b>		
(a)	Public	614310010	Nil	614310010	Nil	20.91
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>2887203602</b>	<b>50847665</b>	<b>2938051267</b>	<b>Nil</b>	<b>100.00</b>

On behalf of the Board of Directors

CYRUS P MISTRY

Chairman

Mumbai,  
May 30, 2016

**ANNEXURE 2**  
**FORM NO. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended on March 31, 2016**

**[Pursuant to Section 92(1) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]**

**I. REGISTRATION AND OTHER DETAILS:**

- i) CIN: L28920MH1945PLC004520
- ii) Registration Date: 01-09-1945
- iii) Name of the Company: Tata Motors Limited
- iv) Category / Sub-Category of the Company: Public Company/  
Limited by shares
- v) Address of the Registered Office and contact details:  
Bombay House, 24 Homi Mody Street, Mumbai-400 001  
Tel: +91 22 66658282 Fax +91 2266657799  
Email: inv\_rel@tatomotors.com  
Website: www.tatomotors.com
- vi) Whether listed company: Yes
- vii) Name, Address and contact details of Registrar & Transfer Agents:  
TSR Darashaw Limited,  
6/10 Haji Moosa Patrawala Industrial Estate,  
20, E Moses Road, Mahalaxmi, Mumbai - 400 011  
Tel: 91 22 6656 8484; Fax: 91 22 6656 8494,  
Email: csg-unit@tsrdarashaw.com; Website: www.tsrdarashaw.com

**For Rights Issue 2015 :**

Link InTime India Private Limited  
No. C-13, Pannalal Silk Mill Compound, Lal Bahadur Shastri Road,  
Bhandup (W), Mumbai - 400078  
Tel: (91 22) 6171 5400/9167779196 /97 /98/ 99 Fax: (91 22) 2596 0329  
Email: tatomotors.rights@linkintime.co.in Website: www.linkintime.co.in

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

**All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-**

Sl. No.	Name and Description of main products/services	NIC Code of the Product/Service	% to total turnover of the company
1.	Manufacture of Motor Vehicles	2910	90.84%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES AS ON MARCH 31, 2016**

Sl. no.	NAME AND ADDRESS OF THE COMPANY	CIN / GLN	HOLDING/SUBSIDIARY/ ASSOCIATE/JV	% OF SHARES HELD	APPLICABLE SECTION
1	Concorde Motors (India) Limited, 3rd Floor, Nanavati Mahalaya, 18 Homi Mody Street, Hutatma Chowk, Mumbai – 400001	U24110MH1972PLC015561	SUBSIDIARY	100.00	2(87)
2	Sheba Properties Limited, C/o Tata Motors Limited, 3rd Floor, Nanavati Mahalaya, 18 Homi Mody Street, Hutatma Chowk, Mumbai – 400001	U45200MH1989PLC050444	SUBSIDIARY	100.00	2(87)
3	TAL Manufacturing Solutions Limited, PDO Building, TATA Motors Campus, Chinchwad, Pune - 411 033	U29100PN2000PLC130290	SUBSIDIARY	100.00	2(87)
4	Tata Motors European Technical Centre PLC, 18 Grosvenor Place, London, SW1X 7HS	NA	SUBSIDIARY	100.00	2(87)
5	Tata Motors Insurance Broking and Advisory Services Limited, 3rd Floor, Nanavati Mahalaya, 18 Homi Mody Street, Hutatma Chowk, Mumbai – 400001	U50300MH1997PLC149349	SUBSIDIARY	100.00	2(87)
6	TML Holdings Pte. Limited, 9 Battery Road, #15-01, Straits Trading Building, Singapore 049910	NA	SUBSIDIARY	100.00	2(87)
7	TML Distribution Company Limited, 3rd Floor, Nanavati Mahalaya, 18 Homi Mody Street, Hutatma Chowk, Mumbai – 400001	U63000MH2008PLC180593	SUBSIDIARY	100.00	2(87)
8	Tata Hispano Motors Carrocera S.A., Carretera de Castellon, Km. 230,5 (poligono Empresarium), Zaragoza, Spain	NA	SUBSIDIARY	100.00	2(87)
9	Tata Hispano Motors Carroceries Maghreb SA, Zone Industrial - Berrechid, Rue Al Adrisa, Berrechid -26100, Morocco	NA	SUBSIDIARY	100.00	2(87)
10	TML Drivelines Limited, C/oTata Motors Limited, 3rd Floor, Nanavati Mahalaya, 18 Homi Mody Street, Hutatma Chowk, Mumbai – 400001	U34100MH2000PLC124874	SUBSIDIARY	100.00	2(87)
11	Trilix S.r.l., Via Teano 3, 10042 Nichelino, Torino, Italy	NA	SUBSIDIARY	80.00	2(87)
12	Tata Precision Industries Pte. Limited, 1 Robinson Road, #19-01, AIA Towers, Singapore 048 542	NA	SUBSIDIARY	78.39	2(87)
13	Tata Technologies Limited, Plot No. 25, Pune Infotechpark, MIDC Taluka - Mulshi Hinjawadi, Pune - 27	U72200PN1994PLC013313	SUBSIDIARY	72.32	2(87)
14	Tata Marcopolo Motors Limited, Bombay House, 24, Homi Mody street, Mumbai-400001	U34101MH2006PLC164771	SUBSIDIARY	51.00	2(87)
15	Tata Motors Finance Limited, 10th floor, 106 A and B, Maker Chambers III, Nariman Point, Mumbai 400 021	U65923MH2006PLC162503	SUBSIDIARY	100.00	2(87)
16	Jaguar Land Rover Automotive Plc, Abbey Road, Whitley, Coventry, CV3 4LF - England UK	6477691	SUBSIDIARY	100.00	2(87)
17	Jaguar Land Rover Limited, Abbey Road, Whitley, Coventry, CV3 4LF - England UK	1672070	SUBSIDIARY	100.00	2(87)
18	Jaguar Land Rover Austria GmbH, Fuerbergstrasse 51, Salzburg, A5020, Austria	FN84604v	SUBSIDIARY	100.00	2(87)
19	Jaguar Land Rover Japan Limited, 3-13 Toranomon 4-chome, Minato-ku, Tokyo, Japan45	0104-01-075166	SUBSIDIARY	100.00	2(87)
20	JLR Nominee Company Limited, Abbey Road, Whitley, Coventry, CV3 4LF - England UK	1672065	SUBSIDIARY	100.00	2(87)

21	Jaguar Land Rover Deutschland GmbH Am Kronberger Hang 2a 65824 Schwalbach/Ts Germany	HRB 2408	SUBSIDIARY	100.00	2(87)
22	Jaguar Land Rover North America LLC "555 MacArthur Blvd. Mahwah, New Jersey 07430, USA"	2075961	SUBSIDIARY	100.00	2(87)
23	Jaguar Land Rover Nederland BV, "PO Box 40, 4153 ZG Bessd Stationsweg 8, Netherlands"	23074977	SUBSIDIARY	100.00	2(87)
24	Jaguar Land Rover Portugal - Veículos e Peças, Lda. Edifício Escritórios do Tejo, Rua do Polo Sul, Lote 1.10.1.1 - 3.* B-3, Parish of Santa Maria dos Olivais, Municipality of Lisboa, Portugal	504 998 803	SUBSIDIARY	100.00	2(87)
25	Jaguar Land Rover Australia Pty Limited, 65 Epping Road, North Ryde, New South Wales, 2113, Australia	4352238	SUBSIDIARY	100.00	2(87)
26	Jaguar Land Rover Italia Spa, Via Alessandro Marchetti 105 - 00148, Roma, Italy	6070621005	SUBSIDIARY	100.00	2(87)
27	Jaguar Land Rover Korea Company Limited, 25F West Mirae Asset Center 1, Building 67 Suha-dong, Jung-gu Seoul 100-210 Korea	110111-3977373	SUBSIDIARY	100.00	2(87)
28	Jaguar Land Rover Automotive Trading (Shanghai) Company Limited, Room 713, 7F No.6 Jirong Road (Area C1, Plot 001), Shanghai, China Free Trade Zone	310115400245293	SUBSIDIARY	100.00	2(87)
29	Jaguar Land Rover Canada ULC, 75 Courtneypark Drive West, Unit 3, Mississauga, ON L5W 0E3, Canada	2013828088	SUBSIDIARY	100.00	2(87)
30	Jaguar Land Rover France, SAS, 34 Rue de la Croix de Fer 78105 Saint Germain en Laye Cedex, France	SOREN 509 016 804 RCS Nanterre	SUBSIDIARY	100.00	2(87)
31	Jaguar Land Rover (South Africa) (Pty) Limited, Simon Vermooten Road, Silverton, Pretoria, South Africa	7769130	SUBSIDIARY	100.00	2(87)
32	Jaguar e Land Rover Brasil Industria e Comercio de Veiculos LTDA (change of name from Jaguar e Land Rover Brasil Importacao e Comercio de Veiculos Ltda effective 10 February 2016), Avenida Ibirapuera 2.332, Torre I - 10º andar - Moema 04028-002, São Paulo-SP-Brazil	35.222.373.953	SUBSIDIARY	100.00	2(87)
33	Limited Liability Company "Jaguar Land Rover" (Russia), 28B, Building 2, Mezhdunarodnoe Shosse 141411, Moscow, Russian Federation	1085047006549	SUBSIDIARY	100.00	2(87)
34	Jaguar Land Rover (South Africa) Holdings Limited, Abbey Road, Whitley, Coventry, CV3 4LF - England United Kingdom	NA	SUBSIDIARY	100.00	2(87)
35	Jaguar Land Rover India Limited, Nanavati Mahalaya, 18 Homi Mody Street, Hutatma Chowk, Mumbai - 400001	U34200MH2012FLC237194	SUBSIDIARY	100.00	2(87)
36	Jaguar Land Rover Espana SL, Torre Picasso, Plaza Pablo Ruiz Picasso, 1 - Planta 42, 23020 Madrid, SPAIN	B-82526757	SUBSIDIARY	100.00	2(87)
37	Jaguar Land Rover Belux NV, Generaal Lemanstraat 47, 2018 Antwerpen, Belgium	0456.612.553	SUBSIDIARY	100.00	2(87)
38	Jaguar Land Rover Holdings Limited, Abbey Road, Whitley, Coventry, England, CV3 4LF	4019301UK	SUBSIDIARY	100.00	2(87)
39	Jaguar Cars South Africa (Pty) Limited, Simon Vermooten Road Silverton, Pretoria 0184, South Africa	NA	SUBSIDIARY	100.00	2(87)
40	The Jaguar Collection Limited, Abbey Road, Whitley, Coventry, England, CV34LF	2018432	SUBSIDIARY	100.00	2(87)
41	Jaguar Cars Limited Abbey Road, Whitley, Coventry, England, CV34LF	1672067	SUBSIDIARY	100.00	2(87)
42	Land Rover Exports Limited, Abbey Road, Whitley, Coventry, England, CV34LF	1596703	SUBSIDIARY	100.00	2(87)
43	Land Rover Ireland Limited, "C/o LK Shields Solicitors, 39/40 Upper Mount Street Dublin 2, Ireland	318198	SUBSIDIARY	100.00	2(87)
44	The Daimler Motor Company Limited, Abbey Road, Whitley, Coventry, England, CV34LF	112569	SUBSIDIARY	100.00	2(87)
45	Daimler Transport Vehicles Limited, Abbey Road, Whitley, Coventry, England, CV34LF	322903	SUBSIDIARY	100.00	2(87)
46	S.S. Cars Limited, Abbey Road, Whitley, Coventry, England, CV34LF	333482	SUBSIDIARY	100.00	2(87)
47	The Lanchester Motor Company Limited, Abbey Road, Whitley, Coventry, England, CV34LF	551579	SUBSIDIARY	100.00	2(87)
48	Shanghai Jaguar Land Rover Automotive Services Company Limited, Room E16, Floor 2, 477, Fute West 1st Road, Shanghai Free Trade Zone, PRC	310115400245293	SUBSIDIARY	100.00	2(87)
49	Jaguar Land Rover Pension Trustees Limited, Abbey Road, Whitley, Coventry, England, CV34LF	4102133	SUBSIDIARY	100.00	2(87)
50	JDHT Limited, Abbey Road, Whitley, Coventry, England, CV34LF	2631524	SUBSIDIARY	100.00	2(87)
51	Jaguar Land Rover Singapore PTE Ltd, Level 30, Singapore Land Rover, Raffles Place, 048623, Singapore	T13FC0063C	SUBSIDIARY	100.00	2(87)
52	Jaguar Racing Limited, Abbey Road, Whitley, Coventry, CV3 4LF	9983877	SUBSIDIARY	100.00	2(87)
53	InMotion Ventures Limited, Abbey Road, Whitley, Coventry, CV3 4LF	10070632	SUBSIDIARY	100.00	2(87)
54	Silkplan Limited, Abbey Road, Whitley, Coventry, CV3 4LF	2224560	SUBSIDIARY	100.00	2(87)
55	Jaguar Land Rover Slovakia s.r.o., Vysoka 2B, 811 06, Bratislava, Slovakia	48 302 392	SUBSIDIARY	100.00	2(87)
56	Tata Daewoo Commercial Vehicle Co. Ltd., 172 Dongjangan-ro, Gunsan-si, Joellabuk-do, 573-715, Korea	NA	SUBSIDIARY	100.00	2(87)
57	Tata Daewoo Commercial Vehicle Sales and Distribution Co. Ltd., 4th floor, 272 Yeongdeung-ro, Yeongdeungpo-gu, Seoul 150 033, Korea	NA	SUBSIDIARY	100.00	2(87)
58	Tata Motors (Thailand) Ltd., 199 Column Tower 20th Floor, Ratchadapisek Road, Klongtoey, Bangkok 10110 Thailand	NA	SUBSIDIARY	95.28	2(87)
59	Tata Motors (SA) (Proprietary) Ltd., 39 Ferguson Road, Illova 2196	NA	SUBSIDIARY	60.00	2(87)
60	PT Tata Motors Indonesia, Pondok Indah Office Tower 3 Suite 801-A, Jl Sultan Iskandar Muda Kav V-TA Pondok Pinang Kebayoran Lama, Jakarta 12130 the Republic of Indonesia	NA	SUBSIDIARY	100.00	2(87)
61	PT Tata Motors Distribusi Indonesia, Pondok Indah Office Tower 3, Floor 8, Suite 801-B, Jl. Sultan Iskandar Muda Kav. V-TA, Pondok Pinang, Kebayoran Lama, Jakarta Selatan 12310, the Republic of Indonesia	NA	SUBSIDIARY	100.00	2(87)
62	Tata Technologies Inc., 41050, W Eleven Mile Road, Novi, Michigan 48375, USA	476-730	SUBSIDIARY	72.37	2(87)

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63	Tata Technologies (Canada) Inc., 4510 Rhodes Drive, Unit 300 Windsor, Ontario, Canada N8W 5K5	860826	SUBSIDIARY	72.37	2(87)
64	Tata Technologies de Mexico, S.A. de C.V., Blvd. Independencia #1600 Ote., Local C-46 C.P. 27100 Torreon, Coahuila, Mexico	TTM-990127-V84-New Tax Regn NO	SUBSIDIARY	72.37	2(87)
65	Tata Technologies Pte Limited, 8 Shenton Way, #19-05 AXA Tower, Singapore 068811.	198100504W	SUBSIDIARY	72.32	2(87)
66	Tata Technologies (Thailand) Limited, "889 Thai CC Tower, Room 108-9, 10th Floor, South Sathorn Road, Kwhaeng Yannawa, Khet Sathorn, Bangkok Metropolis 10120"	010554812171	SUBSIDIARY	72.32	2(87)
67	Tata Technologies Europe Limited, 2 Temple Back East, Temple Quay, Bristol BS1 6EG	2016440	SUBSIDIARY	72.32	2(87)
68	INCAT International Plc., 2 Temple Back East, Temple Quay, Bristol BS1 6EG	2377350	SUBSIDIARY	72.32	2(87)
69	INCAT GmbH, Breitwiesenstrasse 19, 70565 Stuttgart, Germany	HRB18622	SUBSIDIARY	72.32	2(87)
70	Cambric Limited, "H & J Corporate Services, Ltd., Ocean Centre, Montagu Foreshore East Bay Street, P.O. Box SS-19084, Nassau, Bahamas"	Company No. 57500	SUBSIDIARY	72.32	2(87)
71	Tata Technologies SRL, "Brasov Office: Str Branduselor, No 84 Brasov, 500397, Romania Craiova Office: Str Iacon Maiorescu, No 10 Etaj 4 cam 405 Craiova, 200760, Romania, Iasi Office: 23, Calea Chisinau Street, First Floor, Tester Building, 700265 Iasi, Roma"	Registration Certificate No. B1766921	SUBSIDIARY	72.32	2(87)
72	Cambric GmbH, "Service Kontor, Universitat Geb A1 1, D-66123 Saarbrücken, Stuhlsatzenhausweg 69 Raum 130, 66123 Saarbrücken"	Entity Registration#HR B14269	SUBSIDIARY	72.32	2(87)
73	Cambric UK Limited, Blick Rothenberg (BRAL) / UK, 16 Great Queen Street, Covent Garden, London, WC2B 5AH	Company No. 06559783	SUBSIDIARY	72.32	2(87)
74	Midwest Managed Services Inc., 556 E. Broadway, #300, Salt Lake City, UT 84102	Utah Entity/File Number 8513733-0142	SUBSIDIARY	72.32	2(87)
75	Cambric Manufacturing Technologies (Shanghai) Co. Limited, 11F,Aurora plaza,99 Fucheng Rd,Room 1131, Shangai 200120, China	310115400245293	SUBSIDIARY	72.32	2(87)
76	Tata Motors Finance Solutions Pvt. Ltd., C/o Tata Motors Finance Ltd., 10th floor, 106 A & B, Maker Chambers III, Nariman Point, Mumbai 400 021	U65910MH1992PTC187184	SUBSIDIARY	100.00	2(87)
77	TMNL Motor Services Nigeria Limited (Incorporated w.e.f. September 02, 2015), C/o. Tata Africa Services (Nigeria) Limited, Plot C89, Amuwo Odofin Industrial Layout, Lagos, Nigeria	Company Registration No: 1284940	SUBSIDIARY	100.00	2(87)
78	Jaguar Cars Finance Limited,135 Bishopsgate London EC2M 3UR	1731924	ASSOCIATE	49.90	2(6)
79	Automobile Corporation of Goa Limited, Plant I, Honda, Sattari, Goa 403530	L35911GA1980PLC000400	ASSOCIATE	47.19	2(6)
80	Nita Co Ltd., "1703, Sky Bhaban,195, Motijheel C/A, Dhaka, Dhaka - 1000, Bangladesh	NA	ASSOCIATE	40.00	2(6)
81	Tata Hitachi Construction Machinery Company Pvt. Ltd., Jubilee Building,45, Museum Road, Bangalore, Karnataka, 560025	U85110KA1998PTC024588	ASSOCIATE	39.99	2(6)
82	Tata Precision Industries (India) Limited , Industrial Area No. 2, A.B. Road, Dewas, Madhya Pradesh, 455001	U29120MP1995PLC009773	ASSOCIATE	39.19	2(6)
83	Tata AutoComp Systems Limited, Bombay House, 24, Homi Mody street, Fort, Mumbai-400001	U34100MH1995PLC093733	ASSOCIATE	26.00	2(6)
84	Tata Cummins Private Limited, Cummins Road, Telco Township, Jamshedpur 831 004, Jharkhand, India	U34101JH1993PTC005546	JOINT VENTURE	50.00	2(6)
85	Fiat India Automobiles Pvt. Limited., Plot No. B 19, Ranjangaon MIDC Industrial Area, Ranjangaon, Taluka Shirur, District Pune - 412 220	U28900PN1997PTC130940	JOINT VENTURE	50.00	2(6)
86	Chery Jaguar Land Rover Automotive Company Limited, "Room 1102, Binjiang, International Plaza, No.88 Tonggang Road, Changshu Economic and Technical Development Zone, Suzhou City, Jiangsu Province, China"	U93000KA2008PLC046588	JOINT VENTURE	50.00	2(6)
87	Chery Jaguar Land Rover Automotive Sales Company Limited, 6F, Binjiang International Plaza, No. 88 Tonggang Road, Changsu Economic and Technical Development Zone, Jiangsu Province, China	7535151	JOINT VENTURE	50.00	2(6)
88	TATA HAL Technologies Ltd., Venus Building, # 1/2 , Kalyanamantapa Road,Jakkasandra, Koramangala, 1st Block, Bangalore, Karnataka, 560034	U93000KA2008PLC046588	JOINT VENTURE	36.16	2(6)
89	Spark44 (JV) Ltd., Abbey Road, Whitley, Coventry, England, CV34LF	NA	JOINT VENTURE	50.00	2(6)
90	Spark44 Pty. Ltd. (Sydney), Level 5, 65 Berry Street, North Sydney, NSW 2060, Australia	NA	JOINT VENTURE	50.00	2(6)
91	Spark44 LLC (LA & NYC), 5870, West Jefferson Blvd, Studio H, Los Angeles, California, CA 90016, USA	NA	JOINT VENTURE	50.00	2(6)
92	Spark44 Limited (Shanghai), Unit 6401/6402 & 6501/6502, 436, Ju Men Road, Huangpu District, Shanghai 200023, China	NA	JOINT VENTURE	50.00	2(6)
93	Spark44 Middle East DMCC (Dubai), Reef Tower, Office Unit 1001 Cluster O, Jumeriah Lake Towers, Dubai, UAE	NA	JOINT VENTURE	50.00	2(6)
94	Spark44 Demand Creation Partners Private Limited, Block A, Level 1, Shiv Sagar Estate, Dr Annie Besant Road, Worli, Mumbai City, Maharashtra-400018	U74999MH2015FTC269125	JOINT VENTURE	50.00	2(6)
95	Spark44 Limited (London & Birmingham), 5-23, Old Street, London EC1V 9HL, UK	NA	JOINT VENTURE	50.00	2(6)
96	Spark44 Pte Ltd (Singapore), Level 36, UOB Plaza 1, 80 Raffles Place, Singapore 048624, Singapore	NA	JOINT VENTURE	50.00	2(6)
97	Spark44 Communication SL (Madrid), Torres de Colon, Plaza de Colon 2, Planta 18, Madrid 28046, Spain	NA	JOINT VENTURE	50.00	2(6)
98	Spark44 SRL (Rome), Via Antonia Salandra 18, Rome 00187, Italy	NA	JOINT VENTURE	50.00	2(6)
99	Spark44 Limited (Seoul), 12th Floor, Cheonggye 11 Bldg., Chengyecheon-ro, Jongnogu, Seoul 110-726, Korea	NA	JOINT VENTURE	50.00	2(6)
100	Spark44 KK (Tokyo), 14th Floor, Kamiyacho Mt. Budilding, 4-3-20 Toranomon, Minato-Ku, Tokyo 105-0001, Japan	NA	JOINT VENTURE	50.00	2(6)
101	Spark44 Canada Inc (Toronto), 1235 Bay Street, 7th Floor, Toronto, Ontario, M5R 3K4, Canada	NA	JOINT VENTURE	50.00	2(6)
102	Spark44 GMBH (Frankfurt), Wildunger Strasse 6s, D-60487 Frankfurt am Main, Germany	NA	JOINT VENTURE	50.00	2(6)

#### IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i) Category-wise Shareholding

Category of Shareholders		No. of Shares held at the beginning of the year i.e. 01.04.2015				No. of Shares held at the end of the year i.e. 31.03.2016				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(i)	<b>A. Promoters</b>									
(a)	Individuals / Hindu Undivided Family	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Central Government / State Governments(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	940,259,912	0	940,259,912	29.21	953,838,171	0	953,838,171	28.09	-1.12
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (Trust)	1,774,880	0	1,774,880	0.06	1,774,880	0	1,774,880	0.05	0.00
	<b>Sub-Total (A) (1)</b>	<b>942,034,792</b>	<b>0</b>	<b>942,034,792</b>	<b>29.27</b>	<b>955,613,051</b>	<b>0</b>	<b>955,613,051</b>	<b>28.14</b>	<b>-1.13</b>
(2)	<b>Foreign</b>									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub-Total (A) (2)</b>									
	<b>Total Shareholding of Promoter and Promoter Group (A)</b>	<b>942,034,792</b>	<b>0</b>	<b>942,034,792</b>	<b>29.27</b>	<b>955,613,051</b>	<b>0</b>	<b>955,613,051</b>	<b>28.14</b>	<b>-1.13</b>
(B)	<b>Public Shareholding</b>									
(1)	<b>Institutions</b>									
(a)	Mutual Funds / UTI	183,908,935	88,730	183,997,665	5.72	307,930,776	88,730	308,019,506	9.07	3.35
(b)	Financial Institutions / Banks	1,850,656	306,340	2,156,996	0.07	2,601,975	295,935	2,897,910	0.09	0.02
(c)	Central Government / State Governments(s)	1,465,311	2,013,905	3,479,216	0.11	1,544,873	2,013,905	3,558,778	0.10	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	239,730,281	1,550	239,731,831	7.45	399,498,437	1,550	399,499,987	11.76	4.32
(f)	Foreign Institutional Investors	912,155,230	43,375	912,198,605	28.34	599,026,628	43,375	599,070,003	17.64	-10.70
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Any Other (specify)									
(i-i)	Foreign Portfolio Investors (Corporate)	91,784,107	0	91,784,107	2.85	309,771,223	0	309,771,223	9.12	6.27
(i-ii)	Foreign Bodies - DR	11,062,751		11,062,751	0.34	6,741,794	0	6,741,794	0.20	
(i-iii)	Foreign Nationals - DR	991	0	991	0.00	286,661	0	286,661	0.01	0.01
(i-iv)	Foreign Institutional Investors - DR	2,213	0	2,213	0.00	3,878,624	0	3,878,624	0.11	0.11
	<b>Sub-Total (B) (1)</b>	<b>1,441,960,475</b>	<b>2,453,900</b>	<b>1,444,414,375</b>	<b>44.88</b>	<b>1,631,282,991</b>	<b>2,443,495</b>	<b>1,633,726,486</b>	<b>48.11</b>	<b>3.38</b>
(2)	<b>Non-Institutions</b>									
(a)	Bodies Corporate	17,202,061	649,190	17,851,251	0.55	22,914,690	645,195	23,559,885	0.69	0.14
(b)	Individuals -									
i	Individual shareholders holding nominal share capital upto Rs. 1 lakh	159,910,993	27,154,569	187,065,562	5.81	190,908,566	25,811,585	216,720,151	6.38	0.57
ii	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	20,419,938	945,815	21,365,753	0.66	35,010,298	894,585	35,904,883	1.06	0.39
(c)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Any Other									
(d-i)	Non Resident Indians	8,903,821	3,270,155	12,173,976	0.38	11,657,684	2,819,998	14,477,682	0.43	
(d-ii)	Clearing Member	5,813,022	0	5,813,022	0.18	10,037,086	0	10,037,086	0.30	0.11
(d-iii)	Trust	5,127,847	1,750	5,129,597	0.16	13,511,155	1,750	13,512,905	0.40	0.24
(d-iv)	OCBs/Foreign Cos	0	490	490	0.00	0	490	490	0.00	0.00
(d-v)	Foreign Corporate Bodies (including FDI)	571,059	0	571,059	0.02	163,487	0	163,487	0.00	-0.01
	<b>Sub-total (B) (2)</b>	<b>217,948,741</b>	<b>32,021,969</b>	<b>249,970,710</b>	<b>7.77</b>	<b>284,202,966</b>	<b>30,173,603</b>	<b>314,376,569</b>	<b>9.26</b>	<b>1.44</b>
	<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	<b>1,659,909,216</b>	<b>34,475,869</b>	<b>1,694,385,085</b>	<b>52.64</b>	<b>1,915,485,957</b>	<b>32,617,098</b>	<b>1,948,103,055</b>	<b>57.37</b>	<b>4.73</b>
	<b>TOTAL (A)+(B)</b>	<b>2,601,944,008</b>	<b>34,475,869</b>	<b>2,636,419,877</b>	<b>81.91</b>	<b>2,871,099,008</b>	<b>32,617,098</b>	<b>2,903,716,106</b>	<b>85.51</b>	<b>3.60</b>
(C)	<b>Shares held by Custodians and against which Depository Receipts have been issued</b>									
(1)	Promoter and Promoter Group									
(2)	Public	582,239,190	21,000	582,260,190	18.09	491,943,200	21,000	491,964,200	14.49	-3.60
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>3,184,183,198</b>	<b>34,496,869</b>	<b>3,218,680,067</b>	<b>100.00</b>	<b>3,363,042,208</b>	<b>32,638,098</b>	<b>3,395,680,306</b>	<b>100.00</b>	<b>0.00</b>

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## ii) Shareholding of Promoters (including Promoter Group)

Sl. no.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2015			Shareholding at the end of the year 31.03.2016			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	Tata Sons Limited	704,329,252	21.88	1.91	781,076,151	23.00	1.91	1.12
2	Tata Steel Limited	151,687,515	4.71	0.00	83,637,697	2.46	0.00	-2.25
3	Tata Industries Limited	68,436,485	2.13	0.00	72,203,630	2.13	0.00	0.00
4	Tata Investment Corporation Ltd	10,025,000	0.31	0.00	10,961,448	0.32	0.00	0.01
5	Ewart Investments Limited	3,341,265	0.10	0.00	3,525,187	0.10	0.00	0.00
6	Tata Chemicals Limited	1,863,705	0.06	0.00	1,966,294	0.06	0.00	0.00
7	Af-Taab Investment Company Ltd	386,885	0.01	0.00	408,181	0.01	0.00	0.00
8	Simto Investment Company Ltd	56,475	0.00	0.00	59,583	0.00	0.00	0.00
9	Sir Ratan Tata Trust	859,200	0.03	0.00	859,200	0.03	0.00	0.00
10	Sir Dorabji Tata Trust	808,960	0.03	0.00	808,960	0.02	0.00	0.00
11	J R D Tata Trust	105,280	0.00	0.00	105,280	0.00	0.00	0.00
12	Lady Tata Memorial Trust	1,440	0.00	0.00	1,440	0.00	0.00	0.00
13	Tata Global Beverages Limited	133,330	0.00	0.00	0	0.00	0.00	0.00
		<b>941,901,462</b>	<b>29.26</b>	<b>1.91</b>	<b>955,613,051</b>	<b>28.14</b>	<b>1.91</b>	<b>-1.12</b>

## iii) Change in Promoter's Shareholding (please specify, if there is no change)

Sl. no	Name of the Shareholder	Shareholding at the beginning of the year as on 01.04.2015		Date	Reason	Increase/Decrease in Shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company			No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	Tata Sons Limited	704,329,252	21.88					<b>704,329,252</b>	<b>20.74</b>
				22.05.2015	Purchase of Shares	38,868,112	1.14	743,197,364	21.89
				18.09.2015	Purchase of Shares	37,878,787	1.12	781,076,151	23.00
				<b>31.03.2016</b>	<b>At the end of the year</b>	-	-	<b>781,076,151</b>	<b>23.00</b>
2	Tata Steel Limited	151,687,515	4.71					<b>151,687,515</b>	<b>4.47</b>
				22.05.2015	Purchase of Shares	213,402	0.01	151,900,917	4.47
				22.05.2015	Purchase of Shares	8,136,368	0.24	160,037,285	4.71
				18.09.2015	Sale of Shares	-76,399,588	-2.25	83,637,697	2.46
				<b>31.03.2016</b>	<b>At the end of the year</b>	-	-	<b>83,637,697</b>	<b>2.46</b>
3	Tata Industries Limited	68,436,485	2.13					<b>68,436,485</b>	<b>2.02</b>
				22.05.2015	Purchase of Shares	3,767,145	0.11	72,203,630	2.13
				<b>31.03.2016</b>	<b>At the end of the year</b>	-	-	<b>72,203,630</b>	<b>2.13</b>
4	Tata Investment Corporation Ltd	10,025,000	0.31					<b>10,025,000</b>	<b>0.30</b>
				22.05.2015	Purchase of Shares	936,448	0.03	10,961,448	0.32
				<b>31.03.2016</b>	<b>At the end of the year</b>	-	-	<b>10,961,448</b>	<b>0.32</b>
5	Ewart Investments Limited	3,341,265	0.10					<b>3,341,265</b>	<b>0.10</b>
				22.05.2015	Purchase of Shares	183,922	0.01	3,525,187	0.10
				<b>31.03.2016</b>	<b>At the end of the year</b>	-	-	<b>3,525,187</b>	<b>0.10</b>
6	Tata Chemicals Limited	1,863,705	0.06					<b>1,863,705</b>	<b>0.05</b>
				22.05.2015	Purchase of Shares	102,589	0.00	1,966,294	0.06
				11.03.2016	Purchase of Shares	1,966,294	0.06	3,932,588	0.12
				11.03.2016	Sale of Shares	-1,966,294	-0.06	1,966,294	0.06
				<b>31.03.2016</b>	<b>At the end of the year</b>	-	-	<b>1,966,294</b>	<b>0.06</b>
7	Af-Taab Investment Company Ltd	386,885	0.01					<b>386,885</b>	<b>0.01</b>
				22.05.2015	Purchase of Shares	21,296	0.00	408,181	0.01
				<b>31.03.2016</b>	<b>At the end of the year</b>	-	-	<b>408,181</b>	<b>0.01</b>
8	Simto Investment Company Ltd	56,475	0.00					<b>56,475</b>	<b>0.00</b>
				22.05.2015	Purchase of Shares	3,108	0.00	59,583	0.00
				<b>31.03.2016</b>	<b>At the end of the year</b>	-	-	<b>59,583</b>	<b>0.00</b>
9	Tata Global Beverages Limited	133,330	0.00					<b>133,330</b>	<b>0.00</b>
				22.05.2015	Purchase of Shares	7,338	0.00	140,668	0.00
				18.03.2016	Sale of Shares	-140,668	0.00	0	0.00
				<b>31.03.2016</b>	<b>At the end of the year</b>	-	-	<b>0</b>	<b>0.00</b>

Note: Except for the above there is no change in the holding of Sir Ratan Tata Trust, Sir Dorabji Tata Trust, J R D Tata Trust and Lady Tata Memorial Trust, Promoter Group during this Fiscal 2016.

## iv) Shareholding Pattern of Top 10 Shareholders (Other than Director, Promoters and Holders of GDRS and ADRs)

Sl. no	Name of the Shareholder	Shareholding at the beginning of the year as on 01.04.2015		Cumulative Shareholding end of the year as on 31.03.2016	
		No of Shares	% of total Shares of the Company	No of Shares	% of total Shares of the Company
1	Life Insurance Corporation Of India	89,362,916	2.78	199,144,257	5.86
2	HDFC Trustee Company Limited-HDFC Equity Fund	59,227,175	1.84	84,216,364	2.48
3	ICICI Prudential Life Insurance Company Ltd	40,457,205	1.26	67,362,172	1.98
4	Government Of Singapore	37,808,177	1.17	64,133,414	1.89
5	Abu Dhabi Investment Authority	35,901,712	1.12	19,005,601	0.56
6	ICICI Prudential Value Discovery Fund*	19,005,601	0.59	36,553,423	1.08
7	Franklin Templeton Mutual Fund A/C Franklin India Bluechip Fund*	11,087,282	0.34	36,079,591	1.06
8	Reliance Capital Trustee Co. Ltd A/C Reliance equity Opportunities Fund	15,641,877	0.49	29,136,816	0.86
9	Franklin Templeton Investment Funds	27,925,422	0.87	28,832,626	0.85
10	SBI-ETF Nifty 50*	19,030,664	0.59	28,689,706	0.84
11	HSBC Global Investment Funds A/C HSBC Gif Mauritius Limited*	24,878,664	0.77	18,729,233	0.55
12	Copthall Mauritius Investment Limited*	30,624,933	0.95	12,410,318	0.37
13	Carmignac Gestion A/C Carmignac Patrimoine*	20,034,535	0.62	0	0.00

Note:

\*Ceased to be in the list of Top 10 on 31.03.2016. The same is reflected above since the shareholder was one of the Top 10 share holders on 01.04.2015

♦Not in the list of Top 10 share holders as on 01.04.2015. The same has been reflected above since the shareholder was on the Top 10 share holders as on 31.03.2016

Shareholding of Top 10 Shareholders is consolidated, based on Permanent Account Number of the Shareholder. The date wise increase or decrease in Stockholding of the Top 10 Shareholders giving a break-up or Ordinary Shares and 'A' Ordinary Shares is available on the website of the Company [www.tatamotors.com](http://www.tatamotors.com)

## v) Shareholding of Directors and Key Managerial Personnel

Sl. no	Name of the Shareholder	Shareholding at the beginning of the year as on 01.04.2015		Date	Reason	Increase/Decrease in Shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company			No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
<b>A Directors</b>									
1	Mr Cyrus P Mistry	OS 14,500	0.00					OS 14,500	0.00
				22.05.2015	Subscribe to Rights Issue	OS 1,355	0.00	OS 15,855	0.00
				<b>31.03.2016</b>	<b>At year end</b>	-	-	<b>OS 15,855</b>	<b>0.00</b>
2	Mr Ravindra Pisharody	AOS 50	0.00					AOS 50	0.00
				-	No change	0	0.00	AOS 50	0.00
				<b>31.03.2016</b>	<b>At year end</b>	-	-	<b>AOS 50</b>	<b>0.00</b>
<b>B Key Managerial Personnel</b>									
3	Mr C Ramakrishnan, Group CFO	OS 5,000 AOS 2,880	0.00					OS 5,000 AOS 2,880	0.00
				22.05.2015	Subscribe to Rights Issue	OS 274 AOS 158	0.00	OS 5,274 AOS 3,038	0.00
				<b>31.03.2016</b>	<b>At year end</b>	-	-	<b>OS 5,274 AOS 3,038</b>	<b>0.00</b>
4	Mr Hoshang K Sethna*, Company Secretary (as jointholder)	OS 2,700 AOS 765	0.00					OS 2,700 AOS 765	0.00
				22.05.2015	Subscribe to Rights Issue	OS 253 AOS 48		OS 2,953 AOS 813	0.00
				<b>31.03.2016</b>	<b>At year end</b>	-	-	<b>OS 2,953 AOS 813</b>	<b>0.00</b>

Note: Mr N N Wadia, Dr R Mashelkar, Mr N Munjee, Mr S Bhargava, Mr V K Jairath, Ms Falguni Nayar, Dr Ralf Speth, Mr Satish B Borwankar and Mr Guenter Butschek, Directors did not hold any shares in the Company during Fiscal 2016

## V. INDEBTEDNESS

## Indebtedness of the Company including interest outstanding /accrued but not due for payment

(₹ in crores)

	Secured loan excluding deposits	Unsecured Loan	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the Fiscal</b>				
i) Principal Amount	4956.70	16177.71	0	21,134.41
ii) Interest due but not paid	0.00	0.00	0	0.00
iii) Interest accrued but not due	50.41	414.56		464.97
Total (i+ii+iii)	5007.11	16592.27	0	21599.38

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	Secured loan excluding deposits	Unsecured Loan	Deposits	Total Indebtedness
<b>Change in Indebtedness during Fiscal</b>				
• Addition	0.00	183.7	0	0.00
• Reduction	(291.84)	(5,186.71)	0	(5,294.85)
<b>Net Change</b>	(291.84)	(5,003.01)	0	(5,294.85)
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	4664.99	11222.26	0	15,887.25
ii) Interest due but not paid	0.00	0.00	0	0.00
iii) Interest accrued but not due	50.28	367.00	0	417.28
<b>Total (i+ii+iii)</b>	<b>4,715.27</b>	<b>11,589.26</b>	<b>0</b>	<b>16,304.53</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Amount in (₹)

Sl. No.	Particulars of Remuneration	Name of Directors			Total
		Mr G Butschek w.e.f 15-02-16	Mr R Pisharody	Mr S B Borwankar	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,63,59,850	2,18,88,984	2,03,89,636	7,86,38,470
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	44,81,027	38,41,143	9,30,536	92,52,706
	(c) Profits in lieu of salary under	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission as % of profit	-	-	-	-
5.	Others, please specify	-	-	-	-
	<b>Total (A)</b>	<b>4,08,40,877</b>	<b>2,57,30,127</b>	<b>2,13,20,172</b>	<b>8,78,91,176</b>
	*Ceiling as per Schedule V of the Act	40,01,688	3,18,39,520	3,18,39,520	

The above remuneration is as per the Income-Tax Act, 1961 and excludes contribution by the Company to Provident Fund and provision for special retirement benefit, etc. Further, these amounts are as paid to Whole Time Directors during the year.

### B. Remuneration to other Directors

Amount in (₹)

Sl. no.	Particulars of Remuneration	Name of Directors						Total
		N N Wadia	Dr Mashelkar	N Munjee	S Bhargava	V K Jairath	F Nayar	
1.	<b>Independent Directors</b>							
	• Fee for attending board/committee meetings	8,60,000	10,60,000	11,30,000	8,60,000	10,90,000	10,20,000	60,20,000
	• Commission	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	• Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	<b>Total (1)</b>	<b>8,60,000</b>	<b>10,60,000</b>	<b>11,30,000</b>	<b>8,60,000</b>	<b>10,90,000</b>	<b>10,20,000</b>	<b>60,20,000</b>
2.	<b>Other Non-Executive Directors</b>	C P Mistry	Dr Speth					
	• Fee for attending board/committee meetings	9,20,000	Nil					9,20,000
	• Commission	Nil	Nil					Nil
	• Others, please specify	Nil	Nil					Nil
	<b>Total (2)</b>	<b>9,20,000</b>	<b>Nil</b>					<b>9,20,000</b>
	<b>Total (B)=(1+2)</b>							<b>69,40,000</b>
	<b>Total Managerial Remuneration</b>							<b>Nil</b>
	<b>Overall Ceiling as per the Act</b>	Not Applicable as only sitting fees paid						

### C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

Amount in (₹)

Sl. no.	Particulars of Remuneration	G Butschek CEO & MD	Key Managerial Personnel		Total
			Hoshang Sethna Company Secretary	C Ramakrishan* Group Chief Financial Officer	
1.	Gross salary	Not Applicable			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		1,21,52,305	5,54,64,182	6,76,16,487
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		3,02,020	31,73,629	34,75,649
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		-	-	
2.	Stock Option		-	-	-
3.	Sweat Equity		-	-	-
4.	Commission - as % of profit or if any others, specify		-	-	-
5.	Others, please specify		-	-	-
	<b>Total</b>		<b>1,24,54,325</b>	<b>5,86,37,811</b>	<b>7,10,92,136</b>

\*Superannuated on June 30, 2015 and reappointed as Group CFO on July 1, 2015. Salary includes leave encashment, gratuity and exgratia.

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties/punishment/compounding of offences for the breach of any sections of Companies Act against the Company or its Directors or other officers in default, if any, during the year.

On behalf of the Board of Directors

Mumbai,  
May 30, 2016

**CYRUS P MISTRY**  
Chairman



## ANNEXURE 3

## Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo [In terms of Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014]

### A. CONSERVATION OF ENERGY

The Company has always been conscious of the need for conservation of energy and has been sensitive in making progress towards this end. Energy conservation measures have been implemented at all the plants and offices of the Company and special efforts are being put to undertake specific energy conservation projects like:

#### (i) The steps taken or impact on conservation of energy:

- ❖ Waste Heat Recovery System to recover waste heat from exhaust flue gases of surfacer & finish paint baking ovens, conversion of indirect fired baking ovens into direct fired burner of baking ovens, conversion of electrical heating into Natural Gas Heating System for washing machines
- ❖ Use of energy efficient 40W LED Batten fittings for task lighting, 100W LED High bay for General Lighting, 19W LED tube lights in office area, installation of 42W LED street lights, installation of 142W LED flood light fittings
- ❖ Elimination of pump operation by using gravity flow system, resizing of hydraulic power pack pump
- ❖ Compressed Air Pressure optimization at paint shop and at other shops, use of portable small compressors for low compressed air requirement on holidays, installation of Shut Off Valves in compressed air network, downsizing of motors and Delta to Star conversion of motors
- ❖ Installation of variable frequency drives for various applications like Blowers, Pumps & Air supply plants
- ❖ Use of infrared sensors & timers for on-off control of industrial fans, lighting system of inspection booths and fresh air blower operation. Modification in electrical logic for automatic switching on-off operation of hydraulic motors, coolant pumps, blowers etc., optimization of AC plant operations.

These efforts have resulted in electrical energy saving of ₹1.47 crores. units, fuel saving – Light Diesel Oil 6 KL, LPG/Propane 586.32MT and Natural Gas 1.34 Lakh SCM. The whole effort resulted in cost savings for the Company of around ₹14.5 crores and annual CO<sub>2</sub> emission reduction of 13,960 tCO<sub>2</sub>e.

#### (ii) The steps taken by the Company for utilizing alternate sources of energy:

- ❖ Company's CVBU Pimpri Plant utilized total wind power generation of 2.25 crores units (i.e. equivalent CO<sub>2</sub>e reduction of 22,125 tCO<sub>2</sub>e) for Fiscal 2016 from 'captive wind power' projects of 21.95 MW capacity. This resulted in net savings of ₹8.9 crores in electricity charges. Also Company's PVBUSanand Plant utilized wind energy of 0.68 crores units (equivalent CO<sub>2</sub>e reduction of 5,573 tCO<sub>2</sub>e) purchased through TPTCL

for Fiscal 2016, this resulted net savings of ₹0.478 crores in electricity charges

- ❖ Renewable Energy Certificate (REC): Company's 21.95MW wind power project is registered under REC Scheme. Cumulative 63,432 RECs generated; out of which 40,517 RECs sold through auction, cumulative benefit is of ₹5.85 crores
- ❖ Roof Top Solar PV Power Plant 1.8MWp has been installed & commissioned on Roof Top of Office Blocks at the Company's, Pune Plant (CVBU & PVBUSanand). Annual Solar Power Generation is 21.29Lakh Kwh (equivalent CO<sub>2</sub>e reduction of 2,097 tCO<sub>2</sub>e) for Fiscal 2016, resulted net saving of ₹0.59 crores in electricity charges
- ❖ Roof Top Solar PV Power Plant 2.0MWp has been installed & commissioned on Roof Top of Office Blocks at the Company's, Sanand. Annual Solar Power Generation is 17.30Lakh Kwh (equivalent CO<sub>2</sub>e reduction of 1,709 tCO<sub>2</sub>e) for Fiscal 2016, resulted net saving of ₹0.17 crores in electricity charges.

All above efforts have resulted into consolidated total CO<sub>2</sub> emission reduction of 35,099 tCO<sub>2</sub>e for Fiscal 2016.

#### (iii) Water and waste related performance:

- ❖ During the year 4202 MT of hazardous was sent for final disposal to offsite facility, while a total of 1044 MT of hazardous waste was recycled/reused through offsite authorised facility or by energy recovery
- ❖ During the year 6.79 million m3 of fresh water was consumed and 0.64 million m3 of generated effluent was recycled back into process.

#### (iv) The capital investment on energy conservation equipments:

The Company has invested about ₹6.92 crores for achieving these results.

#### Awards / Recognitions received during the year is as below:

- ❖ The Company's Dharwad Plant has bagged the "1st Prize" of National Energy Conservation Award 2015, in Automobile Manufacturing category by Bureau of Energy Efficiency (BEE), Ministry of Power, Government of India
- ❖ The Company's Chikhli car plant has won Vasundhara Award -2015 under the "Large Scale Industry" Category from Government of Maharashtra Pollution Control Board
- ❖ The Company's Jamshedpur Plant and Pantnagar Plant have been rated GOLD under the CII-GreenCo - Green Company Rating System
- ❖ The Company's CVBUSanand Plant, Jamshedpur Plant and Lucknow Plant have won the "Excellent Energy Efficient Unit Award" at CII-National Award for Excellence in Energy Management-2015, in Automobile Manufacturing category

- ❖ The Company's CVBU Pune plant, Jamshedpur Plant, Lucknow Plant and Pantnagar Plant won the Good Green Governance (g3) Awards 2015 instituted by 'Srishti' Publications, New Delhi. The award recognizes organizations for going beyond mere legal compliance for environmental protection
- ❖ The Company's Pune Plant received CII-GBC GreenCo Best Practices Award-2015:- CII-GBC Assessor's Panel has recognized the Company for the excellent efforts in "Best Practices in Life Cycle Assessment" for the GreenCo Best Practices Award. The Company Pune plant was presented a Shield and a Certificate as a recognition for the best practices implemented.

## B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

### (i) Efforts made towards technology absorption, adaptation and innovation

The Company uses a three-horizon strategy for managing its engineering and technology initiatives. The first-horizon involves products that the Company is working on currently, to bring to the market. The second-horizon involves researching known technologies that the Company may not be entirely familiar with at the present time but are needed for our future products. And the third-horizon is for 'blue sky' research projects and there are a number of projects aimed at fostering a culture of innovation in the Company.

Besides, its own ecosystem spanning across India, the UK and Italy, the Company also has tie-ups with various Universities based out of India, University of Warwick in the UK, and joint efforts with institutions in the United States. In India, as part of its efforts in this area the Company has signed a Memorandum of Understanding with IIT Bombay (IITB) and College of

Engineering Pune (COEP) to undertake collaborative research on live projects and to create a technological partnership.

The main endeavour which the Company has is to continuously keep scanning for innovative projects in the third and second horizon to integrate the promising ones to the main stream projects in the first horizon.

For example, some of the forward-looking technology programmes that the Company is concentrating on are:

- ♦ UK Government funded technology program on autonomous vehicles.
- ♦ ADAS and Safety related features likely to come in.
- ♦ Internet and associated technologies on connectivity like apps, telematics, diagnostics, analytics, etc.
- ♦ Alternate fuels like CNG, dual fuel, hydrogen.
- ♦ Hybridization, xEVs and associated technologies.
- ♦ Composites, light weighting and fuel efficiency improvement related technologies.

### (ii) Benefits derived as a result of the above efforts:

The Company continues to strengthen its capabilities across the technology domain to meet the emerging and future market needs. By careful selection of the advanced engineering and future technology portfolio, the Company intends to capitalize and bookshelf the developed technology for incorporation into the future products for making them more exciting and more attractive to the end customers.

The Company also wishes to mitigate all future risks related to technology by timely having appropriate emerging technology on emissions, FE enhancement, powertrain, safety, connectivity, infotainment, telematics, green initiatives etc., to meet and exceed all future emissions and vehicular safety norms.

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

Sr. No.	Technology For	Status
1	Advanced infotainment using wireless connectivity	Development in Progress
2	Development of Android Apps (e.g NaviMaps, Jukecar)	Implemented
3	Development of smart phone apps to ensure leadership position in connected car customer attribute	Development in Progress
4	Development of Remote ECU flashing support via GPRS link through telematics	Development in Progress
5	Development of connected diagnostics	Development in Progress
6	Smart phone based diagnostic system	Development in Progress
7	Development of Advanced Driver Assistance Safety Systems LDWS, AEBs	Development in Progress
8	Development and demonstration of intelligent park assist system for passenger cars	Development in Progress
9	Development and demonstration of surround view system (360 deg)	Development in Progress
10	Brushless DC Motor for Engine Cooling Module	Development completed
11	Brake blending systems for improving regenerative brake energy capture in electric and hybrid vehicles	Development in progress
12	Battery Management system on Bus and Car Hybrids	Development in Progress
13	Electric Trolley Bus system	Development in progress
14	Traction motor control algorithm development for xEVs	Development in progress
15	Development of Diesel Series Hybrid Bus	Implemented
16	In-house patented hybrid powertrain development	Development in progress
17	In house development and demonstration of parallel PHEV technology	Development in Progress

Sr. No.	Technology For	Status
18	Development of indigenous fuel cell stack	Development in Progress
19	Development of IRIS Fuel Cell Ziva	Proof of concept displayed
20	Fuel cell vehicle based on small commercial vehicle	Development in progress
21	Hydrogen recirculation blower system on Fuel Cell-Battery-Hybrid Bus(4x2) family	Development in Progress
22	Dual fuel (Diesel + CNG) technology development on 4 cylinder medium duty engine	Development in Progress

## (iii) Major technology imports includes:

Sr. No.	Technology for	Year of Import	Status
1	Synthetic road shells on a chassis dynamometer	2015-16	Implemented
2	A Noise Test Cell for engine and drivelines	2015-16	Implemented
3	Combustion analyzer and knock sensors	2015-16	Implemented

## (iv) Research and Development:

(₹ in crores)

Expenditure incurred on research and development :	2015-16	2014-15
(a) Revenue Expenditure – charged to Profit & Loss Statement	563.11	456.10
(b) Revenue Expenditure – capitalized	1,573.20	1,651.70
(c) Capital Expenditure	80.80	96.50
<b>Total</b>	<b>2,217.11</b>	<b>2,204.30</b>
Revenue from Operations	42,369.82	36,301.63
<b>R&amp;D cost as a % to Revenue from Operations</b>	<b>5.23%</b>	<b>6.07%</b>

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

The Company is mainly focused on specific areas of R&D and Engineering by which it can strengthen its HorizoNext Philosophy. For passenger cars, the main focus areas are in the domain of creating stunning design, pleasurable driving experience and connectivity. Therefore, the R&D portfolio is aligned towards developing technologies, core competence and skill sets in these specific domains to secure impactful and timely delivery of the envisaged future products with leading product attributes. For commercial vehicles, in addition to design, the main focus areas are total cost of ownership to be a market leader in application specific fuel efficiency and to deliver high performance and reliable products.

Focus areas of Company's R&D also evolves around R&D infrastructure development and being timely future ready for future emissions and vehicular safety norms.

For example, some of the forward looking R&D programmes that the Company is concentrating on are:

- ❖ Hybrid drive systems developed/being developed for both passenger and commercial vehicle applications like battery packs, transmission, traction motors, etc
- ❖ Connectivity which integrates mobile devices into the vehicle and provides a platform for infotainment, telematics and more
- ❖ Selective ADAS technologies for market specific implementation like the once shown in Auto Expo 2016 - Collision Mitigation System (CMS) and Lane Departure Warning System (LDWS), etc

- ❖ Alternate fuels like Fuel Cell bus demonstrated in Auto Expo 2016
- ❖ Focus on Fuel Efficiency and Total Cost of Ownership
- ❖ Design of indigenous fuel cell technology with the other Tata Group companies
- ❖ Investment in testing facilities for hybrid powertrain and pilot manufacturing facilities for battery modules and packs
- ❖ Light weighting and reliability improvement projects across the range.

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

Such efforts on R&D have secured a host of benefits for the Company in terms of being up to date with state of the art in technology front. These technologies and innovations would strengthen the Company's position in commercial vehicles and would contribute in repositioning and transforming passenger vehicles to compete at a global level.

The recently launched Tiago Passenger Car received critical recognition from media and customers for its attributes on design, connectivity, driving dynamics. Similarly, recently launched Signa range of commercial vehicles boosts of superior in-cab experience, proven and reliable drivetrains and future looking inbuilt telematics.

The Company's direct benefit from R&D spanning across over a decade of design effort in developing series hybrid bus, the Company has won the order to deliver 25 diesel series hybrid electric vehicles to the Mumbai Metropolitan Region Development Authority (MMRDA). This is the largest order for hybrid buses in India till date. Once the

hybrid buses start running in Mumbai, the Company expect that further orders from other cities might start coming in.

The Company is also developing full electric buses based on the series hybrid bus platform. Given the increased impetus on public transportation and the concern for harmful emissions from vehicles, the market for electric buses are expected to grow rapidly and the Company is fully equipped to cater to that segment.

A fleet of fuel cell buses are being built by the Company with support from Department of Scientific and Industrial Research (DSIR) for demonstration of fuel cell technology. The fuel cell bus fleet will enable the Company to evaluate the technical and economic challenges of making hydrogen-based public transportation a reality in India. Hydrogen fuel cell buses could provide complete zero emission transport for cities without the heavy battery packs needed for serving the daily range of bus operation.

During Fiscal 2016, the Company filed 116 Patent Applications and 37 Design applications. In respect of applications filed in earlier years, 21 Patents were granted and 103 Designs were registered. Both filing and grant details include national and international jurisdictions.

#### Future Plan of Action

The Company will continue its endeavour in R&D space to develop technologies, skill set and competence which will help the Company meet future product portfolio requirements. One of the main future initiatives in this direction would be platform approach creating bill of material and bill of process which has high degree of commonality to reduce complexity and enhance the scale.

Also, the Company will aim at timely and successful conclusion of the technology projects so that they start getting inducted in the mainstream products leading to a promising future product portfolio.

### C. FOREIGN EXCHANGE EARNINGS & OUTGO

#### Activities relating to exports

The Company exported 58,058 vehicles during the year.

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

- ❖ Company participated in key motor shows and conclaves around the world such as the Colombo Motor Show, Nepal Automobile Dealers' Association (NADA) Auto Show, Thailand Motor Expo, Thailand Defence Expo and Malaysia Truck & Bus Components Expo.
- ❖ Tata Prima successfully launched in 3 additional IB markets in Fiscal 2016 including Kenya, Uganda and Bangladesh. Launched the Ultra buses in Sri Lanka, Ultra Trucks in Bangladesh and the Eanza bus in the UAE. Also launched the Ace Mega in Nepal and the Ace Express in Sri Lanka.

- ❖ Successfully bagged and executed defence orders for Xenon troop carriers for the Myanmar Army and Xenon XT for the Botswana defence Force.
- ❖ The 2nd edition of Tata Motors One World - International CV Distributor Meet, was held at JW Marriott, New Delhi from March 20-22, 2016. The event saw attendance by over 300 guests from across 25 countries.

#### Development of export markets

The new markets in ASEAN are the Company's focus region for future growth – Indonesia, Australia, Philippines and Malaysia have been opened recently and the volumes are slowly and steadily picking up as the Tata Motors brand is becoming more visible in the market. Vehicle assembly in Vietnam was started in Fiscal 2016 and retails will commence from beginning of Fiscal 2017 onwards.

In addition, the Company has been expanding its presence with the introduction of new products such as Tata Prima, Ultra trucks and buses in some of the key markets to further grow volumes.

The Company commenced exports of passenger vehicles to Bolivia in Fiscal 2016 towards expanding footprint across Latin America. The Company was able to secure a government order to supply 219 Indigo cars to the Ministry of Interior in Uruguay. In Sri Lanka, Tata passenger vehicles scaled up from the 8th position in Fiscal 2015 to the 4th position in Fiscal 2016. The Company also consolidated its position in Nepal during Fiscal 2016, notching up the 4th position with a market share of over 9.0%. Despite being in Bangladesh only since 2011, the Company is now also among the Top 5 brands in passenger vehicles there with a market share of over 3.0% rising from the No.11 position in Fiscal 2015. Various customer-centric initiatives for passenger vehicles were rolled out across several markets: 48-hour parts supply guarantee, 24x7 roadside assistance, toll free call centers, express service, Tata Motors Connect app and automated service and warranty expiry reminders. The Company participated in the Geneva Motor Show 2016, showcasing the Tiago, Hexa and Kite 5 compact sedan.

#### Export plans

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

Foreign Exchange Earnings and Outgoings	₹ in crores
Earning in foreign currency	5,458.98
Expenditure in foreign currency (including dividend remittance)	2,770.79

On behalf of the Board of Directors  
**CYRUS P MISTRY**  
 Chairman

Mumbai,  
 May 30, 2016

## ANNEXURE 4

## Details of Remuneration of Directors, KMPs and Employees and comparatives

[Pursuant to Section 197 and Schedule V of the Companies Act, 2013 and Regulation 34(3) and Schedule V of SEBI Listing Regulations]

(I) The information pursuant to Section 197 of the Companies Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

1. a. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company and the percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary in the Fiscal 2016:

Sr. No.	Name	Category	Remuneration (₹ in lakhs)	Ratio of Directors remuneration to Median remuneration	% increase in the remuneration
<b>I</b>	<b>Non-Executive Directors#</b>				
1	Mr Cyrus Mistry	Chairman- Non- Executive Director	9.20	1.68	171%
2	Mr N N Wadia	Independent Director	8.60	1.57	258%
3	Dr R A Mashelkar	Independent Director	10.60	1.93	126%
4	Mr S Bhargava	Independent Director	8.60	1.57	187%
5	Mr N Munjee	Independent Director	11.30	2.06	157%
6	Mr V K Jairath	Independent Director	10.90	1.99	153%
7	Ms Falguni Nayar	Independent Director	10.20	1.86	122%
8	Dr Ralf Speth	Non-Executive & Non-Independent Director	--	--	--
<b>II</b>	<b>Whole-time Directors &amp; Key Managerial Personnel</b>				
9	Mr Guenter Butschek®	CEO and Managing Director	504.29	92.00	-
10	Mr Ravi Pisharody	Executive Director	277.10	50.55	6.6%
11	Mr Satish Borwankar	Executive Director	243.35	44.40	13.8%
12	Mr C Ramakrishnan*	Group Chief Financial Officer	419.94	76.61	40.2%
13	Mr Hoshang Sethna	Company Secretary	129.86	23.69	4.8%

Notes:

# The sitting fees for attending Board and Committee meetings was increased in May, 2015 as detailed in the Corporate Governance Report.

@ Mr Guenter Butschek joined on February 15, 2016 and Remuneration paid is for the part of the year, therefore, the median being for the full year, ratio/percentage is not comparable

\* Superannuated on June 30, 2015 and appointed as Goup CFO on July 1, 2015. Does not include payment towards gratuity and ex-gratia on super annuation, but includes leave encashment of ₹56.21 Lakhs

b. A break-up of median remuneration for employees and the percentage increase in the median remuneration of employees in the Fiscal 2016 are given below:

Employee Group	Median remuneration (₹ in Lakhs)	Increase in the median remuneration [in (%)]
<b>White Collar</b>	<b>8.95</b>	<b>8.18%</b>
EG	35.86	8.15%
TM	10.06	5.90%
SUP	6.14	8.83%
<b>Blue Collar</b>	<b>4.67</b>	<b>2.71%</b>
<b>Total employees</b>	<b>5.48</b>	

Note: 1) The Median Remuneration of employees for the Fiscal year 2016 is ₹ 5.48 Lakhs

2. The number of permanent employees on the rolls of Company as at March 31, 2016: 26,569

3. The explanation on the relationship between average increase in remuneration and Company performance:

The Gross revenues of the Company during Fiscal 2016 was ₹46,647 crores, higher by 18.0% over the previous year. Operating profit (EBITDA) for Fiscal 2016 stood at ₹2,740 crores with operating margin at 6.5% and the Profit After Tax was ₹234 crores. The total employee cost for Fiscal 2016 was ₹3,027 crores against ₹3,091 crores for Fiscal 2015, indicating a marginal decrease of 2.1%. The average increase

in the remuneration during Fiscal 2016 is as mentioned in point no.1 above as compared to the previous Fiscal Year.

Average increase in the remuneration is guided by factors like economic growth, inflation, mandatory increases, external competitiveness and talent retention. Whilst the Company endeavors on cost effective initiatives including employees cost being one of the key areas of cost monitoring and control, the results of any structural initiatives needs to be measured over a long term horizon and cannot be strictly compared with annual performance indicators.

On an average an employee receives an annual increase of 10.1%. The wage increments for blue collar are governed by plant-wise settlements which are held every 3-5 years. The wage revision for white collar employees is done annually. In order to ensure that remuneration reflects Company's performance, the performance pay & annual increments are also linked to organization performance, apart from an individual's performance. The individual increments for white collar employees varied from 0% to 20% on Total Fixed Pay and the performance pay varied from 0% to 30% of the Total Fixed Pay. The increase in remuneration is in line with the market trends.

The Company remains committed to pursuing the long term interest of all stakeholders, which includes recruiting and retaining an industry proven management team and ensuring that the Company's leadership and talent base is appropriately remunerated, notwithstanding cyclical phases. This is especially imperative when the Company has ongoing significant turnaround and growth strategies under execution.

#### 4. Comparison of the remuneration of the key managerial personnel against the performance of the Company:

Aggregate remuneration of key managerial personnel in Fiscal 2016	
Remuneration in Fiscal 2016 (₹ in crores)	15.75
Revenue (₹ crores) (net of excise)	42,370
Remuneration as % of revenue	0.03
Profit before Tax (PBT) (₹ in crores)	150
Remuneration of KMP (as % of PBT)	10.50%

Employee cost and other significant internal and external factors impacting performance of the Company are explained in detail in the Management Discussion & Analysis Report.

#### 5. Variation in the market capitalization of the Company, price earnings ratio as at the closing date of the current Fiscal 2016 and previous Fiscal 2015:

Particulars	March 31, 2016	March 31, 2015	Change %
<b>Ordinary shares</b>			
Market Capitalisation (₹ in crores)	1,11,532.68	1,58,767.32	(29.75)
Price Earnings Ratio	11.85	12.66	(6.40)
<b>'A' Ordinary Shares</b>			
Market Capitalisation (₹ in crores)	14,677.18	15,953.11	(7.99)
Price Earnings Ratio	8.82	7.62	15.75

#### 6. Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

Market Price as on March 31, 2016	₹ 386.30
Price at the time of Public Issue of 11% Convertible Bonds made in Fiscal 1980 (converted to price of each share for face value of ₹2 each)	₹ 3.214
% increase of Market price over the price at the time of Public Issue	11919.30%

Note: Closing share price of Ordinary Shares at BSE Ltd. has been used for the above table.

- The Company had made a public Issue of 11% Convertible Bonds in Fiscal 1980 when the face value of equity share was ₹100/- each. Considering the stock split of equity shares from ₹100/- to ₹2/- each, conversion price works out to be ₹3.214 per share. This does not include the impact of Bonus, rights and dividends declared since 1980.
  - The Company had issue 'A' Ordinary Shares (AOS) with Differential Voting Rights as to the dividend and voting rights in Fiscal 2009, hence it is not comparable. The above data does not include AOS.
- 7. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

Employee Group	Average percentage increase/(decrease) in salaries for Fiscal 2016 (in %)	
All permanent (Blue collar, SUP, TM & EG)	-	6.43
White Collar	10.14	-
Blue collar	3.30	-
<b>Executive Directors/Managerial Remuneration</b>		
Mr Ravindra Pisharody		6.6
Mr Satish Borwankar		13.8

Note:

- Salaries for SUP, TM & EG include Total Fixed Pay (TFP) plus the performance pay paid in Fiscal 2016.
- Salaries for blue collar includes only TFP (as they are not given any performance linked bonus but have plant-wise wage revision at a set frequency). The annual variable/performance pay and the salary increment of managers is linked to the Company's performance in general and their individual performance for the relevant year is measured against major performance areas which are closely aligned to Company's objectives
- Mr Butschek joined on February 15, 2016 and the above details pertaining to him are not given as the same are not comparable.

#### 8. Comparison of each remuneration of the key managerial personnel against the performance of the Company:

	Mr Guenter Butschek, CEO and MD*	Mr Ravi Pisharody, Executive Director	Mr Satish Borwankar, Executive Director	Mr C Ramakrishnan, Group Chief Financial Officer	Mr Hoshang Sethna, Company Secretary
Remuneration in Fiscal 2016 (₹ in lakhs)	504.29	277.10	243.35	419.94	129.86
Revenue	₹ 42,370 crores				
Remuneration as % of revenue	1.1902%	0.6540%	0.5743%	0.9911%	0.3065%
Profit before Tax	₹ 150 crores				
Remuneration (as % of PBT)	336.19%	184.74%	162.23%	279.96%	86.57%

(\* pro-rated)

#### 9. The key parameters for any variable component of remuneration availed by the directors:

The Members, have at the AGM held on August 21, 2013 approved the payment of commission to Non-Executive Directors within

the ceiling of 1% of the net profits of the Company as computed under Section 198 of the Act. The NRC will recommend to the Board (a) the aggregate commission payable to all the NEDs based on Company performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters decided by the Board and (b) the quantum of commission for each Director, based upon the outcome of the evaluation process which is driven by various factors including attendance and time spent on Board and Committee meetings, individual contributions at the meetings and contributions made by Directors other than in meetings. No commission was paid to the Non-Executive Directors for Fiscal 2016 in view of inadequacy of profits as computed under Section 198 of the Act.

As per the terms of appointment and remuneration approved by the Board at its meeting held on January 18, 2016, Mr Butschek is entitled to incentive remuneration in the form of performance linked bonus and long-term incentives. The proposal for the appointment of Mr Butschek and the payment of his remuneration has been recommended by the Board for approval by the Members at this AGM and the details of the long-term incentives and the criteria for this payment is included in the said Resolution.

The Members have, at the AGM held on August 10, 2012, approved of the appointment of Mr Pisharody and Mr Borwankar as Executive Directors, which *inter alia* included the payment of commission and incentive remuneration as may be decided by the Board of Directors based on certain performance criteria as laid down by the Board. A proposal for the re-appointment of the 2 Executive Directors, including the payment of remuneration has been recommended by the Board for approval by the Members at this AGM. As per the said recommendation, commission would be payable to the Executive Directors subject to the overall ceiling stipulated under Section 197 of the Act, but in any case would not exceed 400% of their basic salary. In case of inadequacy of profits to pay a commission in any Financial Year, an incentive remuneration not exceeding 200% of their basic salary would be paid. The said commission/incentive remuneration may be recommended by the Board based on criteria such as Company performance on certain defined qualitative and quantitative parameters, industry benchmarks, performance of the individual.

For further details, please refer to Annexure 6 of the Boards' Report on remuneration Policy for Directors, KMPs and other Employees.

#### 10. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:

Mr Guenter Butschek is the highest paid Director of the Company. In Fiscal 2016, none of the employees have received remuneration in excess of the highest paid Director.

#### 11. Affirmation that the remuneration is as per the remuneration policy of the Company:

The remuneration for MD/ED/KMP/rest of the employees is as per the remuneration policy of the Company.

#### (II) Details of Remuneration to Directors pursuant to Schedule V, Part II, proviso of Section II B(iv)IV of the Act and Regulation 34(3) read along with schedule V of SEBI Listing Regulations

##### a. Non-Executive Directors

The Non-Executive Directors' remuneration and sitting fees paid/payable by the Company in the Fiscal 2016, are given below:

Name	(₹ in Lakhs)
	Sitting Fees
Mr Cyrus P Mistry	9.20
Mr N N Wadia	8.60
Dr R A Mashelkar	10.60
Mr N Munjee	11.30
Mr S Bhargava	8.60
Mr V K Jairath	10.90
Ms Falguni Nayar	10.20
Dr Ralf Speth <sup>(1)</sup>	-
Total	69.40

(1) Dr Ralf Speth is a Non-Executive Director and is not paid any commission or sitting fees for attending Board meetings of the Company in view of his appointment as Chief Executive Officer and Director of Jaguar Land Rover Automotive PLC.

No Commission was paid to any Non-Executive Director for Fiscal 2016 in view of inadequacy of profits.

Some of the aforementioned Directors are also on the Board of the Company's subsidiaries and associates, in a non-executive capacity and are paid remuneration and sitting fees for participating in their meetings. Other than the above, the Non-Executive Directors have no pecuniary relationship or transactions with the Company, its subsidiaries and associates.

The Company has increased sitting fees to be paid to Non-Executive Directors w.e.f. May 26, 2015, the details of which are given in the Corporate Governance Report.

##### Industry comparative data for 10 similar sized companies:

		(₹ in Lakhs)
25th Percentile	Commission	16.63
	Total annual remuneration	274.40
50th Percentile (Median)	Commission	118.19
	Total annual remuneration	366.57
75th Percentile	Commission	230.74
	Total annual remuneration	516.92

Note: Percentile is a measure used in statistics indicating the value below which a percentage of observations in a group of observations fall. Total annual remuneration is the total remuneration without LTI.

## b. CEO & Managing Director and Executive Directors

The remuneration paid to the CEO & Managing Director and Executive Directors commensurate with industry standards and Board level positions held in similar sized companies, taking into consideration the individual responsibilities shouldered by them, their individual and Company's performance. The remuneration of the Executive Directors is in consonance with the terms of their appointment approved by the Members.

The NRC reviews and recommends to the Board the changes in the managerial remuneration of the CEO & MD and Executive Directors on a yearly basis. This review is based on the Balance Score Card that includes the performance of the Company and the individual director on certain defined qualitative and quantitative parameters such as volumes, EBITDA, cash flows, cost reduction initiatives, safety, strategic initiatives and special projects as decided by the Board vis-a-vis targets set in the beginning of the year. This review also takes into consideration the benchmark study undertaken by reputed independent agencies on comparative industry remuneration and practices.

Incentive remuneration paid/payable is subject to the

achievement of certain performance criteria and such other parameters as may be considered appropriate from time to time by the Board. An indicative list of factors that may be considered for determining the extent of incentive remuneration, by the Board and as recommended by the NRC are, the Company's performance on certain defined qualitative and quantitative parameters as may be decided by the Board from time to time, industry benchmarks of remuneration and performance of the individual.

The Board at its meeting held on January 18, 2016 (based on recommendation of NRC) approved of the appointment of Mr Butschek as CEO & MD w.e.f. February 15, 2016, including the terms of remuneration. Members' approval is being sought at this AGM in respect of the above.

The Board at its meeting held on May 30, 2016 (based on the recommendation of NRC) revised the remuneration payable to Mr Pisharody and Mr Borwankar w.e.f. April 1, 2016 and also proposed their re-appointment w.e.f. July 1, 2016 upon termination of their existing contract. Members' approval is being sought at this AGM for revision in their remuneration and terms of re-appointment.

## The terms of remuneration of CEO & Managing Director and Executive Directors for Fiscal 2016.

Description	₹ in Lakhs)	
	Mr Guenter Butschek*	
Basic Salary	31.36	
Benefits, Perquisites & Allowances	377.05 <sup>#</sup>	
Incentive Remuneration	92.12	
Retirement Benefits	3.76	
Stock Options	Nil	
Total Remuneration	504.29	

\*Remuneration for the period from February 15, 2016 till March 31, 2016

<sup>#</sup>Includes Joining Bonus of ₹250,000 (₹187.40 lakhs)

### Notice period and Severance Fees

- The Contract with the MD may be terminated earlier, without any cause by either giving to the other party six months' notice of such termination or the Company paying six months' remuneration which shall be limited to provision of basic salary, benefits, perquisites and allowances (including Living Allowance) and any pro-rated incentive remuneration, in lieu of such notice. Additionally, in case of termination initiated by the Company before the end of the term for the reasons other than Tata Code of Conduct ("TCoC"), the MD shall be entitled to severance pay for a period of 12 months or balance term of the agreement whichever is less and which shall be limited to provision of basic salary, living allowance and any pro-rated incentive remuneration.
- This appointment may not be terminated by the Company without notice or payment in lieu of notice except for reasons of breach of TCoC. In case of breach of TCoC, MD shall not be entitled to Severance.
- In the event the MD is not in a position to discharge his official duties due to any physical or mental incapacity, he shall be entitled to receive notice pay and the severance as mentioned above and this contract shall stand terminated.

Description	₹ in Lakhs)	
	Mr Ravindra Pisharody	Mr Satish Borwankar
Basic Salary	66.84	52.68
Benefits, Perquisites & Allowances	62.22	76.45 <sup>*</sup>
Incentive Remuneration	130.00	100.00
Retirement Benefits <sup>@</sup>	18.05	14.22
Stock Options	Nil	Nil
Total Remuneration	277.11	243.35

\* Includes leave encashment

<sup>@</sup> Excludes (a) provision for Special Retirement Benefits of ₹62.56 lakhs and ₹41.54 lakhs for Mr Pisharody and Mr Borwankar respectively in view of their eligibility under the applicable guidelines but would be payable only at the discretion of the Board (b) provision for encashable leave and gratuity as separate actuarial valuation for Executive Directors is not available.

Note: The above excludes one time payment of ₹96.44 Lakhs and ₹72.58 Lakhs to Mr Pisharody and Mr Borwankar respectively, paid by Tata Daewoo Commercial Vehicle Company Limited, towards their strategic contribution as Board Members for leading to a significant growth. Besides this, the Executive Directors even though they are on the Board of other subsidiaries do not receive any Remuneration or Commission.

### Notice period and Severance Fees

- This appointment may be terminated by either party by giving to the other party six months' notice of such termination or the Company paying six months' remuneration in lieu of the Notice.
- The employment of the Executive Director, may be terminated by the Company without notice or payment in lieu of notice:
  - if the Executive Director, is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associated company to which he is required by the Agreement to render services; or
  - in the event of any serious repeated or continuing breach (after prior warning) or non-observance by the Executive Director, of any of the stipulations contained in the Agreement to be executed between the Company and the Executive Director; or
  - in the event the Board expresses its loss of confidence in the Executive Director.
- In the event the Executive Director is not in a position to discharge his official duties due to any physical or mental incapacity, the Board shall be entitled to terminate his contract on such terms as the Board may consider appropriate in the circumstances.

On behalf of the Board of Directors

**CYRUS P MISTRY**

Chairman

Mumbai,

May 30, 2016



## ANNEXURE 5

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

[Pursuant to Section 178 (3) of the Companies Act, 2013 and Regulation 16 read along with Schedule II of the SEBI Listing Regulations]

## 1. Definition of Independence

❖ A director will be considered as an "Independent Director" if the person meets with the criteria for 'Independent Director' as laid down in the Act and Regulation 16 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

❖ The definition of independence as provided in Regulation 16 of SEBI Listing Regulations is as follows:

*"An independent director in relation to a company, means a director other than a managing director or a whole-time director or a nominee director, —*

- (a) *who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;*
- (b) *(i) who is or was not a promoter of the company or its holding, subsidiary or associate company;*  
*(ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;*
- (c) *who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;*
- (d) *none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;*
- (e) *who, neither himself nor any of his relatives—*
  - (i) *holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;*
  - (ii) *is or has been an employee or proprietor or a partner, in*

*any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—*

- (A) *a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or*
- (B) *any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent. or more of the gross turnover of such firm;*
- (iii) *holds together with his relatives two per cent. or more of the total voting power of the company; or*
- (iv) *is a Chief Executive or director, by whatever name called, of any nonprofit organisation that receives twenty-five per cent. or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent. or more of the total voting power of the company;*
- (v) *is a material supplier, service provider or customer or a lessor or lessee of the company;*
- (f) *who is not less than 21 years of age.*

❖ Current and ex-employees of a Tata Company<sup>1</sup> may be considered as independent only if he/she has or had no pecuniary relationship with any Tata company (due to employment/receipt of monthly pension by way of Special Retirement Benefits/holding consultant or advisor positions) during the two immediately preceding financial years or during the current financial year.

## 2. Qualifications of Directors

- ❖ Board will ensure that a transparent board nomination process is in place that encourages diversity of thought, experience, knowledge, perspective, age and gender.
- ❖ It is expected that Board have an appropriate blend of functional and industry expertise.
- ❖ While recommending appointment of a Director, it is expected that the Nomination and Remuneration Committee

<sup>1</sup>Tata Company" shall mean every company in which Tata Sons Limited or Tata Industries Limited or any company promoted by Tata Sons Limited or Tata Industries Limited is promoter or a company in which such companies whether singly or collectively hold directly or indirectly 26% or more of the paid-up equity share capital or in which the shareholding of such companies represents the largest Indian holding apart from holdings of financial institutions/mutual funds or a company which is permitted by Tata Sons Limited to use the Tata brand name.

("NRC") consider the manner in which the function and domain expertise of the individual contributes to the overall skill-domain mix of the Board.

- ❖ Independent Directors ("ID") ideally should be thought/practice leaders in their respective functions/domains.

### 3. Positive attributes of Directors

Directors are expected to comply with duties as provided in the Act. For reference, the duties of the Directors as provided by the Act are as follows:

- 1) "Act in accordance with the articles of the company.
- 2) Act in good faith in order to promote the objects of the company for the benefit of its members as a whole, and in the best interests of the company, its employees, the shareholders, the community and for the protection of environment.
- 3) Exercise duties with due and reasonable care, skill and diligence and exercise independent judgment.
- 4) Not be involved in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.
- 5) Not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates.
- 6) Not assign his office".

Additionally, the Directors on the Board of a Tata Company are also expected to demonstrate high standards of ethical behaviour, strong interpersonal and communication skills and soundness of judgment.

IDs are also expected to abide by the 'Code for Independent Directors' as outlined in Schedule IV to Section 149(8) of the Act. The Code specifies the guidelines of professional conduct, role and function

and duties of Independent Directors. The guidelines of professional conduct specified in the Code are as follows:

"An independent director shall:

- 1) uphold ethical standards of integrity and probity;
- 2) act objectively and constructively while exercising his duties;
- 3) exercise his responsibilities in a bona fide manner in the interest of the company;
- 4) devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- 5) not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- 6) not abuse his position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- 7) refrain from any action that would lead to loss of his independence;
- 8) where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- 9) assist the company in implementing the best corporate governance practices."

On behalf of the Board of Directors

**CYRUS P MISTRY**

Chairman

Mumbai,  
May 30, 2016

## ANNEXURE 6

## Remuneration Policy for Directors, Key Managerial Personnel and other employees

[Pursuant to Section 178 (3) of the Companies Act, 2013 and Regulation 19 read alongwith Schedule II of the SEBI Listing Regulations]

The philosophy for remuneration of directors, Key Managerial Personnel ("KMP") and all other employees of Tata Motors Limited ("the Company") is based on the commitment of fostering a culture of leadership with trust. The remuneration policy is aligned to this philosophy.

This remuneration policy has been prepared pursuant to the provisions of Section 178(3) of the Companies Act, 2013 ("Act") and Regulation 19 read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 SEBI (Listing Regulations). In case of any inconsistency between the provisions of law and this remuneration policy, the provisions of the law shall prevail and the Company shall abide by the applicable law. While formulating this policy, the Nomination and Remuneration Committee ("NRC") has considered the factors laid down under Section 178(4) of the Act, which are as under:

- (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals"

**Key principles governing this remuneration policy are as follows:**

❖ **Remuneration for independent directors and non-independent non- executive directors**

- ◆ Independent directors ("ID") and non-independent non-executive directors ("NED") may be paid sitting fees (for attending the meetings of the Board and of committees of which they may be members) and commission within regulatory limits.
- ◆ Within the parameters prescribed by law, the payment of sitting fees and commission will be recommended by the NRC and approved by the Board.
- ◆ Overall remuneration (sitting fees and commission) should be reasonable and sufficient to attract, retain and motivate directors aligned to the requirements of the company

(taking into consideration the challenges faced by the company and its future growth imperatives).

- ◆ Overall remuneration should be reflective of size of the company, complexity of the sector/industry/Company's operations and the Company's capacity to pay the remuneration.
- ◆ Overall remuneration practices should be consistent with recognized best practices.
- ◆ Quantum of sitting fees may be subject to review on a periodic basis, as required.
- ◆ The aggregate commission payable to all the NEDs and IDs will be recommended by the NRC to the Board based on Company performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters as may be decided by the Board.
- ◆ The NRC will recommend to the Board the quantum of commission for each director based upon the outcome of the evaluation process which is driven by various factors including attendance and time spent in the Board and committee meetings, individual contributions at the meetings and contributions made by directors other than in meetings.
- ◆ In addition to the sitting fees and commission, the Company may pay to any director such fair and reasonable expenditure, as may have been incurred by the director while performing his/her role as a director of the Company. This could include reasonable expenditure incurred by the director for attending Board/Board committee meetings, general meetings, court convened meetings, meetings with shareholders/creditors/management, site visits, induction and training (organized by the Company for directors) and in obtaining professional advice from independent advisors in the furtherance of his/her duties as a director.

❖ **Remuneration for Managing Director ("MD")/Executive Directors ("ED")/KMP/ rest of the employees<sup>1</sup>**

The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence remuneration should be

<sup>1</sup> Excludes employees covered by any long term settlements or specific term contracts. The remuneration for these employees would be driven by the respective long term settlements or contracts.

- ◆ Market competitive (market for every role is defined as companies from which the Company attracts talent or companies to which the Company loses talent)
  - ◆ Driven by the role played by the individual,
  - ◆ Reflective of size of the Company, complexity of the sector/industry/Company's operations and the Company's capacity to pay,
  - ◆ Consistent with recognized best practices and
  - ◆ Aligned to any regulatory requirements.
  - ◆ In terms of remuneration mix or composition,
    - The remuneration mix for the MD/EDs is as per the contract approved by the shareholders. In case of any change, the same would require the approval of the shareholders.
    - Basic/ fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience.
    - In addition to the basic/ fixed salary, the Company provides employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings and tax optimization, where possible. The Company also provides all employees with a social security net (subject to limits) by covering medical expenses and hospitalization through re-imbursments or insurance cover and accidental death and dismemberment through personal accident insurance.
    - The Company provides retirement benefits as applicable.
    - In addition to the basic/fixed salary, benefits, perquisites and allowances as provided above, the Company provides MD/EDs such remuneration by way of commission, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board, subject to the overall ceilings stipulated in Section 197 of the Act. The specific amount payable to the MD/EDs would be based on performance as evaluated by the Board or the NRC and approved by the Board.<sup>2</sup>
  - [In addition to the basic/fixed salary, benefits, perquisites and allowances as provided above, the Company provides MD/EDs such remuneration by way of an annual incentive remuneration/ performance linked bonus subject to the achievement of certain performance criteria and such other parameters as may be considered appropriate from time to time by the Board. An indicative list of factors that may be considered for determination of the extent of this component are:
    - Company performance on certain defined qualitative and quantitative parameters as may be decided by the Board from time to time,
    - Industry benchmarks of remuneration,
    - Performance of the individual.<sup>3</sup>
  - The Company provides the rest of the employees a performance linked bonus. The performance linked bonus would be driven by the outcome of the performance appraisal process and the performance of the Company.
- ❖ **Remuneration payable to Director for services rendered in other capacity**
- The remuneration payable to the Directors shall be inclusive of any remuneration payable for services rendered by such director in any other capacity unless:
- a) The services rendered are of a professional nature; and
  - b) The NRC is of the opinion that the director possesses requisite qualification for the practice of the profession.
- ❖ **Policy implementation**
- The NRC is responsible for recommending the remuneration policy to the Board. The Board is responsible for approving and overseeing implementation of the remuneration policy.

On behalf of the Board of Directors  
**CYRUS P MISTRY**  
 Chairman

Mumbai,  
 May 30, 2016

<sup>2</sup>To be retained if commission is provided to MD/EDs

<sup>3</sup>To be retained only if commissioned is not provided to MD/EDs

## ANNEXURE 7

## Annual Report on CSR Activities

[Pursuant to Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014]

**A brief outline of the Company's CSR Policy, including an overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programmes:**

**1. Overview:**

**(i) Outline of CSR Policy** - As an integral part of our commitment to good corporate citizenship, we at Tata Motors believe in actively assisting in improvement of the quality of life of people in communities, giving preference to local areas around our business operations. Towards achieving long-term stakeholder value creation, we shall always continue to respect the interests of and be responsive towards our key stakeholders - the communities, especially those from socially and economically backward groups, the underprivileged and marginalized; focused on inter alia the Scheduled Castes and Scheduled Tribes and the society at large. In order to leverage the demographic dividend of our country, Company's CSR efforts shall focus on Health, Education, Environment and Employability interventions for relevant target groups, ensuring diversity and giving preference to needy and deserving communities inhabiting urban India. CSR at Tata Motors shall be underpinned by 'More from Less for More People' philosophy which implies striving to achieve greater impacts, outcomes and outputs of our CSR projects and programmes by judicious investment and utilization of financial and human resources, engaging in like-minded stakeholder partnerships for higher outreach benefitting more lives.

Weblink for Tata Motors India CSR Policy: <http://www.tatamotors.com/investors/pdf/csr-policy-16-17.pdf>

**(ii) CSR Projects:** 1. *Aarogya* (Health): Addressing child malnutrition; health awareness for females; preventive and curative health services, drinking water projects; 2. *Vidyadhanam* (Education): Scholarships; Special coaching classes for secondary school students; IIT-JEE and competitive exams coaching, school infrastructure improvement; co-curricular activities; Financial aid to engg. students; 3. *Kaushalya* (Employability): Drivers training – novice and refresher; ITI partnership and allied-auto trades; Motor Mechanic Vehicle (MMV); Training in retail, hospitality, white goods repair, agriculture & allied trades; 4. *Vasundhara* (Environment): Tree plantation, environmental awareness for school students; 5. Natural disaster response: Drought Relief-cum-Rehabilitation.

**2. Composition of CSR Committee:** The CSR Committee of the Board of Tata Motors comprises (i) Dr. Raghunath A. Mashelkar, Non-Executive, Independent Director [Chairman of the Committee]; (ii) Mr. Guenter Butschek, CEO & Managing Director, (iii) Mr. Satish B. Borwankar, Executive Director (Quality) and (iv) Ms. Falguni S. Nayar, Non-Executive, Independent Director. Mr. Ravindra Pisharody, Executive Director (Commercial Vehicles) also attends the Committee Meetings.

**3. Average Net Profit of the Company for last three financial years:** Loss of ₹2,034 crores

**4. \*Prescribed CSR Expenditure (two per cent. of the amount as in Item 3 above):** Not Applicable in view of the loss

**5. \*Details of CSR Spend during the financial year:** ₹20.57 crores was spent towards various schemes of CSR as prescribed under Section 135 of the Act. The prescribed CSR expenditure required to be spend in Fiscal 2016 as per the Act is Nil, in view of net profit of the Company being negative under Section 198 of the Act.

**(a) Total amount to be spent for the Financial Year:** Not Applicable

**(b) Amount unspent, if any:** Not Applicable

**(c) Manner in which the amount spent during the Financial Year:** Refer Table in ANNEXURE-A

**6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount:** Not Applicable

**7. A Responsibility Statement of CSR Committee of Board:** The CSR Committee of the Company's Board states that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company. The Company had engaged M/s KPMG India (Registered) for assurance on CSR spend by the Company under Section 135 of the Companies Act, 2013, Schedule VII.

**Ravindra Pisharody**  
Executive Director  
(Commercial Vehicles)

**Dr Raghunath Mashelkar**  
Non-Executive, Independent Director  
(Chairman CSR Committee)

Mumbai,  
May 30, 2016

(74-117)

**Annexure-A**

(₹ in crores)

S.No. #	CSR project / activity identified	Sector in which the Project is covered	Projects /Programmes 1.Local area/ others- 2.Specify the state and district where projects or programs were undertaken	Amount outlay (budget) project/ programs wise		Cumulative spend up to the reporting period	Amount spent: Direct /through implementing agency*	
				Direct	Overhead*			
1	<b>Skill Development and vocational skills in Automotive and Non Automotive Sector</b>	<i>Employability Enhancing Skill Development</i>	1. Local Area 2. Jharkand - East Singhbhum; Uttar Pradesh - Lucknow and Barbanki; Uttarakhand - Udham Singh Nagar; Maharashtra - Nasik, Aurangabad, Nagpur, Pune, Mumbai; Gujarat - Ahmedabad; Karnataka - Dharwad; Pan India	6.35	5.25	0.29	5.53	Direct = 1.21 Implementation Agency = 4.32
1 (a)	Vocational skills development in Automotive trades			2.42	1.88	0.10	1.97	
1 (b)	Skill development in rural/ underdeveloped communities			3.93	3.37	0.19	3.56	
2	<b>Promoting primary and secondary education in Rural and Socially/Economically Backward communities</b>	<i>Promoting Education</i>	1. Local Area 2. Jharkand - East Singhbhum; Uttar Pradesh - Lucknow and Barbanki; Uttarakhand - Udham Singh Nagar, Nainital; Maharashtra - Thane, Pune, Mumbai; Madhya Pradesh - Jabalpur; Gujarat - Ahmedabad; Karnataka - Dharwad, Dakshin Kannada;	11.11	9.33	0.34	9.67	Direct = 4.52 Implementation Agency = 5.15
3	<b>Preventive and curative health services in Communities</b>	<i>Eradicating Hunger, Promoting preventive healthcare, Malnutrition, Promoting Preventive healthcare and sanitation and safe drinking water</i>	1. Local Area 2. Jharkand - East Singhbhum; Uttar Pradesh - Lucknow and Barbanki; Uttarakhand - Udham Singh Nagar, Almora; Maharashtra - Thane, Mumbai; Gujarat - Ahmedabad; Karnataka - Dharwad;	3.24	2.39	0.81	3.21	Direct = 0 Implementation Agency = 3.21
3 (a)	Preventive and curative interventions			2.27	1.70	0.64	2.35	
3 (b)	Awareness based interventions			0.97	0.69	0.17	0.86	
4	Ensuring environmental sustainability through awareness and protection of natural habitats	<i>Ensuring environmental sustainability</i>	1. Local Area 2. Jharkand - East Singhbhum; Uttar Pradesh - Lucknow and Barbanki; Uttarakhand - Udham Singh Nagar, Nainital; Maharashtra - Pune, Thane, Mumbai; Gujarat - Ahmedabad; Karnataka - Dharwad;	1.16	1.09	0.06	1.15	Direct = 0.04 Implementation Agency = 1.12
5	Administrative overheads and Capacity Building cost			1.09	0.97	0.03	1.00	
	<b>Total</b>			<b>22.94</b>	<b>19.04</b>	<b>1.53</b>	<b>20.57</b>	

Note: Company's Contribution towards J&K Floods Relief Disaster Response to be deployed for Education & Skill Development of affected communities.

**# Impementation Agency Details**

- #1 **Employability:** Institute of Driving Training & Research, Ahmedabad Dist Cooperative Milk Producers Union Ltd, Ambika Motor Driving School, Center for Youth Development & Activities, Centre for Civil Society, CII, College of Engg Pune, Gram Vikas Kendra, Hubert Ebner (I) Pvt Ltd., Laurus Edutech Life Skills Pvt Ltd., MITCON Foundation, Paryawaran Evam Jan Kalyan Samiti, Prasad Chikitsa, Pratham Education Foundation, Prolife, Ramkrishna Mission Sakwar, Sambhav Foundation, Shiksha Prasar Kendra, Samaj Vikas Kendra, Sanand Education Trust, Shashwat, Skill For Progress, Suvidha, Vedanta Foundation, Vikas Samities, Vruksha
- #2 **Education:** Action Aid, Agastya International Foundation, Avanti Fellows, Govt. Block Resource Centre Education Dept. SSA, Cathedral Church Sanand, Center for Youth Development & Activities, Children's Movement for Civic Awareness, College of Engineering Pune, Foundation for Academic Excellence, GANATAR, Global Education Trust, Gram Vikas Kendra, IIT Bombay Alumni Association, Manav Seva Education Trust, Moinee Foundation, Paryawaran Evam Jan Kalyan Samiti, Samaj Vikas Kendra, Samata Shikshan Sanstha, Sambhav Foundation, Sanand Lions Foundation Trust, Sarvodaya Mahasangh, Seva Sahyog Foundation, Shanti Seva Nidhi Trust, Shiksha Prasar Kendra, Shri Shakti Kelavni Uttejak Trust, Society for Human Environmental Development, Suprabhat Mahila Mandal, Swami Vivekananda Youth

Movement, Swaroopwardhinee, Tata Institute of Social Sciences, Tata Motors Gruhini Social Welfare Society, The Jai Narayan Charitable Trust, Urmee Charitable Trust, Vidya Poshak, Vikas Samities

- #3 **Health:** Action Aid, Chetna, Family Planning Association of India, Jan Parivar Kalyan Sansthan, Manav Seva Education Trust, Namaste Life, Nav Jagrat Manav Samaj, Parivar Kalyan Sansthan, Paryawaran Evam Jan Kalyan Samiti, Prasad Chikitsa, Seth G S Medical College and KEM Hospital, SDM college of Medical Science, Sneh Foundation, Snehdeep Jankalyan Foundation, Sumant Moolgaokar Development Foundation, Sterling Hospital, Swadhar, Vikas Samities

- #4 **Environment:** Bansilal Ramntath Agarwal Charitable Trust, Bombay Natural History Society, College of Social Work Nirmala Niketan Institute, Ganatar, Gram Vikas Kendra, Green Thumb, Manav Seva Education Trust, Paryawaran Evam Jan Kalyan Samiti, Samaj Vikas Kendra, Sarvodaya Maha Sangh, Terre Policy Center, Tree Public Foundation, Vikas Samities, Wildlife Research and Conservation Society

**Ravindra Pisharody**  
Executive Director  
(Commercial Vehicles)

**Dr Raghunath Mashelkar**  
Non-Executive, Independent Director  
(Chairman CSR Committee)

Mumbai,  
May 30, 2016

## ANNEXURE 8

**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016**  
**[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule 9 of the Companies**  
**(Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,  
 The Members,  
 Tata Motors Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Tata Motors Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company, the information provided by the company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA) and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
- (a) The Securities and Exchange Board of India (Substantial

Acquisition of Shares and Takeovers) Regulations, 2011;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time;
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India ( Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the audit period)
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the audit period)
- (vi) Other laws applicable specifically to the Company namely:
  1. The Motor Vehicle Act, 1988 and the Rules made thereunder.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings were taken unanimously.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines,

1. The Company allotted 15,04,90,480 Ordinary Shares (including 3,20,49,820 shares underlying the ADRs) of Rs.2 each at a premium of Rs.448 per share aggregating Rs.6,772.07 crore and 2,65,09,759 'A' Ordinary Shares of Rs.2 each at a premium of Rs.269 per share, aggregating Rs.718.42 crore pursuant to the Rights issue.
2. During the year the Company redeemed non-convertible debentures of E25A, E25B and E25C series aggregating to Rs.900 crores and partially redeemed unsecured debentures of Rs.150 crores out of Rs.450 crores in E24B and E-26A series.
3. On March 31, 2016 The Company sold the entire holding in Sheba Properties Limited its 100% subsidiary to M/s Tata Motors Finance Limited.
4. Mr Guenter Bustschek was appointed as Chief Executive Officer w.e.f February 15, 2016 by the Board, and his appointment and terms of remuneration are subject to the approval of the Shareholders and the Central Government.

**For Parikh & Associates**  
Company Secretaries

**P. N. Parikh**  
(Partner)  
FCS No: 327 CP No: 1228

Place: Mumbai  
Date: May 30, 2016

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

### 'Annexure A'

To,  
The Members  
Tata Motors Limited

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Parikh & Associates**  
Company Secretaries

**P. N. Parikh**  
(Partner)  
FCS No: 327 CP No: 1228

Place: Mumbai  
Date: May 30, 2016



# MANAGEMENT DISCUSSION AND ANALYSIS

## ECONOMY OVERVIEW

### INDIA

India has registered a robust and steady pace of economic growth in Fiscal 2016 as it did in Fiscal 2015. Additionally, macroeconomic parameters such as inflation, fiscal deficit and current account balance have exhibited distinct signs of improvement. Wholesale price inflation has been in negative territory for more than a year and the all-important consumer price inflation has declined to nearly half of what it was a few years ago. However, weak growth in advanced and emerging economies has taken its toll on India's exports. Nevertheless, trade and current account deficits have improved due to relatively lower prices for crude oil which is imported by India. Growth in agriculture has slackened due to two successive years of less than-normal monsoon rains. The rupee has depreciated with respect to the US dollar, similar to several other currencies in the world.

India's GDP for Fiscal 2015 increased by 7.2% and for Fiscal 2016 increased by 7.6%. Growth in agriculture and industry increased in Fiscal 2016 by 1.1% as compared to decline by 0.2% in Fiscal 2015 while services sector growth increased by 9.2% in Fiscal 2016 as compared to 10.3% in last year. Index for industrial production (IIP) increased by 2.4% in Fiscal 2016 as compared to 2.8% in Fiscal 2015. Significant factors influencing IIP growth in Fiscal 2016 included a 2.2% increase in the mining sector in Fiscal 2016 compared to 1.4% in Fiscal 2015, which was mainly due to an increase in coal production. The manufacturing sector increased by 2%, compared to 2.3% in Fiscal 2015 and electricity services increased by 5.6% in Fiscal 2016, compared to 8% in Fiscal 2015. The consumer durables grew by 12.4% in Fiscal 2016 as compared to negative of 12.5% in Fiscal 2015. (Source: Ministry of Statistics and Program implementation). The domestic auto industry witnessed growth during Fiscal 2016, driven by replacement demand and demand from the mining and construction sectors, mainly in the medium and heavy commercial vehicles or M&HCV sector.

### WORLD

The global macroeconomic landscape in Fiscal 2016 was rough and uncertain and characterized by weak growth of world output. This situation was exacerbated by; (i) declining prices of a number of commodities, with the reduction in crude oil prices being the most visible among them, (ii) turbulent financial markets (especially the equity markets), and (iii) volatile exchange rates. Global growth remained moderate with uneven prospects across the major

economies. The outlook for advanced economies is improving, while growth in emerging market and developing economies is projected to be lower, primarily reflecting weaker prospects for certain large emerging market economies alongside oil and raw material exporting economies. Oil prices have declined during Fiscal 2016 due to weaker than expected global activity and a weaker demand for oil. Exchange rate movements in recent months have been sizable, reflecting changes in expectations about growth and monetary policy across major economies. Long-term government bond yields have declined in major advanced economies, reflecting in part lower inflation expectations, the sharp decline in oil prices and weak domestic demand.

The US economy growth was stronger than expected with accompanying job growth, resulting in a decline in the unemployment rate. Furthermore, lower oil prices, increases in incomes and improved consumer confidence have resulted in growth in the US.

The Eurozone showed signs of economic improvement in 2015, with consumption supported by lower oil prices and higher net exports. Growth in the Eurozone gradually picked up, driven by lower energy prices, a weaker Euro and a loose monetary policy by the European Central Bank. Germany, France, Italy and Spain GDP grew in the region. In 2015, GDP in the UK slowed a little, but consumer spending growth remained relatively strong, partially due to lower oil prices.

China recorded a pronounced deceleration in growth in 2015, which suggests that China's slowdown over the past few years shows little sign of abating. The GDP growth rate moderated to 6.9% for 2015 and coincided with growing debt and excess housing and factory capacity. These developments, together with market concerns about the future performance of the Chinese economy, are having spillover effect on other economies through reduced trade and weaker commodity prices, as well as through diminishing confidence and increasing volatility in the financial markets.

Brazil's economy sank into its deepest recession in recent history in 2015, amid lower prices for key exports, soaring inflation and depressed confidence levels. Economic performance in Russia was impacted by the increase in geopolitical tensions, lower crude oil prices and economic sanctions. In Japan, growth in 2015 was 0.6%, reflecting weak consumption and decreasing investment by households. In South Africa, domestic growth remains weak due to weak external demand, despite being lower oil prices and inflation.

## Risk Factors

### **Risks associated with the Company's Business and the Automotive Industry.**

#### ***Deterioration in global economic conditions could have a material adverse impact on the Company's sales and results of operations.***

The automotive industry and the demand for automobiles are influenced by general economic conditions, including, among other things, rates of economic growth, credit availability, 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 the Company's business, financial condition and results of operations.

The Indian automotive industry is materially affected by the general economic conditions in India and around the world. Muted industrial growth in India in recent years 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 in India, including the automotive and related industries. A continuation of negative economic trends or further deterioration in key economic metrics such as the growth rate, interest rates and inflation as well as reduced availability of financing for vehicles at competitive rates could materially and adversely affect the Company's 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. A slower than expected global economic recovery or a significant financial disruption could have a material adverse effect on the Company's cost of funding, portfolio of financing loans, business, prospects, results of operations, financial condition and the trading price of the Company's shares or American Depositary Shares, or ADSs.

The Company's Jaguar Land Rover business has significant operations in the United Kingdom, North America, continental Europe and China as well as sales operations in other overseas markets across the globe. Automotive markets in the United States, United Kingdom, and Europe experienced growth in Fiscal 2016 as did the automotive market in China, despite the softer economic conditions and financial market volatility experienced in China. However, automotive sales in emerging markets such as Brazil, Russia and South Africa have deteriorated during Fiscal 2016. Given these economic conditions, Jaguar Land Rovers' ambitions for growth may not materialize as expected which could have a significant adverse impact on its financial performance. If automotive demand softens because of lower or negative economic growth in key markets (notably China) or other factors, the Company's operations and financial condition could be materially and adversely affected.

#### ***The United Kingdom's exit from the European Union (EU) may adversely impact our business, results of operations and financial condition.***

In a non-binding referendum on the United Kingdom's membership in the European Union in June 2016, a majority of the electorate voted for the United Kingdom's withdrawal from the European Union. If the outcome of the referendum eventually results in the exit of the United Kingdom from the European Union ("Brexit"), a process of negotiation would determine the future terms of the United Kingdom's relationship with the European Union. Depending on the terms of Brexit, if any, the United Kingdom could lose its present rights or term of access to the single EU market and to the global trade deals negotiated by the European Union on behalf of its members. New or modified trading arrangements between the United Kingdom and other countries may have a material adverse effect on the export volumes of our Jaguar Land Rover business. A decline in trade could also affect the attractiveness of the United Kingdom as a global investment centre and, as a result, could have a detrimental impact on the level of investment in UK companies, including our Jaguar Land Rover business, and ultimately on UK economic growth. The uncertainty concerning the timing and terms of the exit could also have a negative impact on the growth of the UK economy and cause greater volatility in the pound sterling. Changes to UK border and immigration policy could likewise occur as a result of Brexit, affecting our Jaguar Land Rover business's ability to recruit and retain employees from outside the United Kingdom. Any of the foregoing factors may have a material adverse effect on our business, results of operations and financial condition.

***Restrictive covenants in financing agreements may limit the Company operations and financial flexibility and materially and adversely impact the Company's financial condition, results of operations and prospects.***

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

If the Company breaches its 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. The Company's lenders and guarantors could impose additional operating and financial restrictions on the Company, or otherwise seek to modify the terms of its existing financial agreements. This could have a material adverse effect on the Company's financial condition and results of operations.

***Exchange rate and interest rate fluctuations could materially and adversely affect the Company's financial condition and results of operations.***

The Company's operations are subject to risks arising from fluctuations in exchange rates with reference to countries in which the Company operates. The Company imports capital equipment, raw materials and components from, manufactures vehicles in, and sells vehicles in various countries, and therefore the Company's revenues and costs have significant exposure to the relative movements of the GBP, the US dollar, the Euro, the Russian Ruble, the Chinese Renminbi, the Japanese Yen and the Indian rupee.

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 the Company's borrowings and foreign currency assets and liabilities due to currency fluctuations.

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 Company manages its interest and foreign exchange exposure through the use of financial hedging instruments such as forward contracts, swap agreements and option contracts, higher interest rates and foreign exchange volatility could significantly increase the Company's cost of borrowing, which could have a material adverse effect on its financial condition, results of operations and liquidity.

***Intensifying competition could materially and adversely affect the Company's sales, financial conditions and results of operations.***

The global automotive industry is highly competitive and competition is likely to further intensify in light of continuing globalisation 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. Factors affecting competition include product quality and features, innovation and the timing of the introduction of new products, cost control, pricing, reliability, safety, fuel economy, environmental impact (and perception thereof), customer service and financing terms. There can be no assurance that the Company will be able to compete successfully in the global automotive industry in the future.

The Company also faces strong competition in the Indian market from domestic as well as foreign automobile manufacturers. Improving infrastructure and robust growth prospects compared to those of 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 the Company will be able to implement 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 customer preferences and regulatory requirements. If competitors consolidate or enter into other strategic agreements, they may be able to take better advantage of economies of scale or enhance their competitiveness in other ways. Competitors may also be able to benefit from the cost savings offered by consolidation or alliances, which could adversely affect the Company's competitiveness with respect to those competitors, which could also materially reduce the Company's sales as well as materially and adversely affect its business, financial condition and results of operations.

***The Company's future success depends on its ability to satisfy changing customer demands by offering innovative products in a timely manner and maintaining such products' competitiveness and quality.***

The Company's competitors may gain significant advantages if they are able to offer products satisfying customer needs earlier than the Company is able to, which could adversely impact, the Company's sales and profitability. Unanticipated delays or cost overruns in implementing new product launches, expansion plans or capacity enhancements could also 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. Increased government regulation, rising fuel prices, and evolving environmental preferences of consumers has brought significant pressure on the automotive industry to reduce CO<sub>2</sub> emissions. The Company's operations may be significantly impacted if it experiences delays in developing fuel-efficient products that reflect changing customer preferences. In addition, deterioration in the quality of vehicles could force the Company to incur substantial cost and damage to its reputation. There can be no assurance that the market acceptance of the Company's future products will meet sales expectations, in which case the Company may be unable to realise the intended economic benefits of the investments, and its revenues and profitability may decrease materially.

Private and commercial users of transportation increasingly use modes of transportation other than the automobile. The reasons for this include the rising costs of automotive transport, increasing traffic density in major cities and environmental awareness. Furthermore, the increased use of car-sharing concepts and other innovative mobility initiatives facilitates access to other methods of transport, thereby reducing dependency on the private automobile. A shift in

consumer preferences away from private automobiles would have a material adverse effect on the Company's general business activity and on its 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, the Company's 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 the Company's dealer organisation.

***The Company is subject to risks associated with product liability warranties and recalls.***

Should it supply defective products, parts, or related after-sales services, the Company is subject to risks and costs associated with product liability, including negative publicity, which may have a material adverse effect on the Company's business, financial conditions and results of operations. These events could also require the Company to spend considerable resources in correcting these problems and could significantly reduce demand for the Company's 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 presence.

***The Company is subject to risks associated with the automobile financing business.***

The Company is subject to risks associated with its automobile financing business in India. In Fiscal 2016, the market share of the Company's automobile financing business, which supports sales of the Company vehicles, declined to 23.0% from 24.0% in Fiscal 2015. Any default by the Company's customers or inability to repay installments as due could materially and adversely affect the Company's business, financial condition, results of operations and cash flows.

The sale of the Company's commercial and passenger vehicles is heavily dependent on funding availability for the customers. Rising delinquencies and early defaults have contributed to a reduction in automobile financing, which, in turn, has had an adverse effect on funding availability for potential customers. This reduction in available financing may continue in the future and have a material

adverse effect on the Company's business, financial condition and results of operations.

Jaguar Land Rover has consumer financing arrangements in place with financing partners in a number of key markets. Any reduction in the supply of available consumer financing for the purchase of new vehicles would limit the ability of some customers to purchase vehicles, which as a result could place Jaguar Land Rover under commercial pressure to offer new (or expand existing) retail or dealer incentives to maintain demand for their vehicles, thereby materially and adversely affecting Jaguar Land Rover sales and results of operations. Furthermore, Jaguar Land Rover also offers residual value guarantees on the leases of certain vehicles in some markets. The value of these guarantees is dependent on used car valuations in those markets at the end of the lease, which are subject to change. Consequently, Jaguar Land Rover may be adversely affected by movements in used car valuations in these markets.

Over time, and particularly in the event of any credit rating downgrade, market volatility, market disruption, regulatory changes or otherwise, the Company may need to reduce the amount of financing receivables that it originates, which could severely disrupt the Company's ability to support the sale of its vehicles.

***Underperformance of the Company's distribution channels and supply chains may have a material adverse effect on the Company's sales, financial condition and results of operations.***

The Company's products are sold and serviced through a network of authorised dealers and service centres across the domestic market and via 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 Company's expectations. There can be no assurance, however, that these expectations will be met. Any underperformance by the Company 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. 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 disrupt its business and materially affect the results of operations as well as its sales and net income.

Natural disasters and man-made accidents, adverse economic conditions, a decline in automobile demand, a lack of access to sufficient financing arrangements, among others things, could have a negative financial impact on the Company's suppliers, thereby impairing timely availability of components to the Company or causing increases in the costs of components. Similarly, impairments to the financial condition of the Company's distributors for any reason may adversely impact the Company's performance. In addition, if one or more of the other global automotive manufacturers were to become insolvent, this would have an adverse effect on the Company's supply chains and may have a material adverse effect on the Company's results of operations.

In respect of the Jaguar Land Rover operations, as part of a separation agreement from Ford Motor Company, the Company has entered into long-term supply agreements for critical components for the supply of engines and with certain other third parties for critical components which requires Jaguar Land Rover to purchase fixed quantities 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 the Company's business, financial condition and results of operations.

***Increases in input prices may have a material adverse effect on the Company's results of operations.***

In Fiscal 2016 and 2015, the consumption of raw materials, components and aggregates and purchase of products for sale (Consolidated) approximately 58.9% and 60.8%, respectively, of the Company's 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 the Company continues to pursue cost-reduction initiatives, an increase in the price of input materials could severely impact its profitability, to the extent such increase cannot be absorbed by the market through price increases and/or could have a negative impact on demand.

In addition, an increased price and supply risk could arise from the need for rare and frequently sought-after raw materials for which demand is high, such as rare earths, which are predominantly found in China. Rare earth metal prices and supply remain uncertain. In the past, China has limited the export of rare earths from time to time. Due to intense price competition and the Company's high level of fixed costs, the Company may not be able to adequately address changes in commodity prices even if they are foreseeable.

Increases in fuel costs also pose a significant challenge, especially in the commercial and premium vehicle categories where increased fuel prices have an impact on demand. If the Company is unable to find substitutes for supplies of raw materials, pass price increases on to customers or safeguard the supply of scarce raw materials, the Company's vehicle production, business and results from operations could be affected.

***Deterioration in the performance of any of the subsidiaries, joint ventures and affiliates may adversely affect the Company's results of operations.***

The Company has made and may continue to make capital commitments to its subsidiaries, joint ventures and affiliates. If the business or operations of any of these subsidiaries, joint ventures and affiliates deteriorates, the value of the Company's investments may decline substantially. The Company is also subject to risks associated with joint ventures and affiliates wherein the Company retains only partial or joint control. The Company's partners may be unable or unwilling to fulfill their obligations, or the strategies of the Company's joint ventures or affiliates may not be implemented successfully, any of which may materially reduce the value of the Company investments, which may in turn have a material adverse effect on the Company's reputation, business, financial position or results of operations.

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

Jaguar Land Rover, which contributes a large portion of the Company's consolidated revenues, generates a significant portion of its sales in China, the United Kingdom, North American and continental European markets. A decline in demand for Jaguar Land Rover vehicles in these key markets, may significantly impact the Company's business, growth prospects, financial position and results of operations.

***The Company is subject to risks associated with growing the business through mergers and acquisitions.***

The Company believes that acquisitions provide it opportunities to grow significantly in the global automobile markets by offering premium brands and products. Acquisitions have provided it with access to technology and additional capabilities while also offering potential synergies. However, the scale, scope and nature of the integration required in connection with acquisitions presents significant challenges, and the Company may be unable to integrate relevant subsidiaries, divisions and facilities effectively within the expected schedule. An acquisition may not meet the Company's

expectations and the realisation of the anticipated benefits may be blocked, delayed or reduced as a result of numerous factors, some of which are outside the Company's control.

For example, the Company acquired the Jaguar Land Rover business from Ford Motor Company in June 2008, and Jaguar Land Rover has become a significant part of the Company's business and accounted for approximately 82% of its total revenues for Fiscal 2016. As a result of the acquisition, the Company is responsible for, among other things, the obligations and liabilities associated with the legacy business of Jaguar Land Rover. There can be no assurances that any legacy issues at Jaguar Land Rover or any other acquisition the Company has undertaken in the past or will undertake in the future would not have a material adverse effect on its business, financial condition and results of operations, as well as its reputation and prospects.

The Company will continue to evaluate growth opportunities through suitable mergers and acquisitions in the future. Growth through mergers and acquisitions involves business risks, including unforeseen contingent risks or latent business liabilities that may only become apparent after the merger or acquisition is completed. The key success factors are seamless integration, effective management of the merged and/or acquired entity, retention of key personnel, cash flow generation from synergies in engineering and sourcing, joint sales and marketing efforts, and management of a larger business. If any of these factors fails to materialise or if the Company is unable to manage any of the associated risks successfully, the Company's business, financial condition and results of operations could be materially and adversely affected.

***The automobile business is seasonal in nature and substantial decrease in sales during certain quarters could have a material adverse impact on the Company's financial performance.***

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

In the Indian market, demand for the Company's vehicles generally peaks between January and March, although there is a decrease in demand in February just before release of the Indian fiscal budget. Demand is usually lean from April to July and picks up again in the festival season from September onwards, with a decline in December due to year end.

The Jaguar Land Rover business is impacted by the semi-annual registration of vehicles in the United Kingdom where the vehicle registration number changes every March and September, which,

leads to an increase in sales during these months and in turn, has an impact on the resale value of vehicles. Most other markets, such as the United States, are influenced by the introduction of new-model-year products which typically occurs in the autumn of each year, and there is some seasonality around the purchase of vehicles in northern states where the purchase of Jaguar vehicles is concentrated in the spring and summer months, and the purchase of 4x4 vehicles is concentrated in the autumn and winter months. Markets in China tend to experience higher demand for vehicles around the Chinese New Year and other national holidays. In addition, demand in Western European automotive markets tends to be softer during the summer and winter holidays. Furthermore, Jaguar Land Rover's cash flows are impacted by the temporary shutdown of four of their manufacturing plants in the United Kingdom (including the Engine Manufacturing Centre at Wolverhampton) during the summer and winter holidays. The resulting sales and cash flow profile influences operating results on a quarter to quarter basis.

***The Company's business and operations could be materially and adversely affected by labour unrest.***

All of the Company's permanent employees in India, other than officers and managers, and most of the permanent employees in South Korea and the United Kingdom, including certain officers and managers, in relation to the Company 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 its 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 facilities or at the facilities of the Company major vendors occur or continue for a long period of time, the Company's business, financial condition and results of operations could be materially and adversely affected. In Fiscal 2016, the Company witnessed standalone incidents of labour unrest, one in the Dharwad plant in state of Karnataka, India and other in the Sanand plant in Gujarat India, which were amicably resolved.

***The Company's business could be negatively affected by the actions of activist shareholders.***

Certain of the Company's shareholders may from time to time advance shareholder proposals or otherwise attempt to effect changes or acquire control over the Company's business. Campaigns by shareholders to effect changes at publicly listed

companies are sometimes led by investors seeking to increase short-term shareholder value by advocating corporate actions such as financial restructuring, increased borrowing, special dividends, stock repurchases or even sales of assets or the entire company, or by voting against proposals put forward by the board of directors and management of the company. If faced with actions by activist shareholders, the Company may not be able to respond effectively to such actions, which could be disruptive to the Company's business.

***The Company may have to comply with more stringent foreign investment norms in the event of an increase in shareholding of non-residents or if the Company is considered as engaged in a sector in which foreign investment is restricted.***

Indian companies, which are owned or controlled by non-resident persons, are subject to investment restrictions specified in the Consolidated FDI (Foreign Direct Investment) Policy, or the Consolidated FDI Policy. Under the Consolidated FDI Policy, an Indian company is considered to be "owned" by non-resident persons if more than 50% of its equity interest is beneficially owned by non-resident persons. The non-resident equity shareholding in the Company may, in the near future, exceed 50%, thereby resulting in the Company being considered as being "owned" by non-resident entities under the Consolidated FDI Policy. In such an event, any investment by the Company in existing subsidiaries, associates or joint ventures and new subsidiaries, associates or joint ventures will be considered as indirect foreign investment and shall be subject to various requirements specified under the Consolidated FDI Policy, including sectoral limits, approval requirements and pricing guidelines, as may be applicable.

Furthermore, as part of its automotive business, the Company supplies, and has in the past supplied vehicles to Indian military and paramilitary forces and, in the course of such activities has obtained an industrial license from the Department of Industrial Policy. The Consolidated FDI policy applies different foreign investment restrictions to companies based upon the sector in which they operate. While the Company believes it is an automobile company by virtue of the significance of its automobile operations, in the event that foreign investment regulations applicable to the defense sector (including under the Consolidated FDI Policy) are made applicable to the Company, the Company may face more stringent foreign investment restrictions and other compliance requirements compared to those applicable to it presently, which in turn could materially affect the Company's business, financial condition and results of operations.

***The Company's business and prospects could suffer if the Company loses one or more key personnel or if it is unable to attract and retain its employees.***

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

***Future pension obligations may prove more costly than currently anticipated and the market value of assets in the Company's pension plans could decline.***

The Company provides post-retirement and pension benefits to its employees, including defined benefit plans. The Company's pension liabilities are generally funded. However, lower returns on pension fund assets, change in market conditions, interest rates or inflation rates, and adverse changes in other critical actuarial assumptions may impact the Company's pension liabilities or assets and consequently increase funding requirements, which could materially decrease the Company's net income and cash flows.

***Any inability to manage the Company's growing international business may materially and adversely affect its financial condition and results of operations.***

The Company's growth strategy relies on the expansion of the Company's operations by introducing certain automotive products in markets outside India, including Europe, China, Russia, Brazil, the United States, Africa and other parts of Asia. The costs associated with entering and establishing the Company 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 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. As part of its global activities, the Company may engage with third-party dealers and distributors which it does

not control but which nevertheless take actions that could have a material adverse impact on the Company reputation and business. In addition, the Company cannot assure you that it will not be held responsible for any activities undertaken by such dealers and distributors. If the Company is unable to manage the risks related to its expansion and growth in other parts of the world, the Company's business, financial condition and results of operations could be materially and adversely affected.

***The Company has a limited number of manufacturing, design, engineering and other facilities, and any disruption in the operations of these facilities could materially and adversely affect the Company's business, financial condition and results of operations.***

The Company has manufacturing facilities and design and engineering centers in India, the United Kingdom, China, South Korea, Thailand, South Africa, Italy, Brazil, and Indonesia. The Company could experience disruptions 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 events. Any such disruptions could affect the Company's ability to design, manufacture and sell its products. If any of these events were to occur, there can be no assurance that the Company would be able to shift its design, engineering or manufacturing operations to alternate sites in a timely manner or at all. Any such disruption could materially and adversely affect the Company's business, financial condition and results of operations.

***The Company relies on licensing arrangements with Tata Sons Limited to use the "Tata" brand. Any improper use of the associated trademarks by the Company's licensor or any other third parties could materially and adversely affect the Company's business, financial condition and results of operations.***

The Company's rights to its trade names and trademarks are a crucial factor in marketing its products. Establishment of the "Tata" word mark and logo mark, in and outside India, is material to the Company's operations. The Company has licensed the use of the "Tata" brand from its Promoter, Tata Sons Limited. If its 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, the Company's reputation could suffer damage, which in turn could have a material adverse effect on the Company's business, financial condition and results of operations.



***The Company is exposed to operational risks, including risks in connection with the Company's use of information technology.***

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

***The Company may be materially and adversely affected by the divulgence of confidential information.***

Although the Company has implemented policies and procedures to protect confidential information such as key contractual provisions, future projects, and customer records, such information may be divulged, including as a result of hacking or other threats from cyberspace. If this occurs, the Company could be subject to claims by affected parties, negative publicity and loss of proprietary information, all of which could have an adverse and material impact on the Company's business, financial conditions, results of operations and cash flows.

***Any failures or weaknesses in the Company's internal controls could materially and adversely affect the Company financial condition and results of operations.***

Upon an evaluation of the effectiveness of the design and operation of the Company's internal controls in the annual report on Form 20-F filed with the United State Securities and Exchange Commission, or the SEC for the year ended March 31, 2015, the Company concluded that there was a material weakness such that the Company internal controls over financial reporting were not effective as at March 31, 2015. Although the Company has instituted remedial measures to address the material weakness identified and continually review and evaluate its internal control systems to allow management to report on the sufficiency of the Company's internal controls, the Company cannot assure you that it will not discover additional weaknesses in the Company internal controls over financial reporting. Any such additional weaknesses

or failure to adequately remediate any existing weakness could materially and adversely affect the Company's financial condition or results of operations and the Company's ability to accurately report its financial condition and results of operations in a timely and reliable manner.

***Inability to protect or preserve intellectual property could materially and adversely affect the Company's business, financial condition and results of operations.***

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

***The Company's insurance coverage may not be adequate to protect the Company against all potential losses to which the Company may be subject, and this may have a material adverse effect on the Company's business, financial condition and results of operations.***

While the Company believes that the insurance coverage that it maintains is reasonably adequate to cover all normal risks associated with the operation of its business, there can be no assurance that its insurance coverage will be sufficient, that any claim under such insurance policies will be honoured fully or timely, or that the insurance premiums will not increase substantially. Accordingly, to the extent that the Company suffers loss or damage that is not covered by insurance or that exceeds its insurance coverage, or is required to pay higher insurance premiums, the Company's business, financial condition and results of operations may be materially and adversely affected.

***Impairment of intangible assets may have a material adverse effect on the Company's results of operations.***

Designing, manufacturing and selling vehicles is capital intensive and requires substantial investments in intangible assets like research and development, product design and engineering technology. The Company reviews the value of its intangible assets on an annual basis to assess whether the recoverable amount is lower than the carrying amount of an asset concerned or based on underlying cash generating units to which the assets belong. The Company may have to take an impairment loss as of the current balance sheet date or a future balance sheet date, if the carrying amount exceeds the recoverable amount, the Company would need to record an impairment loss which could have a material adverse effect on the Company financial condition and results of operations.

***The Company requires certain approvals or licenses in the ordinary course of business, and the failure to obtain or retain them in a timely manner, or at all, may adversely affect its operations.***

The Company requires certain statutory and regulatory permits, licenses and approvals to carry out its business operations and applications for their renewal need to be made within certain time frames. For some of the approvals which may have expired, the Company has either made or are in the process of making an application for obtaining the approval or its renewal. While the Company has applied for renewal for a few of these approvals, registrations and permits, the Company cannot assure you that it will receive these approvals and registrations in a timely manner or at all. The Company can make no assurances that the approvals, licenses, registrations and permits issued to the Company would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Furthermore, if the Company is unable to renew or obtain necessary permits, licenses and approvals on acceptable terms in a timely manner, or at all, the Company's business, financial condition and operations may be adversely affected.

**Political and Regulatory Risks**

***India's obligations under the World Trade Organisation Agreement could materially affect the Company's business.***

India's obligations under its World Trade Organization agreement could reduce the present level of tariffs on imports of components and vehicles. Reductions of import tariffs could result in increased

competition, which, in turn, could materially and adversely affect the Company's business, financial condition and results of operations.

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 significantly increase the Company's costs and materially decrease its net income.

As an automobile company, the Company is subject to extensive governmental regulations regarding vehicle emissions levels, noise and safety, and levels of pollutants generated by its production facilities. These regulations are likely to become more stringent, and the resulting higher compliance costs may significantly impact the Company's future results of operations. In particular, the United States and Europe have stringent regulations relating to vehicle emissions. The contemplated tightening of vehicle emissions regulations by the European Union will require significant costs for compliance. In 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 discussion and implementation.

In order to comply with current and future safety and environmental norms, the Company may have to incur additional costs to (i) operate and maintain its production facilities, (ii) install new emissions controls or reduction technologies, (iii) purchase or otherwise obtain allowances to emit greenhouse gases, (iv) administer and manage the Company's greenhouse gas emissions programme, and (v) invest in research and development to upgrade products and manufacturing facilities. If the Company is unable to develop commercially viable technologies or is otherwise unable to attain compliance within the time frames set by new standards, the Company 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 the Company's costs. While the Company is pursuing the development and implementation of various technologies in order meet the required standards in the various countries in which the Company sells its vehicles, the costs for compliance with these required standards could be significant to its operations and may materially and adversely affect the Company's 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 the Company's products as well as its 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 the Company's financial condition and results of operations. For example, the Company currently benefits from excise duty exemptions for manufacturing facilities in the State of Uttarakhand and other incentives such as subsidies or loans from states where the Company has manufacturing operations. The Government of India has proposed a comprehensive national goods and services tax, or GST, regime that would combine taxes and levies by the central and state governments into one unified rate structure. While both the Government of India and 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 or any other aspect of the tax regime following implementation of the GST. The implementation of this rationalised tax structure may be affected by any disagreement between certain state governments, which could create uncertainty. The Government of India has publicly announced its intention to implement the GST on April 1, 2017, however, the Company can make no assurances regarding this timeline.

In addition, regulations in the areas of investments, taxes and levies may also have an impact on the price of the Company shares or ADSs. Any regulatory action taken, or penalties imposed, in any jurisdiction may have significant severe reputational consequences on the Company's business and its result from operations.

***The Company may be materially and adversely impacted by political instability, wars, terrorism, multinational conflicts, natural disasters, fuel shortages/prices, epidemics and labour strikes.***

The Company's products are exported to a number of geographical markets, and it plans to further expand international operations in the future. Consequently, the Company's operations in those foreign markets may be subject to political instability, wars, terrorism, regional 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, rules and regulations, unclear regulatory and taxation systems and divergent commercial and employment practices and procedures. Any

significant or prolonged disruption or delay in the Company's operations related to these risks could materially and adversely affect its business, financial condition and results of operations.

***Compliance with new or changing corporate governance and public disclosure requirements adds uncertainty to the Company's compliance policies and increases compliance costs.***

The Company is 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 U.S. Securities and Exchange Commission (SEC) regulations, Securities and Exchange Board of India (SEBI) regulations, New York Stock Exchange listing rules, the Companies Act. New or changed laws, rules, regulations and standards may lack specificity and are subject to varying interpretations. As an example, pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, or the Dodd-Frank Act, which contains significant corporate governance and executive compensation-related provisions, the SEC has adopted additional rules and regulations in areas such as "say on pay". Similarly, under applicable Indian laws, for example, remuneration packages may in certain circumstances require shareholders' approval. The Company's management and other personnel may be required to devote a substantial amount of time to such compliance initiatives. Their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs of compliance as a result of ongoing revisions to such governance standards. The Company is committed to maintaining high standards of corporate governance and public disclosure. However, efforts to comply with evolving laws, rules, regulations and standards in this regard have resulted in, and are likely to continue to result in, increased general and administrative expenses and a diversion of management resources and time.

The Companies Act, 2013 has effected significant changes to the existing Indian company law framework, which may subject the Company to higher compliance requirements and increase its compliance costs. A majority of the provisions and rules under the Companies Act have 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 brought into effect significant changes to the Indian company law framework, such as in the provisions related to the issue of capital (including provisions in relation to issue of securities on a private placement basis),

disclosures in offering documents, corporate governance norms, accounting policies and audit matters, related party transactions, introduction of a provision allowing the initiation of class action suits in India against companies by shareholders or depositors, a restriction on investment by an Indian company through more than two layers of subsidiary investment companies (subject to certain permitted exceptions), prohibitions on loans to directors and insider trading and restrictions on forward dealing by directors and key management personnel. The Company is also required to spend, in each financial year, at least 2% of its average net profits during the three immediately preceding financial years calculated for Tata Motors Limited on a standalone basis under Indian GAAP, towards corporate social responsibility activities. Furthermore, the Companies Act, 2013 imposes greater monetary and other liability on the Company and its directors for any non-compliance. To ensure compliance with the requirements of the Companies Act, 2013, the Company may need to allocate additional resources, which may increase its regulatory compliance costs and divert management's attention. The Company may also face challenges in interpreting and complying with such provisions due to limited jurisprudence. In the event the Company's interpretation of the Companies Act, 2013 differs from, or contradicts with, any judicial pronouncements or clarifications issued by the Government of India in the future, the Company may face regulatory actions or be required to undertake remedial steps. Additionally, some of the provisions of the Companies Act, 2013 overlap with other existing laws and regulations (such as corporate governance norms and insider trading regulations issued by (SEBI). Recently, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") applicable to all Indian companies with listed securities or desirous of listing its securities, on an Indian Stock Exchange, which became effective on December 1, 2015. Pursuant to the Listing Regulations, the Company is required to, among 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 Listing Regulations. The Company may face difficulties in complying with any such overlapping requirements. Further, the Company cannot currently determine the impact of certain provisions of the Companies Act, 2013 and the revised SEBI Listing regulations. Any increase in the Company compliance requirements or in the Company's compliance costs may have a material and adverse effect on the Company's business, financial condition and results of operations.

***The Company may be affected by competition law in India and any adverse application or interpretation of the Competition Act could adversely affect the Company's business.***

The Competition Act regulates practices having an appreciable adverse effect on competition, or AAEC, in a given relevant market in India. Under the Competition Act, any formal or informal arrangement, understanding or action in concert which causes or is likely to cause an AAEC is considered void and results in imposition of substantial penalties. Consequently, all agreements entered into by the Company could be within the purview of the Competition Act. Further, any agreement among competitors which directly or indirectly involves determination of purchase or sale prices, limits or controls production, sharing the market by way of geographical area or number of subscribers in the relevant market or which directly or indirectly results in bid-rigging or collusive bidding is presumed to have an AAEC in the relevant market in India and is considered void. The Competition Act also prohibits abuse of a dominant position by any enterprise. The Company cannot predict with certainty the impact of the provisions of the Competition Act on its agreements at this stage.

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 the implementation of the merger control regime in India.

Further, the CCI has extraterritorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an AAEC in India. The CCI has initiated an enquiry against the Company and other car manufacturers, collectively referred to hereinafter as the OEMs, pursuant to an allegation that genuine spare parts of automobiles manufactured by the OEMs were not made freely available in the open market in India and, accordingly, anti-competitive practices were carried out by the OEMs.

If the Company is 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 the Company's business, financial condition and results of operations.

***Compliance with the SEC's rules for disclosures on "conflict minerals" may be time consuming and costly as well as result in reputational damage.***

Under the Dodd-Frank Act, the SEC has adopted rules that apply 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 rules require companies to conduct due diligence as to whether or not such minerals originated from the Democratic Republic of Congo or adjoining countries, and further require companies to file certain information with the SEC about the use of these minerals. The Company expects to incur additional costs to comply with these due diligence and disclosure requirements. In addition, depending on the Company's findings or its inability to make reliable findings about the source of any possible conflict minerals that may be used in any products manufactured for the Company by third parties, the Company's reputation could be harmed.

***The Company may be materially and adversely affected by RBI policies and actions.***

In 2016, RBI announced an interest rate cut coupled with a cautious statement on inflation which may have impacted the price of the Company's shares or ADSs. The Company can make no assurances about future market reactions to RBI announcements and their impact on the price of its shares or ADSs. Furthermore, the Company's business could be significantly impacted were the RBI to make major alterations to monetary or financial policy. Certain changes, such as the raising of interest rates, could negatively affect the Company's sales and consequently its revenue, any of which could have a material adverse effect on the Company's financial condition.

***The Indian Securities Market is volatile and could affect the Company's share prices.***

Indian stock exchanges, including the BSE, have, in the past, experienced substantial fluctuations in the prices of their listed securities. The problems, if they continue or recur, could affect the market price and liquidity of the securities of Indian companies. 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.

SEBI received statutory powers in 1992 to assist it in carrying out its responsibility for improving disclosure and other regulatory standards for the securities markets. Subsequently, it has prescribed regulations and guidelines in relation to disclosure requirements, insider dealing and other matters relevant to the securities market. There may, however, not be an adequate level of information available about companies listed on the Indian stock exchanges.

***Political changes in India could delay and/or affect the further liberalisation of the Indian economy and materially and adversely affect economic conditions in India generally and the Company's business in particular.***

The Company's business could be significantly influenced by economic policies adopted by the Government of India. Since 1991, successive governments have pursued policies of economic liberalisation and financial sector reforms. The Government of India has at various times announced its general intention to continue India's current economic and financial liberalisation and deregulation policies. However, protests against such policies, which have occurred in the past, could slow the pace of liberalisation and deregulation. The rate of economic liberalisation 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 the Company expects any new government to continue the liberalisation 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. The Company's business and the market price and liquidity of the Company's shares 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. In addition, a change in the Government of India's economic liberalisation and deregulation policies could disrupt business and economic conditions in India generally. Any of these factors could have a material adverse effect on the Company's financial condition and results of operations.

***Terrorist attacks, civil disturbances, regional conflicts and other acts of violence, particularly in India, may disrupt or otherwise***

***adversely affect the markets in which the Company operates, the Company's business and profitability.***

India has from time to time experienced social and civil unrest and hostilities, including terrorist attacks, riots and armed conflict with neighbouring countries. Events of this nature in the future could influence the Indian economy and could have a material adverse effect on the Company's business as well as the market for securities of Indian companies, including the Company's shares and ADSs. 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 Company shares or ADSs. Furthermore, 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 the Company's 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 the Company's business, results of operations and financial condition, and the market price of the Company's shares or ADSs.

***Any downgrading of India's debt rating by a domestic or international rating agency could negatively impact the Company's business.***

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

***The Company will be required to prepare financial statements under Ind-AS (which is India's convergence to IFRS).***

The Company currently prepares annual and interim financial statements under Indian GAAP and annual financial statements under IFRS. The Company is required to prepare annual and interim financial statements under Indian Accounting Standards or Ind-AS from April 1, 2016.

Ind-AS differs in certain respects from Indian GAAP and IFRS and therefore financial statements prepared under Ind-AS may be substantially different from financial statements prepared under Indian GAAP or IFRS. There can be no assurance that the Company's financial condition, results of operation, cash flow or changes in

shareholders' equity will not be presented differently under Ind-AS compared to Indian GAAP or IFRS. When the 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 will not adversely affect the Company's financial condition or results of operations.

### **Business Summary**

The Company's business segments are (i) automotive operations and (ii) all other operations. The Company's automotive operations are further subdivided into Tata and other brand vehicles (including vehicle financing) and Jaguar Land Rover. The Company primarily operates in the automotive industry. The Company's automotive segment operations include all activities relating to the development, design, manufacture, assembly and sale of vehicles including vehicle financing, as well as sale of related parts and accessories. The acquisition of the Jaguar Land Rover business has enabled the Company to enter the premium cars market in developed markets such as the United Kingdom, the United States, Europe and China as well as several emerging markets such as Russia, Brazil and South Africa. Going forward, the Company expects to focus on profitable growth opportunities in its global automotive business through new products and market expansion. Within automotive operations, the Company continues to focus on integration and synergy through sharing of resources, platforms, facilities for product development and manufacturing, sourcing strategy and mutual sharing of best practices.

The all other operations segment includes information technology, or IT services, and machine tools and factory automation solutions.

### **Overview of the Company's Business**

In the automotive segment, the Company manufactures and sells passenger cars, utility vehicles, light commercial vehicles, and medium and heavy commercial vehicles. The Company further divides these categories based on the size, weight, design and price of the vehicle. The Company's subcategories vary between and within Tata and other brand vehicles and Jaguar Land Rover businesses.

- ❖ Passenger Cars: The Company's range of Tata-branded passenger cars include the Nano (micro), the Indica, the Bolt and the Tiago both in the compact segment, the Indigo eCS, and the Zest (mid-sized) in the sedan category. The Company has expanded its passenger car range with several variants and fuel options

designed to suit various customer preferences. The Company's Jaguar Land Rover operations have an established presence in the premium passenger car category under the Jaguar brand name. There are five car lines currently manufactured under the Jaguar brand name, including the F-TYPE two-seater sports car coupe and convertible the all new XF sedan, the XJ saloon, the XE sports saloon and the all new luxury performance SUV called the F-PACE, which became available for sale in April 2016.

- ❖ Utility Vehicles (UV): The Company manufactures a range of Tata-branded utility vehicles, including the Sumo and the Safari (SUVs), the Xenon XT (lifestyle pickup), the Tata Aria (crossover), and the Venture (multipurpose utility vehicle). Under the Safari brand, the Company offers two variants: the Dicor and the Safari Storme. Under the Sumo brand, the Company offers the Sumo Gold. There are five car lines under the Land Rover brand comprising the Range Rover, the Range Rover Sport, the Range Rover Evoque (including the Evoque convertible which will become available for sale in June 2016), the Land Rover Discovery and the Land Rover Discovery Sport. The Company ceased production of the Land Rover Defender in January 2016.
- ❖ Light Commercial Vehicles (LCV): The Company manufactures a variety of light commercial vehicles, including pickup trucks and small commercial vehicles. This also includes the Tata Ace, India's first indigenously developed mini-truck, with a 0.7 ton payload with different fuel options, the Super Ace and the ACE Mega both with a 1-ton payload, the Ace Zip, with a 0.6 ton payload, the Magic and Magic Iris, both of which are passenger variants for commercial transportation developed on the Tata Ace platform, and the Winger. The Company's offerings in the LCV bus segment include the Cityride and the Starbus ranges of buses.
- ❖ Medium & Heavy Commercial Vehicles: The Company manufactures a variety of medium and heavy commercial vehicles, which include trucks, tractors, buses, tippers, and multi-axled vehicles, with Gross vehicle weight (GVWs) (including payload) of between 8 tons and 49 tons. In addition, through Tata Daewoo Commercial Vehicles, or TDCV, the Company manufactures a wide array of trucks ranging from 215 horsepower to 560 horsepower, including dump trucks, tractor-trailers, mixers and cargo vehicles. The Prima line of trucks is aimed at its customers in India and South Korea, and the Company has partially extended the offering by offering Prima LX variants of various products of the Prima line. The Company also offers a range of buses, which includes, the Semi Deluxe Starbus Ultra

Contract Bus and the new Starbus Ultra. The Company's range of buses is intended for a variety of uses, including as intercity coaches (with both air-conditioned and non-air-conditioned luxury variants), as school transportation and as ambulances.

### Other Operations

The Company's other operations business segment mainly includes information technology services, and machine tools and factory automation services.

Information Technology Services: As at March 31, 2016, the Company owned a 72.32% equity interest in its subsidiary, Tata Technologies Limited, or TTL. TTL specialises in providing engineering services outsourcing, product development IT services solutions for product lifecycle management, or PLM and Enterprise Resource Management, or ERM, to the world's leading automotive, aerospace and consumer durables manufacturers and their suppliers. TTL's services also include product design, analysis and production engineering, knowledge-based engineering and customer relationship management systems. TTL also distributes, implements and supports PLM products from leading solutions providers worldwide such as Dassault Systems and Autodesk.

TTL has its international headquarters in Singapore, with regional headquarters in the United States, India and the United Kingdom. TTL has a combined global workforce of around 8,087 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 centres in India, Thailand and Romania.

### The Company's Strategy

The Company believes that it has established a strong position in the Indian automobile industry by launching new products, investing in research and development, strengthening its financial position and expanding its manufacturing and distribution network. The Company has increased its presence in the global automotive markets and enhanced its product range and capabilities through strategic acquisitions and alliances. The Company aims to position itself as a major international automotive company by offering products across various markets by combining its engineering and other strengths as well as through strategic acquisitions. The Company's strategy to achieve these goals consists of the following elements:

**Continued focus on new product development:** During Fiscal 2016, the Company launched the following products:

- ❖ Ace Mega: The Ace Mega is a small pickup truck in the Small Commercial Vehicle (SCV) segment which offers performance combined with fuel efficiency a low cost of ownership.
- ❖ SIGNA range of M&HCV: The SIGNA range offers improved cab experience, connected vehicle related functionalities and an improved driveline.
- ❖ Ultra Electric: The Company has launched its first full-electric bus with zero emissions and reduced noise operations.
- ❖ Further, during Fiscal 2016, the Company increased its global presence and launched the Prima in Kenya, Uganda and Bangladesh, the Ultra Bus in Sri-Lanka, Ultra trucks in Bangladesh, the Elanza bus in UAE and the ACE Express and ACE mega in Sri-Lanka and Nepal.
- ❖ Range Rover Evoque: The Company launched the refreshed 2016 model in August 2015 and the Evoque convertible will go on sale in June 2016.
- ❖ Jaguar XE: The all new Jaguar XE went on sale in May 2015, excluding the US, where sales commenced in May 2016, and is currently being manufactured at the Solihull plant in the UK. The XE was the first Jaguar Land Rover vehicle to feature Jaguar Land Rover's in-house 2.0 litre 4 cylinder engines.
- ❖ Jaguar XF: The all new light weight Jaguar XF uses the same aluminum-intensive architecture as the Jaguar XE and was launched in September 2015.
- ❖ Jaguar XJ: The Company launched the refreshed 2016 model year XJ in December 2015.
- ❖ Jaguar F-PACE: The Company revealed the Jaguar F-PACE luxury performance SUV at the Frankfurt Motor Show in 2015. The F-PACE went on sale in April 2016 and utilizes the same aluminum-intensive architecture as the Jaguar XE and XF.
- ❖ Tiago – The Company launched the Tiago in April 2016.

The Company's capital expenditures totaled ₹32,024.42 crores, and ₹34,889.61 crores for Fiscal 2016 and 2015, respectively, and the Company currently plans to invest approximately ₹398 billion in Fiscal 2017 in new products and technologies.

The Company's research and development focuses on developing and acquiring the technology, core competence and skill set required for the timely delivery of its envisaged future product portfolio with industry-leading features across the range of commercial and passenger vehicles. For the passenger vehicle product range, the focus is on stunning design, driving pleasure and connected car

technologies. For the commercial vehicle product range, the focus is on enhancing fuel-efficiency and minimising the total cost of ownership. The Company has continued its endeavour to adopt technologies for its product range to meet the requirements of a globally competitive market. The Company has also undertaken programmes for development of vehicles which run on alternate fuels such as LPG, CNG, bio-diesel, electric-traction and hydrogen. The Company recently signed a contract to supply 25 Tata Starbus Diesel Series Hybrid Electric Bus with Full Low floor configuration, with the Mumbai Metropolitan Region Development Authority (MMRDA). It has plans to expand its product base further, which is supported by its strong brand recognition in India, its understanding of local consumer preferences, its in-house engineering capabilities and its extensive distribution network. With growing competition, changing technologies and evolving customer expectations, the Company understands the importance of bringing new platforms to address market gaps and further enhancing the existing range of vehicles to ensure customer satisfaction.

Jaguar Land Rover has invested to enhance its technological strengths through in-house research and development activities, including the development of its engineering and design centers which centralise Jaguar Land Rover's capabilities in product design and engineering.

Furthermore, Jaguar Land Rover participates in advanced research consortia that bring together leading manufacturers, suppliers and academic specialists in the United Kingdom and are supported by funding from the UK Government's Technology Strategy Board.

**Leveraging the Company's capabilities:** The Company believe that the foundation of its growth over the last six decades has been a deep understanding of economic conditions and customer needs, and the ability to translate this understanding into desirable products through research and development. In India, its Engineering Research Centre, or ERC, which was established in 1966, has successfully designed, developed and produced a wide range of vehicles. 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. Furthermore, the Company has a wholly-owned subsidiary, Tata Motors European Technical Centre PLC, or TMETC, in the United Kingdom, which is engaged in automobile research and engineering.

The Company believes that its in-house research and development capabilities, including those of its subsidiaries such as Jaguar Land Rover, TDCV, Trilix S.r.l., or Trilix, in Italy, and TMETC, in the United



Kingdom and the joint ventures with Marcopolo of Brazil in India, Thonburi in Thailand and Tata Africa Holdings (SA) (Pty.) Ltd in South Africa, will enable it to expand its product range and extend its geographical reach. The Company continually strives to achieve synergies wherever possible with its subsidiaries and joint ventures. The Company aims to invest in plant modernisation and to increase manufacturing capacity and efficiency.

The Company has continued modernizing its facilities to meet demand for its vehicles. The Jamshedpur plant, which manufactures the entire range of M&HCVs, including the Prima, both for civilian and defense uses, has been modernized over the years and in Fiscal 2015, the Company celebrated 60 years of truck manufacturing at its first manufacturing and engineering facility at Jamshedpur.

The Company's product portfolio of Tata-brand vehicles, which includes the Nano, Indica, Indigo, Sumo, Sumo Grande, Safari, Safari Storme, Aria, Tiago, Zest, Bolt and Venture, enables it to compete in various passenger vehicle market categories. The Company also offers alternative fuel vehicles under the Nano and Indigo brands.

The Company also intends to expand its sales reach and volumes in rural areas, where an increase in wealth has resulted in a declining difference between urban and rural automobile purchase volumes.

Jaguar Land Rover invests substantially in the development of new products in new and existing segments by introducing new powertrains and technologies, including CO<sub>2</sub> reduction and electrification that satisfy both customer preferences and regulatory requirements. Jaguar Land Rover also invest in expanding manufacturing capacity in the United Kingdom and internationally to meet customer demand. In line with other premium automotive manufacturers Jaguar Land Rover targets capital expenditure to revenue of 10-12%. However, in Fiscal 2017 and for some time thereafter, Jaguar Land Rover anticipates increasing capital expenditure in order to take advantage of growth opportunities. For Fiscal 2017, capital expenditure at Jaguar Land Rover is expected to be around GB£3.75 billion (approximately ₹358 billion), allocated approximately 43% for research and development and 57% for expenditure on tangible fixed assets such as facilities, tools and equipment as well as other investments.

In October 2014, Jaguar Land Rover opened its Engine Manufacturing Centre at Wolverhampton, in the West Midlands. The plant currently manufactures Jaguar Land Rover's own in-house 2.0-litre diesel engine, which was first introduced into the Jaguar XE and now available in the XF, F-PACE, Evoque and Discovery Sport. The 2.0-litre petrol engine, which is anticipated to utilise the same configurable and flexible common architecture as

the diesel variant, is scheduled for production later in Fiscal 2017. Jaguar Land Rover's in-house engines have been engineered to ensure maximize manufacturing efficiency, to include the flexibility to increase the number of engine variants and to be consistently high quality. Initial investment in the Engine Manufacturing Centre was approximately GB£500 million and Jaguar Land Rover recently announced an additional investment of GB£450 million to double the size of the Engine Manufacturing Centre, as the engine plant is expected to eventually employ over 1,400 people.

In July 2015, Jaguar Land Rover agreed a manufacturing partnership with Magna Steyr, an operating units Magna International Inc, to build future vehicles in Graz, Austria.

In December 2015, Jaguar Land Rover announced an initial investment of GB£1.0 billion to build a manufacturing facility in Slovakia with an annual capacity of 150,000 units, with a potential further investments of GB£500 million to increase the capacity of facility to 300,000 units per annum. Production is scheduled to commence at this facility in Fiscal 2018.

In June 2016, Jaguar Land Rover will be opening its R\$ 750 million (Brazilian reals) (GB£240 million) manufacturing facility in Brazil which manufactures the Evoque and Discovery sports for the Brazilian markets.

### ***Continuing focus on high quality and enhancing customer***

***satisfaction:*** One of the Company's principal goals is to achieve international quality standards for its products and services. To that end, the Company has established a comprehensive purchasing and quality control ecosystem that is designed to consistently deliver quality products and superior service. The Company scored ranking 3 in 2015, up from 2014, in the J.D. Power Asia Pacific 2015 India Customer Service Index (CSI) Survey. The Company believes that its extensive sales and service network also enable it to provide quality and timely customer service. The Company is encouraging focused initiatives at both sales and service touch points to enhance customer experience and strive to be best in class. Furthermore, Tata Motors Finance Ltd, or TMFL, the Company's vehicle financing subsidiary, has enhanced its "Office of the Customer" initiative as well as its rural branch network and infrastructure in order to increase interactions and build relations with the Company's customers and dealers.

***Leveraging brand equity:*** The Company believes customers associate the Tata name with reliability, trust and ethical values, and that the Company brand name gains 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. The Company recognises the need for enhancing its brand recognition in highly competitive markets in which it competes with internationally recognized brands. The Company, along with Tata Sons and other Tata companies, will continue to promote the Tata brand and leverage its use in India and various international markets where the Company plans to increase its presence. Supported by the Tata brand, the Company believes its brands such as the Zest, the Bolt, the Indica, the Indigo, the Sumo, the Safari, the Aria, the Venture, the Nano, the Prima, the Ultra range of LCVs, the Ace, and the Magic, along with the Daewoo, are highly regarded, which the Company intends to nurture and promote further. At the same time, the Company will continue to build new brands, such as the newly launched SIGNA range of M&HCVs, the Tiago, to further enhance its brand equity.

The Company's commercial vehicle initiative, Project Neev, provides a growth programme for rural India designed to promote self-employment. Local, unemployed rural youth have been enrolled and trained to work from homes as promoters of the Company's commercial vehicles. Project Neev is currently operational in nineteen states of India and has engagement in 456 districts and 3,613 sub-districts, which covers more than 470,500 villages. The rural penetration drive initiated through Project Neev has deployed an approximately 6,500 member dedicated team in towns and villages with populations of less than 50,000. Nearly 90,000 commercial vehicles have been sold since the commencement of this programme, to which the Company attributes a 24% increase in volumes of small commercial vehicle sales. Project Neev currently completed its fifth wave of expansion, and the Company anticipates 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 the Rural Marketing Association of India Flame Awards for excellence in the field of rural marketing.

In light of the positive response received by "Truck World: Advanced Trucking Expo", which was launched in Fiscal 2015, the Company has organized 6 Truck World events in Fiscal 2016 - at Kolkata, Bhubaneshwar, Indore, Gandhidham, Hubli and Jaipur. This exposition showcases the Company's offering of medium and heavy commercial vehicles, along-with service-related brands such as Tata Genuine Parts, Tata Delight and Tata FleetMan. In Fiscal 2016, the Company introduced Programme Transcend, an initiative to empower the next-generation of entrepreneurs and also launched a driver engagement initiative - called "Ek Shaam Saarthi Ke Naam".

Another initiative through the Company's commercial vehicles business is TATA-OK. TATA-OK seeks to promote the Company's commercial vehicles by capturing new customer segments (such as economical and used vehicle buyers), promoting the sale of new vehicles through the exchange of used commercial vehicles at the Company's dealerships, increasing the resale value of its commercial vehicles products, and facilitating deeper customer engagement and thereby promoting brand loyalty and providing additional source of revenue to its channel partner's. TATA-OK has completed five years of operation, including a pilot year, which retailed over 23,600 transactions in Fiscal 2016 through over 460 retailers. The Company offers a variety of support products and services for its customers. TataFleetMan, the Company's telematics and fleet management service, is designed to enable the commercial vehicles sector to boost fleet productivity, safety and cost efficiency. With the goal of bringing the most advanced technology in this area to its customers, the Company has entered into a partnership with UK-based Microlise Limited to introduce global standards of telematics and fleet management solutions into the Indian logistics and transport industry.

In Fiscal 2016, Original Equipment manufacturer fitment of Tata Fleetman was commenced, covering all Prima (Cargo & Tipper), LPS 3518 and LPS 4018. Tata Motors Loyalty Programmes (Tata Delight and Tata Emperor) was recognized by the DMA Asia ECHO™ Awards and PMAA Dragons of Asia in December 2015.

In Fiscal 2016, the Company launched a new initiative, TATA Zippy with a promise to deliver a vehicle after repair within 48 hours or else pay a penalty to the customer. The Company also introduced Tata Kavach which deliver accidental vehicle in 15 days' post approvals or else pay a penalty to the customers. Tata Alert continues to provide breakdown assistance by promising to respond to the breakdown site within four hours of notification and to return the vehicle to the road within 24 hours. While "Priority first" continues to monitor repairs of prime models i.e. Ultra and Prima- It ensures vehicle delivery in 36 hours. These initiatives are supported by services such as the Tata on-site service and parts support through the use of container workshops and mobile service vans. These workshops are an on-site service support system that deploy a container on site which houses the repair equipment while the repairs are done at the customers' location. Mobile workshops visit potential customer sites based on the requirement for door step service. Mobile workshops are equipped with tools, compressor and washing facility. In addition, the Company offers an on-demand AMC (annual maintenance contracts) service, which provides customized AMC support for significant

customers, such as large fleet owners. To improve brand equity of TATA Genuine Parts, concepts, such as the TGP Experience Centre and the Champion Zone have been started in the retail segment.

The Company also offers triple benefit insurance products for certain commercial vehicles which provide coverage for zero depreciation, loss of revenue, and replacement for total loss in case of accident. It offers a warranty of 4 years / 400,000 kilometers on drivelines for its entire range of heavy trucks with 25 tons and higher GVW and extended the same to its 16T GVW truck range.

In Fiscal 2016, Tata Motors achieved a new milestone in its last mile public transport portfolio by reaching a 300,000 sales of Tata Magic, its most popular public transport vehicle. The Company also celebrated the 10<sup>th</sup> anniversary of the Tata Ace (launched in 2005) its 'Decade of Trust' campaign throughout the country. The Company has been honoured with the 'Best Telematics Product or Launch in the Emerging Market' award for its Telematics solution, based on the popular Android platform developed for the Tata Magic Iris Electric. This year, the Company won four prestigious awards at the Apollo CV Awards namely:

- ❖ Cargo Carrier of the Year - Tata LPS 4923
- ❖ School Bus of the Year - Tata Cityride Skool Bus
- ❖ Special Application CV of the Year - Tata MHC 2038
- ❖ CV Dealer of the Year - Bhandari Automotive (Tata Motors dealership).

In order to cultivate safe practices of school bus riders, promote the Company brand image and build connections with school bus riders and stakeholders such as children, parents and school authorities, the Company launched two flagship programmes – Dream it to Win it and Humare Bus Ki Baat Hain. Season 2 of 'Humare Bus Ki Baat Hain', in Fiscal 2016, covered 563 schools in 92 cities with over 26,827 school staff participating. In Fiscal 2015, the Company, launched Tata SKOOLMAN, a student and school bus safety initiative, which is a telematics-based tracking solution, as a standard accessory for the Tata Ultra range of school buses. The Company has organized a 'School Bus Expo' in Bangalore, in which the Company exhibited its entire range of school buses and vans namely the Iris, Magic, Winger, CityRide EX, Starbus and the Starbus Ultra. It also showcased Tata Skoolman, the telematics based tracking solution at the same event.

In Fiscal 2016, the Company organised Season 3 of the Prima Truck Racing Championship, which drew in over 55,000 spectators. The

highlight of Season 3 was the first race ever of Indian truck racing talent, that was trained and nurtured in India. It has conceptualized and introduced an Indian Driver Training & Selection programme - "T1 Racer Program" to induct and train Indian truck drivers to become 'racers'. This programme will not only enhance driving skills, but also has an ultimate goal of creating well-rounded truck drivers.

In the passenger vehicle space, after a year of aggressive marketing campaigns for its new generation products, such as, the Zest, the Bolt and GenX Nano, the Company has signed up the football player star, Lionel Messi, as a long-term global brand ambassador to promote and endorse the Company's passenger vehicles.

**Environmental performance:** Jaguar Land Rover's strategy is to invest in products and technologies that position their products ahead of expected stricter environmental regulations and ensure that benefits from a shift in consumer awareness of the environmental impact of the vehicles driven by customers. The Company also believe that Jaguar Land Rover is a leader in automotive green technology in the United Kingdom. Jaguar Land Rover's environmental vehicle strategy focuses on new propulsion technology, weight reduction and reduction of parasitic losses through the driveline. Jaguar Land Rover have developed diesel hybrid versions of the Range Rover and Range Rover Sport, without compromising these vehicles' off road capability or load space.

Jaguar Land Rover is a global leader in the use of aluminium and other lightweight materials to reduce vehicle weight and improve fuel and CO<sub>2</sub> efficiency, and Jaguar Land Rover believes that it is ahead of many of its competitors in the implementation of aluminium construction. For example, the Jaguar XE is the only vehicle in its class to use an aluminium intensive monocoque. Jaguar Land Rover plans to continue to build on this expertise and extend the application of aluminium construction as it develops a range of new products. The aluminium body architecture introduced on the Jaguar XE is also used in the new lightweight Jaguar XF and the new Jaguar F PACE.

Recognizing the need to use resources responsibly, produce less waste and reduce Jaguar Land Rover's carbon footprint, Jaguar Land Rover is also taking measures to reduce emissions, waste and the use of natural resources in all of their operations.

Jaguar Land Rover is also developing more efficient powertrains and other technologies. This includes smaller and more efficient 2.0 litre petrol engines, stop start and hybrid engines. Jaguar

Land Rover already produce smaller and more efficient diesel engines such as the 2.0 litre diesel engine used in its new Jaguar XE, XF, Discovery Sport, Evoque and F-PACE. The Range Rover and Range Rover Sport Diesel Hybrid, powered by downsized and more efficient engines and alternative powertrains have both contributed to the improvement of their carbon footprint.

Jaguar Land Rover's current product line up is the most efficient it has ever been and the launch of new models has further improved the environmental performance of its vehicles. The aluminium intensive Jaguar XE is the most fuel efficient Jaguar and the first Jaguar Land Rover vehicle to receive a UK VED Band A rating resulting in a £0/annum tax rate and the new aluminium intensive XF delivers improved fuel consumption and CO<sub>2</sub> emission performance. The all aluminium Jaguar XJ 3.0 litre V6 twin turbo diesel and the 2.0 litre turbocharged petrol engine options in the Range Rover Evoque, the Land Rover Discovery and the Jaguar XE, XF and XJ also offer improved fuel efficiency.

The most efficient version of the latest Range Rover Evoque emits less CO<sub>2</sub> than the prior model due to the introduction of the new 2.0 litre "in house" diesel engine. The Discovery Sport has been developed to be the most versatile and capable Land Rover in its category with a range of four cylinder turbocharged petrol and diesel engines (including Jaguar Land Rover's in house 2.0 litre diesel engine). The 3.0 litre TDV6 Range Rover offers similar performance to the previous 4.4 litre TDV8 Range Rover while fuel consumption and CO<sub>2</sub> emissions have been reduced. Jaguar Land Rover's first hybrid electric vehicles in the Range Rover and Range Rover Sport 3.0 litre SDV6 Hybrid also offer significantly improved CO<sub>2</sub> emission performance.

**Mitigating cyclicalities:** The automobile industry is impacted by cyclicalities. To mitigate the impact of cyclicalities, the Company plans to continually strengthen its operations by gaining market share across different vehicle categories and offering a wide range of products in diverse geographies. For example, the Company is focusing on shifting its offerings in the defense sector from pure logistical solutions to tactical and combat solutions, which the Company believes will be less affected by cyclicalities. The Company also plans to continue to strengthen its business operations other than vehicle sales, such as financing of its vehicles, spare part sales, service and maintenance contracts, sales of aggregates for non-vehicle businesses, reconditioning of aggregates and sales of castings, production aids, toolings and fixtures, to reduce this cyclical impact of the automotive industry on the Company's financial performance.

**Expanding the Company international business:** The Company's international expansion strategy involves entering new markets where it has an opportunity to grow and introducing new products to existing markets in order to grow its presence in such markets. The Company's international business strategy has already resulted in the growth of its international operations in select markets and chosen segments over the last five years. In recent years, the Company has grown its commercial vehicle market share across various African markets such as Kenya, Nigeria, Tanzania, Congo and Senegal, introduced certain products in Australia, and is focused on increasing the presence in key markets in Southeast Asia and Latin America. 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.

The Company has also expanded its range through acquisitions and joint ventures. The Company now offers products in the premium performance car and premium all-terrain vehicle categories with globally-recognised brands through Jaguar Land Rover and has diversified its business across markets and product categories. The production of the Range Rover Evoque commenced at the joint venture with Chery Automobile Company Ltd, or the China Joint Venture in October 2014 and the Range Rover Evoque went on retail sale in China in February 2015. Production of the Discovery Sport was also added as the second vehicle to be manufactured at the China Joint Venture in Fiscal 2016, which went on retail sale in November 2015. In addition, Jaguar Land Rover recently announced that the Jaguar XF L (a long wheelbase version of the Jaguar XF saloon) would be the third vehicle to be produced at the China Joint Venture from the later half of 2016. The Company aims to 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. The Company has 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. Tata Motors (SA) (Proprietary) Ltd., which caters to the domestic South African market, has produced and sold over 750 chassis as at the end of Fiscal 2016.

Jaguar Land Rover also has ambitious plans to continue to develop the product range, for example the new Jaguar F-PACE performance crossover, which went on sale in April 2016, will be a new product offering for the Jaguar portfolio. Similarly, Jaguar Land Rover continues to expand its Land Rover product offerings with the announcement of the Range Rover Evoque convertible, which also went on retail sale in June 2016.

Jaguar Land Rover intends to expand its global footprint by increasing its global dealer network as well as expanding its manufacturing base in the UK and internationally, for example including the new manufacturing facility in Brazil due to commence operations in Fiscal 2017, and at a brand new manufacturing plant in Slovakia, due to commence production at the end of 2018.

**Reducing operating costs:** The Company's ability to leverage its technological capabilities and the manufacturing facilities among its commercial vehicle and passenger vehicle businesses enables it to reduce costs. As an example, the diesel engine used in the Indica platform was modified for use in the Ace platform, which helped to reduce development costs. Similarly, platform sharing for the manufacture of pickup trucks and utility vehicles enables the Company to reduce capital investment that would otherwise be required, while allowing it to improve the utilisation levels at its manufacturing facilities. Where appropriate, the Company intend to apply its existing low-cost engineering and sourcing capability to vehicles manufactured under the Jaguar and Land Rover brands.

The Company's supplier relationships also contribute to cost-reductions. For example, the Company believes that the supplier rationalisation programme that it is undertaking will provide economies of scale to its vendors, which would benefit the Company's cost programmes. The Company is also undertaking various internal and external benchmarking exercises that would enable it to improve the cost effectiveness of its components, systems and sub-systems.

The Company has intensified efforts to review and realign its cost structure through a number of measures, such as reduction of manpower costs and rationalisation of other fixed costs. The Jaguar Land Rover business continues to focus on cost-management initiatives, such as streamlining its purchasing processes and building on its strong relationships with suppliers while increasing employee deployment and flexibility. In addition, Jaguar Land Rover continues to increase its use of its new modular aluminium architecture across vehicles platforms, which it expects, will result in the use of common technology more widely, across product lines and a reduction in engineering complexity.

**Enhancing capabilities through the adoption of superior processes:** Tata Sons and the entities promoted by Tata Sons, including the Company, aim at improving quality of life through leadership in various sectors of national economic significance. In pursuit of this goal, Tata Sons and the Tata Sons promoted entities have institutionalised an approach, called the Tata Business

Excellence Model, which has been formulated along the lines of the Malcolm Baldrige National Quality Award, to enable the Company to improve performance and attain higher levels of efficiency in its businesses and in discharging the Company's social responsibility. The model aims to nurture core values and concepts embodied in various focus areas such as leadership, strategic planning, customers, markets and human resources, and to translate them to operational performance. The Company's adoption and implementation of this model seeks to ensure that its business is conducted through superior processes compared to its competitors.

The Company has deployed a balance score card system for measurement-based management and feedback. The Company has also deployed a product introduction process for systematic product development and a product lifecycle management system for effective product data management across its organisation. The Company has adopted various processes to enhance the skills and competencies of its employees. The Company has also enhanced its performance management system with appropriate mechanisms to recognise talent and sustain its leadership base. The Company believes these measures will enhance its way of doing business, given the dynamic and demanding global business environment.

**Expanding customer financing activities:** With financing a critical factor in vehicle purchases and the rising aspirations of consumers in India, the Company intends to expand its vehicle financing activities to enhance vehicle sales. In addition to improving its competitiveness in customer attraction and retention, the Company believes that expansion of its financing business would also contribute towards moderating the impact on its financial results from the cyclical nature of vehicle sales. To spur growth in the small commercial vehicles category, the Company has teamed up with various public sector and cooperative banks and Grameen banks to introduce new finance schemes. TMFL has increased its reach by opening a number of limited services branches in Tier 2 and 3 towns. This has reduced turnaround times and improved customer satisfaction. TMFL's Channel Finance initiative and fee-based insurance support business has also helped improve profitability.

**Continuing to invest in technology and technical skills:** The Company believes it is one of the most technologically advanced indigenous vehicle manufacturers in India. Over the years, the Company has enhanced its technological strengths through extensive in-house research and development activities. Further, the Company's research and development facilities at its subsidiaries, such as TMETC, TDCV, TTL, and Trilix, together with

the two advanced engineering and design centres of Jaguar Land Rover, have increased its capabilities in product design and engineering. The Jaguar Land Rover business is committed to continue to invest in new technologies to develop products that meet the opportunities of the premium market, including developing sustainable technologies to improve fuel economy and reduce CO<sub>2</sub> emissions. The Company considers technological leadership to be a significant factor in its continued success, and therefore, intends to continue to devote significant resources to upgrade its technological base.

**Maintaining financial strength:** The Company's cash flow from operating activities in Fiscal 2016 and 2015 was ₹39,166.71 crores and ₹35,531.26 crores, respectively. The Company has established processes for project evaluation and capital investment decisions with the objective of enhancing its long-term profitability.

### Automotive Operations

Automotive operations is the Company's most significant segment, accounting for 99.5% of its total revenues in Fiscal 2016 and 2015. Revenue from automotive operations before inter-segment eliminations increased by 4.7% to ₹274,138.50 crores in Fiscal 2016 as compared to ₹261,839.73 crores in Fiscal 2015.

The Company's automotive operations include:

- ❖ activities relating to the development, design, manufacture, assembly and sale of vehicles as well as related spare parts and accessories;
- ❖ distribution and service of vehicles; and
- ❖ financing of the Company's vehicles in certain markets.

The Company's consolidated total sales (including international business sales and Jaguar Land Rover sales, including China Joint Venture) for Fiscals 2016 and 2015 are set forth in the table below:

	Fiscal 2016		Fiscal 2015	
	Units	%	Units	%
Passenger cars	212,152	19.9%	199,824	20.0%
Utility vehicles	461,491	43.4%	420,533	42.1%
Light Commercial Vehicles	205,531	19.3%	222,006	22.3%
Medium and Heavy Commercial Vehicles	185,422	17.4%	155,187	15.6%
<b>Total</b>	<b>1,064,596</b>	<b>100.0%</b>	<b>997,550</b>	<b>100.0%</b>

The automotive operations segment is further divided into (i) Tata and other brand vehicles (including vehicle financing) and (ii) Jaguar Land Rover.

### Tata and other brand vehicles (including vehicle financing)

India is the primary market for Tata and other brand vehicles (including vehicle financing). During Fiscal 2016, there was a robust and steady pace of economic growth in the geographic markets in which the Tata and other brand vehicles segment has operations.

The Indian economy experienced a GDP growth of 7.6% in Fiscal 2016, compared to 7.2% in Fiscal 2015 (based on data from the Ministry of Statistics and Program Implementation). The Indian automobile industry experienced an increase of 8.0% in Fiscal 2016, as compared to a 2.4% in Fiscal 2015. Falling crude oil prices, lower inflation, resumption of manufacturing and mining activities, and lower interest rates appear to be helping the Indian auto industry. However, competitive pressures continued across all major products in the Tata and other brand vehicles segment leading to a marginal decrease in vehicle sales volumes.

The following table sets forth the Company consolidated total sales of Tata and other brand vehicles:

	Fiscal 2015		Fiscal 2014	
	Units	%	Units	%
Passenger cars	110,046	21.1%	121,741	23.2%
Utility vehicles	19,512	3.8%	25,588	4.9%
Light Commercial Vehicles	205,531	39.5%	222,006	42.3%
Medium and Heavy Commercial Vehicles	185,422	35.6%	155,187	29.6%
<b>Total</b>	<b>520,511</b>	<b>100.0%</b>	<b>524,522</b>	<b>100.0%</b>

The Company's overall sales of Tata and other brand vehicles decreased by 0.8% to 520,511 units in Fiscal 2016 from 524,522 units in Fiscal 2015, however, the revenue (before inter-segment elimination) increased by 12.8% to ₹49,742.80 crores during Fiscal 2016, compared to ₹44,118.13 crores in Fiscal 2015, due to a better product mix, primarily due to relatively more sales of M&HCVs as a proportion of overall sales in Fiscal 2016 compared to Fiscal 2015.

### Vehicle Sales in India

During Fiscal 2016, sales in the domestic CV industry registered a growth of 9.6% in volumes, in comparison to a decline of 8.4% in Fiscal 2015. The recovery was driven by the continuation of healthy replacement-led demand in case of M&HCV (Trucks) and

the renewal as well as fleet expansion by various State Regional Transport Undertakings as well as some pickup in demand from the mining and construction related sectors. In addition, the industry also benefitted from the implementation of BS-IV emission norms, which became mandatory across North India and some nearby regions starting in October 2015. The year also witnessed mandatory implementation of Anti-Lock Braking Systems in M&HCVs and Uniform Bus Body Code in buses. These along with the roll-out of BS-IV norms generated some pre-buying during the year.

The domestic PV industry sales registered a growth of 7.6%, supported by growth in both passenger cars and utility vehicles.

The following table sets forth the Company's (on standalone basis) sales, industry sales and relative market share in vehicle sales in India. Passenger vehicles includes passenger cars and utility vehicles. Commercial vehicles include Medium & Heavy Commercial Vehicles and Light Commercial Vehicles.

Category	Industry Sales			Company Sales			Market Share	
	Fiscal 2016	Fiscal 2015	Growth	Fiscal 2016	Fiscal 2015	Growth	Fiscal 2016	Fiscal 2015
	Units		%	Units		%	%	
Commercial Vehicles <sup>1</sup>	704,440	642,641	9.6%	326,755	317,780	2.8%	46.4%	49.4%
Passenger Vehicles <sup>2</sup>	2,771,099	2,575,680	7.6%	127,118	136,653	(7.0)%	4.6%	5.3%
<b>Total</b>	<b>3,475,539</b>	<b>3,218,321</b>	<b>8.0%</b>	<b>453,873</b>	<b>454,433</b>	<b>(0.1)%</b>	<b>13.1%</b>	<b>14.1%</b>

Source:

Society of Indian Automobile Manufacturers report and Company Analysis

<sup>1</sup> Commercial vehicles include V2 van sales.

<sup>2</sup> Passenger vehicles include Fiat and Jaguar Land Rover-branded cars.

## Passenger Vehicles in India

Sales in the passenger vehicles industry in India increased by 7.6% in Fiscal 2016, primarily attributable to reduced fuel prices, improved consumer sentiments, and lower interest rates. Hatchback sales witnessed significant growth during Fiscal 2016, while the sedan segment experiences negative growth. The utility vehicle segment also showed growth, mainly with strong performances in soft-road

SUVs and multipurpose vehicles

Notwithstanding growth in the Indian passenger vehicle sector, the Company's passenger vehicle sales in India decreased by 7.0% to 127,118 units in Fiscal 2016 from 136,653 units in Fiscal 2015, due to fewer new product offerings by the Company as compared to its competitors.

Category	Industry Sales			Company Sales			Market Share	
	Fiscal 2016	Fiscal 2015	Growth	Fiscal 2016	Fiscal 2015	Growth	Fiscal 2016	Fiscal 2015
	Units		%	Units		%	%	%
Micro	21,007	16,903	24.3%	21,007	16,903	24.3%	100.0%	100.0%
Compact	1,188,385	1,080,347	10.0%	84,472	91,262	(7.4)%	7.1%	8.4%
Mid-Size	181,168	186,608	(2.9)%	187	1,334	(86.0)%	0.1%	0.7%
Premium and Luxury	3,266	3,659	(10.7)%	1,161	1,595	(27.2)%	35.5%	43.6%
Utility Vehicles	594,531	558,679	6.4%	19,702	24,801	(20.6)%	3.3%	4.4%
Vans <sup>1</sup>	152,110	137,740	10.4%	589	758	(22.3)%	0.4%	0.6%
<b>Total<sup>2</sup></b>	<b>2,771,099</b>	<b>2,575,680</b>	<b>7.6%</b>	<b>127,118</b>	<b>136,653</b>	<b>(7.0)%</b>	<b>4.6%</b>	<b>5.3%</b>

Source:

Society of Indian Automobile Manufacturers report and Company Analysis

<sup>1</sup> Excludes V2 van sales.

<sup>2</sup> Total industry numbers includes sale in other segments.

The Company's passenger vehicle category consists of (i) passenger cars and (ii) utility vehicles. The Company sold 106,827 units in the passenger car category in Fiscal 2016, representing a decrease of 3.8% compared to 111,094 units in Fiscal 2015.

### Commercial Vehicles in India

The following table sets forth the Company's commercial vehicle sales, industry sales and relative market share in commercial vehicle sales in India.

Category	Industry Sales			Company Sales			Market Share	
	Fiscal 2016	Fiscal 2015	Growth	Fiscal 2016	Fiscal 2015	Growth	Fiscal 2016	Fiscal 2015
	Units		%	Units		%	%	%
M&HCV	302,532	232,113	30.3%	157,120	126,369	24.3%	51.9%	54.4%
LCVs <sup>1</sup>	401,908	410,528	(2.1)%	169,635	191,411	(11.4)%	42.2%	46.6%
<b>Total</b>	<b>704,440</b>	<b>642,641</b>	<b>9.6%</b>	<b>326,755</b>	<b>317,780</b>	<b>2.8%</b>	<b>46.4%</b>	<b>49.4%</b>

Source:

Society of Indian Automobile Manufacturers report and Company Analysis

<sup>1</sup> LCVs include V2 van sales

Industry sales of commercial vehicles increased by 9.6% to 704,440 units in Fiscal 2016 from 642,641 units in Fiscal 2015. Industry sales in the medium and heavy commercial vehicle segment increased by 30.3% to 302,532 units in Fiscal 2016, as compared to sales of 232,113 units in Fiscal 2015 primarily due to replacements of fleet vehicles, which was impacted by stable freight rates across key routes, lower diesel prices, higher quantities of cargo transported, a renewal of mining activities in the states of Karnataka and Goa, a renewal of construction activities, and expectations of increased investments in infrastructure and manufacturing. Industry sales of light commercial vehicles reported a decline of 2.1% to 401,908 units in Fiscal 2016, from 410,528 units in Fiscal 2015, mainly due to lower freight transportation needs due to high-capacity additions to fleets over recent years, financing defaults and tightened lending norms, all of which continues to impede the recovery in sales of light commercial vehicles, particularly small commercial vehicles sales, which are heavily dependent on funding availability.

Overall, sales of the Company's commercial vehicles in India increased by 2.8% to 326,755 units in Fiscal 2016 from 317,780 units in Fiscal 2015. The Company's sales in the medium and heavy commercial vehicle category increased by 24.3% to 157,120 units in Fiscal 2016, as compared to sales of 126,369 units in Fiscal 2015. However, sales in the light commercial vehicles segment declined by 11.4% to 169,635 units in Fiscal 2016, from 191,411 units in Fiscal 2015. Financing constraints and over capacity still continues to impede the recovery in the SCV segment, which has impacted the Company's volume growth.

The Company sold 21,007 Nano cars in Fiscal 2016, an increase of 24.3% compared to 16,903 units in Fiscal 2015. In the utility vehicles category, the Company sold 20,291 units in Fiscal 2016, representing a decrease of 20.6% from 25,559 units in Fiscal 2015.

### Tata and other brand vehicles — International Markets

The Company's exports (on standalone basis) grew by 16.3% to 58,058 units in Fiscal 2016 as compared to 49,936 units in Fiscal 2015. While there were some incidents of geo-political tensions and economic uncertainties, such as the Madhesi agitation and the earthquake in Nepal and the duty change in Sri Lanka, the upsurge in investment in capital goods, in the South Asian Association for Regional Cooperation, has helped the Company to improve volumes in this region generally, and particularly in Bangladesh. In addition, the launch of new models in the Middle East and Africa region, along with the opening of new markets in these regions, contributed to an increase in international sales volumes. The Company's top five (quantity terms) export destinations for vehicles manufactured in India - Bangladesh, Sri Lanka, Nepal, South Africa and Indonesia accounted for approximately 79% of the exports of commercial vehicles and passenger vehicles.

In Fiscal 2016, TDCV's overall vehicles sales decreased by 22.2% to 9,116 units, from 11,710 units in Fiscal 2015, mainly due to lower export sales being partially compensated by an increase in domestic sales. TDCV continued to have strong performance in the domestic market despite increased competition and increased sales to 7,036 vehicles, second highest in TDCV history, compared to sales of 6,808 vehicles in Fiscal 2015. The newly introduced Euro 6 models were well accepted in the market, which resulted in the combined market share of HCV and MCV Segments increased to 31% as compared to 28.7% in the previous year. However, the export market was very challenging. Factors, such as- low oil prices,



local currency depreciation against the US Dollar, new statutory regulations to reduce imports, slowdown in Chinese economy impacting commodity exporting countries and increased dealer inventory, adversely impacted TDCV's exports in major markets, such as Algeria, Russia, Vietnam, South Africa and Gulf Cooperation Council countries. The export sales were 2,080 units in Fiscal 2016, compared to 4,902 units in Fiscal 2015.

### Tata and other brand vehicles — Sales, Distribution and Support

The sales and distribution network in India as of March 31, 2016 comprised 3,887 sales and service contact points for passenger and commercial vehicles sales. The Company has deployed a Customer Relations Management, or CRM, system at all the Company's dealerships and offices across the country, the largest such deployment in the automotive market in India. The combined online CRM and distributor management system supports users both within the Company and among distributors in India and abroad.

The Company's 100% owned subsidiary, TML Distribution Company Ltd, or TDCL, acts as a dedicated distribution and logistics management company to support the sales and distribution operations of vehicles in India. The Company believes TDCL helps it improve planning, inventory management, transport management and timely delivery.

The Company markets its commercial and passenger vehicles in several countries in Africa, the Middle East, South East Asia, South Asia, Australia, and Russia and the Commonwealth of Independent States countries. The Company has a network of distributors in all such countries where it exports its vehicles. Such distributors have created a network of dealers, branch offices and facilities for sales and after-sales servicing of the Company's products in their respective markets. The Company has also stationed overseas resident sales and service representatives in various countries to oversee its operations in the respective territories. The Company uses a network of service centres on highways and a toll-free customer assistance centre to provide 24-hour on-road maintenance (including replacement of parts) to vehicle owners. The Company believes that the reach of its sales, service and maintenance network provides it with a significant advantage over its competitors.

Through the Company's vehicle financing division and wholly-owned subsidiary, TMFL along with Tata Motors Finance Solutions Ltd or TMFSL, the Company provides financing services to purchasers of its vehicles through independent dealers, who act as

the Company's agents for financing transactions, and through the Company's branch network. Revenue from the Company's vehicle financing operations increased by 11.7% to ₹3,063.08 crores in Fiscal 2016 as compared to ₹2,742.88 crores in Fiscal 2015, which was mainly driven by the growth in the commercial vehicle segment.

The total disbursements (including refinancing) by TMFL, along with its subsidiary, increased by 22.8% in Fiscal 2016 to ₹8,985 crores as compared to ₹7,316 crores in Fiscal 2015. TMFL financed a total of 112,114, vehicles in Fiscal 2016, reflecting a slight decline of 0.6% from the 112,788 vehicles financed in Fiscal 2015. Disbursements for commercial vehicles increased by 30.4% to ₹7,485 crores (75,970 vehicles) in Fiscal 2016 as compared to ₹5,741 crores (72,853 vehicles) for the previous year. However, disbursements of passenger vehicles declined by 9.9% to ₹1,350 crores (33,185 vehicles) in Fiscal 2016 as compared to ₹1,498 crores (38,444 vehicles) in the previous year. Disbursements achieved for refinancing were ₹150 crores (2,959 vehicles) in Fiscal 2016 as compared to ₹77 crores (1,491 vehicles) in Fiscal 2015.

### Tata and other brand vehicles — Spare Parts and After-sales Activity

The Company's consolidated spare parts and after-sales activity revenue was ₹4,088.74 crores in Fiscal 2016, compared to ₹4,053.46 crores in Fiscal 2015. The Company's spare parts and after-sales activity experienced limited growth due to weak sales of both commercial vehicles and passenger vehicles in recent years.

### Tata and other brand vehicles — Competition

The Company faces competition from various domestic and foreign automotive manufacturers in the Indian automotive market. Improving infrastructure and robust growth prospects compared to other mature markets has attracted a number of international companies to India that have either formed joint ventures with local partners or have established independently owned operations in India. Global competitors bring with them decades of international experience, global scale, advanced technology and significant financial resources, and, as a result, competition is likely to further intensify in the future. The Company has designed its products to suit the requirements of the Indian market based on specific customer needs such as safety, driving comfort, fuel-efficiency and durability. The Company believes that its vehicles are suited to the general conditions of Indian roads and the local climate. Its vehicles have also been designed to comply with applicable environmental regulations currently in effect. The Company also offers a wide range of optional configurations to meet the specific needs of its

customers and intends to develop and is developing products to strengthen its product portfolio in order to meet the increasing customer expectations of owning world-class products.

### Tata and other brand vehicles — Seasonality

Demand for the Company's vehicles in the Indian market is subject to seasonal variations. Demand for the Company's vehicles generally peaks between January and March, although there is a decrease in demand in February just before release of the Indian fiscal budget. Demand is usually lean from April to July and picks up again in the festival season from September onwards, with a decline in December due to year end.

### Jaguar Land Rover

The total wholesale volumes of Jaguar Land Rover vehicles (including the Chery Joint Venture) with a breakdown between Jaguar and Land Rover brand vehicles, in Fiscal 2016 and 2015 are set forth in the table below:

Category	Year ended March 31			
	Fiscal 2016		Fiscal 2015	
	Units	%	Units	%
Jaguar	102,106	18.8%	76,496	16.3%
Land Rover	441,979	81.2%	394,027	83.7%
<b>Total</b>	<b>544,085</b>	<b>100.0%</b>	<b>470,523</b>	<b>100.0%</b>

In Fiscal 2016, Jaguar Land Rover continued to experience growth with wholesale volumes of 544,085 units, up by 15.6%, as compared to Fiscal 2015, with strong growth in Europe, North America and the United Kingdom, up year-on-year by 45.2%, 37.7% and 26.2%, respectively.

Wholesale volumes in overseas markets in Fiscal 2016 were broadly in line with those of the last fiscal year, while wholesale volumes in China were 17.3% lower year-on-year primarily reflecting the softer economic conditions and financial market volatility experienced there at the beginning of the year as well as the timing of new product launches.

In Fiscal 2016, Jaguar wholesale volumes were 102,106 units, up 33.5% compared to Fiscal 2015, reflecting the launch of the new Jaguar XE at the beginning of the year and solid sales of the F-TYPE. Land Rover wholesale volumes (including sales from the China Joint Venture) were 441,979 units, up 12.2% compared to the prior fiscal year, driven by continuing strong sales of the Land Rover Discovery Sport as well as solid sales from the more established Land Rover Discovery and Range Rover Sport.

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

Retail volumes (including retail sales from the China Joint Venture) in Fiscal 2016 increased by 12.8% to 521,571 units from 462,209 units in Fiscal 2015 primarily driven by strong sales of the Jaguar XE and Land Rover Discovery Sport, as well as a solid performance by the iconic Land Rover Defender in its run out year. Retail volumes of more established models such as the Land Rover Discovery, Range Rover and Range Rover Sport also grew year-on-year while the sales of the more mature Jaguar XF and XJ were impacted by the launch of the new lightweight XF and refreshed 2016 model year XJ in September 2015 and December 2015, respectively. Retail sales of the Range Rover Evoque were down 10.8% in Fiscal 2016 compared to Fiscal 2015, due to the transition of localised production to the China Joint Venture as well as a general slowdown in the Chinese economy. However, total retail sales of the Evoque strengthened in the final quarter (up 6.2%) as sales increased in China, Europe and the UK year-on-year. By brand, Jaguar retail volumes increased by 22.8% to 94,449 units in Fiscal 2016, compared to 76,930 units in Fiscal 2015 whilst Land Rover retail volumes increased by 10.9% to 427,122 units in Fiscal 2016, from 385,279 units in Fiscal 2015.

### United Kingdom

Industry vehicle sales rose by 5.1% in Fiscal 2016 in the United Kingdom, compared to Fiscal 2015 as economic growth inflation and interest rates remained low and labor market conditions continued to stabilize. Jaguar Land Rover retail volumes increased by 23.8% to 107,371 units in Fiscal 2016 from 86,750 units in Fiscal 2015, with a strong sales performance from Jaguar, up 54.7% in Fiscal 2016, which was driven by sales of the new Jaguar XE and the XJ. Land Rover retail volumes increased by 15.7%, as all models experienced an increase in volumes, most notably the Land Rover Discovery Sport, Range Rover and Range Rover Sport.

### North America

Economic performance in North America (the United States and Canada) generally continued to strengthen over the year as unemployment continued to fall, lower inflation driven by lower energy prices increased disposable incomes and consumer confidence continued to grow, despite the rise in interest rates in the United States, contributing to an industry-wide increase in passenger car sales of 3.1% in the United States in Fiscal 2016 compared to Fiscal 2015. Jaguar Land Rover retail volumes in North America increased by 27.1% to 99,606 units in Fiscal 2016 from 78,372 units in Fiscal 2015, with a 35.1% increase in Land

Rover retail volumes primarily driven by the Land Rover Discovery Sport, Land Rover Discovery and Range Rover. Retail sales of the Range Rover Sport and Range Rover Evoque also grew, albeit more moderately, in Fiscal 2016. Jaguar retail volumes in North America decreased by 2.0% as the impact of the discontinued XK and also softer XJ sales were only partially offset by increased sales volumes of the XF and F-TYPE. The Jaguar XE and F-PACE have recently been launched in North America and both went on retail sale in May 2016.

### Europe

Passenger car sales increased by 8.1% industry-wide in Europe, driven by quantitative easing and other policy action, which support low but steady growth, despite the impact of terrorist attacks during the year. Jaguar Land Rover retail volumes in Europe increased by 42.0% to 124,734 units in Fiscal 2016 from 87,863 units in Fiscal 2015, with sales particularly strong in Germany, Italy, France and Spain. Land Rover volumes increased by 32.7% in Fiscal 2016 primarily driven by strong sales of the Discovery Sport, Range Rover and Range Rover Sport as well as the Defender. Retail sales of the Evoque also grew modestly in Fiscal 2016 compared to Fiscal 2015. Jaguar volumes increased in Fiscal 2016, as sales of the new XE more than doubled Jaguar sales volume in Europe despite being partially offset by softer sales of the XF and XJ, which were impacted by the transition to the new XF and refreshed XJ in the second half of the year.

### China

Passenger car sales in China increased by 6.7% in Fiscal 2016 while Jaguar Land Rover retail volumes (including sales from the China Joint Venture) decreased by 16.4% to 96,912 units in Fiscal 2016 from 115,969 units in Fiscal 2015 as softer economic conditions in China as well as the timing of new product launches adversely impacted volumes in the first 9 months of the year. Retail sales of Land Rover decreased by 14.8% in Fiscal 2016, primarily driven by softer sales of the Evoque, Range Rover and Discovery, while Jaguar retail sales decreased by 23.9% primarily driven by softer sales of the XF and XJ due to the transition to sales of the new XF and refreshed XJ, which were only introduced in December 2015 and February 2016 respectively. However, sales in China improved during the last quarter of Fiscal 2016, and were up 18.9% as compared to the last quarter of Fiscal 2015 primarily driven by the continued success of new models such as the Discovery Sport and the imported Jaguar XE.

### Other Overseas markets

Jaguar Land Rover's retail volumes in the other overseas

markets declined slightly by 0.3% to 92,948 units in Fiscal 2016 from 93,255 units in Fiscal 2015, with Land Rover retail volumes down 2.4% to 79,218 units in Fiscal 2016 compared to 81,174 units in Fiscal 2015, as strong sales of the Discovery Sport and modest growth in Range Rover volumes were offset by softer sales of all other products. Jaguar retail volume grew to 13,730 units, up 13.6% from 12,081 units in Fiscal 2015, driven by the introduction of the XE partially offset by softer sales of all other Jaguar products. Year-on-year growth in Australia (up 31%), Japan (up 20%), South Korea (up 43%) and South Africa (up 12%) were offset by softer sales in Russia (down 42%) and other importer markets in Latin America and Sub Saharan Africa.

In Fiscal 2016, 2,844 units of Jaguar Land Rover vehicles were sold in India, through its exclusive dealerships, up 0.6% compared to 2,827 units sold in Fiscal 2015, which was supported by the by the assembly of the Jaguar XE, XF, XJ, Range Rover Evoque and Land Rover Discovery Sport in India (vehicles manufactured and sold in India are not subject to certain import duties).

### Jaguar Land Rover's Sales & Distribution

As at March 31, 2016, Jaguar Land Rover distribute its Jaguar vehicles in approximately 123 markets across the world and its Land Rover vehicles in approximately 153 markets across the world. Sales locations for vehicles are operated as independent franchises. Jaguar Land Rover is represented in its key markets through its National Sales Companies ("NSC") as well as third party importers. Jaguar and Land Rover have regional offices in select countries. These regional offices manage customer relationships and vehicle supplies and provide marketing and sales support to their regional importer markets. The remaining importer markets are managed from the United Kingdom.

Jaguar Land Rover products are sold through a variety of sales channels: retail customers through its dealerships; for sale to fleet customers, including daily rental car companies; commercial fleet customers; leasing companies; and governments. Jaguar Land Rover do not depend on a single customer or small group of customers to the extent that the loss of such a customer or group of customers would have a material adverse effect on its business.

As at March 31, 2016, Jaguar Land Rover global sales and distribution network comprised of 20 NSCs, 74 importers, 33 export partners and 2,720 franchise sales dealers, of which 1,026 are joint Jaguar and Land Rover dealers.

## Jaguar Land Rover — Competition

Jaguar Land Rover operates in a globally competitive environment and faces competition from established premium and other vehicle manufacturers who aspire to move into the premium performance car and premium SUV markets, some of which are much larger than the Company. Jaguar vehicles compete primarily against other European brands such as Audi, BMW, Porsche and Mercedes Benz. Land Rover and Range Rover vehicles compete largely against SUVs manufactured by companies such as Audi, BMW, Infiniti, Lexus, Mercedes Benz, Porsche, Volvo and Volkswagen. The Land Rover Defender competes with vehicles manufactured by companies such as Isuzu, Nissan and Toyota.

## Jaguar Land Rover — Seasonality

Jaguar Land Rover volumes are impacted by the biannual change in age related registration plates of vehicles in the United Kingdom, in which new age related plate registrations take effect in March and September. This has an impact on the resale value of the vehicles because sales are clustered around the time of the year when the vehicle registration number change occurs. Seasonality in most other markets is driven by introduction of new model year vehicles and derivatives. Furthermore, Western European markets tend to be impacted by summer and winter holidays, and the Chinese market tends to be affected by the Chinese New Year holiday in either January or February, the PRC National Day holiday and the Golden Week holiday in October. The resulting sales profile influences operating results on a quarter to quarter basis.

## Other Operations Overview

The Company's other operations business segment mainly includes information technology services, machine tools and factory automation services. The Company's revenue from other operations before inter-segment eliminations was ₹2,934.82 crores in Fiscal 2016, an increase of 6.8% from ₹2,747.79 crores in Fiscal 2015. Revenues from other operations represented 1.1% of total revenues, before inter-segment eliminations, in Fiscal 2015 and 2016.

## Research and Development

Over the years, the Company has devoted significant resources towards its 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

centres in India recognised 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.

The Company is mainly focused on specific areas of research and development and engineering by which it can strengthen its HorizoNext Philosophy, a three-horizon strategy as detailed below. For passenger cars, the main focus areas are in the domain of creating stunning design, pleasurable driving experience and connectivity. Therefore, the research and development portfolio is aligned towards developing technologies, core competence and skill sets in these specific domains to secure impactful and timely delivery of the envisaged future product with leading product attributes. For commercial vehicles, in addition to design, the main focus areas are reducing the total cost of ownership, being a market leader in fuel efficiency and delivering high performance and reliable products.

The Company uses a three-horizon strategy for managing its engineering and technology initiatives. The first-horizon involves products that it is currently working on to bring to the market. The second-horizon involves researching known technologies that the Company may not be entirely familiar with at the present time but are needed for future products. Finally, the third-horizon is for 'blue sky' research projects and projects aimed at fostering a culture of innovation in the company. Besides, its own ecosystem spanning across India, the UK and Italy, the Company also has tie-ups with various Universities based out of India, including the University of Warwick in the UK, and also institutions in the United States. The main endeavour which the Company has is to continuously search for innovative projects in the second and third horizon to integrate promising projects into the main stream projects in the first horizon.

The Company has constantly adopted new technologies and practices in the digital product development domain to improve the product development process. This has led to better front loading of product creation, validation and testing, which results in greater likelihood of timely delivery and ensuring that new products are properly developed from the beginning. Niche integration tools, systems and processes continue to be enhanced in the areas of CAE, Knowledge Based Engineering (KBE), Product Lifecycle Management (PLM) and Manufacturing Planning Management (MPM) for more efficient end-to-end delivery of the product development process. In terms of physical assets used for product validation and testing, The Company has state of the art facilities, such as Crash Lab, Engine development and Testing facilities, Prototype Shop and Noise,

Vibration and Harshness (NVH) Refinement Facilities. These facilities are used extensively to physically validate the new products in a robust manner before they enter the market.

The Company will continue its endeavor in research and development space to develop technologies, skill set and competence, which will help the Company meet future product portfolio requirements. One of the main future initiatives in this direction would be platform approach creating bill of material and bill of process which has high degree of commonality to reduce complexity and enhance the scale. Also, the Company aims at timely and successful conclusion of the technology projects so that they start getting inducted in the mainstream products leading to a promising future product portfolio.

Jaguar Land Rover's research and development operations are built around state-of-the-art engineering facilities with an extensive test track, testing centres, design hubs and a recently inaugurated virtual innovation centre. The ERC in India and Jaguar Land Rover's engineering and development operations in the United Kingdom have identified areas to leverage their respective facilities and resources to enhance the product development process and achieve economies of scale.

Jaguar Land Rover's two design and development centres are equipped with computer-aided design, manufacturing and engineering tools configured to support an ambitious product development cycle plan. In recent years, Jaguar Land Rover has refreshed the entire Jaguar range under a unified concept and design language and has continued to enhance the design of Land Rover's range of all-terrain vehicles. The majority of Jaguar Land Rover's products are designed and engineered in the United Kingdom and Jaguar Land Rover endeavours to implement the best technologies into its product range to meet the requirements of a globally competitive market and to comply with regulatory requirements. Jaguar Land Rover currently offers hybrid technology on some of its models, such as the Range Rover and Range Rover Sport and conducts research and development related to the further application of alternative fuels and technologies, including electrification, to further improve the environmental performance of its vehicles including the reduction of CO<sub>2</sub> emissions.

Jaguar Land Rover endeavour to apply the best technologies for its product range to meet the requirements of a globally competitive market and to ensure that all its vehicles and engines are compliant with the prevalent regulatory norms in the respective countries in which they are sold.

## **Intellectual Property**

The Company creates, owns, and maintains a wide array of intellectual property assets throughout the world that are among its most valuable assets. The Company's intellectual property assets include patents, trademarks, copyrights designs, trade secrets and other intellectual property rights. The Company proactively and aggressively seeks to protect its intellectual property in India and other countries.

The Company owns a number of patents and it has applied for new patents which are pending for grant in India, as well as in other countries. The Company has also filed a number of patent applications outside India under the Patent Cooperation Treaty, which will be effective in different countries going forward. The Company obtains new patents as part of its ongoing research and development activities.

The Company owns 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 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 believes that establishment of the "Tata" word mark and logo mark, in India and internationally, is material to its operations. As part of the Company's acquisition of TDCV, it 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 the Jaguar Land Rover business, ownership (or co-ownership, as applicable) of core intellectual property associated with Jaguar Land Rover was transferred to the Company; however, such intellectual property is still ultimately owned by Jaguar Land Rover entities. Additionally, perpetual royalty free licenses to use other essential intellectual property from third parties have been granted for use in Jaguar and Land Rover vehicles. Jaguar Land Rover entities own registered designs to protect the design of its vehicles in several countries.

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

## **Components and Raw Materials**

The principal materials and components required for use in Tata and other brand vehicles are steel sheets (for in-house stampings)

and plates, iron and steel castings and forgings, alloy wheels, tyres, fuel injection systems, batteries, electrical wiring systems, electronic information systems and displays, interior systems such as seats, cockpits, doors, plastic finishers and plastic functional parts, glass and consumables (such as paints, oils, thinner, welding consumables, chemicals, adhesives and sealants) and fuels. The Company also requires aggregates axles, engines, gear boxes and cams for its vehicles, which are manufactured in-house or by its subsidiaries, affiliates, joint ventures and strategic suppliers. The Company has long-term purchase agreements for some critical components such as transmissions and engines. The Company has established contracts with some commodity suppliers to cover its own as well as its suppliers' requirements in order to moderate the effect of volatility in commodity prices. The Company has also undertaken special initiatives to reduce material consumption through value engineering and value analysis techniques.

The Company has reorganised the sourcing department in India under two divisions, namely, Purchasing and Supplier Quality (P&SQ) and Supply Chain Management. P&SQ includes Purchase Programme Management (PPM). The reorganisation was done in order to establish and define responsibility and accountability in the sourcing department. Purchasing oversees the commercial aspects of product sourcing; Supplier Quality is primarily responsible for development of new components and maintaining the quality of supplies that the Company purchases; Supply Chain oversees the logistics of the supply and delivery of parts for its vendors while PPM oversees execution of new projects.

As part of the Company's strategy to become a value for money vehicle manufacturer, it has undertaken various initiatives to reduce its fixed and variable costs. The Company uses an e-sourcing initiative to procure supplies through reverse auctions. The Company uses external agencies such as third-party logistics providers. This has resulted in space and cost savings. The Company's initiatives to leverage information technology in supply chain activities have resulted in improved efficiency through real-time information exchanges and processing with its suppliers.

The Company has an established a sixteen-step supplier quality process in order to ensure the quality of outsourced components. The Company formalised the component development process using Automotive Industry Action Group guidelines. The Company also has a programme for assisting suppliers from whom the Company purchases raw materials or components to maintain quality. Preference is given to suppliers with TS 16949 certification. The Company also maintains a stringent quality assurance

programme that includes random testing of production samples, frequent recalibration of production equipment and analysis of post-production vehicle performance, as well as an ongoing dialogue with supplier partners to eliminate production defects.

The Company is also exploring opportunities for increasing the global sourcing of parts and components from low-cost countries, and has in place a supplier management programme that includes supplier base rationalisation, supplier quality improvement and supplier satisfaction surveys. The Company has begun to include its supply chain in its initiatives on social accountability and environment management activities, including its Conflict Minerals Compliance Program, supply chain carbon footprint measurement and knowledge sharing on various environmental aspects.

The principal materials and components required for use in Jaguar Land Rover vehicles are steel and aluminum sheets, aluminium castings and extrusions, iron and steel castings and forgings and items such as alloy wheels, tires, fuel injection systems, batteries, electrical wiring systems, electronic information systems and displays, leather-trimmed interior systems such as seats, cockpits, doors, plastic finishers and plastic functional parts, glass and consumables, such as paints, oils, thinner, welding consumables, chemicals, adhesives, sealants and fuels. Jaguar Land Rover also requires certain highly functional components such as axles, engines and gear boxes for its vehicles, which are mainly manufactured by strategic suppliers. Jaguar Land Rover has long-term purchase agreements for critical components such as transmissions with ZF Friedrichshafen AG and engines with Ford and the Ford-PSA Peugeot Citroën joint venture, or the Ford-PSA joint venture. The components and raw materials in Jaguar Land Rover cars include steel, aluminum, copper, platinum and other commodities. Jaguar Land Rover has established contracts with certain commodity suppliers, such as Novelis, to cover its own and its suppliers' requirements to mitigate the effect of high volatility in the prices of these commodities. Special initiatives are also undertaken to reduce material consumption through value engineering and value analysis techniques.

Jaguar Land Rover works with a range of strategic suppliers to meet its requirements for parts and components and endeavours to work closely with its suppliers to form short and medium-term plans for the business. The Jaguar Land Rover business has established quality control programmes to ensure that externally purchased raw materials and components are monitored and meet its quality standards. Jaguar Land Rover also outsources many of the manufacturing processes and activities to various suppliers.

When outsourcing, Jaguar Land Rover provides training to the outside suppliers who design and manufacture the required tooling and fixtures. Such programmes include site engineers who regularly interface with suppliers and carry out visits to supplier sites and ensure that the relevant quality standards are being met. Site engineers are also supported by persons in other functions, such as programme engineers who interface with new model teams as well as resident engineers located at the Jaguar Land Rover plants, who provide the link between the site engineers and the Jaguar Land Rover plants. Jaguar Land Rover has in the past worked, and is expected to continue to work, with its suppliers to optimize their procurements, including the sourcing of certain raw materials and component requirements from low-cost countries.

Although Jaguar Land Rover have commenced the production of its own "in house" four cylinder (2.0-liter) engines (first installed in the Jaguar XE, which went on sale in May 2015), at present Jaguar Land Rover continues to source a large proportion of its engines from Ford or the joint venture between Ford and PSA on an arm's-length basis.

### Suppliers

The Company has an extensive supply chain for procuring various components. The Company also outsources many manufacturing processes and activities to various suppliers. In such cases, the Company provides training to external suppliers who design and manufacture the required tools and fixtures. The Company sources certain highly-functional components such as axles, engines and gear boxes for its vehicles from strategic suppliers. The Company has long-term purchase agreements with its key suppliers. The components and raw materials in its cars include steel, aluminium, copper, platinum and other commodities. The Company has established contracts with certain commodity suppliers to cover its own and its suppliers' requirements to mitigate the effect of high volatility in commodity prices.

The Company's associate company Tata AutoComp Systems Ltd. manufactures automotive components and encourages the entry of internationally acclaimed automotive component manufacturers into India by setting up joint ventures with them.

The Company's other suppliers include some of the large Indian automotive supplier groups with multiple product offerings, such as the Anand Group, the Sona Group, and the TVS Group, as well as large multinational suppliers, such as Bosch, Continental, Delphi and Denso, Johnson Controls Limited (for seats) and Yazaki AutoComp Limited (for wiring harnesses).

In India, the Company has established vendor parks in the vicinity of its manufacturing operations, and vendor clusters have been formed at its 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 locations as well as a few existing plant locations.

As part of the Company's pursuit of continued improvement in procurement, it has integrated its system for electronic interchange of data with the Company's suppliers. This has facilitated real-time information exchange and processing, which enables the Company to manage its supply chain more effectively.

The Company has established processes to encourage improvements through knowledge sharing among its vendors through an initiative called the Vendor Council, consisting of the Company's senior executives and representatives of major suppliers. The Vendor Council also helps in addressing common concerns through joint deliberations. The Vendor Council works on four critical aspects of engagement between the Company and its suppliers: quality, efficiency, relationship and new technology development.

The Company imports some components that are either not available in the domestic market or when equivalent domestically available components do not meet its quality standards. The Company also imports 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 the acquisition of Jaguar Land Rover in June 2008, long-term agreements were entered into with Ford for technology sharing and joint development, providing technical support across a range of technologies focused mainly around powertrain engineering such that it may continue to operate according to its existing business plan. This includes the EuCD platform, a shared platform consisting of shared technologies, common parts and systems and owned by Ford, which is shared among Land Rover, Ford and Volvo Cars.

Supply agreements, aligned to the business cycle plan and having end-stop dates reaching as far as December 2020, were entered into with Ford for (i) the long-term supply of engines developed by Ford, (ii) engines developed by Jaguar Land Rover but manufactured by Ford and (iii) engines from the Ford-PSA joint venture.

Based on learning from the global financial crisis and its cascading

effect on the financial health of the Company's suppliers, the Company has commenced efforts to assess supplier financial risk.

Suppliers are appraised based on the Company's long-term requirements through a number of platforms such as the Vendor Council meetings, council regional chapter meetings, national vendor meets and location-specific vendor meets.

### OPPORTUNITIES:

The Company expects that sales of M&HCVs in India to grow in line with the continuing trend toward the replacement of ageing fleet vehicles and an anticipated increase in demand from the infrastructure and industrial sectors due to reforms being initiated by the Government of India. The Company expects that the demand for new commercial vehicles will also be driven by gradual acceptance of advance trucking platforms and the introduction of technologies, such as anti-lock braking systems. The Company is focusing on increasing its offerings in the commercial vehicle segment. Furthermore, new product launches in the coming year with innovative features, design and competitive pricing will better position the Company in new height.

The Company is focusing on increasing its offerings in the defence sector from providing only pure logistics solutions to tactical and combat solutions. The Company believes these efforts will provide the opportunity to capture a larger share in a growing market.

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

Certain non-vehicular products and services such as spare parts, after-sale services and annual maintenance contracts are also gaining popularity due to increased consumer awareness. The Company believes it 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 automotive industry.

The Company believes it is poised to address growing demands and changing preferences of customers in the intermediate and light commercial vehicle categories with its new range of vehicles in those categories, as the evolving infrastructure in India is expected to change the way the transportation industry matures and as the Company expects increased demand for better quality and more comfortable vehicles.

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 believes that is ideally placed to take advantage for targeting lucrative international markets, either through fully-built or complete knock-down exports.

In addition, the Company believes it has the advantage of strong in-house design and development facilities and professionals. Thus the Company believes that its research and development group is capable of developing solutions for different regulatory and emission norms in accordance with market demands in timely manner.

The Company is focusing on increasing its global presence to hedge against domestic downturns as well as a growth opportunity. While the Company is already present in Africa and some parts of the Association of Southeast Asian Nations, or ASEAN, it is focusing on increasing presence in more key markets in ASEAN and Latin America. 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 intends to grow its business by diversifying its product range to compete in new segments, for example, the new Jaguar XE sports saloon ensures that Jaguar Land Rover competes in the largest premium saloon segment with a class-leading product and the new Jaguar F-PACE luxury performance SUV, which went on sale in April 2016. In addition, Jaguar Land Rover expects to launch the Range Rover Evoque convertible in June 2016, further expanding the product offering to existing and new customers.

### FINANCIAL PERFORMANCE ON A CONSOLIDATED BASIS

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

#### Overview

The Company total revenue (net of excise duties) including finance revenues increased by 4.7% to ₹275,561.11 crores in Fiscal 2016 from ₹263,158.98 crores in Fiscal 2015. However, the Company's net income (attributable to shareholders of the Company) declined by 21.2% to ₹11,023.75 crores in Fiscal 2016 from ₹13,986.29 crores in Fiscal 2015. Overall, earnings before other income, interest and tax before inter-segment eliminations, were ₹19,825.99 crores in Fiscal 2016 compared to ₹25,997.39 crores in Fiscal 2015, a decrease of 23.7%. The decrease in net income was primarily driven by higher depreciation and amortization, as well as factors impacting the



Jaguar Land Rover business, most notably less favourable market and model mix, an exceptional one time charge relating to vehicles destroyed or damaged in the Tianjin port explosion in August 2015, and one time reserves and charges for an industry-wide passenger airbag safety recall announced in the United States by National Highway Traffic System Administration (NHTSA) in respect of airbags from a supplier (Takata), provision for doubtful debts and previously capitalized investment.

The Company has pursued a strategy of increasing exports of Tata and other brand vehicles to new and existing markets. The performance of the Company's subsidiary in South Korea, TDCV, and TTL, its specialized subsidiary engaged in engineering, design and information technology services, contributed to its revenue from international markets. Improved market sentiment in certain countries to which the Company exports and the strong sales performance of Jaguar Land Rover has enabled the Company to increase its sales in these international markets in Fiscal 2016. However, Jaguar Land Rover's sales in China, has decreased in Fiscal 2016 by 17.3% to 98,650 units, compared to 119,310 units in Fiscal 2015. This resulted in the proportion of the Company's net sales earned from markets outside of India decreased to 84.8% in Fiscal 2016 from 86.4% in Fiscal 2015.

The following table sets forth the Company's revenues from its key geographical markets and the percentage of total revenues that each key geographical market contributes for the periods indicated:

Revenue	Fiscal 2016		Fiscal 2015	
	(₹ in crores)	%	(₹ in crores)	%
India	41,979.43	15.2%	35,676.53	13.6%
China	53,123.58	19.3%	76,170.40	28.9%
UK	46,007.94	16.7%	35,484.92	13.4%
United States	43,692.61	15.9%	31,469.53	12.0%
Rest of Europe*	41,583.95	15.1%	31,791.99	12.1%
Rest of World*	49,173.60	17.8%	52,565.61	20.0%
<b>Total</b>	<b>275,561.11</b>	<b>100.0%</b>	<b>263,158.98</b>	<b>100.0%</b>

\* The Rest of Europe market is geographic Europe, excluding the United Kingdom and Russia. The Rest of the World market is any region not included above.

The Company's operations are divided into automotive operations and other operations as described further below. The table below sets forth the breakdown in revenues between the Company automotive operations and other operations in Fiscal 2016 and 2015 and the percentage change from period to period.

	Fiscal 2016	Fiscal 2015	Change
	(₹ in crores)		%
Automotive operations	274,138.50	261,839.73	4.7%
Others	2,934.82	2,747.79	6.8%
Inter-segment elimination	(1,512.21)	(1,428.54)	5.9%
<b>Total</b>	<b>275,561.11</b>	<b>263,158.98</b>	<b>4.7%</b>

### Automotive operations

Automotive operations are the Company most significant segment, accounting for 99.5% of the Company's total revenues in Fiscal 2016 and 2015. In Fiscal 2016, revenue from automotive operations before inter-segment eliminations was ₹274,138.50 crores as compared to ₹261,839.73 crores in Fiscal 2015, an increase of 4.7%.

The following table sets forth selected data regarding the Company's automotive operations for the periods indicated, and the percentage change from period to period (before inter-segment eliminations).

	Fiscal 2016	Fiscal 2015	Change
			%
Total revenue (₹ in crores)	274,138.50	261,839.73	4.7%
Earning before other income, interest and tax (₹ in crores)	19,386.50	25,621.43	(24.3)%
Earning before other income, interest and tax (% to total revenue)	7.1%	9.8%	

The Company's automotive operations segment is further divided into Tata and other brand vehicles (including vehicle financing) and Jaguar Land Rover. In Fiscal 2016, Jaguar Land Rover contributed 81.9% of the Company's total automotive revenue compared to 83.2% in Fiscal 2015 and the remaining 18.1% was contributed by Tata and other brand vehicles in Fiscal 2016 compared to 16.8% in Fiscal 2015.

The Company's revenue from Tata and other brand vehicles (including vehicle financing) and Jaguar Land Rover in Fiscals 2016 and 2015 and the percentage change from period to period (before intra-segment eliminations) is set forth in the table below.

	Fiscal 2016	Fiscal 2015	Change
	(₹ in crores)		%
Tata and other brand vehicles	49,742.80	44,118.13	12.7%
Jaguar Land Rover	224,471.12	217,828.44	3.0%
Intra-segment elimination	(75.42)	(106.84)	29.4%
<b>Total</b>	<b>274,138.50</b>	<b>261,839.73</b>	<b>4.7%</b>

### Other operations

The following table sets forth selected data regarding the Company's other operations for the periods indicated and the percentage change from period to period (before inter-segment eliminations).

	Fiscal 2016	Fiscal 2015	Change (%)
Total revenue (₹ in crores)	2,934.82	2,747.79	6.8%
Earning before other income, interest and tax (₹ in crores)	439.49	375.96	16.9%
Earning before other income, interest and tax (% to total revenue)	15.0%	13.7%	

The other operations business segment includes information technology, machine tools and factory automation solutions. In Fiscal 2016, revenue from other operations before inter-segment eliminations was ₹2,934.82 crores compared to ₹2,747.79 crores in Fiscal 2015. Results for the other operations business segment before other income, finance cost, tax and exceptional items (before inter-segment eliminations) were ₹439.49 crores in Fiscal 2016 as compared to ₹375.96 crores for Fiscal 2015.

### Results of Operations

The following table sets forth selected items from the Company's consolidated statements of income for the periods indicated and shows these items as a percentage of total revenues:

	Fiscal 2016	Fiscal 2015
	(%)	(%)
Revenue from operations net of excise duty	100.0	100.0
Expenditure:		
Cost of material consumed (including change in stock)	58.9	60.8
Employee Cost	10.6	9.7
Manufacturing and other expenses (net)	21.9	19.4
Amount Capitalised	(6.0)	(5.9)
Total Expenditure	85.4	84.0
Other Income	0.4	0.3
Profit before Exceptional Items, Depreciation, Interest and Tax	15.0	16.3
Depreciation and Amortisation (including product development / engineering expenses written off)	7.4	6.2
Finance costs	1.7	1.8
Exceptional Item – Loss	0.8	0.1
Profit before Tax	5.1	8.2

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

	Fiscal 2016	Fiscal 2015
	(₹ in crores)	
Consumption of raw materials and components	152,445.39	149,956.54
Purchase of product for sale	12,850.27	13,293.82
Change in inventories of finished goods, Work-in-progress and products for sale	(2,876.62)	(3,330.35)
<b>Total</b>	<b>162,419.04</b>	<b>159,920.01</b>

Cost of material consumed decreased from 61.4% of total revenue (excluding income from vehicle financing) in Fiscal 2015 to 59.5% in Fiscal 2016. For Tata Motors Standalone, costs of materials consumed was 69.8% of net revenue in Fiscal 2016 of total revenue as compared to 74.5% in Fiscal 2015, representing a decrease of 470 bps, which was mainly attributable to a change in product mix that includes a relatively higher proportion of M&HCV sales and cost reduction measures. For Jaguar Land Rover, costs of materials consumed was 58.8% of total revenue in Fiscal 2016 compared to 60.2% in Fiscal 2015, representing a decrease of 140 bps, driven by cost-reduction measures and the general weakening of the Euro in Fiscal 2016.

**Employee Costs** were ₹29,198.89 crores in Fiscal 2016 as compared to ₹25,548.96 crores in Fiscal 2015 an increase of 14.3%. At Jaguar Land Rover the increase in employee cost is by 17.6% to GB£2,368.62 million (₹23,349.68 crores) in Fiscal 2016 as compared to GB£2,013.22 million (₹19,792.27 crores) in Fiscal 2015, primarily reflects the increase in the employee head count to support the higher production volume in Fiscal 2016.

For Tata Motors Standalone, the employee cost decreased marginally by 2.1% to ₹3,026.75 crores as compared to ₹3,091.46 crores in Fiscal 2015. The increase due to annual increments was offset by the lower charge for defined benefit employee plans, as a result of stable discount rates.

Employee costs at TDCV were ₹672.16 crores in Fiscal 2016, as compared to ₹518.82 crores in the same period in Fiscal 2015, an increase of 29.6%. Fiscal 2015 cost included reversal of ₹264.19 crores following a favourable decision by the Supreme Court of South Korea and resolution of the lawsuit filed by TDCV union employees, pursuant to which the employees had demanded inclusion of some elements of salary and bonuses as part of wages. However, in Fiscal 2015, there was a loss in actuarial valuations of the severance plan at TDCV of ₹69.92 crores as compared to a gain of ₹61.22 crores in Fiscal 2016.

Manufacturing and Other Expenses includes all works operations, indirect manufacturing expenses, freight cost, fixed marketing costs and other administrative costs. These expenses have increased by 18.5% to ₹60,424.95 crores in Fiscal 2016 from ₹50,980.37 crores in Fiscal 2015. Each line item includes the element of foreign currency translation impact of Jaguar Land Rover operations of approximately ₹615.16

crores in aggregate in Fiscal 2016. The breakdown is provided below:

	Fiscal 2016	Fiscal 2015
	(₹ in crores)	
Processing charges	1,110.68	1,050.48
Stores, spare parts and tools consumed	2,097.24	1,782.94
Freight, transportation, port charges, etc.	9,787.41	7,754.97
Repairs to buildings	118.28	120.47
Repairs to plant, machinery, etc.	524.37	471.86
Power and fuel	1,169.44	1,121.75
Rent	453.20	516.04
Rates and taxes	376.77	380.53
Insurance	376.25	287.49
Publicity	8,847.93	8,501.36
Works operation and other expenses	35,549.51	28,832.38
Excise Duty on change in Stock-in-trade	13.87	160.10
<b>Manufacturing and Other Expenses</b>	<b>60,424.95</b>	<b>50,980.37</b>

Manufacturing and other expenses increased to 21.9% of total revenues in Fiscal 2016 compared to 19.4% in Fiscal 2015. The increases are mainly driven by volumes and the size of operations.

- Processing charges were mainly incurred by Tata and other brand vehicles (including vehicle financing) which, due to higher volumes, led to higher expenditures.
- Freight, transportation, port charges etc. have increased, mainly for Jaguar Land Rover, predominantly due to increased sales in certain geographies. As a percentage to total revenue, Freight, transportation and port charges etc. increased to 3.6% in Fiscal 2016 as compared to 2.9% in Fiscal 2015, due to increased freights charges.
- Publicity expenses remained flat and represented 3.2% of total revenues in Fiscal 2016 and 2015. In addition to routine product and brand campaigns, the Company incurred expenses relating to new product introduction campaigns for the new Jaguar XE, the all new Jaguar XF, refreshed 2016 Model year the Jaguar XJ, the new Jaguar F-PACE, the Range Rover Evoque (including convertible), the SIGMA range of trucks, the ACE Mega and "Made of Great" campaign at Tata Motors.

- iv. Works operation and other expenses have increased to 13.0% of net revenue in Fiscal 2016 from 11.0% in Fiscal 2015. During Fiscal 2016, there was a net loss on the mark-to-market value of trading forward and options of ₹3,716.03 crores as compared to ₹39.48 crores in Fiscal 2015. Furthermore, engineering expenses at Jaguar Land Rover have increased, reflecting its increased investment in the development of new vehicles. A significant portion of these costs are capitalised and shown under the line item "Amount capitalised". This was offset by the provision and write off of various debtors, vehicle loans and advances (net), which has decreased to ₹893.33 crores in Fiscal 2016 as compared to ₹1,800.78 crores in Fiscal 2015, mainly reflect provisions for finance receivables, where rate of defaults increased in Fiscal 2015, due to prolonged and unanticipated deterioration in the economic environment in India, which severely affected fleet owners and transporters.

**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 by 8.5% to ₹16,718.43 crores in Fiscal 2016 from ₹15,404.18 crores in Fiscal 2015, mainly due to various product development projects undertaken by the Company for the introduction of new products and the development of engine and products variants.

**Other Income** increased by 9.2% to ₹981.72 crores in Fiscal 2016 from ₹898.74 crores in Fiscal 2015, and mainly includes interest income of ₹755.66 crores in Fiscal 2016, compared to ₹714.96 crores in Fiscal 2015 and Profit on sale of investment increased to ₹181.39 crores in Fiscal 2016, compared to ₹119.57 crores in Fiscal 2015. The increase is primarily due to profit on the sale of mutual funds, mainly at Tata and other brand vehicles (including vehicle financing).

**Profit before Interest, Depreciation, Exceptional Items and Tax** is ₹41,218.38 crores in Fiscal 2016, representing 15.0% of revenue in Fiscal 2016 compared to ₹43,012.56 crores in Fiscal 2015.

**Depreciation and Amortisation (including product development / engineering expenses written off):** During Fiscal 2016, expenditures increased by 26.0% to ₹20,494.61 crores from ₹16,263.80 crores in Fiscal 2015. The increase in depreciation of 26.5% to ₹8,220.51 crores in Fiscal 2015 from ₹6,498.13 crores in Fiscal 2015 is due to full year depreciation of the new engine plant at Jaguar Land Rover and new product launches both at Jaguar

Land Rover and Tata and other brand vehicles (including vehicle financing). The amortisation expenses have increased by 27.6% to ₹8,793.67 crores in Fiscal 2016 from ₹6,890.50 crores in Fiscal 2015, and are attributable to new products introduced during the year. Expenditure on product development / engineering expenses written off increased by 21.1% to ₹3,480.43 in Fiscal 2016 from ₹2,875.17 in Fiscal 2015.

**Finance Cost** decreased by 4.9% to ₹4,623.35 crores in Fiscal 2016 from ₹4,861.49 crores in Fiscal 2015. The decrease was mainly achieved by refinancing certain senior notes and other long term loans with loans with lower interest rates and repayments of borrowings from proceeds of the Company's rights issue in Fiscal 2016.

#### Exceptional items

	Fiscal 2016	Fiscal 2015	Change
	(₹ in crores)		
Exchange loss (net) including on revaluation of foreign currency borrowings, deposits and loans	240.19	91.72	148.47
Employee separation cost	32.72	92.99	(60.27)
Provision for costs associated with closure of operations and impairment of intangibles of a subsidiary company	44.31	-	44.31
Impairment of capitalised fixed assets	163.94	-	163.94
Others	1,638.39	-	1,638.39
<b>Total</b>	<b>2,119.55</b>	<b>184.71</b>	<b>1,934.84</b>

- Foreign exchange loss (net) represents impact on account of revaluation of foreign currency borrowings, deposits and loans, and amortisation of loss / gain, on such foreign currency monetary items that were deferred in previous years.
- Employee separation cost: The Company has given early retirement to various employees resulting in an expense both in Fiscal 2016 and 2015.
- In Fiscal 2016, the Company decided to close operations of a subsidiary company, triggered by under performance and challenging market conditions.
- In Fiscal 2016, ₹163.94 crores of capitalised assets relating to certain vehicle models were written off.
- The carrying value of inventory (net of insurance recovery) of ₹1,638.39 crores (GB£157 million) was recognised in Fiscal 2016, following the assessment of the physical condition of the vehicles involved in the explosion at the port of Tianjin in China in August 2015.

**Consolidated Profit Before Tax (PBT)** decreased to ₹13,980.87 crores in Fiscal 2016, compared to ₹21,702.56 crores in Fiscal 2015. The reduction in PBT is primarily driven by less favourable market and model mix, an exceptional net charge relating vehicles destroyed or damaged in the Tianjin port explosion in August 2015, and one time reserves and charges for the U.S. recall of potentially faulty passenger airbags supplied by Takata, doubtful debts and previously capitalized investment impacting the Jaguar Land Rover business.

**Tax Expense** represents a net charge of ₹2,872.60 crores in Fiscal 2016, as compared to net charge of ₹7,642.91 crores in Fiscal 2015. 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. The effective tax rate in Fiscal 2016 was 20.6% as compared to 35.2% in Fiscal 2015. In Fiscal 2016, there was a reduction in the UK Corporation tax from 20% to 19% for Fiscal 2018 and to 18% thereafter, resulting in a deferred tax credit. In Fiscal 2015, there was tax charge of the Company's standalone performance due to write off of minimum alternate tax or MAT liability.

**Consolidated Profit for the year** declined by 21.2% to ₹11,023.75 crores in Fiscal 2016 from ₹13,986.21 crores in Fiscal 2015, after considering the profit from associate companies and shares of minority investees.

### Consolidated Balance Sheet

**Shareholders' fund** was ₹80,782.67 crores and ₹56,261.92 crores as at March 31, 2016 and 2015, respectively, an increase of 43.5%.

**Reserves** increased by 44.0% from ₹55,618.18 crores as at March 31, 2015 to ₹80,103.49 crores as at March 31, 2016. Apart from the Profit for Fiscal 2016 of ₹11,023.75 crores, the increase in Reserves of ₹24,485.35 crores was primarily attributable to following reasons:

- ❖ Securities premium increased by ₹7,400.66 crores due to issuances of shares at premium in the Company's Rights offering in Fiscal 2016.
- ❖ Accumulated actuarial losses in Pension Reserve have decreased by 35.7% to ₹6,659.25 crores as at March 31, 2016 compared to ₹10,361.85 crores as at March 31, 2015, due to increase in the interest rates for Jaguar Land Rover pension funds.
- ❖ The exchange losses on foreign currency borrowings (net of amortisation of past losses) recognised in Foreign Currency Monetary Item Translation Difference Account of ₹2,847.84 crores as at March 31, 2016, as compared to ₹4,227.07 crores as at March 31, 2015.

- ❖ Translation gain of ₹1,730.87 crores recognised in Translation Reserve on consolidation of subsidiaries further contributed to an increase in Reserves and Surplus.
- ❖ Partially offset by a reduction in Hedging Reserves by ₹693.76 crores, primarily due to mark-to-market losses on forwards and options in Jaguar Land Rover, primarily due to decline in the US dollar-GBP forward rates.

### Borrowings:

	As at March 31,		Change
	2016	2015	
(₹ in crores)			
Long term borrowings	51,876.31	56,071.34	(4,195.03)
Short term borrowings	11,223.63	13,140.14	(1,916.51)
Current maturities of long term borrowings	7,368.55	4,398.91	2,969.64
<b>Total</b>	<b>70,468.49</b>	<b>73,610.39</b>	<b>(3,141.90)</b>

- ❖ Current maturities of long-term borrowings represent the amount of loan repayable within one year.
- ❖ During the year TML Holdings Pte. Ltd., a subsidiary of the Company, has
  - ❖ Refinanced existing unsecured multi-currency loan of US\$600 million (US\$250 million and SG\$62.8 million maturing in November 2017 and US\$210 million and SG\$114 million maturing in November 2019) with a new unsecured loan of US\$600 million (US\$300 million maturing in October 2020 and US\$300 million maturing in October 2022); and
  - ❖ Refinanced the existing SG\$350 million 4.25% Senior notes due in May 2018 with a new syndicated loan of US\$250 million maturing in March 2020.
- ❖ Further, the Company has paid certain of its borrowings from the Rights issue.

**Other long-term liabilities** were ₹9,946.52 crores as at March 31, 2016, as compared to ₹9,141.92 crores as at March 31, 2015. These included ₹7,744.11 crores of derivative financial instruments, mainly attributable to Jaguar Land Rover as at March 31, 2016 compared to ₹7,721.94 crores as at March 31, 2015, reflecting notional liability due to the valuation of derivative contracts.

**Trade payables** were ₹63,632.89 crores as at March 31, 2016, as compared to ₹57,407.28 crores as at March 31, 2015.

**Provisions (current and non-current)** were made towards warranty and employee benefit schemes. Short-term provisions are

those which are expected to be settled during next financial year. The details are as follows:

	As at March 31,		
	2016	2015	Change
	(₹ in crores)		
Long term provisions (Non-current)	11,817.30	15,134.27	(3,316.97)
Short term provisions (Current)	8,702.12	6,036.00	2,666.12
<b>Total</b>	<b>20,519.42</b>	<b>21,170.27</b>	<b>(650.85)</b>

- Provision for warranty and product liability increased by ₹2,087.48 crores or 20.2% mainly on account of increased volumes at Jaguar Land Rover and M&HCV volume at TML.
- The provision for employee benefits obligations decreased by ₹2,823.1 crores or 30.3% on account of changes in actuarial factors.

**Other current liabilities** were ₹27,261.82 crores as at March 31, 2016 as compared to ₹23,688.58 crores as at March 31, 2015, representing an increase of 15.1%. These mainly includes liabilities towards vehicles sold under repurchase arrangements, liabilities for capital expenditure, statutory dues, current liabilities of long-term debt, derivative liabilities and advance / progress payment from customers. The increase was mainly due to increase in current maturities of long-term borrowings.

#### Fixed Assets:

	As at March 31,		
	2016	2015	Change
	(₹ in crores)		
Tangible assets (including capital work-in-progress)	70,915.85	61,656.68	9,259.17
Intangible assets (including assets under development)	57,934.82	50,765.91	7,168.91
<b>Total</b>	<b>128,850.67</b>	<b>112,422.59</b>	<b>16,428.08</b>

The increase (net of depreciation) in the tangible assets mainly represented additions towards new product plans and the new engine manufacturing facility and Brazil plant at Jaguar Land Rover and the increase (net of amortisation) in the intangible assets was ₹7,168.91 crores, mainly attributable to new product developments projects and new product launches during Fiscal 2016.

**Investments (Current + Non-current)** were ₹20,466.09 crores as at March 31, 2016, as compared to ₹15,336.74 crores as at March

31, 2015. The details are as follows:

	As at March 31,		
	2016	2015	Change
	(₹ in crores)		
Mutual Funds	19,211.01	14,058.36	5,152.65
Investments in equity accounted investees (associate companies)	391.75	382.59	9.16
Quoted Equity shares	313.98	302.08	11.90
Unquoted Equity shares	381.46	386.99	(5.53)
Others	173.57	210.90	(37.33)
Provision for diminution in value of investments (net)	(5.68)	(4.18)	(1.50)
<b>Total</b>	<b>20,466.09</b>	<b>15,336.74</b>	<b>5,129.35</b>

The increase in mutual fund investments was mainly at the Company and at Jaguar Land Rover.

**Deferred tax assets / liability:** Deferred tax assets represent timing differences for which there will be future current tax benefits due to unabsorbed tax losses and expenses allowable on a payment basis in future years. Deferred tax liabilities represent timing differences where current benefit in tax will be off-set by a debit in the statement of profit and loss.

	As at March 31,	
	2016	2015
	(₹ in crores)	
Deferred tax assets (net)	2,726.43	2,733.20
Deferred tax liability (net)	3,166.08	1,343.20

#### Loans and Advances

	As at March 31,	
	2016	2015
	(₹ in crores)	
Long term loans and advances	13,940.82	14,948.31
Short term loans and advances	14,757.51	10,746.44
<b>Total</b>	<b>28,698.33</b>	<b>25,694.75</b>

#### Loans and advances include:

- Receivables towards vehicle financing by TMFL increased to ₹18,999.38 crores as at March 31, 2016, as compared to ₹16,877.82 crores as at March 31, 2015, an increase of 12.6%, due to higher disbursements during the year;
- VAT, other taxes recoverable, statutory deposits and dues of ₹5,510.19 crores as at March 31, 2016, as compared to ₹5,442.38 crores as at March 31, 2015.
- Capital advances representing advances given capital purchases has increased to ₹470.31 crores as at March 31, 2016 from ₹234.93 crores as at March 31, 2015.
- Income tax assets have increased to ₹1,502.49 crores as at March 31, 2016 as compared to ₹1,159.78 crores as at March 31, 2015.

**Inventories** as at March 31, 2016, were ₹33,398.98 crores as compared to ₹29,272.34 crores as at March 31, 2015, an increase of 14.1%. Inventory at Tata and other brand vehicles (including vehicle financing) was ₹6,818.67 crores as at March 31, 2016 as compared to ₹6,155.33 crores as at March 31, 2015. Inventory at Jaguar Land Rover was ₹26,505.61 crores as at March 31, 2016, an increase of 15.9%, as compared to ₹22,877.62 crores as at March 31, 2015. In terms of number of days of sales, finished goods represented 34 inventory days in Fiscal 2016 as compared to 32 days in Fiscal 2015.

**Trade Receivables** (net of allowance for doubtful debts) were ₹12,989.96 crores as at March 31, 2016, representing an increase of 3.3% compared to ₹12,579.20 crores as at March 31, 2015. Trade Receivables have increased at Tata and other brand vehicles (including vehicle financing) to ₹2,882.54 crores as at March 31, 2016 as compared to ₹2,558.03 crores as at March 31, 2015. The allowances for doubtful debts were ₹1,240.35 crores as at March 31, 2016 compared to ₹737.86 crores as at March 31, 2015. The increase was mainly at Jaguar Land Rover for certain doubtful receivables.

**Cash and bank balances** were ₹32,879.98 crores, as at March 31, 2016 compared to ₹32,115.76 crores as at March 31, 2015. The Company holds cash and bank balances in Indian rupees, GBP, Chinese Renminbi, etc. The cash balances include bank deposits maturing within one year of ₹23,230.63 crores as at March 31, 2016, compared to ₹23,638.08 crores as at March 31, 2015.

### Consolidated Cash Flow

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

	Fiscal 2016	Fiscal 2015	Change
	(₹ in crores)		
<b>Net Cash from Operating Activities</b>	<b>39,166.71</b>	<b>35,531.26</b>	<b>3,635.45</b>
Profit for the year	11,023.75	13,986.29	
Adjustment for cash flow from operations	27,585.37	29,410.82	
Change in working capital	2,551.53	(3,671.81)	
Direct taxes paid (net)	(1,993.94)	(4,194.04)	
<b>Net Cash used in Investing Activities</b>	<b>(38,610.81)</b>	<b>(34,867.22)</b>	<b>(3,743.59)</b>
Payments for fixed assets (net)	(32,623.24)	(31,887.98)	
Net investments, short term deposit, margin money and loans given	(1,987.23)	1,853.14	
Investments in Mutual Funds sold/ (made) (net)	(4,714.73)	(5,450.10)	
Investments in subsidiary/associate companies/ JV (net)	(111.44)	(160.00)	
Dividend and Interest received	825.83	777.72	
<b>Net Cash (used in)/ from Financing Activities</b>	<b>(3,192.95)</b>	<b>5,201.44</b>	<b>(8,394.39)</b>
Proceeds from Rights issue of shares (net of issue expenses)	7,433.22	-	
Proceeds from issue of preference shares to minority shareholders (net of issue expenses)	428.44	-	
Net borrowings (net of issue expenses)	(5,176.77)	12,228.79	
Interest Paid	(5,703.90)	(6,306.98)	
Dividend paid (including paid to minority shareholders)	(173.94)	(720.37)	
<b>Net (decrease)/ increase in cash and cash equivalent</b>	<b>(2,637.05)</b>	<b>5,865.48</b>	
Cash and cash equivalent, beginning of the year	21,128.33	16,627.98	
Cash and cash equivalent on acquisition of a subsidiary	-	0.46	
Effect of exchange fluctuation on cash flows	859.20	(1,365.59)	
<b>Cash and cash equivalent, end of the year</b>	<b>19,350.48</b>	<b>21,128.33</b>	

### Analysis:

- Cash generated from operations before working capital changes was ₹38,609.12 crores in Fiscal 2016, as compared to ₹43,397.11 crores in the previous year, representing a decrease in cash generated through consolidated operations, consistent with the reduction in profit on a consolidated basis. After considering the impact of working capital changes including the net movement of vehicle financing portfolio, the net cash generated from operations was ₹39,166.71 crores in Fiscal 2016, as compared to ₹35,531.26 crores in the previous year. The increase in trade receivables, inventories and other assets amounting to ₹7,845.79 crores mainly due to increase in sales was offset by increase in trade and other payables and provisions amounting to ₹10,397.32 crores.
- The net cash outflow from investing activity increased to ₹38,610.81 crores in Fiscal 2016 from ₹34,867.22 crores in Fiscal 2015.
  - ❖ Capital expenditure (net) was at ₹32,623.24 crores in Fiscal 2016 compared to ₹31,887.98 in Fiscal 2015, related mainly to capacity / expansion of facilities, quality and reliability projects and product development projects.
  - ❖ Net investment, short term deposits, margin money and loans given was an outflow of ₹1,987.23 crores in Fiscal 2016 as compared to an inflow of ₹1,853.14 crores in Fiscal 2015, mainly at Jaguar Land Rover.
- The net change in financing activity was an outflow of ₹3,192.95 crores in Fiscal 2016 as compared to an inflow of ₹5,201.44 crores in Fiscal 2015.
  - ❖ During Fiscal 2016, the Company raised ₹7,433.22 crores through rights issue of shares and ₹428.44 crores through issue of preference shares to minority shareholders.
  - ❖ In Fiscal 2015, ₹8,886.52 crores were raised from long-term borrowings (net) as compared to repayment of ₹3,074.08 crores (net) in Fiscal 2016 as described in further detail below.
  - ❖ Net decrease in short-term borrowings of ₹2,099.95 crores in Fiscal 2016 as compared to an increase of ₹3,351.58 crores in Fiscal 2015, mainly at Tata and other brand vehicles (including vehicle financing).

As at March 31, 2016, the Company's borrowings (including short-term debt) were ₹70,468.49 crores, compared to ₹73,610.39 crores as at March 31, 2015.

### Principal Sources of Funding Liquidity

The Company finances its capital expenditures and research and development investments through cash generated from operations, cash and cash equivalents, debt and equity funding. The Company also raises funds through sale of investments, including divestment in stakes of subsidiaries on a selective basis.

The Company's cash and bank balances on a consolidated basis were ₹32,879.98 crores as at March 31, 2016, as compared to ₹32,115.76 crores as at March 31, 2015. These enable the Company to cater to business needs in the event of changes in market conditions.

The Company's capital expenditures were ₹32,024.42 crores and ₹34,889.61 crores for Fiscal 2016 and 2015, respectively, and the Company currently plans to invest approximately ₹398 billion in Fiscal 2017 in new products and technologies. The Company intends to continue to invest in new products and technologies to meet consumer and regulatory requirements. These investments are intended to enable the Company to pursue further growth opportunities and improve the Company's competitive positioning. The Company expects to meet most of its investments out of operating cash flows and cash liquidity available. In order to meet the remaining funding requirements, the Company may be required to raise funds through additional loans and by accessing capital markets from time to time, as deemed necessary.

With the ongoing need for investments in products and technologies, the Company (on a standalone basis) was free cash flow (a non-GAAP financial measure, measured at cash flow from operating activities less payments for property, plant and equipment and intangible assets) negative in Fiscal 2016 of ₹635.80 crores. The Company expects 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 Limited for short-term borrowing and long-term borrowing from the following rating agencies as at March 31, 2016: Credit Analysis and Research Ltd Ratings, or CARE, Information and Credit Rating Agency of India Ltd, or ICRA, Credit Rating Information Services of India Limited, or CRISIL Ltd, Standard & Poor's Ratings Group, or S&P, and Moody's Investor Services, or Moody's. A credit rating is not a recommendation to buy, sell or

hold securities. A credit rating may be subject to withdrawal or revision at any time. Each rating should be evaluated separately of any other rating:

	CARE	ICRA	CRISIL	S&P	Moody's
Long-term borrowings	AA+	AA	AA	BB	Ba2
Short-term borrowings	—	A1+	A1+	—	—

The Company believes that it has sufficient liquidity available to meet its planned capital requirements. However, the Company's sources of funding could be materially and adversely affected by an economic slowdown, as was witnessed in Fiscal 2009, or other macroeconomic factors in India and abroad, such as in the United Kingdom, the United States, Europe, Russia and China, all of which are beyond the Company's control. A decrease in the demand for the Company's vehicles could affect its ability to obtain funds from external sources on acceptable terms or in a timely manner.

The Company's cash is located at various subsidiaries within the Tata Motors Group. There may be legal, contractual or economic restrictions on the ability of subsidiaries to transfer funds to the Company in the form of cash dividends, loans, or advances. Brazil, Russia, South Africa and other jurisdictions have regulatory restrictions, disincentives or costs on pooling or transferring of cash. However, such restrictions have not had and are not estimated to have a significant impact on the Company's ability to meet its cash obligations.

In order to refinance the Company's borrowings and for supporting long-term fund needs, the Company continued to raise funds in Fiscal 2015 and 2016, through issue of various debt securities and Rights issue of shares described below.

During Fiscal 2015, the Company issued US\$500 million 4.625% senior unsecured notes due 2020 and US\$250 million 5.750% senior unsecured notes due 2024. The proceeds have been used to refinance existing external commercial borrowing, or ECB, of the Company of US\$500 million with the balance of the proceeds and other permitted purposes as per RBI ECB guidelines.

Further, in March 2015, the Company prepaid 2% NCDs of ₹1,250 crores (due March 31, 2016) with a redemption premium of ₹744.19 crores.

During Fiscal 2015, Jaguar Land Rover Automotive plc, an indirect subsidiary of the Company, issued US\$500 million 4.250% senior notes due 2019, US\$500 million 3.50% senior notes due 2020 and GB£400 million 3.875% senior notes due 2023. The proceeds were used for part prepayment of US\$326 million 8.125% senior notes due 2021 and GB£442 million 8.250% senior notes due 2020 as well as for general corporate purposes, including support for the



ongoing growth and capital spending plan. On March 15, 2016, Jaguar Land Rover Automotive plc redeemed the remaining GB£58 million of the 8.25% GBP notes due 2020 by exercising the bond's early redemption option. In addition, Jaguar Land Rover Automotive plc redeemed the remaining GB£84 million of the 8.125% USD notes due 2021 by exercising the bond's early redemption option on May 16, 2016.

During Fiscal 2016, the Company allotted 15,04,90,480 Ordinary shares (including 3,20,49,820 shares underlying the ADRs) of ₹2 each at a premium of ₹448 per share, aggregating ₹6,772.07 crores and 2,65,09,759 'A' Ordinary shares of ₹2 each at a premium of ₹269 per share, aggregating ₹718.42 crores pursuant to the Rights issue. 1,54,279 Ordinary shares and 20,531 'A' Ordinary shares have been kept in abeyance.

Out of the proceeds of the Rights issue, ₹500 crores have been used for funding expenditure towards plant and machinery, ₹1,500 crores towards research and product development, ₹4,000 crores towards repayment in full or in part of certain long-term and short-term borrowings, and ₹1,401.10 crores towards general corporate purposes.

During Fiscal 2016, TML Holdings Pte. Ltd., a subsidiary of the Company, has

- ❖ refinanced an existing unsecured multi-currency loan of US\$600 million (US\$250 million and SG\$62.8 million maturing in November 2017 and US\$210 million and SG\$114 million maturing in November 2019) with a new unsecured loan of US\$600 million (US\$300 million maturing in October 2020 and US\$300 million maturing in October 2022); and
- ❖ refinanced the existing SG\$350 million 4.25% Senior notes due in May 2018 with a new syndicated loan of US\$250 million maturing in March 2020.

The Tata Motors Group funds its short-term working capital requirements with cash generated from operations, overdraft facilities with banks, short-and medium-term borrowings from lending institutions, banks and commercial paper. The maturities of these short-and medium-term borrowings and debentures are generally matched to particular cash flow requirements. The working capital limits are ₹14,000 crores from various banks in India as at March 31, 2016. The working capital limits are secured by hypothecation of certain existing current assets of the Company. The working capital limits are renewed annually.

Jaguar Land Rover Automotive plc refinanced its revolving credit facility with a syndicate of more than 28 banks, increasing the size

of revolving credit facility to GB£1.8 billion, all maturing in 5 years (2020) and subsequently upsized the facility to GB£1.87 billion in September 2015, by including an additional bank. The outstanding balance under the facility which is completely undrawn, is GB£1.87 billion as at March 31, 2016.

Some of the Company's financing agreements and debt arrangements set limits on and/or require prior lender consent for, among other things, undertaking new projects, issuing new securities, changes in management, mergers, sales of undertakings and investment in subsidiaries. In addition, certain negative covenants may limit the Company's ability to borrow additional funds or to incur additional liens, and/or provide for increased costs in case of breach. Certain of the Company's financing arrangements also include financial covenants to maintain certain debt-to-equity ratios, debt-to-earnings ratios, liquidity ratios, capital expenditure ratios and debt coverage ratios.

The Company monitors compliance with its financial covenants on an ongoing basis. The Company also reviews its refinancing strategy and continues to plan for deployment of long-term funds to address any potential non-compliance.

Cash and liquidity at Jaguar Land Rover is located at various subsidiaries in different jurisdictions as well as with balances in India. The cash in some of these jurisdictions is subject to certain restrictions on cash pooling, intercompany loan arrangements or interim dividends. However, annual dividends are generally permitted and the Company does not believe that these restrictions have, or are expected to have, any impact on Jaguar Land Rover's ability to meet its cash obligations.

Certain debt issued by Jaguar Land Rover is subject to customary covenants and events of default, which include, among other things, restrictions or limitations on the amount of cash which may be transferred outside the Jaguar Land Rover group of companies in the form of dividends, loans or investments. 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 at March 31, 2016, the estimated amount that is available for dividend payments, other distributions and restricted payments outside the Jaguar Land Rover group of companies is approximately GB£3,458 million.

### **FINANCIAL PERFORMANCE ON A STANDALONE BASIS**

The financial information discussed in this section is derived from

the Company's Audited Standalone Financial Statements.

**Revenues (net of excise duty)** were ₹42,369.82 crores in Fiscal 2016, as compared to ₹36,301.63 crores in Fiscal 2015, representing an increase of 16.7%, mainly due to an increase in the volume of M&HCV sales by 24.3% as compared to Fiscal 2015. However, the total number of vehicles sold in India during the Fiscal 2016 was flat at 453,873 vehicles compared to 454,433 vehicles in Fiscal 2015. The export volumes grew by 16.3% to 58,058 vehicles in Fiscal 2016 compared to 49,936 vehicles in Fiscal 2015.

Due to the increase in revenue in Fiscal 2016, the Company has achieved a positive operating margin of 6.5% as compared to a negative margin of 2.2% of sales in Fiscal 2015. As a result the Profit before Tax in Fiscal 2016 was ₹150.39 crores as compared to loss before tax of ₹3,974.72 crores in Fiscal 2015. Furthermore, there was a tax credit of ₹83.84 crores in Fiscal 2016 as compared to a charge of ₹764.23 crores due to the write-off of MAT credit in Fiscal 2015. The profit after tax in Fiscal 2016 was ₹234.23 crores as compared to a loss of ₹4,738.95 crores in Fiscal 2015. The analysis of performance is given below as a percentage to revenue from operations.

	<b>Fiscal 2016</b>	<b>Fiscal 2015</b>
	(%)	(%)
Revenue from operations (net of excise duty)	100.0	100.0
Expenditure:		
Cost of material consumed (including change in stock)	69.8	74.5
Employee Cost	7.1	8.5
Manufacturing and other expenses (net)	19.0	22.3
Amount Capitalised	(2.4)	(3.1)
<b>Total Expenditure</b>	<b>93.5</b>	<b>102.2</b>
Other Income	5.0	5.2
<b>Profit before Exceptional Items, Depreciation, Interest and Tax</b>	<b>11.5</b>	<b>3.0</b>
Depreciation and Amortisation (including product development / engineering expenses written off)	6.7	8.4
Finance costs	3.5	4.4
Exceptional Item – Loss	0.9	1.1
<b>Profit before Tax</b>	<b>0.4</b>	<b>(10.9)</b>

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

	<b>Fiscal 2016</b>	<b>Fiscal 2015</b>
	(₹ in crores)	
Consumption of raw materials and components	24,313.08	22,155.23
Purchase of product for sale	5,259.27	5,765.24
Change in inventories of finished goods, Work-in-progress and products for sale	22.94	(878.82)
<b>Total</b>	<b>29,595.29</b>	<b>27,041.65</b>

The decrease in terms of cost of materials consumed (including change in stock) as a percentage to revenue was mainly due to a more favourable product mix which included a relatively higher proportion of M&HCV sales.

**Employee costs** decreased by 2.1% in Fiscal 2016 to ₹3,026.75 crores compared to ₹3,091.46 crores in Fiscal 2015. The decrease was primarily due to no changes in the discount rate assumptions for defined employee benefit plans in Fiscal 2016, as compared to lower discount rate in Fiscal 2015. Further, due to higher revenues, the percentage of employee cost to revenue reduced in Fiscal 2016 to 7.1% as compared to 8.5% in Fiscal 2015.

**Manufacturing and Other Expenses** relate to manufacturing, operations and incidental expenses other than raw materials and employee cost. This expenditure mainly includes job work charges, advertisements and publicity and other selling and administrative costs. The expenses were flat at ₹8,041.81 crores in Fiscal 2016 compared to ₹8,087.28 crores in Fiscal 2015. It represented 19.0% of the revenue in Fiscal 2016 compared to 22.3% of the revenue in Fiscal 2015. Freight, transportation and port charges, represented 3.0% and 2.9% of total revenues for Fiscal 2016 and Fiscal 2015, respectively. The increase in freight and transportation expenses is primarily due to trailers used for the transportation of vehicles. Publicity expenses represented 1.6% and 2.1% of total revenues in Fiscal 2016 and Fiscal 2015, respectively. In addition to routine product and brand campaigns and Auto Expo, the Company incurred expenses relating to new product introductions, namely, SIGNA and "Made of Great" campaign in Fiscal 2016. Warranty expenses increased to ₹482.72 crores in Fiscal 2016 as compared to ₹428.68 crores in Fiscal 2015, due to increased M&HCV sales during Fiscal 2016. In Fiscal 2015, manufacturing and other expenses included a provision for carrying capital cost of building at the Singur plant amounted to ₹309.88 crores.

**Amount capitalised** represents the expenditures transferred to capital and other accounts allocated out of employee costs and other expenses incurred in connection with product development projects and other capital items. The expenditures transferred to capital and other accounts decreased by 7.6% to ₹1,034.18 crores in Fiscal 2016 from ₹1,118.75 crores in Fiscal 2015, mainly related to ongoing development of new products and product variants.

**Other Income** totaled ₹2,132.92 crores in Fiscal 2016 compared to ₹1,881.41 crores in Fiscal 2015. This includes profit of ₹656.36 crores from divestment of investments in subsidiary companies and dividend income of ₹1,005.53 crores from subsidiary companies.

**Profit before Exceptional Item, Depreciation, Interest and Tax (PBDIT)** was ₹4,873.07 crores in Fiscal 2016, compared to ₹1,081.40 crores in Fiscal 2015. Increased M&HCV volumes coupled with improved market conditions resulted in an increase in operating profit as compared to the previous year.

**Depreciation and Amortisation expense** (including product development / engineering expenses) decreased by 5.3% in Fiscal 2016 to ₹2,878.36 crores compared to ₹3,040.69 crores in Fiscal 2015. Depreciation decreased by ₹113.34 crores, whereas amortization decreased by ₹36.13 crores in Fiscal 2016.

**Finance costs** decreased by 8.1% to ₹1,481.11 crores in Fiscal 2016 from ₹1,611.68 crores in Fiscal 2015, mainly due to reduction in borrowings as well as reduced interest rate.

### Exceptional Items

- In accordance with 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 ₹91.37 crores in Fiscal 2016 compared to ₹320.50 crores in Fiscal 2015.
- In Fiscal 2016, impairment of capitalized assets pertaining to certain vehicle models of ₹163.94 crores has been debited to the statement of profit and loss.
- Exceptional items also include ₹97.86 crores provided for investments and cost associated with closure of a foreign subsidiary company.
- Employee separation cost: The Company has given early retirement to various employees which resulted in a charge of ₹10.04 crores in Fiscal 2016 compared to ₹83.25 crores in Fiscal 2015.

**Profit before tax** was ₹150.39 crores in Fiscal 2016 as compared to loss before tax of ₹3,974.72 crores in Fiscal 2015. The profit was mainly attributable to higher sales volumes of M&HCV and effective cost management through various cost reduction initiatives, resulted in higher operating margins and profit on sale of certain investments.

**Tax expenses** - There was a tax credit of ₹83.84 crores in Fiscal 2016 as compared to tax expense of ₹764.23 crores in Fiscal 2015.

**Profit after tax** was ₹234.23 crores in Fiscal 2016 as compared to loss of ₹4,738.95 crores in Fiscal 2015. Consequently, basic Earnings Per Share (EPS) returned to a positive ₹0.68 in Fiscal 2016 as compared to negative ₹14.57 in Fiscal 2015 for Ordinary Shares and to positive ₹0.78 in Fiscal 2016 as compared to negative ₹14.57 in Fiscal 2015 for 'A' Ordinary Shares.

### Standalone Balance Sheet

**Shareholders' funds** increased to ₹22,368.08 crores as at March 31, 2016 compared to ₹14,862.59 crores as at March 31, 2015.

**Reserves** increased to ₹21,688.90 crores as at March 31, 2016 from ₹14,218.81 crores as at March 31, 2015, primarily due to increase in the securities premium account of ₹7,400.66 crores for the premium from the Company's rights offering in Fiscal 2016 and profit after tax in Fiscal 2016 of ₹234.23 crores, offset by the debit balance in Foreign Currency Translation Reserve Account of ₹82.50 crores (net) and the proposed dividend of ₹73.00 crores in Fiscal 2016.

### Borrowings:

	As at March 31,		
	2016	2015	Change
	(₹ in crores)		
Long term borrowings	10,687.94	12,318.96	(1,631.02)
Short term borrowings	3,351.74	7,762.01	(4,410.27)
Current maturities of long term borrowings	1,847.57	1,053.44	794.13
<b>Total</b>	<b>15,887.25</b>	<b>21,134.41</b>	<b>(5,247.16)</b>

During Fiscal 2016, the reduction in borrowings was due to repayment of commercial paper issuances from the proceeds of Rights issue.

**Trade payables** were ₹8,916.60 crores as at March 31, 2016 as compared to ₹8,852.65 crores as at March 31, 2015, representing minor movement in Fiscal 2016.

**Provision (current and non-current)** were ₹2,624.54 crores as at March 31, 2016 and ₹2,717.28 crores as at March 31, 2015. The

provisions were mainly towards warranty, employee retirement benefits, delinquency and proposed dividends.

**Fixed Assets** include tangible and intangible assets. The tangible assets (net of depreciation and including capital work in progress) increased marginally to ₹13,722.49 crores as at March 31, 2016 compared to ₹13,610.45 crores as at March 31, 2015. The intangible assets (net of amortisation, including the projects under development), increased to ₹8,522.37 crores as at March 31, 2016 compared to ₹8,213.57 crores as at March 31, 2015. The intangible assets under development were ₹5,011.18 crores as at March 31, 2016, and relate to new products planned in the future.

**Investments (Current + Non-current)** increased by 10.2% to ₹18,711.46 crores as at March 31, 2016 as compared to ₹16,987.17 crores as at March 31, 2015 due to investment in mutual funds of ₹1,736.00 crores

**Inventories** increased by 2.1% to ₹4,902.20 crores as at March 31, 2016 compared to ₹4,802.08 crores as at March 31, 2015. However, the total inventory decreased to 38 days of sales in Fiscal 2016 as compared to 44 days in Fiscal 2015 due to increase in sales volumes in Fiscal 2016.

**Trade Receivables (net of allowance for doubtful debts)** increased by 40.7% to ₹1,568.46 crores as at March 31, 2016 compared to ₹1,114.48 crores as at March 31, 2015. The receivables represented 14 days as at March 31, 2016 compared to 11 days as at March 31, 2015. The amount outstanding for more than six months (gross) increased to ₹870.19 crores as at March 31, 2016 from ₹759.23 crores as at March 31, 2015. These represented dues from Government-owned transport companies and some of the Company's dealers. The overdue amounts are monitored and the Company has taken steps to recover these. However, based on the Company's assessment on non-recoverability of these overdues, these have been provided and the allowances for doubtful debts were ₹598.04 crores as at March 31, 2016, compared to ₹572.27 crores as at March 31, 2015, an increase of 4.5%.

**Cash and bank balances** decreased to ₹452.08 crores as at March 31, 2016 compared to ₹944.75 crores as at March 31, 2015, mainly due to utilisation of proceeds from Senior Notes, issued in Fiscal 2015.

### Standalone cash Flow

	Fiscal 2016	Fiscal 2015	Change
	(₹ in crores)		
<b>Net Cash from/(used in) Operating Activities</b>	<b>2,346.18</b>	<b>(2,214.30)</b>	<b>4,560.48</b>
Profit / (Loss) for the year	234.23	(4,738.95)	
Adjustment for cash flow from operations	2,454.23	4,119.36	
Change in working capital	(373.29)	(1,517.10)	
Direct taxes paid / (credit) (net)	31.01	(77.61)	
<b>Net Cash (used in)/from Investing Activities</b>	<b>(2,925.96)</b>	<b>253.37</b>	<b>(3,179.33)</b>
Payments for fixed assets (net)	(2,981.98)	(3,054.79)	
Net investments, short term deposit, margin money and loans given	(1,08.24)	(60.33)	
investments in mutual funds (purchased) sold / (net)	(1,668.51)	66.98	
Sale / redemption of investments in subsidiary / associate companies	746.90	1,803.90	
Sale of occupancy rights	7.32	14.64	
Investments / loans in subsidiary / associates / JV (net)	(211.06)	(295.64)	
Dividend and Interest received	1,289.61	1,778.61	
<b>Net Cash (used in)/from Financing Activities</b>	<b>(71.14)</b>	<b>2,631.53</b>	<b>(2,702.67)</b>
Dividend and interest paid	(2,015.72)	(2,493.67)	
Proceeds from Rights issue of shares (net of issue expenses)	7,433.22	-	
Net borrowings (net of issue expenses)	(5,488.64)	5,125.20	
<b>Net (decrease)/ increase in cash and cash equivalent</b>	<b>(650.92)</b>	<b>670.60</b>	
Cash and cash equivalent, beginning of the year	861.95	198.68	
Effect of exchange fluctuation on cash flows	0.71	(7.33)	
<b>Cash and cash equivalent, end of the year</b>	<b>211.74</b>	<b>861.95</b>	

- a. Increase in net cash generated from operations reflects profit in Fiscal 2016. The cash generated in operations before working capital changes was ₹2,688.46 crores in Fiscal 2016 compared to cash used in operations of ₹619.59 crores in Fiscal 2015. There was a net outflow of ₹373.29 crores in Fiscal 2016 towards working capital changes mainly attributable to the increase in trade receivables and inventories.
- b. The net cash used in investing activity was ₹2,925.96 crores in Fiscal 2016 compared to a cash inflow of ₹253.37 crores in Fiscal 2015, mainly attributable to:
- ❖ Inflow by way of divestments in subsidiary companies resulting in cash inflow of ₹746.90 crores in Fiscal 2016 compared to ₹1,803.90 crores in Fiscal 2015.
  - ❖ Inflow due to dividends and interest was ₹1,289.61 crores in Fiscal 2016 compared to ₹1,778.61 crores in Fiscal 2015;
  - ❖ Investment in Mutual fund (net) during Fiscal 2016 was ₹1,668.51 crores.
  - ❖ The cash used for payments for fixed assets was ₹2,981.98 crores (net) in Fiscal 2016 compared to ₹3,054.79 crores in Fiscal 2015; and
  - ❖ There was an outflow (net) of ₹211.06 crores in Fiscal 2015 compared to ₹295.64 crores for Fiscal 2015 towards investments in subsidiary, joint ventures and associates companies.
- c. The net change in financing activity was an outflow of ₹71.14 crores in Fiscal 2016 against inflow of ₹2,631.53 crores in Fiscal 2015. The inflow is attributable to the following:
- ❖ During Fiscal 2016, the Company raised ₹7,433.22 crores through rights issue of shares.
  - ❖ Long-term borrowings (net) – outflow of ₹1,120.48 crores in Fiscal 2016 as compared inflow of ₹2,227.38 crores to Fiscal 2015; and
  - ❖ Short-term borrowings – net outflow of ₹1,838.66 crores in Fiscal 2016 compared to outflow of ₹1,665.12 crores in Fiscal 2015.
  - ❖ Net change in other short-term borrowing – net outflow of ₹2,529.60 crores in Fiscal 2016 compared to inflow of ₹4,620.20 crores in Fiscal 2015.

### FINANCIAL PERFORMANCE OF JAGUAR LAND ROVER (AS PER IFRS)

The financial statements of Jaguar Land Rover are prepared in

accordance with International Financial Reporting Standards (IFRS) applicable in the United Kingdom. This information is given to enable the readers to understand the performance of Jaguar Land Rover [on a consolidated basis for the Jaguar Land Rover group]

**Revenues** for Jaguar Land Rover for Fiscal 2016 were GB£22,208 million, an increase of 1.6% compared to GB£21,866 million in Fiscal 2015, driven primarily by increased wholesale volumes and offset by a less favourable market and market mix.

**Material and other cost of sales** in Fiscal 2016 remained flat at GB£13,303 million compared to GB£13,185 million in Fiscal 2015. The increase is mainly due to exceptional charge relating to vehicle destroyed or damaged in the Tianjin port explosion in August 2015. As a proportion of revenue, it decreases to 59.9% as compared to 60.3% in Fiscal 2015, driven by cost reduction measures and a generally weaker Euro in Fiscal 2016.

**Employee costs** increased by 17.4% to GB£2,321 million in Fiscal 2016 as compared to GB£1,977 million in Fiscal 2015, primarily reflecting, increased headcount required to support the increase production volumes.

**Other expenses (net of income)** increased by 14.6% to GB£4,546 million in Fiscal 2016 compared to GB£3,966 million in Fiscal 2015, primarily reflecting, higher costs related to freight and distribution, warranty selling and fixed marketing expense, launch costs and GB£166 million of one-time reserves and charges for the US recall of potentially faulty passenger airbags supplied by Takata, doubtful debts and previously capitalized investment.

**Product development costs capitalized** increased by 7.3% to GB£1,242 million in Fiscal 2016 compared to GB£1,158 million in Fiscal 2015, due to increased expenditure on the development of future products and technologies.

**Profit before tax ("PBT")** decreased by 40.4% to GB£1,557 million in Fiscal 2016 as compared to GB£2,614 million in Fiscal 2015, primarily reflecting the items mentioned above as well as an increase in depreciation and amortization of GB£367 million and an exceptional net charge of GB£157 million related to vehicles destroyed or damaged in the Tianjin port explosion in August 2015. The GB£347 million more favourable revaluation of US Dollar denominated debt and unrealized foreign exchange and commodity derivatives as well as the GB£35 million lower interest expense (net) in Fiscal 2016 compared to Fiscal 2015 partially offset the unfavourable factors impacting PBT described above. In addition, the profit of GB£64 million primarily earned this fiscal year primarily by Jaguar Land Rover's China Joint Venture (compared to

a loss of GB£6 million in Fiscal 2015) also helped support the solid PBT in Fiscal 2016.

Consequently, the **Profit after tax ("PAT")** decreased by 35.6% to GB£1,312 million in Fiscal 2016 compared to GB£2,038 million in Fiscal 2015. However, the effective tax rate of 16% in Fiscal 2016 was notably lower than the 22% in Fiscal 2015 due to a GB£74 million deferred tax credit resulting from tax deductions available under the UK's Patent Box tax legislation and a favourable one-time deferred tax credit of GB£63 million arising as a result of enacted future reductions in the rate of UK Corporation Tax (from 20% to 19% for Fiscal 2018 – Fiscal 2020 and 18% thereafter).

**Cash Flow:** Net cash from operating activities was GB£3,560 million in Fiscal 2016. The strong cash flow was driven by solid profitability and positive working capital and non-cash accruals of GB£579 million (negative working capital and non-cash accruals of GB£116 million in Fiscal 2015). After GB£166 million of tax paid in Fiscal 2016, GB£2,817 million of investment spending (excluding GB£318 million of R&D expensed through the income statement) and GB£48 million of other income (primarily interest received) free cash flow before financing was GB£791 million. A GB£111 million reduction in debt primarily reflects the redemption of the remaining GB£ 8.25% notes due 2020 (GB£58 million) and the lower utilization of the invoice discounting facility (GB£40 million) whilst the GB£142 million finance expenses and fees primarily relates to interest payments on the outstanding bonds and fees relating to the financing facilities (including the refinanced revolving credit facility). A dividend of GB£150 million was also paid to TML Holdings Pte Ltd, Singapore in June 2015. As at March 31, 2016, Jaguar Land Rover had a total cash balance of GB£4,651 million (comprised of GB£3,399 million of cash and cash equivalents and GB£1,252 million of financial deposits) compared to GB£4,263 million of total cash as at March 31, 2015 (comprised of GB£3,208 million of cash and cash equivalents and GB£1,055 million of financial deposits). With total cash of GB£4,651 million and an undrawn revolving credit facility of GB£1,870 million, total liquidity at Jaguar Land Rover was GB£6,521 million as at March 31, 2016, compared to GB£5,748 million as at March 31, 2015.

#### Financial performance of TMFL (Consolidated)

During Fiscal 2016, TMFL earned a total income of ₹2,967.73 crores compared to ₹2,742.88 crores earned in Fiscal 2015, reflecting an increase of 8.2%, primarily due to increase in the commercial vehicle segment, improvement due to discontinuation of Low Down Payment (LDP) schemes, improved market conditions and highly focused collection efforts. The expansion of spoke branches (Tier 2 and 3 towns) has helped in reaching out to the customer more

quickly and in improving customer satisfaction. The profit before tax was ₹301.64 crores in Fiscal 2016 as compared to loss of ₹845.01 crores in Fiscal 2015. The profit after tax was ₹267.03 crores in Fiscal 2016, as compared to a loss of ₹611.16 crores in the previous year.

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

In Fiscal 2015, TDCV's total revenue declined by 11.0% to KRW 879.66 billion (₹5,096.46 crores) compared to KRW 987.95 billion (₹5,563.03 crores) in Fiscal 2015, mainly due to lower export sales partially offset by increase in domestic sales. The profit after tax was KRW 45.56 Billion (₹263.96 crores) compared to KRW 54.00 Billion (₹304.09 crore) of previous year which included one-time reversal of provisions pertaining to ordinary wage lawsuit KRW 24.20 Billion (₹136.27 crores). Better profitability of Euro 6 vehicles, better mix, favorable exchange realizations, continuous material cost reduction, various cost control and inventory initiatives helped in improving profits.

#### Financial performance of TTL

The consolidated revenue of TTL in Fiscal 2016 increased 2.6% to ₹2,713.60 crores compared to ₹2,644.23 crores in Fiscal 2015. The profit before tax increased 7.2% to ₹460.89 crores in Fiscal 2016 compared to ₹429.76 crores in Fiscal 2015. The profit after tax increased by 14.2% to ₹381.66 crores in Fiscal 2016 compared to ₹334.07 crores in Fiscal 2015.

#### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

Some significant features of the internal control of systems are:

- ❖ The Audit Committee of the Board of Directors, comprising of independent directors and functional since August 1988, regularly reviews the audit plans, significant audit findings, adequacy of internal controls, compliance with accounting standards as well as reasons for changes in accounting policies and practices, if any;
- ❖ Documentation of major business processes and testing thereof including financial closing, computer controls and entity level controls, as part of compliance programme towards

Sarbanes-Oxley Act, as required by the listing requirements at New York Stock Exchange;

- ❖ An ongoing programme, for the reinforcement of the Tata Code of Conduct is prevalent across the organisation. The Code covers integrity of financial reporting, ethical conduct, regulatory compliance, conflicts of interest's review and reporting of concerns.
- ❖ State-of-the-art Enterprise Resource Planning, supplier relations management and customer relations management connect the Company's different locations, dealers and vendors for efficient and seamless information exchange. The Company also maintains a comprehensive information security policy and undertakes continuous upgrades to its IT systems;
- ❖ Detailed business plans for each segment, investment strategies, year-on-year reviews, annual financial and operating plans and monthly monitoring are part of the established practices for all operating and service functions;
- ❖ A well-established, independent, multi-disciplinary Internal Audit team operates in line with governance best practices. It reviews and reports to management and the Audit Committee about compliance with internal controls and the efficiency and effectiveness of operations as well as the key process risks. The scope and authority of the Internal Audit division is derived from the Audit Charter, duly approved by the Audit Committee; and Anti-fraud programmes including whistle blower mechanisms are operative across the Company.

The Board takes responsibility for the overall process of risk management throughout the organisation. Through an Enterprise Risk Management programme, the Company's business units and corporate functions address opportunities and the attendant risks through an institutionalised 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, financial, strategic and regulatory risks.

During Fiscal 2016, the Company conducted an assessment of the effectiveness of the Internal Control over Financial Reporting and has determined that the Company's Internal Control over Financial Reporting as at March 31, 2016 is effective.

## HUMAN RESOURCES / INDUSTRIAL RELATIONS

The Company considers its human capital a critical factor to its

success. Under the aegis of Tata Sons and the Tata Sons promoted entities, the Company has drawn up a comprehensive human resource strategy which addresses key aspects of human resource development such as:

- ❖ The code of conduct and fair business practices;
- ❖ A fair and objective performance management system linked to the performance of the businesses which identifies and differentiates employees by performance level;
- ❖ Creation of a common pool of talented managers across Tata Sons and the Tata Sons promoted entities with a view to increasing their mobility through job rotation among the entities;
- ❖ Evolution of performance based compensation packages to attract and retain talent within Tata Sons and the Tata Sons promoted entities; and
- ❖ Development of comprehensive training programmes to improve industry- and function-specific skills.
- ❖ Introduction of the annual Employee Pulse Survey to gauge the engagement levels of employees followed by action planning to make Tata Motors a more caring and engaging employer.

The Company employed approximately 76,598 and 73,485 permanent employees as at March 31, 2016 and 2015 respectively. The average number of flexible (temporary, trainee and contractual) employees for Fiscal 2016, was approximately 40,205 (including joint operations) compared to 40,213 in Fiscal 2015.

The following table set forth a breakdown of persons employed by the Company's business segments and by geographic location as at March 31, 2016 and 2015.

	As at March 31,	
	2016	2015
<b>Segment</b>	<b>No. of Employees</b>	<b>No. of Employees</b>
Automotive	68,089	66,101
Other	8,509	7,384
<b>Total</b>	<b>76,598</b>	<b>73,485</b>
<b>Location</b>	<b>No. of Employees</b>	<b>No. of Employees</b>
India	42,238	43,313
Abroad	34,360	30,172
<b>Total</b>	<b>76,598</b>	<b>73,485</b>

**Union Wage Settlements:** The Company has labour unions for operative grade employees at all its plant across India, except at the Sanand and Dharwad plant, which do not have unions as of the date of this Annual Report. 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 to four years) at different locations. The expiration dates of the wage agreements with respect to various locations/subsidiaries are as follows:

Location/subsidiaries	Wage Agreement valid until
Pune commercial vehicles	August 31, 2015
Pune passenger vehicles	March 31, 2016
Jamshedpur	March 31, 2016
Mumbai	December 31, 2015
Lucknow	March 31, 2017
Pantnagar	March 31, 2019
Jaguar Land Rover	October 31, 2016

The wage agreement at Pune commercial vehicles and Mumbai has expired and negotiations are in progress for the new wage agreement. The Pune passenger vehicles and Jamshedpur agreement expired in the month of March 2016 and preparations for the new agreement are underway. The Company's wage agreements link an employee's compensation to certain performance criteria that are based on various factors such as quality, productivity, operating profit and an individual's performance and attendance. The Company has generally received union support in its implementation of reforms that impact quality, cost erosion and productivity improvements across all locations.

## OUTLOOK

The Company expects the M&HCV truck segment in India to grow in Fiscal 2017, driven by continuing trends towards the replacement of ageing fleet vehicles and anticipated increases in demand from the infrastructure and industrial sectors due to reforms being initiated by the Government of India. The Company expects that the demand for new commercial vehicles will also be driven by gradual acceptance of advance trucking platforms and the introduction of technologies, such as anti-lock braking systems. The Company also expect the LCV segment to witness positive growth in Fiscal 2017.

The Company expects that faster growth and improved consumer

sentiments should boost sales of passenger cars and utility vehicles in India.

The improved sales outlook for utility vehicles, cars, buses and trucks comes against the backdrop of the Government of India's annual budget proposal to raise investment in infrastructure, including roads and railways. The Company expects infrastructure investment to be allocated to rural areas which will lead to increased automotive demand.

The Company expects that, due to pressures on volumes in India and limited headrooms in pricing, due to the intensely competitive market dynamics, the focus will be on effective cost management to maintain margins.

One of the key elements of this strategy is 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 strategy includes, among other things, improving the physical appearances of contact points with customers and the creation of processes and forums for speedy resolution of customer issues.

The Company also focuses on reviewing the channel partner scoreboard for effective performance management and direct oversight on the operations to drive volume growth and increase customer satisfaction and thereby driving dealership profitability.

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

Continued investment, by Jaguar Land Rover, in new products and technologies as well as expanding its production capacity in appropriate strategic locations, while balancing production with sales, is key for the success of the Company.

## CAUTIONARY STATEMENT

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



## REPORT ON CORPORATE GOVERNANCE

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

The Corporate Governance philosophy is further strengthened with the adherence to the Tata Business Excellence Model as a means to drive excellence and the Balanced Scorecard methodology for tracking progress on long term strategic objectives. The Tata Code of Conduct, which articulates the values, ethics and business principles, serves as a guide to the Company, its directors and employees is also supplemented with an appropriate mechanism to report any concerns pertaining to non-adherence to the said Code. The Company is in full compliance with the requirements of Corporate Governance under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the SEBI Listing Regulations"). The Company's Depository Programme is listed on the New York Stock Exchange and the Company also complies with US regulations as applicable to Foreign Private Issuers (non-US companies listed on the US Exchange) which cast upon the Board of Directors and the Audit Committee onerous responsibilities to improve the Company's operating efficiencies. Risk management and the internal control process focus areas continue to meet the progressive governance standards.

The Company has adopted Governance Guidelines on Board Effectiveness based on current and emerging best practices from both within and outside the Tata Group of companies. These guidelines *inter alia* incorporate and go beyond corporate governance requirements prescribed under the Companies Act, 2013 ("Act") and the SEBI Listing Regulations.

The Secretarial Audit Report by a Practicing Company Secretary on the Audit undertaken of the Company's secretarial records in respect of compliance with the applicable provisions of the Act, the SEBI Listing Regulations and other applicable regulations and guidelines issued by the Securities and Exchange Board of India for the period under review is a part of the Annual Report.

### BOARD OF DIRECTORS

The Board of Directors along with its Committees provide leadership and guidance to the Company's management, as also direct, supervise and control the performance of the Company. The Board currently comprises of 11 Directors out of which 8 Directors (72%) are Non-Executive Directors, including 1 women director. The Company has a Non-Executive Chairman and the 6 Independent Directors comprise more than half of the total strength of the Board. All the Independent Directors have confirmed that they meet the 'independence' criteria as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Act.

All the Directors have made necessary disclosures regarding their directorships as required under Section 184 of the Act and on the Committee positions held by them in other companies. None of the Directors on the Company's Board hold Directorships in more than 20 companies, including 10 public companies and none of the Directors of the Company are related to each other. In accordance with Regulation 26 of the SEBI Listing Regulations, none of the Directors are members in more than 10 committees or act as chairperson of more than 5 committees [the committees being, Audit Committee and Stakeholders Relationship Committee] across all listed entities in which he/she is a Director. All Non-Executive, Non Independent Directors, excluding the 'Steel' Director (Tata Steel representative) and the CEO & Managing Director of the Company, are liable to retire by rotation. The appointment of the Managing Director and Executive Directors, including the tenure and terms of remuneration are also approved by the members at the first meeting after the said appointment.

The required information, including information as enumerated in Regulation 17(7) read together with Part A of Schedule II of the SEBI Listing Regulations is made available to the Board of Directors, for discussions and consideration at the Board Meetings. The Board reviews the declaration made by the CEO & Managing Director and the Group Chief Financial Officer (CFO) regarding compliance with all applicable laws on a quarterly basis as also steps taken to remediate instances of non-compliance, if any. Pursuant to Regulation 27(2) of the SEBI Listing Regulations, the Company also submits a quarterly compliance report on Corporate Governance to the Indian Stock Exchanges including details on all material transactions with related parties, within 15 days from the close of every quarter. The CEO & Managing Director and the CFO have certified to the Board upon *inter alia*, the accuracy of the financial statements and adequacy of internal controls for financial reporting, in accordance with Regulation 17(8) read together with Part B of Schedule II of the SEBI

Listing Regulations, pertaining to CEO and CFO certification for the Financial Year ended March 31, 2016.

During the year under review, 10 Board Meetings were held on April 23, 2015, May 26, 2015, July 10, 2015, August 7, 2015, September 18, 2015, November 6, 2015, January 18, 2016, February 11, 2016, February 23, 2016 and March 30, 2016. The maximum time-gap between any two consecutive meetings did not exceed 120 days.

All the agenda papers for the Board and Committee meetings are disseminated electronically on a real-time basis, by uploading

them on a secured online application, specifically designed for this purpose, thereby eliminating circulation of printed agenda papers. The composition of the Board, attendance at Board Meetings held during the Financial Year under review and at the last Annual General Meeting (AGM), number of directorships (including Tata Motors), memberships/chairmanships of the Board and Committees of public companies and their shareholding in the Company as on March 31, 2016 (including Tata Motors Ltd.) are as follows:

Name of the Director	Director Identification Number	Director Category	No. of Board Meetings attended in the year	Attendance at the last AGM	Directorships <sup>(1)</sup>		Committee positions <sup>(2)</sup>		Holding in shares and other convertible instruments
					Chairman	Member	Chairman	Member	
Cyrus P Mistry <sup>(3)</sup>	00010178	Non-Executive, Chairman	10	Yes	10	-	-	-	15,855 Ordinary Shares
Mr N N Wadia	00015731	Non-Executive, Independent	9	Yes	4	4	-	-	-
Dr R A Mashelkar	00074119	Non-Executive, Independent	8	Yes	-	6	1	3	-
Mr S Bhargava	00035672	Non-Executive, Independent	9	Yes	3	5	1	3	-
Mr N Munjee	00010180	Non-Executive, Independent	10	Yes	2	8	5	1	-
Mr V K Jairath	00391684	Non-Executive, Independent	10	Yes	-	5	2	3	-
Ms Falguni Nayar	00003633	Non-Executive, Independent	10	Yes	-	8	-	5	-
Dr Ralf Speth	03318908	Non-Executive	9	Yes	-	1	-	-	-
Mr Guenter Butschek <sup>(4)</sup>	07427375	CEO & Managing Director	2 <sup>(5)</sup>	NA	-	1	-	1	-
Mr Ravindra Pisharody	01875848	Executive Director (Commercial Vehicles)	10	Yes	-	5	-	1	50'A' Ordinary Shares
Mr Satish B Borwankar	01793948	Executive Director (Quality)	10	Yes	-	3	-	-	-

(1) Excludes Directorships in private companies, foreign companies, Section 8 companies and alternate directorships.

(2) Includes only Audit and Stakeholders Relationship Committees

(3) Is also the 'Steel' Director, being a nominee of Tata Steel Limited as per Article 127 of the Articles of Association of the Company.

(4) Appointed as the CEO & Managing Director of the Company with effect from February 15, 2016.

(5) Excludes 1 meeting attended as an invitee on February 11, 2016.

As per Regulation 25(1) of the SEBI Listing Regulations, none of the Independent Directors serve as Independent Directors in more than 7 listed entities and in case they are whole-time directors in any listed entity, then he/she does not serve as an Independent Director in more than 3 listed entities.

The Company actively uses the facility of video conferencing

permitted under Section 173(2) of the Act, read together with Rule 3 of the Companies (Meetings of Board and its Powers) Rules, 2014, thereby saving on the cost to the Company and optimally utilising the valued time of the Directors.

**Annual Independent Directors Meeting:** During the year under review, an annual Independent Directors meeting in accordance

with the provisions of Section 149(8) read with Schedule IV of the Act and Regulation 25(3) and 25(4) of the SEBI Listing Regulations, was convened on March 30, 2016, wherein all Independent Directors were present, to review the performance of the Non-Independent Non-Executive Directors including the Chairman of the Board and performance of the Board as a whole. The Non- Independent Directors did not take part in the meeting.

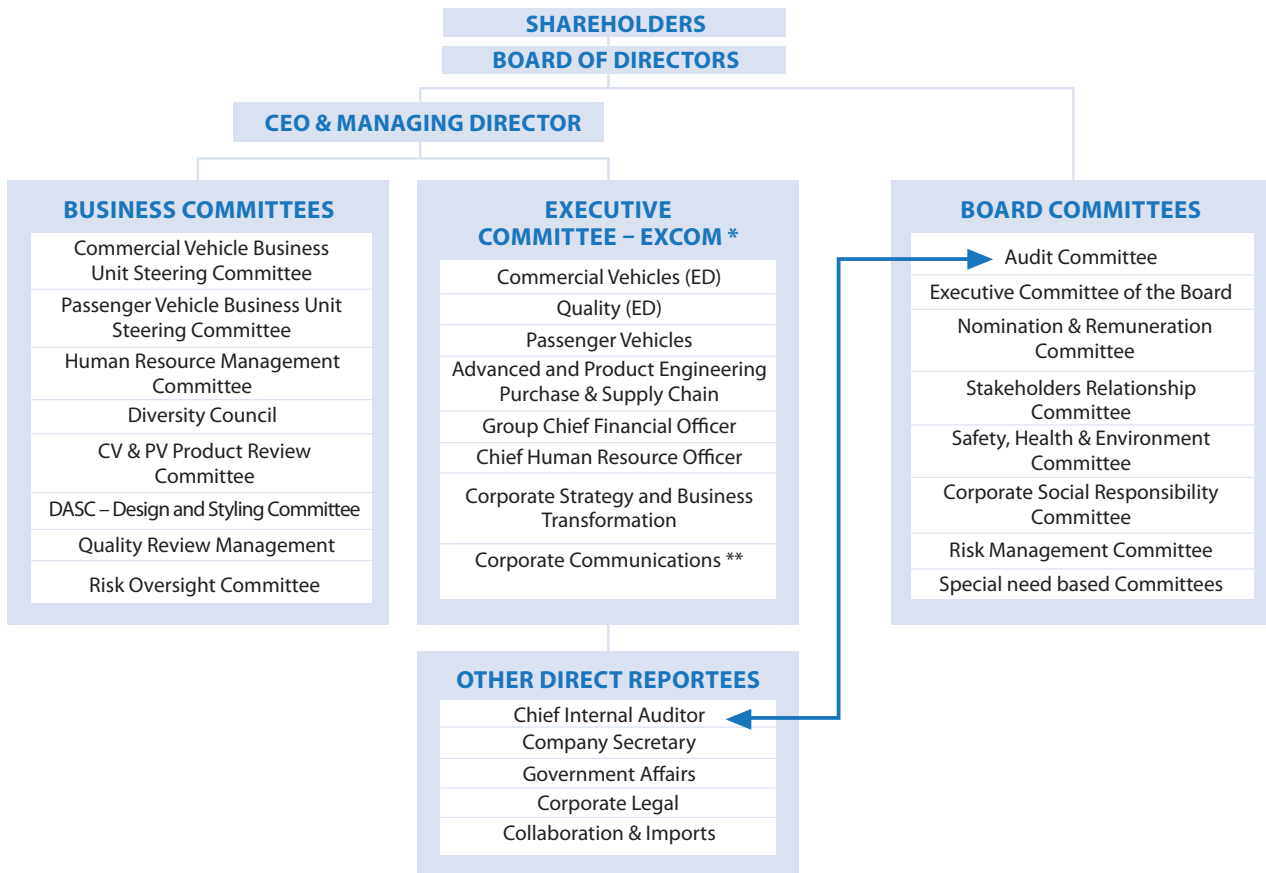
**Board Effectiveness Evaluation:** Pursuant to the provisions of Regulation 17(10) of the SEBI Listing Regulations and the provisions of the Act, Board evaluation involving evaluation of the Board of Directors, its Committees and individual Directors, including the role of the Board Chairman, was conducted during the year. For details pertaining to the same kindly refer to the Board's Report.

**Familiarisation Programme:** Kindly refer to the Company's website for details of the familiarisation programme for Independent Directors in respect of their roles, rights, responsibilities in the

Company, nature of the industry in which the Company operates, business model of the Company and related matters.

### THE COMMITTEES OF THE BOARD

The Board has constituted a set of Committees with specific terms of reference/scope, to focus effectively on the issues and ensure expedient resolution of diverse matters. The Committees operate as empowered agents of the Board as per their Charter/terms of reference. Targets set / actions directed by them as agreed with the management are reviewed periodically and mid-course corrections are also carried out. The Board of Directors and the Committees also take decisions by circular resolutions which are noted at the next meeting. The minutes of the meetings of all Committees of the Board are placed before the Board for discussions/noting. An Organisation Chart depicting the relationship between the Board of Directors, the Committees and the senior management functions, as on March 31, 2016, is illustrated below:



\* The CEO & Managing Director chairs the Excom and Business Committees

\*\* associated member of Excom

## AUDIT COMMITTEE

The Audit Committee functions according to its Charter that defines its composition, authority, responsibility and reporting functions in accordance with Sections 177 of the Act, Regulation 18(3) read with Part C of Schedule II of the SEBI Listing Regulations and US regulations applicable to the Company and is reviewed from time to time. Whilst, the full Charter is available on the Company's website, given below is a gist of the responsibilities of the Audit Committee:

- i. Reviewing with the management, the quarterly/annual financial statements before submission to the Board, focusing primarily on:
  - ❖ Overseeing the Company's financial reporting process and the disclosure of its financial information, including earnings, press release, to ensure that the financial statements are correct, sufficient and credible;
  - ❖ Review Reports on the Management Discussion and Analysis of financial condition, results of Operations and the Directors' Responsibility Statement;
  - ❖ Compliance with accounting standards and changes in accounting policies and practices as well as reasons thereof;
  - ❖ Major accounting entries involving estimates based on exercise of judgment by Management;
  - ❖ Draft Audit Report, modified opinion if any and significant adjustments arising out of audit;
  - ❖ Analysis of the effects of alternative GAAP methods on the financial statements;
  - ❖ Compliance with listing and other legal requirements concerning financial statements;
  - ❖ Statement of significant related party transactions (as defined by the Committee), submitted by the management;
  - ❖ Scrutinise inter corporate loans and investments; and
  - ❖ Disclosures made under the CEO and CFO certification and related party transactions to the Board and Shareholders.
- ii. Reviewing with the management, external auditor and internal auditor, adequacy of internal control systems and recommending improvements to the management.
- iii. Review Management letters/Letters of internal control weakness issued by the statutory auditors.
- iv. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency, monitoring the utilisation of proceeds of a public or rights issue, statement of deviations both quarterly and annual, if any, and making appropriate recommendations to the Board to take up steps in this matter.
- v. Recommending the appointment/removal of the statutory auditor, cost auditor, fixing audit fees, name of Audit firm and approving non-audit/consulting services provided by the statutory auditors' firms to the Company and its subsidiaries; evaluating auditors' performance, qualifications, experience, independence and pending proceedings relating to professional misconduct, if any. It shall also ensure that the cost auditors are independent, having arm's length relationship and are also not otherwise disqualified at the time of their appointment or during their tenure.
- vi. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the chief internal auditor, coverage and frequency of internal audit, appointment, removal, performance and terms of remuneration of the chief internal auditor.
- vii. Discussing with the internal auditor and senior management significant internal audit findings and follow-up thereon.
- viii. Reviewing the findings of any internal investigation by the internal auditor into matters involving suspected fraud or irregularity or a failure of internal control systems of a material nature and report the matter to the Board.
- ix. Discussing with the statutory auditor before the audit commences, the nature and scope of audit, as well as conduct post-audit discussions to ascertain any area of concern.
- x. Reviewing the Company's financial controls and risk management systems.
- xi. Establish and review the functioning of the Vigil Mechanism under the Whistle-Blower policy of the Company.
- xii. Reviewing the financial statements and investments made by subsidiary companies and subsidiary oversight relating to areas such as adequacy of the internal audit structure and function of the subsidiaries, their status of audit plan and its execution, key internal audit observations, risk management and the control environment.
- xiii. Look into the reasons for any substantial defaults in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividend) and creditors, if any.
- xiv. Reviewing the effectiveness of the system for monitoring compliance with laws and regulations.
- xv. Approving the appointment of CFO after assessing the qualification, experience and background etc. of the candidate.
- xvi. Engage a registered valuer in case valuations are required and review of any valuation report of any property, stocks, shares, debentures, securities, goodwill, undertakings or assets,

liabilities or net worth of the Company.

- xvii. Review and suitably reply to the report(s) forwarded by the auditors on the matters where auditors have sufficient reason to believe that an offence involving fraud, is being or has been committed against the Company by officers or employees of the Company.
- xviii. Review the system of storage, retrieval, display or printout of books of accounts maintained in electronic mode during the required period under law.
- xix. Approve all or any subsequent modification of transactions with related parties.
- xx. To approve policies in relation to the implementation of the Tata Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices ('Code') and to supervise implementation of the Code.
- xxi. To note and take on record the status reports, detailing the dealings by Designated Persons in Securities of the Company, as submitted by the Compliance Officer on a quarterly basis and to provide directions on any penal action to be initiated, in case of any violation of the Code, by any person.

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

The Committee comprises of 4 Independent Directors, all of whom are financially literate and have relevant finance and/or audit exposure. Mr Munjee is the Financial Expert. The quorum of the Committee is two members or one-third of its members, whichever is greater. The Chairman of the Audit Committee also attended the last AGM of the Company. During the period under review, 8 Audit Committee meetings were held on May 25, 2015, July 9, 2015, August 5, 2015, October 20, 2015, November 4, 2015, January 8-9, 2016, February 9, 2016 and February 23, 2016. The maximum gap between any two meetings was less than 120 days. Each Audit Committee meeting which considers financial results is preceded by a meeting of the Audit Committee members along with the Auditors only.

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

Composition	Meetings attended
Mr N Munjee (Chairman)	8
Dr R A Mashelkar	5
Mr V K Jairath	8
Ms Falguni Nayar	7

The Committee meetings are held at the Company's Corporate Headquarters or at its plant locations and are attended by the CEO & Managing Director, Executive Directors, CFO, Company Secretary, Chief Internal Auditor, Statutory Auditors and Cost Auditors on a need based basis. The business and operation heads are invited to the meetings, as and when required. The Company Secretary acts as the Secretary of the Audit Committee, as well as all the other Committees of the Company. The Chief Internal Auditor reports directly to the Audit Committee to ensure independence of the Internal Audit function.

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

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

## NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee (NRC) of the Company functions according to its Charter, that defines its objective, composition, meeting requirements, authority and power, responsibilities, reporting and evaluation functions in accordance with Section 178 of the Act and Regulation 19 read with Part D of Schedule II of the SEBI Listing Regulations, which are reviewed from time to time. The broad terms of reference of the NRC are as follows:

- ❖ Recommend to the Board the set up and composition of the Board and its Committees including the "formulation of

the criteria for determining qualifications, positive attributes and independence of a director". The Committee periodically reviews the composition of the Board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.

- ❖ Devise a policy on Board diversity.
- ❖ Recommend to the Board the appointment or reappointment of Directors, including Independent Directors, on the basis of Report on performance evaluation of Independent Directors.
- ❖ Support the Board in matters related to set-up, review and refreshing the composition of the Committees.
- ❖ Recommend to the Board on voting on resolutions for appointment and remuneration of the Directors on the Boards of its material subsidiary companies and provide guidelines for remuneration of Directors on material subsidiaries.
- ❖ Identify and recommend to the Board, appointment of Key Managerial Personnel ("KMP") as defined by the Act and executive team members of the Company (as defined by this Committee). The Committee shall consult the Audit Committee before recommending the appointment of the CFO.
- ❖ Carry out evaluation of every Director's performance and support the Board and Independent Directors in evaluation of the performance of the Board, its Committees and individual Directors, including "formulation of criteria for evaluation of Independent Directors and the Board".
- ❖ Oversee the performance review process for the KMP and executive team of the Company with a view that there is an appropriate cascading of goals and targets across the Company and on an annual basis, recommend to the Board the remuneration payable to the Directors, KMP and executive team of the Company.
- ❖ Recommend the Remuneration Policy for Directors, KMP, executive team and other employees.
- ❖ Review matters related to voluntary retirement and early separation schemes for the Company.
- ❖ Oversee familiarization programmes for Directors.
- ❖ Oversee HR philosophy, HR and people strategy and efficacy of HR practices including those for leadership development, rewards and recognition, talent management and succession planning (specifically for the Board, KMP and executive team).
- ❖ Performing such other duties and responsibilities as may be consistent with the provisions of the Committee Charter.

The Committee comprises of 3 Independent Directors and 1 Non-Executive Director. During the year under review, five meetings of the Committee were held on May 26, 2015, October 15, 2015, December 3, 2015, February 11, 2016 and March 30, 2016. The decisions are taken by the Committee, at meetings or by passing circular resolutions. The composition of the NRC and attendance at its meeting is as follows:

Composition	Meetings attended
Mr N N Wadia (Chairman)	5
Mr Cyrus P Mistry	5
Mr S Bhargava	5
Dr R A Mashelkar	4

### Remuneration Policy

The Company has in place a Remuneration Policy for Directors, KMP and other employees, in accordance with the provisions of the Act and the SEBI Listing Regulations. For details on Remuneration Policy, including the criteria for making payments to the Non-Executive Directors kindly refer to the Annexure to the Board's Report.

### Remuneration to Directors:

#### Non-Executive Directors

- ❖ A sitting fee of ₹ 60,000/- (₹ 20,000/- prior to May 26, 2015) for attendance at each meeting of the Board, Audit Committee, Executive Committee of the Board, NRC and for annual Independent Directors Meeting; ₹ 20,000/- (₹5,000/- prior to May 26, 2015) for attendance at each meeting of Stakeholders Relationship Committee and ₹20,000/- (₹10,000/- prior to May 26, 2015) for attendance at each meeting of Safety, Health & Environment Committee, the Corporate Social Responsibility Committee, Risk Management Committee, Fund Raising Committee and other special need based committees, is paid to its Members (excluding Managing Director and Executive Directors) and also to Directors attending the meeting. The sitting fees paid/payable to the non Whole-time directors is excluded whilst calculating the limits of remuneration in accordance with Section 197 of the Act. The Company also reimburses out-of-pocket expenses to Directors attending meetings held at a city other than the one in which the Directors resides.

For details on sitting fees paid to Non-Executive Directors for FY 2015-16 and performance evaluation criteria for Independent Directors, kindly refer to the Board's Report.

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

No Commission was paid to any Non-Executive Director for FY 2015-16 in view of inadequacy of profits

### Managing and Executive Directors

The remuneration paid to the CEO & Managing Director and the Executive Directors is commensurate with industry standards and Board level positions held in similar sized companies, taking into consideration the individual responsibilities shouldered by them and is in consonance with the terms of appointment approved by the Members, at the time of their appointment.

The NRC, reviews and recommends to the Board the changes in the managerial remuneration of the Managing and Executive Directors on a yearly basis. This review is based on the Balance Score Card that includes the performance of the Company and the individual director on certain defined qualitative and quantitative parameters such as volumes, EBITDA, cashflows, cost reduction initiatives, safety, strategic initiatives and special projects as decided by the Board vis-a-vis targets set in the beginning of the year. This review also takes into consideration the benchmark study undertaken by reputed independent agencies on comparative industry remuneration and practices.

Incentive remuneration paid/payable is subject to the achievement of certain performance criteria and such other parameters as may be considered appropriate from time to time by the Board, not exceeding 200% of the basic salary. An indicative list of factors that the NRC and the Board takes into consideration for determining the extent of incentive remuneration are the Company's performance on certain defined qualitative and quantitative parameters, industry benchmarks of remuneration and performance of the individual.

For details pertaining to Managerial Remuneration paid to the Managing and Executive Directors, the terms of their appointment and the Remuneration paid to the CEO & Managing Director and

the Non-Executive Directors during FY 2015-16, kindly refer to the Notice of the AGM and the Board's Report. The Company does not have an Employee Stock Option Scheme.

Members are requested to refer to the Notice of the AGM for revised terms of appointment and remuneration of the Executive Directors for FY 2016-17.

### Retirement Policy for Directors

The Company has adopted the Tata Group Governance Guidelines on Board Effectiveness, wherein the Managing and Executive Directors retire at the age of 65 years. The Executive Director, who have been retained on the Company's Board beyond the age of 65 years as Non-Executive Directors for special reasons may continue as Directors at the discretion of the Board but in no case beyond the age of 70 years. The Company has also adopted a Policy for Managing and Executive Directors which has also been approved by the Members of the Company, offering special retirement benefits including pension, ex-gratia and medical. In addition to the above, the retiring Managing Director (except where he is an expat) is entitled to residential accommodation or compensation in lieu of accommodation on retirement. The quantum and payment of the said benefits are subject to an eligibility criteria of the retiring director and is payable at the discretion of the Board in each individual case on the recommendation of the NRC.

Section 149 of the Act provides that an Independent Director shall hold office for a term of upto 5 consecutive years on the Board of a Company and would not be liable to retire by rotation pursuant to Section 152 of the Act. An Independent Director would be eligible to be re-appointed for another 5 years on passing of a Special Resolution by the Company. However, no Independent Director shall hold office for more than 2 consecutive terms but would be eligible for appointment after the expiration of 3 years of ceasing to become an Independent Director. Provided that, during the said period of 3 years, he/she is not appointed in or be associated with the Company in any other capacity, either directly or indirectly. The retirement age for Independent Directors is 75 years as per the Governance Guidelines on Board Effectiveness. Accordingly, all Independent Directors have a tenure of 5 years each or upon attaining the retirement age of 75 years, whichever is earlier, as approved by the Members at the AGM held on July 31, 2014.

### STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee functions in accordance with Section 178 of the Act and Regulation 20 read with Part D of Schedule II of the SEBI Listing Regulations. The Committee comprises of 2 Independent Directors and the CEO & Managing Director, it is empowered to:

- ❖ Review statutory compliances relating to all security holders.
- ❖ Consider and resolve the grievances of security holders of the Company, including complaints related to the transfer of securities, non-receipt of annual report/ declared dividends/ notices/ balance sheet.
- ❖ Oversee compliances in respect of dividend payments and transfer of unclaimed amounts to the Investor Education and Protection Fund.
- ❖ Oversee and review all matters related to the transfer of securities of the Company.
- ❖ Approve issue of duplicate certificates of the Company.
- ❖ Review movements in shareholding and ownership structures of the Company.
- ❖ Ensure setting of proper controls and oversee the performance of the Registrar and Share Transfer Agent.
- ❖ Recommend measures for overall improvement of the quality of investor services.

During the year under review, 2 Committee meetings were held on April 23, 2015 and August 13, 2015, attended by both the members of the Committee, namely, Mr V K Jairath, who chaired the meeting and Ms Falguni Nayar. Mr Guenter Butschek was appointed as a member of the Committee with effect from February 15, 2016.

### Compliance Officer

Mr H K Sethna, Company Secretary, who is the Compliance Officer, can be contacted at: Tata Motors Limited, Bombay House, 24, Homi Mody Street, Mumbai - 400 001, India.

Tel: 91 22 6665 8282, 91 22 6665 7824; Fax: 91 22 6665 7260;

Email: inv\_rel@tatomotors.com.

Complaints or queries relating to the shares and/or debentures can be forwarded to the Company's Registrar and Transfer Agents – M/s TSR Darashaw Limited at csg-unit@tsrdarashaw.com, whereas complaints or queries relating to the public fixed deposits can be forwarded to the Registrars to the Fixed Deposit Scheme – M/s TSR Darashaw Limited at tmlfd@tsrdarashaw.com.

Complaints or queries relating to the Rights Issue launched by the Company vide Letter of Offer dated March 30, 2015 of Ordinary and 'A' Ordinary Shares, can be forwarded to Link Intime India Private Limited, the Registrar to the Issue, for addressing any pre & post-Issue related queries / complaints including those relating to the Applications Supported by Blocked Amount (ASBA) process. Tel: (91 22) 6171 5400 / 9167779196 /97; Fax: (91 22) 2596 0329; Website: www.linkintime.co.in; Email: tatamotors.rights@linkintime.co.in; Contact Person: Ms. Pooja Bhosle

The status on the total number of investor complaints during FY 2015-16 is as follows:

Type	Nos.
Complaints regarding non-receipt of dividend, shares lodged for transfer	68
Complaints received from the shareholders through SEBI and other statutory bodies and resolved	51
Complaints redressed out of the above	116
Pending complaints as on 31.03.2016	3*
Other queries received from shareholders and replied	13,603

\* The SEBI complaint has been replied within 4 days, but the same has been reflected as unresolved as on 31.03.2016, as per the condition for complete resolution defined by SEBI.

All letters received from the investors are replied to and the response time for attending to investors' correspondence during FY2015-16 is shown in the following table:

	Number	%
Total number of correspondence received during 2015-2016	13,722	100.00
Replied within 1 to 4 days of receipt	8,319	60.62
Replied within 5 to 7 days of receipt	3,478	25.34
Replied within 8 to 15 days of receipt	1,332	9.70
Replied after 15 days of receipt <sup>(1)</sup>	538	3.92
Received in last week of March 2016 have been replied in April 2016	55	0.40

(1) These correspondence pertained to court cases which involved retrieval of case files, cases involving retrieval of very old records, co-ordination with the Company/Advocates etc, partial documents awaited from the Investors, cases involving registration of legal documents, executed documents received for issue of duplicate certificates and transmission of shares without legal representation which involved checking of the documents, sending notices to Stock Exchange and issue of duplicate certificates/transmission of shares after approval from the Company. However, all these cases have been attended to within the statutory limit of 30 days

There were no pending share transfers pertaining to the Financial Year ended March 31, 2016. Out of the total number of complaints mentioned above, 51 complaints pertained to letters received through Statutory/Regulatory bodies and those related to Court/ Consumer forum matters, fraudulent encashment and non-receipt of dividend.

On recommendations of the Stakeholders Relationship Committee, the Company has taken various investor friendly initiatives like organising a Shareholders' visit to the Company's Works at Pune, sending reminders to investors who have not claimed their dues, sending nomination forms, etc.



## OTHER COMMITTEES

**The Executive Committee of the Board** reviews capital and revenue budgets, long-term business strategies and plans, the organizational structure of the Company, real estate and investment transactions, allotment of shares and/or debentures, borrowing and other routine matters. The Committee also discusses the matters pertaining to legal cases, acquisitions and divestment, new business forays and donations. During the year under review, 3 Committee meetings were held on April 17, 2015, September 15, 2015 and March 14, 2016. The Executive Committee of the Board comprises of 3 Independent Directors, 1 Non-Executive Director and 2 Whole-time Directors. The composition of the Executive Committee of the Board and attendance at its meetings is given hereunder:

Composition	Meetings attended
Mr Cyrus P Mistry (Chairman)	3
Mr N N Wadia	2
Mr N Munjee	2
Mr S Bhargava	2
Mr R Pisharody	3
Mr S B Borwankar	3
Mr G Butschek*	1

\*Appointed as member with effect from February 15, 2016.

**The Safety, Health and Environment (SHE) Committee** was constituted with the objective of reviewing Safety, Health and Environment practices. The terms of reference of the Committee include the following:

- ❖ to take a holistic approach to safety, health and environmental matters in decision making;
- ❖ to provide direction to Tata Motors Group in carrying out its safety, health and environment function;
- ❖ to frame broad guidelines/policies with regard to safety, health and environment;
- ❖ to oversee the implementation of these guidelines/policies; and
- ❖ to review the policies, processes and systems periodically and recommend measures for improvement from time to time.

The Committee comprises of 2 Independent Directors including the Chairman of the Committee and 3 Whole-time Directors viz Dr R A Mashelkar, (Chairman), Mr V K Jairath, Mr Ravindra Pisharody and Mr S B Borwankar. Mr G Butschek was appointed as a member of the Committee with effect from February 15, 2016. During the year under review, one meeting of the Committee was held on August 7, 2015 wherein all the members were present at the said meeting.

**Corporate Social Responsibility (CSR) Committee** was constituted by the Board in accordance with the Act to:

- ❖ Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act;
- ❖ Recommend the amount of expenditure to be incurred on the activities referred to in the above point; and
- ❖ Monitor the Corporate Social Responsibility Policy of the Company from time to time.

The CSR Policy is uploaded on the Company's website as required under the provisions of Section 135 of the Act and Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The CSR committee comprises of 2 Independent Directors and 2 Whole-time Directors. During the year under review, 3 meetings of the Committee were held on July 9, 2015, November 4, 2015 and January 8, 2016. The composition of the CSR Committee and attendance at its meeting is given hereunder:

Composition	Meetings attended
Dr R A Mashelkar (Chairman)	3
Ms Falguni Nayar	1
Mr S B Borwankar	3
Mr G Butschek *	-

\*Appointed as a member with effect from February 15, 2016.

**Risk Management Committee** is constituted and functions as per Regulation 21 of the SEBI Listing Regulations, The Committee comprises of 4 Independent Directors namely, Mr Nasser Munjee, as Chairman, Dr Mashelkar, Mr V K Jairath and Ms Falguni Nayar as members. The terms of reference enumerated in the Committee Charter are as follows:

- ❖ Principles and objectives *inter alia* included assisting the Board in overseeing the Company's risk management process and controls, risk tolerance, capital liquidity and funding etc. and its periodic update thereof to the Board.
- ❖ Committee shall act and have powers in accordance with the terms of reference specified in writing by the Board and shall be responsible for reviewing the Company's risk governance structure, assessment, practice, guidelines etc.
- ❖ The Committee will report to the Board periodically on various matters and shall undergo an annual self-evaluation of its performance and report the results thereof to the Board.

During the year under review 1 meeting of the Committee was held on July 9, 2015, attended by Mr Nasser Munjee, Chairman, Dr Mashelkar and Mr V K Jairath.

**Rights Issue Allotment Committee:** Pursuant to the approval of the Shareholders vide Postal Ballot on March 3, 2015 and the authority granted by the Board of Directors vide Resolutions passed on January 27, 2015 and March 25, 2015, the Company launched a simultaneous but unlinked issue of 15,06,44,759 Ordinary Shares of ₹2/- each (including the rights offering to ADR holders) for cash at a price of ₹450/- on a rights basis to the eligible Ordinary Shareholders in the ratio of 6 Ordinary Share for every 109 fully paid-up Ordinary Shares held on the Book Closure Date, which was April 8, 2015 and 2,65,30,290 'A' Ordinary Shares of ₹2/- each for cash at a price of ₹271/- on a rights basis to the eligible 'A' Ordinary Shareholders in the ratio of 6 'A' Ordinary Share for every 109 fully paid-up 'A' Ordinary Shares held on the said Book Closure Date. An overwhelming response was received from the Shareholders on the Rights Issue which was oversubscribed by 1.21 times and the Company collected an amount of ₹9,029.22 crores on the applications on May 2, 2015.

The Committee of Directors, duly constituted for the purpose of allotment of Ordinary and 'A' Ordinary Shares of the Company, comprising of Mr Mistry, Mr Munjee, Ms Nayar, Mr Pisharody and Mr Borwankar, at its meeting held on May 13, 2015, allotted 15,04,90,480 Ordinary Shares (including the American Depository Shares representing the Ordinary Shares) and 2,65,09,759 'A' Ordinary Shares in accordance with the basis of allotment mentioned in the Letter of Offer dated March 30, 2015. All members except Mr Mistry, were present for the Committee Meeting.

**Executive Committee (Excom)** comprising of Mr Butschek, Chairman and various business functional heads such as Mr Pisharody, Mr Borwankar, President (PVBU), Head Advanced and Product Engineering P&SC, Chief Human Resource Officer, Head Corporate Strategy and Business Transformation and Head Corporate Communications. The Excom provides oversight on strategy and key aspects of our business operations.

Apart from the above, the Board of Directors also constitutes Committee(s) of Directors and/or Executives with specific terms of reference, as it deems fit.

## CODE OF CONDUCT

Whilst the Tata Code of Conduct is applicable to all Whole-time Directors and employees of the Company, the Board has also adopted a Tata Code of Conduct for Non-Executive Directors and Independent Directors. Pursuant to Regulation 26(5) of the SEBI Listing Regulations, all members of senior management have confirmed that there are no material, financial and commercial transactions wherein they have a personal interest that may have a potential conflict with the interest of the Company at large. Pursuant to Regulation 26(3) of the SEBI Listing Regulations, all the Board members and senior management of the Company as on March 31, 2016 have affirmed compliance with their respective Codes of Conduct. A Declaration to this effect, duly signed by the CEO and Managing Director is annexed hereto.

## GENERAL BODY MEETINGS

Date	Year	Special Resolutions passed	Venue and Time
August 13, 2015	2014-2015	■ Offer or invite for Subscription of Non-Convertible Debentures on private placement basis	Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai - 400 020 3:00 p.m.
July 31, 2014	2013-2014	■ Invitation and acceptance of Fixed Deposits from the Members and Public	
August 21, 2013	2012-2013	■ Commission to non Whole-time Directors ■ Increase in the limit for holding by registered Foreign Institutional Investors (FIIs) for 'A' Ordinary Shares	

All resolutions moved at the last AGM were passed by means of electronic and physical voting, by the requisite majority of members attending the meeting. None of the businesses proposed to be transacted at the ensuing AGM require the passing of a special resolution by way of postal ballot.

There were no resolutions passed by Postal Ballot by the Company during the year under review.

## MEANS OF COMMUNICATION

The Quarterly, Half Yearly and Annual Results are regularly submitted to the Stock Exchanges in accordance with the Listing Agreement / Regulations, as applicable and are generally published in the Indian Express, Financial Express and the Loksatta (Marathi). The

Company has emailed to the Members who had provided email addresses, the half yearly results of the Company. The information regarding the performance of the Company is shared with the shareholders vide the Annual Report. The official news releases, including on the quarterly and annual results and presentations made to institutional investors and analysts are also posted on the Company's website ([www.tatamotors.com](http://www.tatamotors.com)) in the 'Investors' section.

The Annual Report, Quarterly Results, Shareholding Pattern, Press Releases, Intimation of Board Meetings and other relevant information of the Company are posted through BSE Corporate Compliance & Listing Centre and the NSE Electronic Application Processing System (NEAPS) portals for investor information.

### Green Initiative

In support of the "Green Initiative" undertaken by the Ministry of Corporate Affairs, the Company had during the financial year 2015-16 sent various communications including intimation of dividend and Half Yearly Communiqué by email to those shareholders whose email addresses were registered with the depositories or the Registrar and Transfer Agents.

All agenda papers for the Board and Committee meetings are disseminated electronically on a real-time basis, by uploading them on a secured online application specifically designed for this purpose.

In line with the SEBI Listing Regulations, the Company has emailed soft copies of its Annual Report to all those shareholders who have registered their email address for the said purpose. We would greatly appreciate and encourage more Members to register their email address with their Depository Participant or the Registrar and Transfer Agent of the Company, to receive soft copies of the Annual Report, Postal Ballot Notices and other information disseminated by the Company, on a real-time basis without any delay.

### GENERAL INFORMATION FOR MEMBERS

The Company is registered with the Registrar of Companies, Mumbai, Maharashtra. The Corporate identification Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L28920MH1945PLC004520.

### ANNUAL GENERAL MEETING

<b>Date and Time</b>	Tuesday, August 9, 2016 at 3:00 p.m.
<b>Venue</b>	Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai 400 020

### FINANCIAL CALENDAR (TENTATIVE)

Financial Year	ending March 31
<b>Results for the Quarter ending</b>	
June 30, 2016	On or before August 14, 2016
September 30, 2016	On or before November 14, 2016
December 31, 2016	On or before February 14, 2017
March 31, 2017	On or before May 30, 2017
Date of Book Closure	Wednesday, July 20, 2016 to Tuesday, August 9, 2016 (both days inclusive) for payment of dividend.
Date of Dividend payment	August 11, 2016, if dividend is declared by members at the AGM.

### LISTINGS

The Company's shares are listed on the BSE Ltd. (BSE) and the National Stock Exchange of India Ltd. (NSE). The following are the details of the Company's shares:

<b>Type</b>	Ordinary Shares	'A' Ordinary Shares
<b>ISIN</b>	INE155A01022	IN9155A01020
<b>BSE – Stock Code</b>	500570	570001
<b>NSE – Stock Code</b>	TATAMOTORS	TATAMTRDVR
<b>BSE - Address</b>	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001; <a href="http://www.bseindia.com">www.bseindia.com</a>	
<b>NSE - Address</b>	"Exchange Plaza", Bandra Kurla Complex, Bandra (E), Mumbai 400 051; <a href="http://www.nseindia.com">www.nseindia.com</a>	

The Company has paid Annual Listing fees for FY 2016-17 to all the Stock Exchanges (both domestic and international) where the Company's securities are listed.

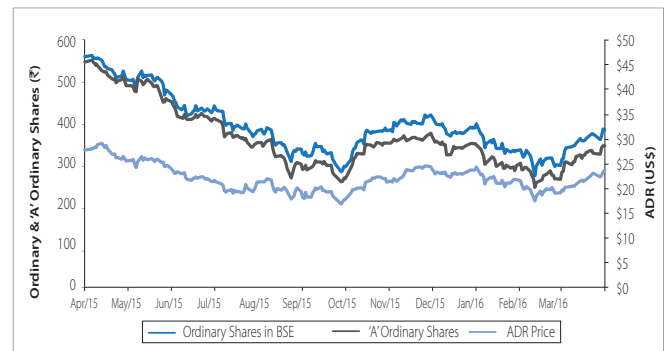
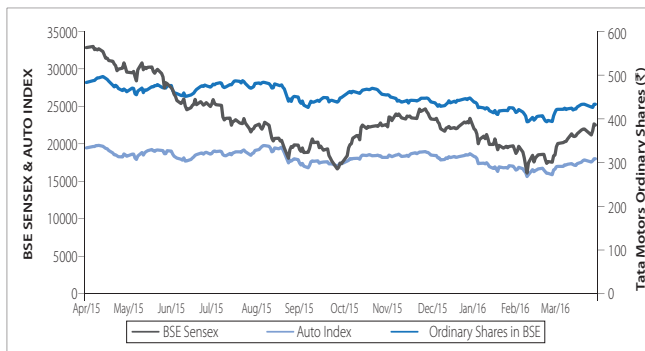
Attention is also drawn to foreign listing and listing of debt securities of the Company, as mentioned under Outstanding Securities below.

### MARKET INFORMATION

Market price data - monthly high/low of the closing price and trading volumes on BSE/NSE depicting liquidity of the Company's Ordinary Shares and 'A' Ordinary Shares on the said exchanges is given hereunder:-

Month	Ordinary Shares						'A' Ordinary Shares					
	BSE			NSE			BSE			NSE		
	High (₹)	Low (₹)	No. of Shares	High (₹)	Low (₹)	No. of Shares	High (₹)	Low (₹)	No. of Shares	High (₹)	Low (₹)	No. of Shares
Apr-15	567.55	508.45	7937445	568.15	508.25	14217444	354.40	311.30	1289849	354.65	310.70	34517076
May-15	529.65	471.65	11261563	529.70	471.75	35554611	322.20	295.40	2989227	322.75	295.10	34331174
Jun-15	472.15	421.60	15509821	472.05	421.80	39898077	291.40	261.20	2461162	290.65	260.60	46564368
Jul-15	444.80	370.45	17591395	444.50	370.10	144707185	264.45	232.65	5663017	263.80	232.10	62710010
Aug-15	392.55	309.70	28056514	393.40	308.25	58773025	268.05	218.80	7349566	267.85	219.25	72944494
Sep-15	354.25	285.25	64992266	354.10	285.00	176541896	248.45	206.60	5714600	248.65	206.85	67162389
Oct-15	391.25	297.00	18490823	391.20	297.75	223720096	272.75	218.30	4585381	272.80	218.60	45285403
Nov-15	423.35	382.05	12876773	424.40	382.05	175007744	299.65	259.60	3542775	299.75	259.65	106804814
Dec-15	417.40	371.70	11711334	417.35	371.60	153232921	290.45	271.60	2249087	290.60	270.65	36711439
Jan-16	401.65	329.40	17738047	401.90	328.55	184037689	296.95	247.90	2810896	296.60	248.25	36901882
Feb-16	338.35	275.65	22421111	338.50	276.65	251270913	262.95	214.45	3032273	263.20	214.80	47679121
Mar-16	388.90	315.30	14274415	388.60	315.35	180650695	288.65	238.40	2251939	288.35	237.85	50113397

The Performance of the Company's Stock Price vis-à-vis Sensex, Auto Index and ADR:



The monthly high and low of the Company's ADRs is given below:

Month	High	Low
April 2015	46.35	41.19
May 2015	42.63	37.84
June 2015	37.91	34.01
July 2015	34.56	28.72
August 2015	30.31	22.49
September 2015	25.99	21.73
October 2015	29.70	22.33
November 2015	31.57	29.58
December 2015	30.89	27.15
January 2016	28.33	23.98
February 2016	25.50	20.56
March 2016	29.05	23.73

## REGISTRAR AND TRANSFER AGENTS

For share related matters, Members are requested to correspond with the Company's Registrar and Transfer Agents – M/s TSR Darashaw Limited quoting their folio no./DP ID & Client ID at the following addresses:

- For transfer lodgment, delivery and correspondence: TSR Darashaw Limited, Unit: Tata Motors Limited, 6-10, Haji Moosa Patrawala Industrial Estate, 20, Dr. E Moses Road, (Nr. Famous Studios) Mahalaxmi, Mumbai – 400 011. Tel: 022-6656 8484; Fax: 022- 6656 8494; e-mail : csg-unit@tsrdarashaw.com; website:www.tsrdarashaw.com
- For the convenience of investors based in the following cities, transfer documents and letters will also be accepted at the following branches/agencies of TSR Darashaw Limited:
  - Bangalore: 503, Barton Centre, 5th Floor, 84, Mahatma Gandhi Road, Bangalore – 560 001. Tel: 080 – 25320321, Fax: 080 – 25580019, e-mail: tsrdlbang@tsrdarashaw.com

- (ii) Jamshedpur: Bungalow No.1, "E" Road, Northern Town, Bistupur, Jamshedpur – 831 001.  
Tel: 0657 – 2426616, Fax: 0657 – 2426937,  
email : tsrdljsr@tsrdarashaw.com
- (iii) Kolkata: Tata Centre, 1st Floor, 43, Jawaharlal Nehru Road, Kolkata – 700 071.  
Tel: 033 – 22883087, Fax: 033 – 22883062,  
e-mail: tsrdlcal@tsrdarashaw.com
- (iv) New Delhi: Plot No.2/42, Sant Vihar, Ansari Road, Daryaganj, New Delhi – 110 002.  
Tel : 011 – 23271805, Fax : 011 – 23271802,  
e-mail : tsrdldel@tsrdarashaw.com
- (v) Ahmedabad: Agent of TSRDL – Shah Consultancy Services Pvt. Limited: 3-Sumathinath Complex, Pritam Nagar Akhada Road, Ellisbridge, Ahmedabad -380 006.  
Tel: 079-2657 6038,  
e-mail: shahconsultancy8154@gmail.com

**For Fixed Deposits:** The investors are requested to correspond with the Registrars to the Fixed Deposit Scheme – TSR Darashaw Limited at the same addresses as mentioned above or send an e-mail at tmlfd@tsrdarashaw.com. Tel: 022-66568484

**For Rights Issue related matters:** The Company made a Rights Issue vide Letter of Offer dated March 30, 2015 and Members are requested to correspond with Link Intime India Private Limited, the Registrar to the Issue, for addressing any pre-Issue/ post-Issue related matter, including all grievances relating to the Applications Supported by Blocked Amount (ASBA) process. Contact details: C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400 078;  
Tel: (91 22) 6171 5400 / 9167779196 /97; Fax: (91 22) 2596 0329;  
Website: www.linkintime.co.in; Email: tatamotors.rights@linkintime.co.in; Contact Person: Pooja Bhosle

## SHARE TRANSFER SYSTEM

Securities lodged for transfer at the Registrar's address are normally processed within 15 days from the date of lodgment, if the documents are clear in all respects. All requests for dematerialization of securities are processed and the confirmation is given to the depositories within 15 days. The Executives of the Registrar are empowered to approve transfer of shares and debentures and other investor related matters. Grievances received from investors and other miscellaneous correspondence on change of address, mandates, etc. are processed by the Registrars within 15 days. The following compliances pertain to share transfers, grievances, etc.:

- (1) Pursuant to Regulation 7(3) of the SEBI Listing Regulations, certificates are filed with the stock exchanges on half yearly basis by the Compliance Officer and the representative of the Registrar and Share Transfer Agent for maintenance of an appropriate share transfer facility.
- (2) Pursuant to Regulation 13(2) of the SEBI Listing Regulations, a statement on pending investor complaints is filed with the

stock exchanges and placed before the Board of Directors on a quarterly basis.

- (3) A Company Secretary-in-Practice carried out a Reconciliation of Share Capital Audit on a quarterly basis to reconcile the total admitted capital with the depositories viz National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with NSDL and CDSL).
- (4) Pursuant to Regulation 61(4) read together with Regulation 40(9) of the SEBI Listing Regulations, a Company Secretary-in-Practice certificate is filed with the stock exchanges within one month from the end of each half of the financial year, certifying that all certificates are issued within thirty days of the date of lodgment for transfer, sub-division, consolidation, renewal, exchange or endorsement of calls/ allotment monies

### Action required for non-receipt of dividends, proceeds of matured deposits and interest and redeemed debentures and interest thereon:

- (i) Pursuant to Sections 205A and 205C of the Companies Act, 1956, (Section 124 and 125 of the Act) or as amended or re-enacted, all unclaimed/unpaid dividend, application money, debenture interest and interest on deposits as well as principal amount of debentures and deposits pertaining to the Company and erstwhile Tata Finance Limited (TFL) remaining unpaid or unclaimed for a period of 7 years from the date they became due for payment, have been transferred to the Investors Education and Protection Fund (IEPF) established by the Central Government.
- (ii) In case of non-receipt/ non encashment of the dividend warrants, Members are requested to correspond with the Company's Registrars/the Registrar of Companies, as mentioned hereunder:

Dividend for	Whether it can be claimed	Contact Office	Action to be taken
2014-15	N.A.	-	Not Applicable due to non-declaration of dividend.
2009-10 to 2013-14	Yes	TSR Darashaw Limited	Letter on plain paper.
2002-03 to 2008-09	No	-	None. Already transferred to IEPF. In respect of 2008-09, would be transferred in August 2016
2000-01 and 2001-02	N.A.	-	Not Applicable due to non-declaration of dividend.

1995-96 to 1999-00	No	-	None. Already transferred to IEPF.
1978-79 to 1994-95	Yes	The Registrar of Companies, CGO Complex, 'A' Wing, Next to RBI, CBD – Belapur, Navi Mumbai – 400614 Maharashtra Tel: 91 22 2757 6802	Claim in Form No. II of the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978 or such other Form as may be prescribed by the MCA.

(iii) Following table gives information relating to outstanding dividend accounts and due dates for claiming dividend:

Financial Year	Date of Declaration	Last date for claiming dividend *
2008-09	August 25, 2009	August 24, 2016
2009-10	September 1, 2010	August 31, 2017
2010-11	August 12, 2011	August 11, 2018
2011-12	August 10, 2012	August 9, 2019
2012-13	August 21, 2013	August 20, 2020
2013-14	July 31, 2014	July 30, 2021
2014-15	No dividend declared	

\*Indicative dates. Actual dates may vary.

(iv) As of March 31, 2016, the Company transferred ₹21,47,41,667.34 to IEPF, including the following amounts during the year.

(in ₹)

Particulars	FY 2015-16
Unpaid dividend amounts of the Company	1,80,73,455
Application moneys received for allotment of any securities and due for refund	-
Unpaid matured deposit with the Company	56,768
Unpaid matured debentures with the Company	-
Interest accrued on matured deposits with the Company	-
Interest accrued on matured debentures with the Company	-
<b>Total</b>	<b>1,81,30,223</b>

## DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2016

### Ordinary Shares

Range of Shares	No. of Shares				No. of shareholders			
	No. of shares	Physical form (%)	Demat form (%)	% of Capital	No. of Holders	Physical form (%)	Demat form (%)	% of Capital
1 – 500	42,607,963	0.20	1.28	1.48	425,291	7.33	77.91	85.24
501 – 1000	22,743,691	0.15	0.64	0.79	31,406	1.21	5.08	6.29
1001 – 2000	29,350,587	0.19	0.83	1.02	20,644	0.78	3.36	4.14
2001 – 5000	44,186,112	0.24	1.29	1.53	14,403	0.46	2.43	2.89
5001 – 10000	27,244,682	0.11	0.83	0.94	3,962	0.09	0.70	0.79
Above 10000	2,721,070,567	0.23	94.01	94.24	3,252	0.04	0.61	0.65
<b>Total</b>	<b>2,887,203,602</b>	<b>1.12</b>	<b>98.88</b>	<b>100.00</b>	<b>498,958</b>	<b>9.91</b>	<b>90.09</b>	<b>100.00</b>

(v) While the Company's Registrar has already written to the Members, Debenture holders and Depositors informing them about the due dates for transfer to IEPF for unclaimed dividends/interest payments, attention of the stakeholders is again drawn to this matter through the Annual Report. The data on unpaid / unclaimed dividend and other unclaimed monies is also available on the Company's website under the head (<http://www.tatamotors.com/investor/iepf/>)

Investors of the Company who have not yet encashed their unclaimed/unpaid amounts are requested to do so at the earliest.

(vi) Other facilities of interest to shareholders holding shares in physical form:

- ❖ As per Regulation 39(4) read with Schedule VI of the SEBI Listing Regulations, the Company has sent 9915 reminders in February 2013 and 8994 reminders in August 10, 2015 to those shareholders whose certificates have been returned undelivered. These certificates are currently lying with the Registrar and Transfer Agents of the Company. Members, holding the Company's shares in physical form, are requested to tally their holding with the certificates in their possession and revert in case of any discrepancy in holdings. In case there is no response after three reminders, the unclaimed shares shall be transferred to one folio in the name of "Unclaimed Suspense Account" and the voting rights on such shares shall remain frozen until the rightful owner claims the shares.
- ❖ Nomination facility: Shareholders, who hold shares in single name or wish to make/change the nomination in respect of their shares as permitted under the Act, may submit in the prescribed form to the Registrars and Transfer Agents.

**A' Ordinary Shares**

Range of Shares	No. of Shares				No. of shareholders			
	No. of shares	Physical form (%)	Demat form (%)	% of Capital	No. of Holders	Physical form (%)	Demat form (%)	% of Capital
1 – 500	8,996,439	0.02	1.75	1.77	86,828	0.98	85.98	86.97
501 – 1000	3,992,778	0.01	0.78	0.79	5,495	0.07	5.43	5.50
1001 – 2000	4,472,642	0.01	0.87	0.88	3,170	0.03	3.15	3.17
2001 – 5000	6,954,517	0.00	1.36	1.36	2,216	0.01	2.21	2.22
5001 -10000	6,259,466	0.00	1.23	1.23	892	0.00	0.89	0.89
Above 10000	477,800,862	0.00	93.97	93.97	1,251	0.00	1.25	1.25
<b>Total</b>	<b>508,476,704</b>	<b>0.04</b>	<b>99.96</b>	<b>100.00</b>	<b>99,852</b>	<b>1.09</b>	<b>98.91</b>	<b>100.00</b>

For details on the Shareholding pattern, kindly refer Form MGT-9 appended to the Boards' Report of this Annual Report.

**DEMATERIALIZATION OF SHARES**

The electronic holding of the shares as on March 31, 2016 through NSDL and CDSL are as follows:

Particulars	Ordinary Shares (%)		'A' Ordinary Shares (%)	
	2016	2015	2016	2015
NSDL	97.43	97.70	97.45	97.93
CDSL	1.45	1.05	2.50	2.02
<b>Total</b>	<b>98.88</b>	<b>98.75</b>	<b>99.95</b>	<b>99.95</b>

**OUTSTANDING SECURITIES**

Outstanding Depository Receipts/Warrants or Convertible instruments, conversion / maturity date and likely impact on equity as on March 31, 2016 are as follows:

Security Type	ISIN	Issue Size (US\$ million)	Yield per annum (%)	Date of Maturity	Listing
Senior Unsecured Notes	XS1121907676	500	4.625%	April 30, 2020	Singapore Stock Exchange
Senior Unsecured Notes	XS1121908211	250	5.750%	October 30, 2024	

Overseas Depository	Domestic Custodian
Citibank N.A., 388 Greenwich Street, 14th Floor, New York, NY 10013	Citibank N.A., Trent House, 3rd Floor, G-60, Bandra Kurla Complex, Bandra (East), Mumbai 400 051

❖ There are no outstanding warrants or any other convertible instruments issued by the Company.

❖ The following Non-Convertible Debentures (NCDs) are listed on NSE and BSE under the Debt Market segment\*:

Series No.	Stock Exchange Listing	ISIN	Principal Amount (₹ in crores)	Yield to Maturity (%)	Date of Maturity
E 22	NSE	INE155A07219	200	9.95	March 2, 2020
E 22A	NSE	INE155A07227	500	10.25	- Rs.100 crores on April 30, 2022 and April 30, 2023 - Rs.150 crores on April 30, 2024 and April 30, 2025
E 23A	NSE	INE155A08043	150	9.90	May 7, 2020
E 23B	NSE	INE155A08050	100	9.75	May 24, 2020

Depository Receipts: The Company has 98,392,840 ADSs listed on the New York Stock Exchange as on March 31, 2016. Each Depository Receipt represents 5 underlying Ordinary Shares of ₹2/- each.

<b>Listing on Foreign Stock Exchange</b>	New York Stock Exchange (NYSE)
<b>Security Type</b>	American Depository Receipts (ADRs)
<b>ISIN</b>	US8765685024
<b>Stock Code / Ticker</b>	TTM
<b>Address</b>	NYSE, 20 Broad Street, New York, NY 10005

❖ Senior Unsecured Notes: In October 2014, the Company issued a dual tranche of Senior Unsecured Notes aggregating US\$ 750 million, details of which are given hereunder:

Series No.	Stock Exchange Listing	ISIN	Principal Amount (₹ in crores)	Yield to Maturity (%)	Date of Maturity
E 23C	NSE	INE155A08068	150	9.70	June 18, 2020
E 24A	NSE	INE155A08076	250	10.00	May 26, 2017
E 24B	NSE	INE155A08084	110	10.00	May 28, 2019
E 24D	NSE	INE155A08100	300	9.84	March 10, 2017
E 24E	NSE	INE155A08118	200	9.69	March 29, 2019
E 24F	NSE	INE155A08126	200	9.45	March 29, 2018
E 25D	NSE	INE155A08167	300	8.95	April 29, 2016
E 25E	NSE	INE155A08175	300	8.73	May 17, 2016
E26A	NSE	INE155A08183	190	10.30	November 30, 2018
E26B	NSE	INE155A08191	300	9.81	August 20, 2024
E26C	NSE	INE155A08209	200	9.77	September 12, 2024
E26D (Option - I)	NSE	INE155A08217	300	9.71	October 1, 2019
E26D (Option - II)	NSE	INE155A08225	400	9.73	October 1, 2020
E26E	NSE & BSE	INE155A08233	400	9.60	October 29, 2022
E26F	NSE & BSE	INE155A08241	400	9.35	November 10, 2023
E26G	NSE & BSE	INE155A08258	300	9.02	December 10, 2021
E26H	NSE & BSE	INE155A08266	300	8.60	February 2, 2018
E27A #	NSE & BSE	INE155A08274	300	8.25	January 28, 2019

\*Detailed information on the above debentures is included in the 'Notes to Accounts'.

Vijaya Bank, Merchant Banking Division, Head Office, 41/2, M.G. Road, Trinity Circle, Bangalore – 560 001 are the Trustees for all the debenture series mentioned above except for E27A Series. They may be contacted at Tel. : +91 80 25584066 (Ext. 867), 25584603, Fax : +91 80 25584764, Email id: merchantbkg@vijayabank.co.in.

# Debenture Trustee for the E27A series of NCDs : IL&FS Trust Company Limited The IL&FS Financial Centre, 7th Floor, East Quadrant, Plot C- 22, G Block, Bandra Kurla Complex, Bandra (E), Mumbai 400 051 debenture trustees for the E27A series of NCDs. They may be contacted at Tel.: +91 22 26593612, Fax : + 91 22 2653 3297, Email id: itcl@ilfsindia.com.

## PLANT LOCATIONS

Location	Range of Products Produced
Pimpri, Pune – 411 018; Chikhali, Pune – 410 501; Chinchwad, Pune – 411 033	Medium and Heavy Commercial Vehicles (M&HCVs), Light Commercial Vehicles (LCVs), Utility Vehicles (UVs) and Cars
Jamshedpur – 831 010	Intermediate Commercial Vehicles (ICVs) and M&HCVs
Chinhat Industrial Area, Dewa Road, Chinhat, Lucknow – 226 019	M&HCVs and LCVs
Plot No. 1, Sector 11 and Plot No. 14, Sector 12, I.I.E., Pantnagar, District Udham Singh Nagar, Uttarakhand – 263 145	LCVs, M&HCVs and UVs
Revenue Survey No. 1, Village Northkotpura, Tal, Sanand, Dist. Ahmedabad – 380 015	Cars
KIADB Block II, Belur Industrial Area, Mummigatti Post, Dharwad – 580 011	Small Commercial Vehicles (SCVs) and LCVs

## ADDRESS FOR CORRESPONDENCE

For Investor Queries	
<b>Retail / HNI Investors</b> Mr. H. K. Sethna, Company Secretary Bombay House, 24, Homi Mody Street, Mumbai - 400 001, India Phone : 91-22- 6665 7824; Fax : 91-22- 6665 7260 Email : inv_rel@tatamotors.com	<b>Institutional Investors</b> Mr. V. B. Somaiya, Head (Treasury & Investor Relations) 3rd floor, Nanavati Mahalaya, 18, Homi Mody Street, Mumbai - 400 001, INDIA Phone : 91-22-66658282 Email : ir_tml@tatamotors.com
For Fixed Deposit, Rights Issue and other Share related queries	
Kindly refer details mentioned herein above under the head 'Registrar and Transfer Agents'	



## SUBSIDIARY COMPANIES

The Company does not have any material non-listed Indian subsidiary company and hence, it is not required to have an Independent Director of the Company on the Board of such subsidiary company. However, the following Independent Directors of the Company, are also present in an independent capacity, on the Board of the below mentioned subsidiary companies:

Common Independent Directors	Presence on the Board of Subsidiary Companies
Mr Nasser Munjee	Jaguar Land Rover Automotive Plc and Tata Motors Finance Limited
Dr R A Mashelkar	TAL Manufacturing Solutions Limited
Mr Subodh Bhargava	Tata Marcopolo Motors Limited
Mr V K Jairath	Concorde Motors (India) Limited, TML Distribution Company Limited and Tata Motors Finance Solutions Limited
Ms Falguni Nayar	Tata Marcopolo Motors Limited and Tata Technologies Limited

The Company adopted a Policy for Determining Material Subsidiaries of the Company, pursuant to Regulation 16(1)(c) of the SEBI Listing Regulations. This policy is available on the Company's website pursuant to Regulation 46(2) of the SEBI Listing Regulations.

The Audit Committee also has a 2-day meeting wherein the CEO and CFO of subsidiary companies make a presentation on significant issues in audit, internal control, risk management, etc. Significant issues pertaining to subsidiary companies are also discussed at Audit Committee meetings of the Company.

The minutes of the subsidiary companies are placed before the Board of Directors of the Company and the attention of the Directors is drawn to significant transactions and arrangements entered into by the subsidiary companies. The performance of its subsidiaries is also reviewed by the Board periodically.

## DISCLOSURES

- i. Details of relevant related party transactions entered into by the Company are included in the Boards' Report and in the Notes to Accounts. The Company has in place a Policy on Related Party Transactions setting out (a) the materiality thresholds for related parties and (b) the manner of dealing with transactions between the Company and related parties, including omnibus approvals by the Audit Committee based on the provisions of the Act and Regulation 23 of the SEBI Listing Regulations. During the year, there were no materially significant transactions with related parties, as per the Policy adopted by the Company that have potential conflict with the interests of the Company at large. All transactions with related parties entered into by the Company were in the normal course of business on an arm's length basis and were approved by the Audit Committee.
- ii. The Company has complied with various rules and regulations prescribed by the Stock Exchanges, Securities and Exchange Board of India or any other statutory authority relating to the capital markets during the last 3 years. No penalties or strictures have been imposed by them on the Company.

- iii. In accordance with the provisions of the Act and Regulation 22 of the SEBI Listing Regulations the Company has in place a Vigil Mechanism and a Whistle-Blower Policy duly approved by the Audit Committee which provides a formal mechanism for all Directors and employees of the Company to approach the Management of the Company (Audit Committee in case where the concern involves the Senior Management) and make protective disclosures to the Management about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics policy. The disclosures reported are addressed in the manner and within the time frames prescribed in the Policy. The Company affirms that no director or employee of the Company has been denied access to the Audit Committee.
- iv. The Company has complied with all the mandatory requirements of corporate governance including those specified in sub-para (2) to (10) of Part C of Schedule V of the SEBI Listing Regulations.
- v. The Company also fulfilled the following non-mandatory requirements as specified in Regulation 27(1) read with Part E of the Schedule II of the SEBI Listing Regulations:
  - ❖ The Board: The Non-Executive Chairman maintains a separate office, for which the Company does not reimburse expenses.
  - ❖ Shareholder Rights: Details are given under the heading "Means of Communications".
  - ❖ Modified opinion in Audit Report: During the year under review, there was no audit qualification in the Auditors' Report on the Company's financial statements. The Company continues to adopt best practices to ensure a regime of unqualified financial statements.
  - ❖ Separate posts of Chairman and CEO: The post of the Non-Executive Chairman of the Board is separate from that of the CEO and Managing Director.
  - ❖ Reporting of Internal Auditor: The Chief Internal Auditor reports to the Audit Committee of the Company, to ensure independence of the Internal Audit function.
- vi. Commodity price risk or foreign exchange risk and hedging activities:
 

During the FY 2015-16, the Company had managed the foreign exchange risk and hedged to the extent considered necessary. The Company enters into forward contracts for hedging foreign exchange exposures against exports and imports. The details of foreign currency exposure are disclosed in Note No. 37 to the Annual Accounts.
- vii. The Company is in compliance with the disclosures required to be made under this report in accordance with Regulation 34(3) read together with Schedule V(C) to the SEBI Listing Regulations.
- viii. Disclosures on compliance with corporate governance requirements specified in Regulations 17 to 27 have been included in the relevant sections of this report. Appropriate information has been placed on the Company's website pursuant to clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

Information on the Company's website including key policies, codes and charters, adopted by the Company are given below:

Name of Policy, Code or Charter	Brief Description	Web Link
Terms of Appointment of Independent Directors	Relevant extracts form the appointment letter issued to Independent Directors detailing the broad terms and conditions of their appointment.	<a href="http://www.tatamotors.com/investors/pdf/Terms-of-Appointment-ID.pdf">http://www.tatamotors.com/investors/pdf/Terms-of-Appointment-ID.pdf</a>
Board committees	The composition of various committees of the Board	<a href="http://www.tatamotors.com/about-us/leadership/">http://www.tatamotors.com/about-us/leadership/</a>
Tata Code of Conduct	Represents the values and core principles that guide the conduct of every Tata business. The Code lays down the ethical standards that Tata colleagues need to observe in their professional lives. a) For Whole-time Directors & Employees:  b) For Non-Executive Directors and Independent Directors	<a href="http://corp-content.tatamotors.com.s3-ap-southeast-1.amazonaws.com/wp-content/uploads/2015/10/tata-code-of-conduct.pdf">http://corp-content.tatamotors.com.s3-ap-southeast-1.amazonaws.com/wp-content/uploads/2015/10/tata-code-of-conduct.pdf</a>  <a href="http://www.tatamotors.com/investors/pdf/ned-id.pdf">http://www.tatamotors.com/investors/pdf/ned-id.pdf</a>
Whistleblower Policy (Vigil Mechanism)	The Whistleblower policy has been formulated for Directors and employees of the Company to report concerns about unethical behavior, actual or suspected fraud or violation of the Tata Code of Conduct.	<a href="http://www.tatamotors.com/investors/pdf/whistle-blower-policy.pdf">http://www.tatamotors.com/investors/pdf/whistle-blower-policy.pdf</a>
Policy on Related Party Transactions	A policy on materiality of related party transactions and regulates all transactions between the Company and its related parties.	<a href="http://www.tatamotors.com/investors/pdf/rpt-policy.pdf">http://www.tatamotors.com/investors/pdf/rpt-policy.pdf</a>
Policy on Material Subsidiaries	This policy is to determine material subsidiaries and material non-listed Indian subsidiaries of the Company and to provide governance framework for them.	<a href="http://www.tatamotors.com/investors/pdf/material.pdf">http://www.tatamotors.com/investors/pdf/material.pdf</a>
Familiarisation Programme	For Independent Directors through various programmes/presentations.	<a href="http://www.tatamotors.com/investors/pdf/familiarisation-programme-independent-directors.pdf">http://www.tatamotors.com/investors/pdf/familiarisation-programme-independent-directors.pdf</a>
Policy on determination of Materiality for Disclosure of Event / Information	This policy applies to disclosures of material events affecting the Company and its subsidiaries. This policy is in addition to the company's corporate policy.	<a href="http://corp-content.tatamotors.com.s3-ap-southeast-1.amazonaws.com/wp-content/uploads/2015/10/12061154/materiality.pdf">http://corp-content.tatamotors.com.s3-ap-southeast-1.amazonaws.com/wp-content/uploads/2015/10/12061154/materiality.pdf</a>
Content Archiving Policy	The policy provides guidelines for archiving of corporate records and documents as statutorily required by the Company.	<a href="http://corp-content.tatamotors.com.s3-ap-southeast-1.amazonaws.com/wp-content/uploads/2015/10/12061154/content-archiving-policy.pdf">http://corp-content.tatamotors.com.s3-ap-southeast-1.amazonaws.com/wp-content/uploads/2015/10/12061154/content-archiving-policy.pdf</a>
Unpaid dividend account details	Statement of unclaimed and unpaid amounts to be transferred to the IEPF	<a href="http://www.tatamotors.com/investor/iepf">http://www.tatamotors.com/investor/iepf</a>
Corporate Social Responsibility Policy	The policy outlines the Company's strategy to bring about a positive impact on society through programmes focusing on Health, Education, Employability and Environment interventions for relevant target groups, ensuring diversity and giving preference to needy and deserving communities inhabiting urban India.	<a href="http://corp-content.tatamotors.com.s3-ap-southeast-1.amazonaws.com/wp-content/uploads/2015/10/12061154/csr-policy-15-161.pdf">http://corp-content.tatamotors.com.s3-ap-southeast-1.amazonaws.com/wp-content/uploads/2015/10/12061154/csr-policy-15-161.pdf</a>
Audit Committee Charter	Inter alia outlines the terms of reference, composition, quorum, meeting requirements, authority and responsibility of the Audit Committee of the Company.	<a href="http://www.tatamotors.com/investors/pdf/audit_committee_charter.pdf">http://www.tatamotors.com/investors/pdf/audit_committee_charter.pdf</a>
Code of Corporate Disclosure Practices	This policy is aimed at providing timely, adequate, uniform and universal dissemination of information and disclosure of Unpublished Price Sensitive Information outside the Company in order to provide accurate and timely communication to our shareholders and the financial markets.	<a href="http://www.tatamotors.com/investors/pdf/csr-policy-16-17.pdf">http://www.tatamotors.com/investors/pdf/csr-policy-16-17.pdf</a>

On behalf of the Board of Directors  
**CYRUS P MISTRY**  
Chairman

Mumbai,  
May 30, 2016

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## DECLARATION BY THE CEO UNDER REGULATION 26(3) READ WITH PARA D OF SCHEDULE V OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 REGARDING ADHERENCE TO THE CODE OF CONDUCT

Pursuant to Regulation 26(3) read with Para D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management personnel of the Company have affirmed compliance to their respective Codes of Conduct, as applicable to them for the Financial Year ended March 31, 2016.

For Tata Motors Limited

**Guenter Butschek**

CEO and Managing Director

Mumbai, May 30, 2016

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## PRACTISING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

### TO THE MEMBERS OF TATA MOTORS LIMITED

We have examined the compliance of the conditions of Corporate Governance by Tata Motors Limited ('the Company') for the year ended on March 31, 2016, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges ("Listing Agreement") for the period April 1, 2015 to November 30, 2015 and Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") for the period December 1, 2015 to March 31, 2016.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Agreement and the SEBI Listing Regulations applicable for the respective periods as mentioned above.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Parikh & Associates**

Practising Company Secretaries

**P. N. PARIKH**

FCS: 327 CP: 1228

Mumbai, May 30, 2016

# BUSINESS RESPONSIBILITY REPORT

[Pursuant to Regulation 34(2)(f) of the SEBI Listing Regulations]

## INTRODUCTION

With a legacy of over six decades, Tata Motors Limited continues to be India's largest automobile company with consolidated revenues of ₹2,75,561 crores in Fiscal 2016. Sustainability and the spirit of 'giving back to society' is a core philosophy and good corporate citizenship is strongly embedded in our DNA. We are the first Indian company in engineering sector to be listed on the New York Stock Exchange. Regarded as leaders in commercial vehicles in each segment, and among top three in passenger vehicles in India, we are also the world's fourth largest truck and bus manufacturer. We are present across all segments of commercial vehicles and passenger vehicles with over 6,600 dealerships, sales, services and spare parts network touch points globally.

The Business Responsibility disclosures in this Report illustrate our efforts towards creating enduring value for all stakeholders in a responsible manner. This Report is aligned with National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVG-SEE) released by Ministry of Corporate Affairs, and is in accordance with Regulation 34(2)(f) of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Report provides an overview of the activities carried out by Tata Motors under each of the nine principles as outlined in NVG.

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

- Corporate Identity Number (CIN) of the Company:** L28920MH1945PLC004520
- Name of the Company:** Tata Motors Limited
- Registered address:** Bombay House, 24, Homi Mody Street, Mumbai - 400001
- Website:** <http://www.tatamotors.com/>
- E-mail id:** [inv\\_rel@tatamotors.com](mailto:inv_rel@tatamotors.com)
- Financial Year reported:** 2015 – 16
- Sector(s) that the Company is engaged in (industrial activity code-wise)**

NIC Code	Description
2910	Manufacture of motor vehicles
2920	Manufacture of bodies (coachwork) for motor vehicles
2930	Manufacture of parts and accessories for motor vehicles
4530	Sale of motor vehicle parts and accessories

- List three key products/services that the Company manufactures/provides (as in balance sheet)**

- Passenger Cars
- Commercial Vehicles
- Vehicles sales and service

*(Please refer to our website [www.tatamotors.com](http://www.tatamotors.com) for complete list of our products)*

- Total number of locations where business activity is undertaken by the Company**

**i. Number of International Locations (Provide details of major 5):** Through subsidiaries and associate companies, Tata Motors operates in over 175 markets and has over 6600 sales and service touch points. The Company has manufacturing facilities in the UK, South Korea, Thailand, South Africa and Indonesia.

**ii. Number of National Locations –** Tata Motors manufacturing base in India is spread across Jamshedpur (Jharkhand), Pune (Maharashtra), Lucknow (Uttar Pradesh), Pantnagar (Uttarakhand), Sanand (Gujarat) and Dharwad (Karnataka).

Please refer "Presence across markets" section of Company's Annual Report Fiscal 2016 for complete list of our global operations.

- Markets served by the Company - Local/State/National/International**

Tata Motors vehicles and services cater to entire Indian market. The company's commercial and passenger vehicles are already being marketed in several countries in North America, Central and South America, Africa, Europe, Asia and Oceania.

*Please refer "Presence across markets" section of Company's Annual Report FY 2015-2016 for complete list of markets served.*

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

- Paid up Capital (INR):** ₹679.13 Crores
- Total Turnover (INR):** ₹46,646.67 Crores (This is standalone figure)
- Total profit after taxes (INR):** Profit of ₹234.23 crores (This is standalone figure)
- Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):** Total expenditure reported is ₹ 20.57 Crores. (% of profits: Not Applicable in view of losses for the FY ended March 31, 2015)

**5. List of activities in which expenditure in 4 above has been incurred: -**

The Company has been regularly conducting a community engagement strategy which revolves around four focus themes;

- i) Arogya (Health):** The focus is to work on Addressing Child Malnutrition, Health Awareness for Females. This initiative provides Preventive & Curative Health services to community. In Fiscal 2016, 178200 members benefited from our health initiatives.
- ii) Vidyadhanam (Education):** This initiative aims to improve the quality of education in schools by supporting for infrastructure, skills development, training and institutionalized need based scholarships. Tata Samarth Scholarship program run jointly with Tata Communication has benefited 51000 aspiring engineers from economically weaker sections of society.
- iii) Kaushalya (Employability):** This program has been developed considering enhanced skill development among youth. It includes infusing marketable skills in school dropout youth in auto sector, non-auto trades, agriculture and allied activities. It also, strengthens the Industrial Training institutes by offering domain expertise through knowledge partnership.

Through our **Affirmative Action** program,

- **79% of youth** trained in automotive traders are from Schedule Caste / Schedule Tribes communities.
- Business has been extended to SC/ST vendors as well, associating 10 new vendors in their supply chain and extending business of ₹ **9.79** Crores to them.

- iv) Vasundhara (Environment):** Our Approach to improve environment included promotion of renewable energy, creation of carbon sinks through large scale sapling plantation, construction of water conservation structures and building awareness among the community members. More than 67000 saplings have been planted in our various programs under this initiative.

*Please refer 'Corporate Social Responsibility' section of Company's Annual Report Fiscal 2016 and Company's Annual CSR Report 2015-16 for detailed community engagement strategy and key initiatives. The Reports are available on our website [www.tatamotors.com](http://www.tatamotors.com).*

## SECTION C: OTHER DETAILS

**1. Does the Company have any Subsidiary Company/ Companies?**

Tata Motors has seventy-seven direct and indirect subsidiaries in India and abroad as on March 31, 2016.

**2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)**

Tata Motors positively influences and encourages its subsidiaries to adopt Business Responsibility (BR) initiatives. All the Company's subsidiaries are guided by Tata Code of Conduct (TCoC) to conduct their business in an ethical, transparent and accountable manner. It encompasses suppliers, customers and other stakeholders. It also addresses key BR issues like Quality and Customer value, Corruption and Bribery, Health & Safety, Environment, Human Rights and Employee well-being. Key subsidiaries like Jaguar Land Rover Automotive Plc. releases the sustainability report every year. The scope of this report is defined each year. For the sustainability report of Fiscal 2016, we have extended our reporting boundary to include the performance of three subsidiary companies and one Joint Venture (JV) operating out of our premises.

**3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]**

Suppliers, distributors are critical to our operations and supply chain sustainability issues can impact our operations. We engage with suppliers through various channels for operational issues and also focus on emerging and futuristic technologies through Technology Day events. Project Sankalp – a supplier transformation initiative is underway in which cross functional teams of domain experts work with suppliers at their plant location on improving quality, productivity, SHE and profitability. The suppliers and vendors are provided awareness on environmental and social issues. The vendor meets are used as a platform to raise awareness on health & safety, environmental and community initiatives of the Company. The vendors situated in the vendor parks at Pantnagar and Sanand manufacturing locations actively participate in the site health & safety, environmental and CSR programmes. Special emphasis is laid on skill development and up-gradation of the dealer and channel partner resources. Currently less than 30% of value chain entities participate in the Company's BR initiatives and there is a constant effort by the Company to extend these initiatives to larger value chain base.

## SECTION D: BR INFORMATION

**1. Details of Director/Directors responsible for BR**

**a) Details of the Director/Directors responsible for implementation of the BR policy/policies.**

SN	Particulars	Details
1.	DIN (if applicable)	01875848
2.	Name	Mr Ravindra Pisharody
3.	Designation	Executive Director (Commercial Vehicles)
4.	Telephone	022-66657837
5.	E-mail id	ravi.pisharody@tatamotors.com

SN	Particulars	Details
1.	DIN (if applicable)	01793948
2.	Name	Mr Satish B Borwankar
3.	Designation	Executive Director (Quality)
4.	Telephone	020-66132257
5.	E-mail id	sbborwankar@tatamotors.com

#### Details of Director/Directors responsible for BR

SN	Particulars	Details
1.	DIN (if applicable)	N.A
2.	Name	Mr Arvind Bodhankar
3.	Designation	Head – Safety, Health, Environment and Sustainability
4.	Telephone	022-66158538
5.	E-mail id	arvind.bodhankar@tatamotors.com

## 2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These are as follows:

- P1 Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.**
- P2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.**
- P3 Businesses should promote the well-being of all employees.**
- P4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.**
- P5 Businesses should respect and promote human rights.**
- P6 Businesses should respect, protect, and make efforts to restore the environment.**
- P7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.**
- P8 Businesses should support inclusive growth and equitable development.**
- P9 Businesses should engage with and provide value to their customers and consumers in a responsible manner.**

SN	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have policy/policies for?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national /international standards? If yes, specify? (The policies conformance to the spirit of international standards like ISO 9000, ISO 14000, OHSAS 18000, SA 8000, UNGC guidelines and ILO principles and meet the regulatory requirements such as Clause 49 of listing agreement, Sarbanes Oxley Act etc. The policies reflect Tata group's commitment to improve the quality of life of the communities it serves and practice of returning to society what it earns).	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Has the policy being approved by the Board? if yes, has it been signed by MD / owner / CEO /appropriate Board Director?*	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies have been communicated to all internal stakeholders. Tata Code of Conduct and other policies are communicated to suppliers, vendors, dealers and channel partners based on their relevance.								
7.	Does the company have in-house structure to implement the policy/policies	The Company has established in-house structures to implement these policies.								

8.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	The whistle blower mechanism provides employees to report any concerns or grievances pertaining to any potential or actual violation of Tata Code of Conduct, which covers all aspects of BRR. An Investor grievance mechanism is in place to respond to investor grievances. The Customer Complaints mechanism records the grievances of customers on product and service quality and other issues of interest to them. The supplier, vendor, dealer and channel partner forums and ongoing communication captures their concerns and grievances. The continual community engagement, needs assessments, impact assessments serve as means for communities to represent their concerns and grievances.
9.	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	The implementation of Tata Code of Conduct and other policies are reviewed through internal audit function/ethics counsellor. External assessment of Tata Business Excellence Model (TBEM) covers the review of implementation of all Company policies. The Quality, Safety & Health and Environmental policies are subject to internal and external audits as part of certification process.

All the policies are signed by the Managing Director or an Executive Director. All the policies in Tata Motors are covered from its guiding principals and core value. These policies are mapped to each principal hereunder:

Principle	Applicable Policies	Link for policies
<b>Principle 1:</b> Businesses should conduct and govern themselves with Ethics, Transparency and Accountability	Whistle Blower Policy	<a href="http://www.tatamotors.com/investors/pdf/whistle-blower-policy.pdf">http://www.tatamotors.com/investors/pdf/whistle-blower-policy.pdf</a>
<b>Principle 2:</b> Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.	Environment Policy, Quality Policy	<a href="http://www.tatamotors.com/about-us/corporate-governance/policies/">http://www.tatamotors.com/about-us/corporate-governance/policies/</a> <a href="http://www.tatamotors.com/about-us/corporate-governance/policies/">http://www.tatamotors.com/about-us/corporate-governance/policies/</a>
<b>Principle 3:</b> Businesses should promote the well-being of all employees.	Safety Policy	<a href="http://www.tatamotors.com/about-us/corporate-governance/policies/">http://www.tatamotors.com/about-us/corporate-governance/policies/</a>
<b>Principle 4:</b> Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.	CSR Policy Tata Affirmative Action Policy	<a href="http://corp-content.tatamotors.com.s3-ap-southeast-1.amazonaws.com/wpcontent/uploads/2015/10/12061154/csr-policy-15-161.pdf">http://corp-content.tatamotors.com.s3-ap-southeast-1.amazonaws.com/wpcontent/uploads/2015/10/12061154/csr-policy-15-161.pdf</a> <a href="http://www.tata.com/sustainability/articlesinside/Tata-Affirmative-Action-Programme">http://www.tata.com/sustainability/articlesinside/Tata-Affirmative-Action-Programme</a>
<b>Principle 5:</b> Businesses should respect and promote human rights.	Tata Code of Conduct Whistle Blower Policy	<a href="http://corp-content.tatamotors.com.s3-ap-southeast-1.amazonaws.com/wp-content/uploads/2015/10/tata-code-of-conduct.pdf">http://corp-content.tatamotors.com.s3-ap-southeast-1.amazonaws.com/wp-content/uploads/2015/10/tata-code-of-conduct.pdf</a> <a href="http://www.tatamotors.com/investors/pdf/whistle-blower-policy.pdf">http://www.tatamotors.com/investors/pdf/whistle-blower-policy.pdf</a>
<b>Principle 6:</b> Businesses should respect, protect, and make efforts to restore the environment.	Environment Policy Sustainability Policy	<a href="http://www.tatamotors.com/about-us/corporate-governance/policies/">http://www.tatamotors.com/about-us/corporate-governance/policies/</a> <a href="http://www.tatasustainability.com/tataSustainabilityPolicy.aspx">http://www.tatasustainability.com/tataSustainabilityPolicy.aspx</a>
<b>Principle 7:</b> Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.	Tata Code of Conduct	<a href="http://corp-content.tatamotors.com.s3-ap-southeast-1.amazonaws.com/wp-content/uploads/2015/10/tata-code-of-conduct.pdf">http://corp-content.tatamotors.com.s3-ap-southeast-1.amazonaws.com/wp-content/uploads/2015/10/tata-code-of-conduct.pdf</a>
<b>Principle 8:</b> Businesses should support inclusive growth and equitable development.	CSR Policy	<a href="http://corp-content.tatamotors.com.s3-ap-southeast-1.amazonaws.com/wpcontent/uploads/2015/10/12061154/csr-policy-15-161.pdf">http://corp-content.tatamotors.com.s3-ap-southeast-1.amazonaws.com/wpcontent/uploads/2015/10/12061154/csr-policy-15-161.pdf</a>

Principle	Applicable Policies	Link for policies
<b>Principle 9:</b> Businesses should engage with and provide value to their customers and consumers in a responsible manner.	Tata Code of Conduct Quality Policy	<a href="http://corp-content.tatamotors.com.s3-ap-southeast-1.amazonaws.com/wp-content/uploads/2015/10/tata-code-of-conduct.pdf">http://corp-content.tatamotors.com.s3-ap-southeast-1.amazonaws.com/wp-content/uploads/2015/10/tata-code-of-conduct.pdf</a>  <a href="http://www.tatamotors.com/about-us/corporate-governance/policies/">http://www.tatamotors.com/about-us/corporate-governance/policies/</a>

### 3. GOVERNANCE RELATED TO BR

- (a) **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year**

Executive Committee reviews and assesses the various aspects of BR performance of the Company. The frequency of Executive Committee meetings for BR Review is 3 - 6 months. Please refer "Corporate Governance" section of Company's Annual Report Fiscal 2016 for various Board Committees and their roles and responsibilities.

- (b) **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

Tata Motors has been publishing annual Sustainability Reports in accordance with globally renowned Global Reporting Initiative (GRI) framework. These reports also serve as the Company's Communication on Progress (COP) as part United Nations Global Compact (UNGC) signatory reporting obligations and have been aligned with the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business, released by Ministry of Corporate Affairs. The Company also published Annual CSR Report this year to highlight the community engagement strategy and performance. The Company's Sustainability and CSR Reports can be viewed at <http://www.tatamotors.com/sustainability/sustainability.php>.

relation to Human Rights Protection, Corruption practices and other things related to ethics. Training and awareness on TCoC is provided to all employees and relevant stakeholders are also made aware of the same from time to time.

The Company also has a whistle blower mechanism, which is being governed by the Whistle Blower Policy. Through this it has placed mechanisms for ensuring confidentiality and protecting the whistle blower from any harassment/victimization. The policy covers instances pertaining to any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his duties/functions including making further Protected Disclosure. The Policy is directly monitored by the Chairman of the Audit Committee and the Chief Ethics Officer.

#### Ethics Helpline:

The Company has an ethics helpline where employees can place anonymous complaints against ethics violations as per the Policy of the Company. The ethics helpline can be reached in the following ways:

**Ethics Hotline:** 1800 224440 / 022-2287 1839.

Oral reports will normally be documented by the Chief Ethics Counselor / Chairman of the Audit Committee accessing the voice mail by a written transcription of the oral report

#### Written application to Ethics and compliance:

All concerns can be reported to Chief Ethics Counselor / Chairman of the Audit Committee in Hindi, English or any regional language.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

Stakeholders Complaint Received	50
Stakeholders Complaint Resolved	44
Percentage of Stakeholders Complaint Resolved	88

*\*Includes TCoC concerns, investor complaints and customer complaints*

The Company has setup an investor grievance mechanism to respond to investor grievances in a timely and appropriate manner.

## SECTION E: PRINCIPLE-WISE PERFORMANCE

### Principle 1: Ethics, Transparency and Accountability

1. **Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/ NGOs/Others?**

Tata Motors has adopted the Tata Code of Conduct (TCoC) to remain consistently vigilant and ensure ethical conduct of its operations. All internal and external stakeholders of the Tata Group are expected to work within the framework of the TCoC. The Company ensures compliance of ethical standards by its vendors and contractors through appropriate clauses in its work contracts to which they are obligated. Generally, the contract includes clauses in



The investor grievances are also reviewed at the Board level by an Investors' Grievance Committee and immediate action is taken to resolve the same. The Tata Code of Conduct concerns are resolved through internal review mechanism by Ethics Counselor and Senior Management. Both the Commercial Vehicles Business unit and Passenger Vehicles Business Unit have established robust customer care systems which track customer complaints and responds to them in the minimum time possible.

## PRINCIPLE 2: Product Life Cycle Sustainability

### 1. List upto 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

Tata Motors is a leading automobile manufacturer of India and has played a significant role over the years in contributing to economic growth of the nation through its commercial vehicles and passenger cars which transport people, goods and help deliver services on time. The Company realizes its responsibility as a growth enabler and endeavors to create vehicles which will promote entrepreneurship. The Company is also cognizant of the environmental impacts caused during production and lifecycle of its products and continually strives to innovate to reduce such impacts. Tata Motors has signed a contract to supply 25 Tata Starbus Diesel Series Hybrid Electric Bus with Full Low floor configuration, with the Mumbai Metropolitan Region Development Authority (MMRDA) – the single largest order awarded for Hybrid Electric Vehicle Technology. Below are few of the products which have been designed to address social or environmental concerns, risks and/or opportunities.

### 2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

#### (a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

There is a continual effort to reduce the life cycle impacts of the vehicles across the value chain. The Company focuses on researching, developing and producing new technologies, such as hybrid engines and electric cars. It is also investing in development programs to reduce fuel consumption through the use of lightweight materials, reducing parasitic losses through the driveline and improvements in aerodynamics. It closely works with its suppliers and vendors to reduce the environmental impacts in the sourcing stage. Use of returnable and recyclable packing solutions for most of the components has been a key initiative to manage cost and quality, reduce material use and avoid waste generation. This also contributes towards reduction of climate change impacts by avoiding the use of wood for packaging of components. Vehicle weight reduction through new and improved technologies remains the focus of the Company to achieve higher fuel efficiency as well as a reduction in environmental impact. Some of the key areas that we are currently working are; use of hollow camshafts, low density polyamides and magnesium alloys.

#### (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The class leading fuel efficiencies of the Company's vehicles enable the customers to achieve fuel savings which translate into cost savings as well. This year witnessed the launch the

Products	Social or Environmental Benefits
<b>Buses for Public Transport – Tata Starbus Fuel Cell, Tata Ultra Electric Bus</b>	World's first commercially produced CNG Hybrid Bus
	3 Times more fuel efficiency than Gasoline
	Ensures 50% reduction in fuel consumption
	Fast refueling ensures reduced downtime
	Zero Pollution, zero Noise bus
<b>Small Commercial Vehicles (SCV) and Pickup range- Tata MAGIC IRIS ZIVA</b>	BS IV compliant, CMVR (Central Motor Vehicles Rules), 1989 & UBS – II (Urban Bus Specification) norms
	Hydrogen fuel cell technologies- Zero emissions
	Gearless, clutchless vehicle ideal for stop and go traffic conditions Hassle free, noise free
<b>Passenger Cars – Tiago</b>	Hydrogen can be refilled in matter of minutes just like a CNG vehicle, unlike a plug electric vehicles
	Generation Next Safety with ABS and EBD with Corner Stability Control (CSC)
	Dual Airbags
	Intelligently designed 22 Utility Spaces
	Superior Fuel Efficiency
	Smartphone enabled Turn By Turn Navigation App
Rear Parking Sensor	
Strong body to absorb impact energy offers superior safety	

all new REVOTRON engine which epitomizes the FuelNext philosophy of the Company. It is developed using a range of eco-friendly and future oriented technologies. It also incorporates latest know-how like multi drive modes, allowing the best of economy and driving pleasure. The Company's value proposition in the commercial vehicles is aimed to create vehicles with lowest overall cost of ownership. The Recon business, which reconditions aggregates, extends the life of the aggregates and eliminates the use of fresh resources that might have been consumed for new aggregates.

**3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably?**

The Company continually works with its vendors and suppliers to reduce the environmental impacts of sourcing. The Company has an Environment Procurement Policy to engage with its value chain partners on environmental sustainability. Significant initiatives have been taken to reduce the packaging impacts in the supply chain by using recycled/returnable packaging solutions for various components sourced. Transportation and logistics optimization is an ongoing activity to reduce the related environmental impacts. The Pantnagar and Sanand plants have created a vendor park model wherein the key vendors are situated surrounding the plant. This not only enables to optimize the production related costs but also significantly reduces the environmental impact of transportation of components.

**4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

During the year, the Company has procured 55.09% of the materials (by value) from local sources, where local is defined as the state in which the manufacturing plant is established. The Company takes significant initiatives in enhancing the capabilities of local and small vendors. Through the AA policy initiatives, this year the Company has added 10 new SC/ST entrepreneurs in the supply chain and extended business of ₹9.79 crore to them.

To ensure reliable and responsible suppliers for automotive production and service parts, Tata Motors expects all our suppliers to adopt the ISO 9001/TS 16949 quality management system frameworks. We also encourage our dealers to adopt quality, environmental and safety management systems. We conduct awareness sessions for suppliers on social and environmental issues. Suppliers are provided with managerial and technical assistance to train them on practices and procedures that will ensure improvements in Productivity, Quality, Cost, Delivery, Safety and Moral (PQCDSM).

**5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

It is the Company's ongoing endeavor to have a mechanism to recycle our products and limit the waste arising out of production of vehicles. The Company has initiated well defined program Prolife. Our objective is to reduce the waste and to minimize the need of raw materials to produce a brand new item. In Fiscal 2016 total of 23115 components were reconditioned. The re-conditioned long blocks are also being exported to international markets. Hazardous waste is disposed as per regulatory requirements through the Common Hazardous Waste Treatment, Storage & Disposal Facilities (CHWTSDF), Authorized Re-cyclers and co-processing in cement plants.

**PRINCIPLE 3: Employee Wellbeing**

**1. Please indicate the Total number of employees.**

52,825 as at 31st March, 2016 (Includes Permanent, Temporary, trainee and contractual employees)

**2. Please indicate the Total number of employees hired on temporary/ contractual/ casual basis.**

26,594 as at March 31, 2016

**3. Please indicate the Number of permanent women employees.**

825 as at March 31, 2016

**4. Please indicate the Number of permanent employees with disabilities**

18 as at 31st March, 2016

**5. Do you have an employee association that is recognized by management?**

The manufacturing plants at Jamshedpur, Pune, Lucknow, Pantnagar and Sanand have employee unions recognized by the management. The Company enters into long term wage settlements with these recognized unions.

**6. What percentage of your permanent employees is members of this recognized employee association?**

Around 98% of the operative employees at Jamshedpur, Pune, Lucknow, Pantnagar & Sanand plants are members of these employee unions. These employees represent 53% of the total permanent employees at these five Plants and 52% of the total permanent employees of Tata Motors. We do not have an Employees Union at our Dharwad Plant presently.

**7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual**

harassment in the last financial year and pending, as on the end of the financial year

SN	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour / forced labour / involuntary labour	0	0
2	Sexual harassment	7	0
3	Discriminatory Employment	0	0

**8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

- Permanent Employees
- Permanent Women Employees
- Casual/Temporary/Contractual Employees
- Employees with Disabilities

Safety is of paramount importance to the Company. All employees at Tata Motors are provided with safety training as part of the induction programme. The safety induction programme is also a critical requirement for contract workforce before they are inducted into the system. The Company has a structured safety training agenda on an on-going basis to build a culture of safety across its workforce.

The Company believes in continual learning of its employees and has institutionalized a continual learning model for skill upgradation, especially at the shop-floor level. The learning and development needs of management cadre employees are met through the Company's L&D structure which includes various training delivery mechanisms.

Area	Stakeholder (SC/ST community) Benefits
Education	More than 15,000 SC/ST students benefited from our CSR Vidyadhanam programme in Fiscal 2016. The projects include IIT-JEE & competitive exams coaching; co-curricular activities; Financial Aid Program for Engg. Students at IIT Bombay; Scholarships for secondary school students and Govt. Engg. College at Pune, School Infra Improvement and Special Coaching classes in Std. 8th, 9th and 10th.
Employability	The programme has benefited more than 9,600 SC/ST youth across different locations in the country in Fiscal 2016. The Skilling projects include: Novice Drivers Training, agriculture & allied training, ITI partnership & allied-auto trades; Motor Mechanic Vehicle (MMV) and Training in marketable trades such as Retail, Tally, White goods repair, etc.
Health	In Fiscal 2016, more than 1.78 Lakh community members benefited from our health initiatives including those who inhabit rural/tribal areas.

## PRINCIPLE 5: Human Rights

**1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

Tata Motors respects human rights and has established a Policy on Human Rights. The policy details the Company's approach

towards human rights and sets the Company's expectations of its Channel Partners and Contractors to adhere to principles of human rights. We encourage our suppliers, vendors, contractors and other business partners associated with the Company to follow the principles laid out in the Tata Code of Conduct.

## PRINCIPLE 4: Stakeholder Engagement

**1. Has the company mapped its internal and external stakeholders?**

Yes. The Company has mapped its internal and external stakeholders. It uses both formal and informal mechanisms to engage with various stakeholders to understand their concerns and expectations. Individual departments within the organization have roles and responsibilities identified and defined to engage with various stakeholders.

**2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?**

Yes. The Company's AA policy is specially designed to address the socially disadvantaged sections of the society, Scheduled Castes and Tribes. Within the broader stakeholder group of communities, the Company works towards women empowerment and education of children. Every year, Tata Motors participate in TAAP (Tata Affirmative Action Program) Assessment, developed on the lines of TBEM (Tata Business Excellence Model). Tata Motors has been conferred the TAAP Jury Award for Fiscal 2015 and 2016.

**3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

Our CSR programmes and projects are aimed at serving the needy, deserving, socio-economically backward and disadvantaged communities aimed at improving the quality of their lives. Under Tata Affirmative Action Programme (TAAP), the company continues to serve the SC and ST communities in inter alia Education, Employability and Entrepreneurship.

**2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

During the year, 50 concerns have been received towards actual or potential violation of Tata Code of Conduct, of which 44 of the complaints were satisfactorily resolved as on March 31, 2016

**PRINCIPLE 6: Environmental**

**1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.**

Sustainability is built into Tata Motor's business processes through well-defined Tata Group's Sustainability Policy. This policy reaffirms value system committed to social expenditure, environmental preservation and governance structure that engages employees and other stakeholders.

The Company also has Environmental Procurement Policy which is applicable to all its vendors, contractors and service providers.

**2. Does the company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc**

Yes. Tata Motors has adopted Tata Group's Climate Change policy to guide the organizational efforts towards mitigating and adapting to climate change. The Company approach towards climate change mitigation and pursuing low carbon growth is three-fold – develop cleaner and more fuel efficient vehicles, reduce environmental impacts of manufacturing operations and build awareness among stakeholders. It has also continually working on alternate fuel technologies like electric vehicles, hybrid vehicles and fuel cell technologies.

The Tata group became part of the Prime Minister's low carbon committee and was a member in the steering committee of the 'Caring for Climate' initiative of the United Nations Global Compact and United Nations Environment Programme. Ahead of the crucial global climate change talks that concluded in Paris, global corporate leaders signed an open letter on climate change, including Tata Sons Chairman Cyrus P Mistry.

**3. Does the company identify and assess potential environmental risks? Y/N**

Yes. Tata Motors has an Environmental Policy which guides the Company's efforts to manage its environmental impacts and continually improve its environmental performance. All manufacturing plants in India are certified to ISO 14001 Environmental Management Systems (EMS) standard. As part of EMS implementation potential environmental risks are identified and appropriate mitigation strategies are planned.

**4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

Tata Motors has own 'captive wind power' project of 21.95 MW capacity. In Fiscal 2016 Pimpri Works utilized wind energy of 2.25 crores units (equivalent CO<sub>2</sub>e Reduction of 22,125 tCO<sub>2</sub>e), resulting into net savings of ₹8.9 Crores in electricity charges. Our Sanand plant utilized wind energy of 0.68 crores units (equivalent CO<sub>2</sub>e Reduction of 5,573 tCO<sub>2</sub>e) which was purchased through TPTCL, resulting into net savings of ₹0.478 Crores in electricity charges.

Renewable Energy Certificate (REC): Company's 21.95MW wind power project is registered under REC scheme. Cumulative 63,432 RECs generated; out of which 40,517 RECs sold through auction, resulting into cumulative benefit of ₹5.85 crores.

1st roof top Solar PV Power Plant of 223 KWP has been commissioned at Pimpri Works on April 01, 2015. The generated solar power is utilized in the manufacturing process. Similar installation amounting to a total capacity of 1.8MWp capacity is being installed at Pimpri and Chikhali Works. Roof Top Solar PV Power Plant 1.8MWp has been installed & commissioned on Roof Top of Office Blocks at TATA MOTORS, Pune (CVBU & PVBU). Annual Solar Power Generation is 21.29 Lakh Kwh (equivalent CO<sub>2</sub>e Reduction of 2,097 tCO<sub>2</sub>e) for Fiscal 2016, resulted net saving of ₹0.59 Crores in electricity charges.

**5. Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

The Company has always been conscious of the need for conservation of energy and has been sensitive in making progress towards this end. It also demonstrates its commitment to maximize the use of Renewable energy through its climate change policy. Not including its subsidiaries, Tata Motors currently sources around 8% of its electricity from renewables. Tata Motors has solar energy installations at three plants (Pune, Sanand, Dharwad) of its manufacturing plants in India. It is also planning to source more renewable electricity from the grid in the future through open access agreement.

Recently Tata Motors Limited has joined the **RE100 initiative** of The Climate Group. Through this initiative, Tata Motors aspires to switch all manufacturing operations to 100 % Renewable energy in the coming years.

Energy conservation measures have been implemented at all the plants and offices of the Company and special efforts are being put on undertaking specific energy conservation projects like:

- i) Waste Heat Recovery System to recover waste heat from exhaust flue gases of Surfacer & Finish paint baking ovens, Conversion of Indirect fired baking ovens into Direct Fired Burner of baking ovens, Conversion of Electrical Heating into Natural Gas Heating system for washing machines
- ii) Use of Energy Efficient 40W LED Batten fittings for Task lighting, 100W LED High bay for General Lighting, 19W

- LED Tube Lights in Office area, Installation of 42W LED street lights, Installation of 142W LED Flood Light fittings,
- iii) Elimination of Pump operation by using gravity flow system, resizing of hydraulic power pack pump.
- iv) Compressed Air Pressure optimization at Paint shop and at other shops, use of portable small compressors for low compressed air requirement on holidays, Installation of Shut Off Valves in compressed air network, downsizing of motors and delta to Star conversion of Motors.
- v) Installation of Variable Frequency Drives for various applications like Blowers, Pumps & Air supply plants.
- vi) Use of Infrared sensors & timers for on-off control of Industrial fans, lighting system of Inspection Booths and Fresh Air blower operation. Modification in electrical logic for automatic switching on-off operation of hydraulic motors, coolant pumps, blowers etc., Optimization of AC plant operations.

These efforts have resulted in Electrical energy saving of 1.47 Crores units, Fuel saving – Light Diesel Oil 6 KL, LPG/ Propane 586.32MT and Natural Gas 0.61Lakh SCM. The whole effort resulted in cost savings for the company of around ₹ 14.5 crores & annual CO<sub>2</sub> emission reduction 13,960 tCO<sub>2</sub>e.

Please refer to the Annexures to the Directors' Report for energy efficiency initiatives.

**6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

The Company is in compliance within the prescribed permissible limits as per CPCB/SPCB for air emissions, effluent quality and discharge, solid and hazardous waste generation and disposal.

**7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

There is no show cause /legal notice pending resolution by CPCB/SPCB

**PRINCIPLE 7: Policy Advocacy**

**1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

The Company is member of various trade and chamber associations. Tata Motors actively participate in all WP29 UNECE group activities. Tata Motors also participate in the following National Committees which are working on formulating policies and regulations for improvement of environment including GHG reduction throughout the country:

- i) Standing Committee on Emissions (SCOE)
- ii) Sub-committee on CO emission 2 norms of Union Ministry of Shipping, Road Transport and Highways of India, along

with Automotive Research Association of India (ARAI).

- iii) Expert committee to define "Heavy Duty Vehicle Fuel Economy Norms for India under Ministry of Shipping, Road Transport and Highways of Government of India (GoI) & Petroleum Conservation Research Association (PCRA).
- iv) Expert committee on Fuel Economy Labeling of Passenger Cars under Bureau of Energy Efficiency under Ministry of Power (GoI).
- v) Interministerial committee for upcoming emission norms (BSV, BSVI) for Motor Vehicles of Ministry of Shipping, Road Transport and Highways, Ministry of Heavy Industries, Ministry of Petroleum & Natural Gas (GoI).
- vi) Working group on Quadricycle Emission Norms for India.
- vii) Ministry of New & Renewable Energy, GoI, is promoting and assisting technology development for GHG reduction by way of increased usage of Biodiesel. We are engaged in this initiative of GoI and currently running number of engine and vehicle programs to commercialize usage of Biodiesel as soon as the same is made available to the general public by oil marketing companies.
- viii) Working Group on Energy for Sub-Group on DST's XIIth plan on Technology Development Program (TDP).
- ix) National Electric Mobility Mission Plan - We have been actively participating in forming hybrid performance criteria along with SIAM-FTG group and helped government to launch FAME scheme. Now we are building two types of hybrid and electric vehicles under Technical Advisor Group under R&D scheme.

**2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/ No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

Tata Motors, through various industry associations, participates in advocating matters advancement of the industry and public good. It supports various initiatives of the SIAM which include aspects of product safety, alternate fuel vehicles, environment, fuel policies, customer information and education, to name a few. The Company's AA policy is a progressive step towards inclusive development.

**PRINCIPLE 8 : Inclusive Growth**

**1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

Inclusive growth is at the core of the Company's community development strategy. **Ankur**, the Company's community engagement strategy, is percolated to each manufacturing plant through a detailed community development plan. The

plant specific plan address the local needs and the corporate cell drives some company-wide strategic community development initiatives such as driver training. The initiatives primarily focus on **Arogya (Health), Vidyadhanam (Education), Kaushalya (Employability) and Vasundhara (Environment)**. Seva, the employee volunteering initiative provides our employees with a platform to be a part of our community initiatives. Tata Motors along with its employees also supports **Sumant Moolgaonkar Development Foundation (SMDF)** towards implementing Amrutdhara, a National Drinking Water Project to provide safe drinking water to communities. Through adoption of **Tata Group Affirmative Action (AA) Policy**, the Company works toward inclusion of socially disadvantaged and marginalised sections of society (Scheduled Castes and Scheduled Tribes).

The AA interventions focus on Education, Employment, Employability and Entrepreneurship.

*Please refer the Company's 'Annual CSR Report 2015-16' for community engagement strategy and key initiatives.*

## 2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

CSR Programmes and Projects are deployed by company: directly; through its own company-promoted societies/NGOs; partnering with govt. and collaborating with reputed, external non-profit organizations under different models.

Area	Partners Involved
Education	Action Aid, Agastya International Foundation, Avanti Fellows, Block Resource Centre EDUCATION DEPT.(SSA), CATHEDRAL CHURCH SANAND, Center for Youth Development & Activities, Children's Movement for Civic Awareness, College of Engineering Pune, GANATAR, Global Education Trust, Gram Vikas Kendra, IIT Bombay Alumni Association, Manav Seva Education Trust, Moinee Foundation, Nav Jagrat Manav Samaj, Paryawaran Evam Jan Kalyan Samiti, Rotary Club of Nigdi, Samaj Vikas Kendra, Samata Shikshan Sanstha, SANAND LIONS FOUNDATION TRUST, Seva Sahyog Foundation, Shanti Seva Nidhi Trust, Shiksha Prasar Kendra, SHRI SHAKTI KELAVNI UTTEJAK TRUST, Society for Human Environmental Development, Suprabhat Mahila Mandal, Swami Vivekananda Youth Movement, Swaroopwardhinee, Tata Institute of Social Sciences, Tata Motors Gruhini Social Welfare Society, The Jai Narayan Charitable Trust, Urmee Charitable Trust, Vidya Poshak, Vikas Samities
Employability	Ahmedabad Dist Cooperative Milk Producers Union Ltd, Ambika Motor Driving School, Centre for Civil Society, CII, Gram Vikas Kendra, LAURUS EDUTECH LIFE SKILLS PVT LTD, Manikbag Automobile Pvt Ltd, MITCON Foundation, Paryawaran Evam Jan Kalyan Samiti, Prasad Chikitsa, Pratham Education Foundation, Ramkrishna Mission Sakwar, Samaj Vikas Kendra, Sambhav Foundation, SANAND EDUCATION TRUST, Shashwat, Skill For Progress, SUVIDHA, Vedanta Foundation, Vigyan Ashram (IIE), Vikas Samities
Health	Action Aid, CHETNA, Family Planning Association of India, Gram Vikas Kendra, Jan Parivar Kalyan Sansthan, Manav Seva Education Trust, NAMASTE LIFE, Nav Jagrat Manav Samaj, Parivar Kalyan Sansthan, Paryawaran Evam Jan Kalyan Samiti, Prasad Chikitsa, Seth G S Medical College and KEM Hospital, Sneh Foundation, Snehdeep Jankalyan Foundation, Sumant Moolgaonkar Development Foundation, Sterling Hospital, Swadhar, Vikas Samities
Environment	Bansilal Ramnath Agarwal Charitable Trust, Bombay Natural History Society, COLLEGE OF SOCIAL WORK (NIRMALA NIKETAN INSTITUTE), GANATAR, Gram Vikas Kendra, Green Thumb, Manav Seva Education Trust, Paryawaran Evam Jan Kalyan Samiti, Samaj Vikas Kendra, Sarvodaya Maha Sangh, Terre Policy Center, Tree Public Foundation, Vikas Samities, Wildlife Research and Conservation Society

Please refer the Company's 'Annual CSR Report 2015-16' for details on various community development programme partnerships.

### 3. Have you done any impact assessment of your initiative?

Yes. The Company has adopted 'Tata CS Protocol' to assess the impact of the various community interventions. Periodic impact assessments are conducted and the outcome forms a critical input to the community development plan preparation and implementation. Additionally, this year we have engaged

external agency – M/s KPMG to conduct detailed Social Return on Investment (SRoI) study of one of our vocational training programs implemented in partnership with Ramkrishna Mission Ashram, Sakwar. This study reveals that every rupee invested in this program has generated social return of three times.

*Please refer the Company's 'Annual CSR Report 2015-16' for details on community impacts created and assessed.*

**4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?**

Total expenditure reported is ₹20.57 Crores. (% of profits: Not Applicable in view of losses for the FY ended March 31, 2015)

The details of projects:

- i) **Arogya (Health)** build awareness on malnourishment and other health problems in the community, provides ferry mobile medical van to look into curative and preventive health care.
- ii) **Vidyadhanam (Education)** supporting for infrastructure, skills development, training and institutionalized need based scholarships.
- iii) **Kaushalya (Employability)** Industrial Training to school dropout youth in auto sector, non-auto trades, agriculture and allied activities.
- iv) **Vasundhara (Environment)** large scale sapling plantation, construction of water conservation structures and building awareness about environment and renewable energy sources.

*Please refer the Company's 'Annual CSR Report 2015-16' for details on various community development programmes undertaken.*

**5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

Yes. The Company adopts a collaborative and participatory approach with communities/beneficiaries in conceiving and deploying CSR projects. Partial beneficiary contribution is sought, wherever feasible, for project deployment/asset creation, maintenance for them to have greater ownership of the projects - which we believe is crucial for sustainability of our initiatives. Training and capacity building of communities and relevant stakeholders to successfully adopt & carry forward these initiatives is done from time to time.

*Please refer the Company's 'Annual CSR Report 2015-16' for details on various community development programme implementation models.*

**PRINCIPLE 9: Customer Value**

**1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

Tata Motors provides customers with the best in class after sales service. We hear our customers through various mediums such as 24X7 Call center toll free no. website.

Tata Motors Service' rests on three core 'Service Promises' – 'Responsive,' 'Reliable' and 'Best value'. A host of distinctive facilities and services are being offered to deliver each of these promises to customers in the company's nationwide service network.

	Passenger Vehicle Business Unit	Commercial Vehicle Business Unit	Total
Percentage of Consumer Cases Pending as on March 31, 2016	0.62	0.60	0.6

**2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./ Remarks (additional information)**

The Company displays all the requisite product information and safety guidance on the product label as required by the local laws. Over and above the mandatory requirements, the Company also subscribes to guidance by SIAM (Society of Indian Automobile Manufactures) of various customer information requirements such as the Fuel Economy Customer Information. The vehicle manual is an important source of information for customers which contains product information, safety guidance, customer support details and tips on efficient use of the vehicle.

**3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so**

There have been no cases relating to unfair trade practices, irresponsible advertising and/or anti-competitive behavior against Tata Motors in the last five years.

**4. Did your company carry out any consumer survey/ consumer satisfaction trends?**

The Company's new Hozionext philosophy puts customer at the core of the business strategy. Customer engagement processes have been aligned across the value chain to monitor customer satisfaction and feedback. Regular customer satisfaction surveys are conducted to assess customer satisfaction levels and benchmark the Company's performance with industry peers. The Passenger Vehicle business uses globally renowned J.D.Power survey scores to assess overall customer satisfaction and benchmark with industry peers. The Commercial Vehicle business conduct customer satisfaction survey (eQ scores) through External Agency AC Nielsen every year. The eQ i.e. CEI scores conducted by AC Nielsen are in line with our Internal satisfaction scores.

# INDEPENDENT AUDITORS' REPORT

## TO THE MEMBERS OF TATA MOTORS LIMITED

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **TATA MOTORS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, 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 Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, as applicable. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143(11) of the Act.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company 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 aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.
  - (e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164(2) of the Act.



- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements;
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses on long-term contracts including derivative contracts;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

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

Mumbai May 30, 2016

# ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members of Tata Motors Limited)

## Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **TATA MOTORS LIMITED** ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

Mumbai, May 30, 2016

## ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

**(Referred to in paragraph 2 under "Report on Other Legal and Regulatory Requirements" section of our report of even date to the Members of Tata Motors Limited)**

- (i) In respect of its 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 explanations given to us, no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us, the records examined by us and based on the examination of the registered sale deed /transfer deed /conveyance deed /confirmation from custodians /court orders approving schemes of arrangements /amalgamations provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- (ii) As explained to us, the stock of finished goods and work-in-progress in the Company's custody have been physically verified by the Management as at the end of the financial year, before the year-end or after the year-end, other than a significant part of the spare parts held for sale, and raw materials in the Company's custody for both of which, there is a perpetual inventory system and a substantial portion of the stocks have been verified during the year. In our opinion, the frequency of verification is reasonable. In case of materials and spare parts held for sale lying with third parties, certificates confirming stocks have been received periodically for stocks held during the year and for a substantial portion of such stocks held at the year-end.
- (iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies, firms, or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013, in respect of which:
  - (a) The terms and conditions of the grant of such loans are, in our opinion, *prima facie*, not prejudicial to the Company's interest.
  - (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
  - (c) There is no amount overdue for more than 90 days at the balance sheet date.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.
- (vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013 in respect of its products. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2014 as amended and prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities. We are informed by the Company that the Employees' State Insurance Act, 1948 is applicable only to certain locations of the Company. With regard to the contribution under the Employees' Deposit Linked Insurance Scheme, 1976 (the Scheme), we are informed that the Company has 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, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty and Excise Duty which have not been deposited as on March 31, 2016 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is pending	Period to which the Amount Relates	Amount (₹ In Crores)
Income Tax Act 1961	Income Tax	Commissioner (Appeals)	2003-04, 2004-05, 2007-08, 2009-10	23.33
Central Excise Laws <sup>1</sup>	Excise Duty & Service Tax	Tribunal	1989-90 to 2013-14	2,310.25
	Excise Duty & Service Tax	Commissioner (Appeals)	1984-85, 1995-96, 1997-98, 2000-01, 2004-05 to 2013-14	3.26
Sales Tax Laws <sup>2</sup>	Sales Tax	Supreme Court	1995-96	13.01
	Sales Tax	High Court	1984-85 to 1988-89, 1990-91, 2001-02 to 2005-06, 2007-08	202.39
	Sales Tax	Tribunal	1983-84, 1989-90, 1992-93, 2000-01 to 2010-11	23.82
	Sales Tax	Commissioner	1996-97, 1998-99, 2001-02, 2010-11	3.13
	Sales Tax	Joint Commissioner	1993-94, 1997-98, 2001-02 to 2014-15	289.05
	Sales Tax	Additional Commissioner	1989-90, 1997-98, 2001-02 to 2013-14	170.63
	Sales Tax	Deputy Commissioner	1979-80, 1986-87 to 2010-11, 2013-14	104.40
	Sales Tax	Assistant Commissioner	1990-91, 1995-96, 1997-98, 1999-00, 2006-07, 2008-09 to 2012-13	173.06
Custom Laws <sup>3</sup>	Custom Duty	CESTAT	1998-99, 2008-09, 2011-12	4.46

<sup>1</sup> Net of ₹66.24 crores paid under protest; <sup>2</sup> Net of ₹136.5 crores paid under protest; <sup>3</sup> Net of ₹7.01 crores paid under protest.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders.
- (ix) In our opinion and according to the information and explanations given to us, money raised by way of rights issue during the year and the term loans have been applied by the Company for the purposes for which they were raised.

- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid /provided managerial remuneration in accordance with requisite approval mandated by the provision of Section 197 read with Schedule V to the Companies Act, 2013 except for remuneration paid to Managing Director for which the Company is in process of applying for the approval from Central Government and Shareholders of the Company.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under Section 45-I of the Reserve Bank of India Act, 1934.

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

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

Mumbai, May 30, 2016

# BALANCE SHEET

AS AT MARCH 31, 2016

(₹ in crores)

	Note	Page	As at March 31, 2016	As at March 31, 2015
<b>I. EQUITY AND LIABILITIES</b>				
<b>1. SHAREHOLDERS' FUNDS</b>				
(a) Share capital	2	F-15	679.18	643.78
(b) Reserves and surplus	3	F-17	21,688.90	14,218.81
			<b>22,368.08</b>	14,862.59
<b>2. NON-CURRENT LIABILITIES</b>				
(a) Long-term borrowings	4	F-18	10,687.94	12,318.96
(b) Other long-term liabilities	7	F-20	210.12	286.80
(c) Long-term provisions	9	F-21	1,409.05	2,104.19
			<b>12,307.11</b>	14,709.95
<b>3. CURRENT LIABILITIES</b>				
(a) Short-term borrowings	5	F-18	3,351.74	7,762.01
(b) Trade payables [includes dues of micro and small enterprises ₹127.39 crores (March 31, 2015 : ₹139.28 crores)]	11	F-21	8,916.60	8,852.65
(c) Other current liabilities	8	F-20	4,267.23	3,142.88
(d) Short-term provisions	10	F-21	1,215.49	613.09
			<b>17,751.06</b>	20,370.63
<b>TOTAL</b>			<b>52,426.25</b>	49,943.17
<b>II. ASSETS</b>				
<b>1. NON-CURRENT ASSETS</b>				
(a) Fixed assets				
(i) Tangible assets	12	F-22	12,252.78	12,260.50
(ii) Intangible assets	13	F-22	3,511.19	3,522.73
(iii) Capital work-in-progress			1,469.71	1,349.95
(iv) Intangible assets under development			5,011.18	4,690.84
			<b>22,244.86</b>	21,824.02
(b) Non-current investments	14	F-23	16,975.46	16,966.95
(c) Long-term loans and advances	16	F-26	2,363.22	2,403.56
(d) Other non-current assets	18	F-27	136.80	175.67
			<b>41,720.34</b>	41,370.20
<b>2. CURRENT ASSETS</b>				
(a) Current investments	15	F-25	1,736.00	20.22
(b) Inventories	20	F-28	4,902.20	4,802.08
(c) Trade receivables	21	F-28	1,568.46	1,114.48
(d) Cash and bank balances	22	F-28	452.08	944.75
(e) Short-term loans and advances	17	F-26	1,794.32	1,574.41
(f) Other current assets	19	F-27	252.85	117.03
			<b>10,705.91</b>	8,572.97
<b>TOTAL</b>			<b>52,426.25</b>	49,943.17
<b>III. NOTES FORMING PART OF FINANCIAL STATEMENTS</b>				

In terms of our report attached

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants**B P SHROFF**  
Partner

Mumbai, May 30, 2016

For and on behalf of the Board

**N N WADIA [DIN: 00015731]**  
**R A MASHELKAR [DIN: 00074119]**  
**S BHARGAVA [DIN: 00035672]**  
**N MUNJEE [DIN: 00010180]**  
**V K JAIRATH [DIN: 00391684]**  
**R SPETH [DIN: 03318908]**  
 Directors

**GUENTER BUTSCHEK [DIN: 07427375]**  
 CEO & Managing Director  
**R PISHARODY [DIN: 01875848]**  
 Executive Director  
**S B BORWANKAR [DIN: 01793948]**  
 Executive Director  
**C RAMAKRISHNAN**  
 Group Chief Financial Officer  
**H K SETHNA [FCS: 3507]**  
 Company Secretary

Mumbai, May 30, 2016

# STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2016

(₹ in crores)

	Note	Page	2015-2016	2014-2015
<b>I. REVENUE FROM OPERATIONS</b>	23 (1)	F-29	<b>46,646.67</b>	39,531.23
Less: Excise duty			<b>(4,276.85)</b>	(3,229.60)
			<b>42,369.82</b>	36,301.63
<b>II. OTHER INCOME</b>	23 (2)	F-29	<b>2,132.92</b>	1,881.41
<b>III. TOTAL REVENUE (I + II)</b>			<b>44,502.74</b>	38,183.04
<b>IV. EXPENSES:</b>				
(a) Cost of materials consumed	39	F-41	<b>24,313.08</b>	22,155.23
(b) Purchase of products for sale	35	F-39	<b>5,259.27</b>	5,765.24
(c) Changes in inventories of finished goods, work-in-progress, and products for sale			<b>22.94</b>	(878.82)
(d) Employee cost / benefits expense	24	F-30	<b>3,026.75</b>	3,091.46
(e) Finance cost	25	F-30	<b>1,481.11</b>	1,611.68
(f) Depreciation and amortisation expense		F-22	<b>2,453.75</b>	2,603.22
(g) Product development expense / Engineering expenses			<b>424.61</b>	437.47
(h) Other expenses	26	F-30	<b>8,041.81</b>	8,087.28
(i) Expenditure transferred to capital and other accounts			<b>(1,034.18)</b>	(1,118.75)
<b>TOTAL EXPENSES</b>			<b>43,989.14</b>	41,754.01
<b>V. PROFIT / (LOSS) BEFORE EXCEPTIONAL ITEMS, EXTRAORDINARY ITEMS AND TAX (III - IV)</b>			<b>513.60</b>	(3,570.97)
<b>VI. EXCEPTIONAL ITEMS</b>				
(a) Exchange loss (net) including on revaluation of foreign currency borrowings, deposits and loans			<b>91.37</b>	320.50
(b) Provision for investment and costs associated with closure of operations of a subsidiary			<b>97.86</b>	-
(c) Employee separation cost			<b>10.04</b>	83.25
(d) Impairment of capitalised fixed assets			<b>163.94</b>	-
			<b>363.21</b>	403.75
<b>VII. PROFIT / (LOSS) BEFORE EXTRAORDINARY ITEMS AND TAX (V - VI)</b>			<b>150.39</b>	(3,974.72)
VIII. Extraordinary items			-	-
<b>IX. PROFIT / (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS (VII - VIII)</b>			<b>150.39</b>	(3,974.72)
X. Tax expense / (credit) (net)	6 (b)	F-19	<b>(83.84)</b>	764.23
<b>XI. PROFIT / (LOSS) AFTER TAX FOR THE YEAR FROM CONTINUING OPERATIONS (IX - X)</b>			<b>234.23</b>	(4,738.95)
<b>XII. EARNINGS PER SHARE</b>	27	F-31		
A. Ordinary shares (Face value of ₹ 2 each)				
a. Basic		₹	<b>0.68</b>	(14.57)
b. Diluted		₹	<b>0.68</b>	(14.57)
B. 'A' Ordinary shares (Face value of ₹ 2 each)				
a. Basic		₹	<b>0.78</b>	(14.57)
b. Diluted		₹	<b>0.78</b>	(14.57)
<b>XIII. NOTES FORMING PART OF FINANCIAL STATEMENTS</b>				

In terms of our report attached

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants**B P SHROFF**  
Partner

Mumbai, May 30, 2016

For and on behalf of the Board

**N N WADIA [DIN: 00015731]**  
**R A MASHELKAR [DIN: 00074119]**  
**S BHARGAVA [DIN: 00035672]**  
**N MUNJEE [DIN: 00010180]**  
**V K JAIRATH [DIN: 00391684]**  
**R SPETH [DIN: 03318908]**  
Directors

**GUENTER BUTSCHEK [DIN: 07427375]**  
CEO & Managing Director  
**R PISHARODY [DIN: 01875848]**  
Executive Director  
**S B BORWANKAR [DIN: 01793948]**  
Executive Director  
**C RAMAKRISHNAN**  
Group Chief Financial Officer  
**H K SETHNA [FCS: 3507]**  
Company Secretary

Mumbai, May 30, 2016



# CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2016

	(₹ in crores)	
	2015-2016	2014-2015
<b>A. Cash flows from Operating Activities</b>		
Profit / (Loss) after tax	234.23	(4,738.95)
Adjustments for:		
Depreciation and amortisation expense	2,453.75	2,603.22
Lease equalisation adjusted in income	-	(2.27)
Loss / (Profit) on sale of assets (net) (including assets scrapped/written off)	382.26	657.94
Provision for investments and costs associated with closure of operations of a subsidiary	97.86	-
Impairment of capitalised fixed assets	163.94	-
Profit on sale of investments (net)	(804.22)	(80.48)
Provision for doubtful trade receivable and advances	83.61	131.64
Profit on sale of occupancy rights	-	(36.60)
Tax expense / (credit)(net)	(83.84)	764.23
Interest / dividend (net)	152.41	(189.25)
Exchange differences (net)	8.46	270.93
	<b>2,454.23</b>	<b>4,119.36</b>
Operating Profit before working capital changes	<b>2,688.46</b>	<b>(619.59)</b>
Adjustments for:		
Inventories	(100.12)	(939.55)
Trade receivables	(537.59)	(21.22)
Finance receivables	20.57	1.38
Other current and non-current assets	56.76	(607.07)
Trade payables and acceptances	63.95	(843.22)
Other current and non-current liabilities	333.44	114.68
Provisions	(210.30)	777.90
	<b>(373.29)</b>	<b>(1,517.10)</b>
Cash generated / (used in) from operations	<b>2,315.17</b>	<b>(2,136.69)</b>
Income taxes credit / (paid) (net)	<b>31.01</b>	<b>(77.61)</b>
Net cash from / (used in) Operating Activities	<b>2,346.18</b>	<b>(2,214.30)</b>
<b>B. Cash flows from Investing Activities</b>		
Payments for fixed assets	(3,004.15)	(3,079.31)
Proceeds from sale of fixed assets	22.17	24.52
Advance towards investments in subsidiary companies	(73.11)	(26.08)
Investments in Mutual Fund (purchased) / sold (net)	(1,668.51)	66.98
Investments in subsidiary companies	(59.98)	(110.56)
Investments in associate companies	-	(159.00)
Sale / Redemption of investments in subsidiary companies	746.90	1,803.90
Sale / Redemption of investments in other companies	85.05	-
(Increase) / Decrease in short term inter corporate deposit	(35.00)	(5.00)
Loans given to subsidiary companies	(77.97)	-
Loan given to others	(0.75)	-
Realisation / (Deposit) of margin money / cash collateral	0.01	0.10
Fixed deposits with financial institution made	(1,968.00)	(200.00)
Fixed deposits with financial institution realized	1,968.00	200.00
Fixed / restricted deposits with scheduled banks made	(5,511.29)	(505.28)
Fixed / restricted deposits with scheduled banks realised	5,353.74	449.85
Sale of occupancy rights	7.32	14.64
Interest received	238.15	80.13
Dividend received	1,051.46	1,698.48
Net Cash (used in) / from Investing Activities	<b>(2,925.96)</b>	<b>253.37</b>

# CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2016

(₹ in crores)

	2015-2016	2014-2015
<b>C. Cash flows from Financing Activities</b>		
Proceeds from Rights issue of shares (net of issue expenses)	7,433.22	-
Brokerage and other expenses / refund on Non-Convertible Debentures (NCD)	2.84	(47.95)
Repayment of fixed deposits	(2.74)	(9.31)
Proceeds from long-term borrowings	73.16	7,811.23
Repayment of long-term borrowings	(1,193.64)	(4,839.66)
Proceeds from short-term borrowings	3,118.25	5,005.79
Repayment of short-term borrowings	(4,956.91)	(6,670.91)
Premium paid on redemption of NCD	-	(744.19)
Net change in other short-term borrowings (with maturity up to three months)	(2,529.60)	4,620.20
Dividend paid (including dividend distribution tax)	(2.85)	(648.74)
Interest paid [including discounting charges paid, ₹364.47 crores (2014-2015 ₹434.16 crores)]	(2,012.87)	(1,844.93)
Net Cash (used in) / from Financing Activities	(71.14)	2,631.53
Net Increase / (Decrease) in cash and cash equivalents (A + B + C)	(650.92)	670.60
Cash and cash equivalents as at April 01, (opening balance)	861.95	198.68
Exchange fluctuation on foreign currency bank balances	0.71	(7.33)
<b>Cash and cash equivalents as at March 31, (closing balance)</b>	<b>211.74</b>	<b>861.95</b>
Previous year's figures have been restated, wherever necessary, to conform to this year's classification.		

In terms of our report attached

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

**B P SHROFF**  
Partner

Mumbai, May 30, 2016

For and on behalf of the Board

**N N WADIA [DIN: 00015731]**  
**R A MASHELKAR [DIN: 00074119]**  
**S BHARGAVA [DIN: 00035672]**  
**N MUNJEE [DIN: 00010180]**  
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Executive Director  
**C RAMAKRISHNAN**  
Group Chief Financial Officer  
**H K SETHNA [FCS: 3507]**  
Company Secretary

Mumbai, May 30, 2016

# NOTES FORMING PART OF FINANCIAL STATEMENTS

## 1. Significant accounting policies

### (a) Basis of preparation

The financial statements of the Company have been prepared under the historical cost convention on an accrual basis of accounting in accordance with the Generally Accepted Accounting Principles in India to comply with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 and relevant provisions of the Companies Act, 2013 ("the 2013 Act").

### (b) Use of estimates

The preparation of financial statements requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent liabilities at the date of these financial statements. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

### (c) Revenue recognition

The Company recognises revenues on the sale of products, net of discounts and sales incentives, when the products are delivered to the dealer / customer or when delivered to the carrier for export sales, which is when risks and rewards of ownership pass to the dealer / customer.

Sales include income from services and exchange fluctuations relating to export receivables. Sales include export and other recurring and non-recurring incentives from the Government at the national and state levels. Sale of products is presented gross of excise duty where applicable, and net of other indirect taxes.

Revenues are recognised when collectability of the resulting receivables is reasonably assured.

Dividend from investments is recognized when the right to receive the payment is established and when no significant uncertainty as to measurability or collectability exists.

Interest income is recognized on the time basis determined by the amount outstanding and the rate applicable and where no significant uncertainty as to measurability or collectability exists.

### (d) Depreciation and amortisation

(i) Depreciation is provided on the Straight Line Method (SLM) over the estimated useful lives of the assets considering the nature, estimated usage, operating conditions, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support. Taking into account these factors, the Company has decided to retain the useful life hitherto adopted for various categories of fixed assets, which are different from those prescribed in Schedule II of the Act. Estimated useful lives of assets are as follows :

Type of Asset	Estimated useful life
• Leasehold Land	Amortised over the period of the lease
• Buildings, Roads, Bridges and culverts	4 to 60 years
• Plant, machinery and equipment	8 to 20 years
• Computers and other IT assets	4 to 6 years
• Vehicles	4 to 10 years
• Furniture, fixture and office appliances	5 to 15 years
• Technical Know-how	5 to 6 years
• Computer software	4 years
• Water system and sanitation	20 years
• Assets taken on lease are amortised over the period of lease	10 years

(ii) Product development costs are amortised over a period of upto 120 months for New Generation vehicles and powertrains on the basis of higher of the volumes between planned and actuals and on a straight line method over a period of 36 months for Vehicle Variants, Derivatives and other Regulatory Projects.

(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 platforms, 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 the 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) Tangible assets and Software not exceeding ₹25,000, and product development costs relating to minor product enhancements, facelifts and upgrades, are charged off to the Statement of Profit and Loss as and when incurred.

### (f) Impairment

At each Balance Sheet date, the Company assesses whether there is any indication that the fixed assets with finite lives may be impaired. If any such 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 at March 31, 2016 none of the fixed assets were considered impaired.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### (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 / rental income 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 depreciable capital assets are added to / deducted from the cost of such capital assets.
- Other differences were accumulated in Foreign Currency Monetary Item Translation Difference Account and 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 was 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 Profit and Loss Statement. 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) 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.

#### (k) 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.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### (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.

During the year 2014-15, the employees covered by this plan were given a one time option to exit from the plan prospectively. Further, the employees who opted for exit were given a one time option to withdraw accumulated balances from the superannuation plan.

The Company maintains a separate irrevocable trust for employees covered and entitled to benefits. The Company contributes up to 15% or ₹ 1,00,000 whichever is lower of the eligible employees' salary to the trust every year. The Company recognizes such contributions as an expense when incurred and 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 cases, payable up to the date of normal superannuation had the employee been in service, to an eligible employee at the time of death or permanent disablement, while in service, either as a result of an injury or as certified by the appropriate authority. The monthly payment to dependents of the deceased / disabled employee under the plan equals 50% of the salary drawn at the time of death or accident or a specified amount, whichever is higher. The Company accounts for the liability for BKY benefits payable in future based on an independent actuarial valuation as at the 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 the 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.

### (l) 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.

### (m) Income taxes

Tax expense comprises current and deferred taxes.

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax is net of credit for entitlement for Minimum Alternative Tax (MAT).

Deferred tax is recognised, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised if there is virtual certainty that there will be sufficient future taxable income available to realise such losses. Other deferred tax assets are recognised if there is reasonable certainty that there will be sufficient future taxable income to realise 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.

### (n) 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.

### (o) 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.

### (p) 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 are considered to constitute one single primary segment. Further, there is no reportable secondary segment i.e. Geographical Segment.

# NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

	As at March 31, 2016	As at March 31, 2015
<b>2. Share Capital</b>		
<b>(a) Authorised :</b>		
<b>350,00,00,000</b> Ordinary shares of ₹2 each (as at March 31, 2015: 350,00,00,000 Ordinary shares of ₹2 each)	<b>700.00</b>	700.00
<b>100,00,00,000</b> 'A' Ordinary shares of ₹2 each (as at March 31, 2015: 100,00,00,000 'A' Ordinary shares of ₹2 each)	<b>200.00</b>	200.00
<b>30,00,00,000</b> Convertible Cumulative Preference shares of ₹100 each (as at March 31, 2015: 30,00,00,000 shares of ₹100 each)	<b>3,000.00</b>	3,000.00
	<b>3,900.00</b>	3,900.00
<b>(b) Issued [Note (I), page F-16] :</b>		
<b>288,78,42,351</b> Ordinary shares of ₹2 each (as at March 31, 2015: 273,71,97,592 Ordinary shares of ₹2 each)	<b>577.57</b>	547.44
<b>50,87,36,805</b> 'A' Ordinary shares of ₹2 each (as at March 31, 2015: 48,22,06,515 'A' Ordinary shares of ₹2 each)	<b>101.75</b>	96.44
	<b>679.32</b>	643.88
<b>(c) Subscribed and called-up :</b>		
<b>288,72,03,602</b> Ordinary shares of ₹2 each (as at March 31, 2015: 273,67,13,122 Ordinary shares of ₹2 each)	<b>577.44</b>	547.34
<b>50,84,76,704</b> 'A' Ordinary shares of ₹2 each (as at March 31, 2015: 48,19,66,945 'A' Ordinary shares of ₹2 each)	<b>101.70</b>	96.40
	<b>679.14</b>	643.74
<b>(d) Calls unpaid - Ordinary shares</b>	<b>(0.01)</b>	(0.01)
<b>(e) Paid-up ( c + d )</b>	<b>679.13</b>	643.73
<b>(f) Forfeited Shares - Ordinary shares</b>	<b>0.05</b>	0.05
<b>Total ( e + f )</b>	<b>679.18</b>	643.78

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

	2015-2016		2014-2015	
	No. of shares	(₹ in crores)	No. of shares	(₹ in crores)
<b>(i) Ordinary shares</b>				
Shares as at April 1	273,67,13,122	547.34	273,67,13,122	547.34
Add: Shares issued pursuant to Rights issue	150,490,480	30.10	-	-
Shares as at March 31	<b>288,72,03,602</b>	<b>577.44</b>	<b>273,67,13,122</b>	<b>547.34</b>
<b>(ii) 'A' Ordinary shares</b>				
Shares as at April 1	48,19,66,945	96.40	48,19,66,945	96.40
Add: Shares issued pursuant to Rights issue	26,509,759	5.30	-	-
Shares as at March 31	<b>50,84,76,704</b>	<b>101.70</b>	<b>48,19,66,945</b>	<b>96.40</b>

**(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 declare an interim dividend. The holders of 'A' Ordinary shares shall be entitled to receive dividend for each financial year at five percentage point more than the aggregate rate of dividend declared on Ordinary shares for that financial year.
- In the event of liquidation, the shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholdings.

# NOTES FORMING PART OF FINANCIAL STATEMENTS

## (ii) American Depository Shares (ADSs) and Global Depository Shares (GDSs) :

- Each ADS and GDS underlying the ADR and GDR respectively represents five Ordinary shares of ₹2 each. A holder of ADS and GDS is not entitled to attend or vote at shareholders meetings. An ADS holder is entitled to issue voting instructions to the Depository with respect to the Ordinary shares represented by ADSs only in accordance with the provisions of the Company's ADSs deposit agreement and Indian Law. The depository for the ADSs and GDSs shall exercise voting rights in respect of the deposited shares by issue of an appropriate proxy or power of attorney in terms of the respective deposit agreements.
- Shares issued upon conversion of ADSs and GDSs will rank pari passu with the existing Ordinary shares of ₹2 each in all respects including entitlement of the dividend declared.

## (i) Number of shares held by each shareholder holding more than 5 percent of the issued share capital

	As at March 31, 2016		As at March 31, 2015	
	% of Issued share capital	No. of shares	% of Issued share capital	No. of shares
<b>(i) Ordinary shares :</b>				
(a) Tata Sons Limited	26.98%	77,89,70,378	25.67%	70,23,33,345
(b) Tata Steel Limited	*	*	5.54%	15,16,87,515
(c) Life Insurance Corporation of India	6.90%	19,91,44,257	*	*
(d) Citibank N A as Depository	#	49,19,64,200	#	58,22,60,190
<b>(ii) 'A' Ordinary shares :</b>				
(a) HDFC Trustee Company Limited-HDFC Equity Fund	12.95%	6,58,38,405	*	*
(b) HSBC Global Investment Funds A/C HSBC Global Investment Funds Mauritius Ltd	*	*	5.16%	2,48,78,664
#	held by Citibank, N.A. as depository for American Depository Receipts (ADRs) and Global Depository Receipts (GDRs)			
*	Less than 5%			

## (j) Information regarding issue of shares in the last five years

- The Company has not issued any shares without payment being received in cash.
- There has been no issue of bonus shares.
- The Company has not undertaken any buy-back of shares.

- (k) The Company allotted 15,04,90,480 Ordinary shares (including 3,20,49,820 shares underlying the ADRs) of ₹2 each at a premium of ₹448 per share, aggregating ₹6,772.07 crores and 2,65,09,759 'A' Ordinary shares of ₹2 each at a premium of ₹269 per share, aggregating ₹718.42 crores pursuant to the Rights issue. 1,54,279 Ordinary shares and 20,531 'A' Ordinary shares have been kept in abeyance.

Proceeds from the Rights issue have been utilised upto March 31, 2016, in the following manner :

Particulars	(₹ in crores)	
	Planned	Actual
Funding capital expenditure towards plant and machinery	500.00	500.00
Funding expenditure relating to research and product development	1,500.00	1,500.00
Repayment, in full or part, of certain long-term and short-term borrowings availed by the Company	4,000.00	4,000.00
General corporate purposes	1,428.00	1,401.10
Issue related expenses	70.00	64.76
<b>Total</b>	<b>7,498.00</b>	<b>7,465.86</b>

\* Of the above ₹2.34 crores was pending withdrawal as at March 31, 2016.

- (l) The entitlements to 6,38,749 Ordinary shares of ₹2 each (as at March 31, 2015 : 4,84,470 Ordinary shares of ₹2 each) and 2,60,101 'A' Ordinary shares of ₹2 each (as at March 31, 2015: 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 hence kept in abeyance.

# NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)				
	As at March 31, 2015	Additions	Deductions	As at March 31, 2016
<b>3. Reserves and surplus</b>				
(a) Capital Redemption Reserve	2.28	-	-	2.28
(b) Securities Premium Account [Note (i) and (ii)]	11,811.60	7,455.09	54.43	19,212.26
(c) Debenture Redemption Reserve	1,042.15	-	-	1,042.15
(d) Revaluation Reserve	22.87	-	-	22.87
(e) Amalgamation Reserve	0.05	-	-	0.05
(f) General Reserve [Note (v)]	5,006.07	-	3,506.73	1,499.34
(g) Foreign Currency Monetary Item Translation Difference Account (net) [Note (iii)]	(14.94)	(98.92)	(16.42)	(97.44)
(h) Hedging Reserve Account [Note (iv)]	16.69	4.68	13.98	7.39
(i) Profit and Loss Account [Surplus / (Deficit)] [Note (vi)]	(3,667.96)	3,740.96	73.00	-
	977.59	93.40	4,738.95	(3,667.96)
	<b>14,218.81</b>	<b>11,101.81</b>	<b>3,631.72</b>	<b>21,688.90</b>
	18,532.87	225.60	4,539.66	14,218.81

## Notes

	2015-2016		2014-2015	
	Additions	Deductions	Additions	Deductions
(i) The opening and closing balances of Securities Premium Account are net of calls in arrears of ₹ 0.03 crore				
<b>(ii) Securities Premium Account :</b>				
(a) Premium on Rights issue of shares	7,455.09	-	-	-
(b) Rights issue expenses and brokerage, stamp duty and other fees on issue of Non-Convertible Debentures (NCD) [net of tax ₹ Nil (2014-15 ₹ 1.41 crores)]	-	54.43	-	46.54
(c) Reversal of premium on redemption of NCD	-	-	175.05	-
	<b>7,455.09</b>	<b>54.43</b>	<b>175.05</b>	<b>46.54</b>
<b>(iii) Foreign Currency Monetary Item Translation Difference Account (net) :</b>				
(a) Exchange loss during the year (net)	(98.92)	-	(68.13)	-
(b) Amortisation of exchange fluctuation for the year	-	(16.42)	-	(254.42)
	<b>(98.92)</b>	<b>(16.42)</b>	<b>(68.13)</b>	<b>(254.42)</b>
<b>(iv) Hedging Reserve Account :</b>				
(a) Fair value gain	-	13.98	25.28	-
(b) Deferred tax on fair value gain	4.68	-	-	8.59
	<b>4.68</b>	<b>13.98</b>	<b>25.28</b>	<b>8.59</b>
<b>(v) General Reserve :</b>				
Amount transferred to Profit and Loss Account Surplus/(deficit)	-	3,506.73	-	-
	<b>-</b>	<b>3,506.73</b>	<b>-</b>	<b>-</b>
<b>(vi) Profit and Loss Account [Surplus / (Deficit)]</b>				
(a) Profit / loss after tax for the year	234.23	-	-	4,738.95
(b) Amount transferred from General Reserve	3,506.73	-	-	-
(c) Proposed dividend	-	73.00	-	-
(d) Reversal of dividend distribution tax of earlier year	-	-	93.40	-
	<b>3,740.96</b>	<b>73.00</b>	<b>93.40</b>	<b>4,738.95</b>



(Standalone)

# NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

	As at March 31, 2016	As at March 31, 2015
<b>4. Long-term borrowings</b>		
<b>(A) Secured</b>		
(a) Privately placed Non-Convertible Debentures [ Note I (i) (a) and (ii) (a) below]	700.00	700.00
(b) Term loans from banks : Buyers' line of credit (at floating interest rate) [Note I (i) (b) below]	-	12.92
(c) Term loans from others [ Note I (i) (c) below]	552.66	479.50
(d) Finance lease obligations [Note 30(A)(a)(ii), page F-32]	10.03	10.94
	<b>1,262.69</b>	<b>1,203.36</b>
<b>(B) Unsecured</b>		
(a) Privately placed Non-Convertible Debentures [Note I (ii) (b), page F-19]	3,950.00	5,000.00
(b) Term loans from banks : Buyers' line of credit (at floating interest rate) [Note I (iii), page F-19]	506.31	1,428.10
(c) Senior Notes [Note I (iv), page F-19]	4,968.94	4,687.50
	<b>9,425.25</b>	<b>11,115.60</b>
<b>TOTAL (A+B)</b>	<b>10,687.94</b>	<b>12,318.96</b>
<b>5. Short-term borrowings</b>		
<b>(A) Secured</b>		
From banks -Loans, cash credit, overdraft accounts [Note II, page F-19]	2,454.73	3,599.90
	<b>2,454.73</b>	<b>3,599.90</b>
<b>(B) Unsecured</b>		
(a) From banks	-	700.00
(b) Loans and advances from subsidiaries and associates (repayable on demand)	472.45	288.75
(c) Commercial paper [maximum balance outstanding during the year ₹4,355 crores (2014-2015 : ₹4,155 crores)]	424.56	3,173.36
	<b>897.01</b>	<b>4,162.11</b>
<b>TOTAL (A+B)</b>	<b>3,351.74</b>	<b>7,762.01</b>

## I. Information regarding long term borrowings

### (i) Nature of security (on loans including interest accrued thereon) :

- (a) Rated, Listed, Secured, 9.95% Coupon, Non-Convertible Debentures amounting to ₹200 crores and 10.25% Coupon, Non-Convertible Debentures amounting to ₹500 crores are secured by a pari passu charge by way of an English mortgage of the Company's freehold land together with immovable properties, plant and machinery and other movable assets (excluding stock and book debts) situated at Sanand in the State of Gujarat.
- (b) Buyers line of credit from banks are secured by hypothecation of existing current assets of the Company viz. stock of raw materials, stock in process, semi-finished goods, stores and spares not relating to plant and machinery (consumable stores and spares), bills receivable and book debts including receivable from hire purchase / leasing and all other movable current assets except cash and bank balances, loans and advances of the Company both present and future. Classified under other current liabilities being maturity before March 31, 2017.
- (c) The term loan of ₹541.51 crores is due for repayment from the quarter ending March 31, 2033 to quarter ending March 31, 2036, along with simple interest at the rate of 0.10% p.a. The loan is secured by a second and subservient charge (creation of charge is under process) over Company's freehold land together with immovable properties, plant and machinery and other movable assets (excluding stock and book debts) situated at Sanand plant in the State of Gujarat.
- The term loan of ₹11.15 crores is due for repayment in the quarter ending June 30, 2030, along with a simple interest of 0.10% p.a. The loan is secured by bank guarantee as per the terms of the agreement.

### (ii) Schedule of repayment and redemption for Non-Convertible Debentures :

	Redeemable on	(₹ in crores) Principal
<b>(a) Secured :</b>		
10.25% Non-Convertible Debentures (2025) #	April 30, 2025	150.00
10.25% Non-Convertible Debentures (2024) #	April 30, 2024	150.00
10.25% Non-Convertible Debentures (2023) #	April 30, 2023	100.00
10.25% Non-Convertible Debentures (2022) #	April 30, 2022	100.00
9.95% Non-Convertible Debentures (2020)	March 2, 2020	200.00

# The Company has a call option to redeem, either in part or full, at the end of 8th year from the date of allotment i.e. April 30, 2018.

# NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

	Redeemable on	Principal
(b) <b>Non-Convertible Debentures (NCDs)</b>		
<b>Unsecured :</b>		
9.77% Non-Convertible Debentures (2024)	September 12, 2024	200.00
9.81% Non-Convertible Debentures (2024)	August 20, 2024	300.00
9.35% Non-Convertible Debentures (2023)	November 10, 2023	400.00
9.60% Non-Convertible Debentures (2022)	October 29, 2022	400.00
9.02% Non-Convertible Debentures (2021)	December 10, 2021	300.00
9.73% Non-Convertible Debentures (2020)	October 1, 2020	400.00
9.70% Non-Convertible Debentures (2020)	June 18, 2020	150.00
9.75% Non-Convertible Debentures (2020)	May 24, 2020	100.00
9.90% Non-Convertible Debentures (2020)	May 7, 2020	150.00
9.71% Non-Convertible Debentures (2019)	October 1, 2019	300.00
10.00% Non-Convertible Debentures (2019)	May 28, 2019	110.00
9.69% Non-Convertible Debentures (2019)	March 29, 2019	200.00
10.30% Non-Convertible Debentures (2018)	November 30, 2018	190.00
9.45% Non-Convertible Debentures (2018)	March 29, 2018	200.00
8.60% Non-Convertible Debentures (2018)	February 2, 2018	300.00
10.00% Non-Convertible Debentures (2017)	May 26, 2017	250.00
9.84% Non-Convertible Debentures (2017)	March 10, 2017*	300.00
8.73% Non-Convertible Debentures (2016)	May 17, 2016*	300.00
8.95% Non-Convertible Debentures (2016)	April 29, 2016*	300.00

\* Classified as other current liabilities being maturity before March 31, 2017

(iii) The buyers' line of credit from banks is repayable within a maximum period of three years from the drawdown dates. All the repayments are due from financial year ending March 31, 2017 to financial year ending March 31, 2019.

(iv) **Schedule of repayment of Senior Notes:**

	Currency	Redeemable on	Amount (In million)	As at March 31, 2016	As at March 31, 2015
				₹ in crores	
4.625% Senior Notes	USD	April 30, 2020	500	3,312.63	3,125.00
5.750% Senior Notes	USD	October 30, 2024	250	1,656.31	1,562.50

## II. Information regarding short term borrowings

Loans, cash credits, overdrafts and buyers line of credit from banks are secured by hypothecation of existing current assets of the Company viz. stock of raw materials, stock in process, semi-finished goods, stores and spares not relating to plant and machinery (consumable stores and spares), bills receivable and book debts including receivable from hire purchase / leasing and all other moveable current assets except cash and bank balances, loans and advances of the Company both present and future.

## 6. Deferred tax liabilities (Net)

### (a) Major components of deferred tax arising on account of timing differences are:

#### Liabilities:

	As at March 31, 2016	As at March 31, 2015
Depreciation	(1,485.40)	(1,471.04)
Product development cost	(2,849.13)	(2,678.50)
Others	(15.64)	(11.45)
	<u>(4,350.17)</u>	<u>(4,160.99)</u>

#### Assets:

Employee benefits / expenses allowable on payment basis	559.81	674.21
Provision for doubtful debts	255.48	293.62
Unabsorbed depreciation and business losses	3,492.26	3,154.21
Others	42.62	38.95
	<u>(4,350.17)</u>	<u>4,160.99</u>

#### Net deferred tax liability

### (b) Tax expense / (credit) (net) :

#### (i) Current tax

Current tax	(88.52)	37.34
Minimum Alternate Tax	-	777.18
	<u>(88.52)</u>	<u>814.52</u>

#### (ii) Deferred tax

Opening deferred tax	-	43.11
Debited / (credited) to Hedging Reserve Account	(4.68)	8.59
Debited / (credited) to Securities Premium Account	-	(1.41)
	<u>(4.68)</u>	<u>50.29</u>

#### Closing Deferred tax

Deferred tax charge / (credit) for the year	-	-
	<u>4.68</u>	<u>(50.29)</u>
<b>Total</b>	<u>(83.84)</u>	<u>764.23</u>

The Company has recognised deferred tax asset of ₹ 1,861.67 crores (as at March 31, 2015, ₹ 1,552.74 crores) on unabsorbed depreciation and ₹ 1,630.59 crores (as at March 31, 2015, ₹ 1,601.47 crores) on brought forward business losses to the extent there is deferred tax liability on timing differences that will reverse in the future.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

<b>7. Other Long-term liabilities</b>	<b>As at March 31, 2016</b>	As at March 31, 2015
(a) Deferred payment liabilities	70.08	126.41
(b) Interest accrued but not due on borrowings	1.27	0.78
(c) Derivative financial instruments	0.09	17.87
(d) Deferred revenue	43.28	34.91
(e) Liability towards employee separation scheme	69.40	80.05
(f) Others	26.00	26.78
	<b>210.12</b>	<b>286.80</b>

<b>8. Other current liabilities</b>	<b>As at March 31, 2016</b>	As at March 31, 2015
(a) Interest accrued but not due on borrowings	416.01	464.19
(b) Current maturities of long-term borrowings [Note below]	1,847.57	1,053.44
(c) Liability for capital expenditure	75.11	62.80
(d) Liability for deposits and retention	212.22	198.65
(e) Deferred payment liabilities	64.50	59.75
(f) Advance and progress payments from customers	728.78	499.13
(g) Deferred revenue	67.86	78.62
(h) Statutory dues (VAT, Excise, Service tax, Octroi, etc)	695.07	605.95
(i) Liability towards Investors Education and Protection Fund under Section 125 of the Companies Act, 2013 not due		
(i) Unpaid dividends	14.37	17.22
(ii) Unclaimed matured deposits and interest thereon	18.60	21.69
(iii) Unclaimed matured debentures and interest thereon	0.22	0.22
(j) Derivative financial instruments	5.65	4.14
(k) Others	121.27	77.08
	<b>4,267.23</b>	<b>3,142.88</b>

**Note :**

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

(i) Non-Convertible Debentures [Note I(ii)(b), page F-19]	900.00	900.00
(ii) Buyers' line of credit (at floating rate interest) [Note I(i)(b), page F-18 and (iii), page F-19]	935.49	138.22
(iii) Finance lease obligations [Note 30(A)(a)(ii), page F-32]	12.08	15.22
	<b>1,847.57</b>	<b>1,053.44</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

	As at March 31, 2016	As at March 31, 2015
<b>9. Long-term provisions</b>		
(a) Employee benefit obligation	525.93	505.17
(b) Product warranty [Note 34(a), page F-39]	243.71	204.27
(c) Provision for delinquency [Note 34(b), page F-39]	629.42	1,382.18
(d) Provision for Annual maintenance contract [Note 34(c), page F-39]	9.99	12.57
	<b>1,409.05</b>	<b>2,104.19</b>

	As at March 31, 2016	As at March 31, 2015
<b>10. Short-term provisions</b>		
(a) Employee benefit obligation	44.17	49.42
(b) Product warranty [Note 34(a), page F-39]	382.51	310.84
(c) Provision for delinquency [Note 34(b), page F-39]	631.00	214.08
(d) Current income tax (net of payment)	67.02	22.46
(e) Proposed dividend	73.00	-
(f) Provision for Annual maintenance contract [Note 34(c), page F-39]	17.79	16.29
	<b>1,215.49</b>	<b>613.09</b>

	As at March 31, 2016	As at March 31, 2015
<b>11. Trade payables</b>		
(a) Acceptances	3,887.28	3,950.53
(b) Other than acceptances* [ Note 42 (ii), page F-42]	5,029.32	4,902.12
	<b>8,916.60</b>	<b>8,852.65</b>
Includes payable to subsidiary companies :		
* Concorde Motors (India) Ltd	8.55	-
TAL Manufacturing Solutions Ltd	4.97	3.90
Tata Motors European Technical Centre Plc	55.59	108.92
Tata Motors Finance Ltd	24.58	43.71
Tata Motors Finance Solutions Ltd	122.41	-
Tata Technologies Ltd	48.50	28.91
Tata Motors Ltd (Thailand) Ltd	1.38	-
TML Distribution Company Ltd	5.85	7.84
Trilix S.r.l.	17.81	8.75
Jaguar Land Rover Ltd	239.97	140.25

# NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

## 12. Tangible assets

Particulars	Cost as at April 1, 2015	Additions / adjustments [Note (iv)]	Deductions / adjustments	Cost as at March 31, 2016	Accumulated depreciation as at April 1, 2015	Depreciation for the year [Note (v)]	Deductions / adjustments for the year [Note (vi)]	Accumulated depreciation up to March 31, 2016	Net book value as at March 31, 2016
<b>[I] Owned assets :</b>									
(i) Land	519.76	-	3.00	516.76	-	-	-	-	516.76
	519.76	-	-	519.76	-	-	-	-	519.76
(ii) Buildings [Note (i) & (ii) (a)]	2,819.35	88.30	8.36	2,899.29	699.32	88.86	1.49	786.69	2,112.60
	2,714.37	105.09	0.11	2,819.35	619.76	79.64	0.08	699.32	2,120.03
(iii) Plant, machinery and equipment [Note (ii) (a) & (iii)]	19,146.80	1,202.38	92.11	20,257.07	10,137.40	1,123.75	24.90	11,236.25	9,020.82
	17,887.58	1,363.50	104.28	19,146.80	9,007.39	1,224.83	94.82	10,137.40	9,009.40
(iv) Furniture and fixtures [Note (iii)]	146.67	12.30	0.35	158.62	60.42	7.51	0.26	67.67	90.95
	132.23	23.39	8.95	146.67	56.25	7.14	2.97	60.42	86.25
(v) Vehicles [Note (iii)]	160.41	35.37	28.60	167.18	105.06	24.46	23.83	105.69	61.49
	163.96	23.21	26.76	160.41	104.57	22.78	22.29	105.06	55.35
(vi) Office equipment [Note (iii)]	50.15	1.26	0.09	51.32	41.47	3.49	0.05	44.91	6.41
	49.67	0.74	0.26	50.15	21.13	20.56	0.22	41.47	8.68
(vii) Computers and other IT assets [Note (iii)]	601.70	26.01	8.73	618.98	488.01	32.26	8.64	511.63	107.35
	564.38	37.64	0.32	601.70	458.52	29.69	0.20	488.01	113.69
(viii) Water system and sanitation [Note (ii)(a)]	222.78	8.57	-	231.35	74.96	10.04	-	85.00	146.35
	217.57	5.21	-	222.78	64.92	10.04	-	74.96	147.82
<b>[II] Assets given on lease :</b>									
(i) Plant, machinery and equipment	425.84	1.00	1.17	425.67	393.12	1.89	0.51	394.50	31.17
	425.60	0.41	0.17	425.84	390.65	4.90	2.43	393.12	32.72
(ii) Buildings	4.05	-	-	4.05	0.49	0.09	-	0.58	3.47
	4.05	-	-	4.05	0.40	0.09	-	0.49	3.56
<b>[III] Assets taken on lease :</b>									
(i) Leasehold land [Note (ii)(b)]	121.38	-	-	121.38	15.01	1.21	-	16.22	105.16
	121.38	-	-	121.38	13.80	1.21	-	15.01	106.37
(ii) Buildings	31.28	-	-	31.28	5.25	0.51	-	5.76	25.52
	31.28	-	-	31.28	4.74	0.51	-	5.25	26.03
(iii) Plant, machinery and equipment	36.43	-	-	36.43	34.61	-	-	34.61	1.82
	36.43	-	-	36.43	33.23	1.38	-	34.61	1.82
(iv) Computers & other IT assets	164.46	9.80	-	174.26	135.44	15.91	-	151.35	22.91
	155.49	8.97	-	164.46	114.89	20.55	-	135.44	29.02
<b>Total Tangible assets</b>	<b>24,451.06</b>	<b>1,384.99</b>	<b>142.41</b>	<b>25,693.64</b>	<b>12,190.56</b>	<b>1,309.98</b>	<b>59.68</b>	<b>13,440.86</b>	<b>12,252.78</b>
	23,023.75	1,568.16	140.85	24,451.06	10,890.25	1,423.32	123.01	12,190.56	12,260.50

### Notes:

- (i) Buildings include ₹ 8,631 (as at March 31, 2015 ₹ 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, ₹ 19.24 crores and ₹ 22.84 crores respectively (as at March 31, 2015 ₹ 4.76 crores, ₹ 18.87 crores and ₹ 22.84 crores) and net block of ₹ 0.08 crore, ₹ 14.38 crores and ₹ 3.31 crores respectively (as at March 31, 2015 ₹ 0.08 crore, ₹ 14.87 crores and ₹ 7.52 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, 2015 ₹ 12.56 crores) is in process.
- (iii) Includes plant, machinery and equipment, furniture and fixtures, office equipment, vehicles and computers and other IT assets having gross block of ₹ 305.89 crores, ₹ 0.13 crore, ₹ 0.42 crore, ₹ 1.79 crores and ₹ 128.61 crores (as at March 31, 2015 ₹ 160.82 crores, ₹ 0.13 crore, ₹ 0.41 crore, ₹ 1.50 crores and ₹ 136.28 crores), and net block of ₹ 17.98 crores, ₹ Nil, ₹ 0.02 crore, ₹ 0.13 crore and ₹ 0.23 crore, respectively (as at March 31, 2015 ₹ 8.51 crores, ₹ 0.01 crore, ₹ 0.02 crore, ₹ 0.03 crore and ₹ 0.26 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 ₹ 42.49 crores (2014-2015 ₹ 26.24 crores).
- (v) Depreciation excludes lease equalisation of ₹ Nil (2014-2015 ₹ 2.27 crores) adjusted in lease rental income.
- (vi) Includes impairment charge on plant, machinery and equipment of ₹ 60.32 crores (2014-2015 ₹ Nil).

## 13. Intangible assets

(₹ in crores)

Particulars	Cost as at April 1, 2015	Additions / adjustments [Note (iii)]	Deductions / adjustments	Cost as at March 31, 2016	Accumulated amortisation as at April 1, 2015	Amortisation for the year	Deductions / adjustments for the year [Note (iv)]	Accumulated amortisation up to March 31, 2016	Net book value as at March 31, 2016
(i) Technical know-how [Note (ii)]	275.81	-	-	275.81	71.19	25.89	-	97.08	178.73
	275.81	-	-	275.81	45.30	25.89	-	71.19	204.62
(ii) Computer software [Note (ii)]	473.26	21.11	1.18	493.19	406.01	38.42	1.18	443.25	49.94
	439.15	34.11	-	473.26	360.30	45.82	0.11	406.01	67.25
(iii) Product development cost [Note (i)]	6,614.08	1,214.74	-	7,828.82	3,363.22	1,079.46	(103.62)	4,546.30	3,282.52
	5,052.74	1,561.34	-	6,614.08	2,255.03	1,108.19	-	3,363.22	3,250.86
<b>Total Intangible assets</b>	<b>7,363.15</b>	<b>1,235.85</b>	<b>1.18</b>	<b>8,597.82</b>	<b>3,840.42</b>	<b>1,143.77</b>	<b>(102.44)</b>	<b>5,086.63</b>	<b>3,511.19</b>
	5,767.70	1,595.45	-	7,363.15	2,660.63	1,179.90	0.11	3,840.42	3,522.73

### Notes:

- (i) Internally generated intangible asset
- (ii) Other than internally generated intangible asset
- (iii) Additions / adjustments include capitalisation of exchange loss mainly on product development cost of ₹ 28.19 crores (2014-2015 ₹ 40.96 crores).
- (iv) Includes impairment charge of ₹ 103.62 crores (2014-15 ₹ Nil).

# NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

			As at March 31, 2016	As at March 31, 2015
<b>14. Non-current investments</b>				
Number	Face value per unit	Description		
		<b>I. Long-term investments (at cost)</b>		
		<b>(A) Trade investments</b>		
		<b>(1) Fully paid Ordinary / Equity shares (quoted)</b>		
		<b>(i) Associates</b>		
29,82,214	10	Automobile Corporation of Goa Ltd	108.22	108.22
		<b>(ii) Others</b>		
44,32,497	10	Tata Steel Ltd	245.04	245.04
70,249	10	Tata Chemicals Ltd	0.24	0.24
			<b>353.50</b>	<b>353.50</b>
		<b>(2) Fully paid Ordinary / Equity shares (unquoted)</b>		
		<b>(i) Subsidiaries</b>		
		Sheba Properties Ltd (75,00,000 shares sold during the year)	-	75.00
3,03,00,600	10	Tata Technologies Ltd	224.10	224.10
3,36,97,694	10	Concorde Motors (India) Ltd [Note 9, page F-24] (1,50,00,000 shares acquired during the year)	79.63	64.63
11,50,00,000	10	TAL Manufacturing Solutions Ltd (1,50,00,000 shares acquired during the year)	200.00	185.00
7,70,00,000	10	TML Drivelines Ltd	448.85	448.85
25,00,000	10	Tata Motors Insurance Broking and Advisory Services Ltd [Note 5, page F-24]	19.31	19.31
3,43,92,495 (GBP)	1	Tata Motors European Technical Centre Plc, (UK) [Note 6, page F-24] (30,00,000 shares acquired during the year)	292.71	262.73
7,900	-	Tata Technologies Inc, (USA)	0.63	0.63
1,31,90,20,771	10	Tata Motors Finance Ltd [Note 11, page F-24]	2,500.00	2,500.00
8,67,00,000	10	Tata Marcopolo Motors Ltd	86.70	86.70
22,50,00,000	10	TML Distribution Company Ltd	225.00	225.00
2,51,16,59,418 (USD)	1	TML Holdings Pte Ltd, (Singapore)	10,158.52	10,158.52
1,34,523 (EUR)	31.28	Tata Hispano Motors Carrocera S.A., (Spain)	17.97	17.97
1,220 (IDR)	8,855	PT Tata Motors Indonesia	0.01	-
2,02,000 (MAD)	1,000	Tata Hispano Motors Carroceries Maghreb S.A., (Morocco) (2,02,000 shares acquired during the year)	49.59	-
1,83,59,203 (SGD)	1	Tata Precision Industries Pte. Ltd, (Singapore)	40.53	40.53
1,00,000 (NGN)	1	Trilix Srl., Turin (Italy) [Note 7, page F-24]	11.94	11.94
		TMNL Motor Services Nigeria Ltd (100,000 shares acquired during the year)	- *	-
			<b>14,355.49</b>	<b>14,320.91</b>
		* Less than ₹ 100,000		
		<b>(ii) Associates</b>		
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 Private Ltd	79.50	79.50
			<b>158.24</b>	<b>158.24</b>
		<b>(iii) Joint venture (JV)</b>		
12,22,57,983	100	Fiat India Automobiles Private Ltd [Note 8, page F-24]	1,567.04	1,567.04
9,00,00,000	10	Tata Cummins Private Ltd	90.00	90.00
			<b>1,657.04</b>	<b>1,657.04</b>
		<b>(iv) Others</b>		
50,000	1,000	Tata International Ltd	28.85	28.85
1,383	1,000	Tata Services Ltd	0.14	0.14
350	900	The Associated Building Company Ltd	0.01	0.01
1,03,10,242	100	Tata Industries Ltd	183.19	183.19
33,600	100	Kulkarni Engineering Associates Ltd	0.67	0.67
12,375	1,000	Tata Sons Ltd	68.75	68.75
2,25,00,001	10	Haldia Petrochemicals Ltd	22.50	22.50
2,40,000	10	Oriental Floratech (India) Pvt. Ltd	0.24	0.24
43,26,651	15	Tata Capital Ltd	6.70	6.70
			<b>311.05</b>	<b>311.05</b>
		<b>(3) Fully paid Cumulative Redeemable Preference shares (unquoted)</b>		
		<b>Subsidiaries</b>		
13,54,195	100	7% Concorde Motors (India) Ltd [Note 9, page F-24]	13.54	13.54
		<b>Fully paid Optionally Convertible Preference shares (unquoted)</b>		
		<b>Associates</b>		
1,59,00,000	100	9% Tata Hitachi Construction Machinery Company Private Ltd [Note 10, page F-24]	159.00	159.00
			<b>17,007.86</b>	<b>16,973.28</b>
		Carried Forward		

# NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

Number	Face value per unit	Description	As at March 31, 2016	As at March 31, 2015
		<b>I. Long-term investments (at cost) (contd.)</b>		
		Brought forward	17,007.86	16,973.28
		<b>(B) Other investments Fully paid Equity shares (unquoted)</b>		
50,000	10	NICCO Jubilee Park Ltd	0.05	0.05
		Less: Provision for Diminution other than temporary in value of long term investments	17,007.91	16,973.33
			105.56	55.97
		<b>II. Advance towards investments</b>		
		Tata Motors European Technical Centre Plc, (UK)	43.11	-
		Tata Hispano Motors Carroceries Maghreb S.A., (Morocco)	-	49.59
		Concorde Motors (India) Ltd	30.00	-
			73.11	49.59
		<b>Total Non-current investments</b>	<b>16,975.46</b>	<b>16,966.95</b>

**Notes:**

(1) Face Value per unit is in Rupees unless stated otherwise

(2) Book value of quoted investments

(3) Book value of unquoted investments

(4) Market value of quoted investments

(5) The Company has given a letter of comfort to HDFC Bank amounting to ₹ 1 crore against working capital facility to Tata Motor Insurance Broking and Advisory Services Limited (TMIBASL). Also the Company has given an undertaking to HDFC Bank that it will not dilute its stake in TMIBASL below 51% during the tenor of the loan.

(6) The Company had given a letter of comfort to Standard Chartered Bank, London for GBP 15 million which has been cancelled and now the Company has given a letter of comfort to ANZ Bank, London for GBP 2 million (₹ 19.09 crores as on March 31, 2016) against loan extended by the bank to Tata Motors European Technical Centre Plc, UK (TMETC). Also the Company has given an undertaking to ANZ Bank, London to retain atleast 51% 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 a letter of comfort to certain banks and other lenders against credit facilities extended to Fiat India Automobiles Private Ltd for ₹ 1,000 crores and Euro 130 million (₹ 980.08 crores as on March 31, 2016). The letter of comfort is restricted to 50% of the value of credit facilities extended i.e. ₹ 990.04 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 (CML). The Company will not dilute its stake in CML below 100% during the tenor of the facility.

(10) The Company has invested in 9% Optionally Convertible Preference Shares (OCPS) as per the rights offered by Tata Hitachi Construction Machinery Company Private 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 from the date of subscription.

(11) During the year 2015-2016, Tata Motors Finance Limited, a subsidiary of the Company, issued 4,34,00,000 privately placed, cumulative non-participative compulsory convertible preference shares of ₹ 100 each convertible after 7 years. There is call/put option with the Company/counterparty to purchase/sell 1,30,00,000 and 3,04,00,000 cumulative non-participative compulsory convertible preference shares in March and April 2019, respectively.

(12) Trade Investments also include:

Number	Face value per unit	Description	₹ As at March 31, 2016	₹ As at March 31, 2015
		<b>Investments in other companies</b>		
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

# NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

15. Current investments			As at March 31, 2016	As at March 31, 2015
Number	Face value per unit	Description		
<b>I Current investments - others (at cost or fair value whichever is lower)</b>				
<b>(A) Trade investments</b>				
<b>(1) Fully paid Ordinary / Equity shares (unquoted)</b>				
<b>Subsidiaries</b>				
		PT Tata Motors Indonesia (33,82,697 shares sold during the year and 1,220 shares transferred to Non-Current Investment)	-	15.54
			-	15.54
<b>(B) Other investments</b>				
<b>(1) Investments in Mutual Funds (unquoted)</b>				
<b>Liquid / Liquid Plus Schemes</b>				
10,21,691	1000	Principal Cash Managment Fund - Regular Plan - Growth	150.00	-
11,82,026	1000	UTI Money Market Fund - Institutional Plan - Growth	200.00	-
4,82,533	1000	L&T Liquid Fund - Growth	100.00	-
11,64,710	1000	Religare Invesco Credit Opportunities Fund - Growth	200.00	-
47,85,781	100	ICICI Prudential Money Market Fund - Growth	100.00	-
67,03,304	100	ICICI Prudential Flexible Income Plan - Growth	190.00	-
7,36,33,056	10	HDFC Floating Rate Income Fund - Short Term Plan- Wholesale Option - Growth	190.00	-
8,41,109	1000	Tata Money Market Fund - Regular Plan - Growth	200.00	-
8,99,917	1000	UTI Treasury Advantage Fund - Institutional Plan - Growth	184.00	-
1,64,63,630	10	ICICI Prudential Ultra Short Term - Growth	25.00	-
8,21,78,833	10	Kotak Treasury Advantage Fund - Growth (Regular Plan)	197.00	-
			1,736.00	-
<b>(2) Investments in Equity shares (unquoted)</b>				
		Tata Projects Ltd (1,35,000 shares sold during the year)	-	4.68
35,000	10	Elcot Power Control Ltd	-	-
91,800	10	Munis Forge Ltd	-	-
30,997	10	Roofit Industries Ltd	-	-
			-	4.68
<b>(3) Investments in Preference shares (unquoted)</b>				
1,00,000	100	15.50% Pennar Paterson Securities Ltd	-	-
2,00,000	100	15.00% Atcom Technologies Ltd - Cumulative Preference Shares	-	-
			-	-
<b>Total current investments</b>			<b>1,736.00</b>	<b>20.22</b>
			<b>1,736.00</b>	<b>20.22</b>
<b>Notes:</b>				
(1) Face value per unit is in Rupees unless stated otherwise				
(2) Book value of quoted investments			-	-
(3) Book value of unquoted investments			1,736.00	20.22
(4) Market value of quoted investments			-	-



(Standalone)

## NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

	As at March 31, 2016	As at March 31, 2015
<b>16. Long-term loans and advances</b>		
<b>Unsecured (considered good unless stated otherwise)</b>		
(a) Loans to employees	32.62	34.20
(b) Loan to a Joint Venture (Fiat India Automobiles Private Ltd)	-	265.00
(c) Loans to subsidiary companies :		
Considered good	16.61	20.80
Considered doubtful	581.11	539.40
	597.72	560.20
Less : Allowances for doubtful loans	(581.11)	(539.40)
	16.61	20.80
(d) Dues from subsidiary companies		
Considered doubtful		
(i) Tata Hispano Motors Carrocera S.A.	53.74	54.38
(ii) Tata Hispano Motors Carroceries Maghreb SA	4.64	-
	58.38	54.38
Less : Allowances for doubtful dues	(58.38)	(54.38)
	-	-
(e) Taxes recoverable, statutory deposits and dues from Government	925.66	1,127.68
(f) Capital advances	321.40	219.10
(g) Non-current income tax assets (net of provisions)	717.63	512.78
(h) Others :		
Considered good	349.30	224.00
Considered doubtful	18.16	8.86
	367.46	232.86
Less : Allowances for doubtful loans and advances	(18.16)	(8.86)
	349.30	224.00
	<b>2,363.22</b>	<b>2,403.56</b>
<b>17. Short-term loans and advances</b>		
<b>(A) Secured</b>		
(a) Finance receivables #		
Vehicle loans		
Considered good	0.24	20.81
Considered doubtful	13.23	221.39
	13.47	242.20
Less : Allowances for doubtful loans	(13.23)	(221.39)
	0.24	20.81
<b>(B) Unsecured (considered good unless stated otherwise)</b>		
(a) Advances and other receivables recoverable		
Considered good	316.87	327.00
Considered doubtful	106.12	77.99
	422.99	404.99
Less : Allowances for doubtful loans and advances	(106.12)	(77.99)
	316.87	327.00
(b) Inter corporate deposits		
Considered good	80.00	45.00
Considered doubtful	6.51	6.51
	86.51	51.51
Less : Allowances for doubtful loans	(6.51)	(6.51)
	80.00	45.00
(c) Loan to subsidiary company (Tata Motors European Technical Centre Plc, UK)	40.56	-
(d) Dues from subsidiary companies [Note (i), page F-27]	48.90	66.14
(e) Loan to a Joint Venture (Fiat India Automobiles Private Ltd)	265.00	-
(f) VAT, other taxes recoverable, statutory deposits and dues from Government	993.67	955.27
(g) Current income tax assets (net of provisions)	3.84	106.62
(h) Others	45.24	53.57
	<b>1,794.08</b>	<b>1,553.60</b>
<b>Total (A + B)</b>	<b>1,794.32</b>	<b>1,574.41</b>
# Loans are secured against hypothecation of vehicles		

## NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

	As at March 31, 2016	As at March 31, 2015
<b>Note :</b>		
(i) <b>Dues from subsidiary companies</b>		
(a) TML Drivelines Ltd	23.92	25.45
(b) Tata Motors Finance Solutions Ltd	0.11	-
(c) PT Tata Motors Indonesia	5.96	5.39
(d) Tata Motors Insurance Broking and Advisory Services Ltd	0.02	-
(e) Tata Motors (SA) (Proprietary) Ltd	3.37	3.22
(f) Tata Motors Nigeria Ltd	0.12	-
(g) PT Tata Motors Distribusi Indonesia	0.82	0.82
(h) Jaguar Land Rover Ltd	-	1.34
(i) Tata Daewoo Commercial Vehicle Co. Ltd	1.62	0.95
(j) JLR Automotive Plc	0.23	0.23
(k) Tata Motors (Thailand) Ltd	1.53	2.64
(l) Tata Hispano Motors Carroceries Maghreb SA	-	1.16
(m) Tata Marcopolo Motors Ltd	11.20	24.94
	<b>48.90</b>	<b>66.14</b>
<b>18. Other non-current assets</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>
(a) Prepaid debt issue cost	37.78	45.18
(b) Prepaid expenses	0.67	0.33
(c) Interest accrued on deposits / loans	-	102.89
(d) Derivative financial instruments	98.35	27.27
	<b>136.80</b>	<b>175.67</b>
<b>19. Other current assets</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>
(a) Prepaid debt issue cost	7.39	7.53
(b) Prepaid expenses	84.95	68.70
(c) Interest accrued on deposits / loans	123.82	1.09
(d) Derivative financial instruments	36.69	38.18
(e) Share issue expenses	-	1.53
	<b>252.85</b>	<b>117.03</b>

(Standalone)

# NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

	As at March 31, 2016	As at March 31, 2015
<b>20. Inventories</b>		
(a) Stores and spare parts	137.41	131.18
(b) Consumable tools	20.90	19.56
(c) Raw materials and components	1,318.42	1,145.97
(d) Work-in-progress	471.16	445.52
(e) Finished goods	2,867.11	2,915.69
(f) Goods-in-transit - Raw materials and components	87.20	144.16
	<b>4,902.20</b>	<b>4,802.08</b>
<b>21. Trade receivables</b>		
(a) <b>Due over six months :</b>		
Considered good (unsecured)	291.73	223.54
Considered doubtful	578.46	535.69
	<b>870.19</b>	759.23
Less : Allowances for doubtful debts	<b>(578.46)</b>	(535.69)
	<b>291.73</b>	223.54
(b) <b>Others :</b>		
Considered good (unsecured)	1,276.73	890.94
Considered doubtful	19.58	36.58
	<b>1,296.31</b>	927.52
Less : Allowances for doubtful debts	<b>(19.58)</b>	(36.58)
	<b>1,276.73</b>	890.94
	<b>1,568.46</b>	1,114.48
<b>22. Cash and bank balances</b>		
(A) <b>Cash and cash equivalents</b>		
(a) Cash on hand	0.26	0.24
(b) Cheques on hand	59.18	6.12
(c) Current account with banks #	152.30	855.59
	<b>211.74</b>	861.95
(B) <b>Other bank balances</b>		
Earmarked balance with banks	131.07	16.95
	<b>131.07</b>	16.95
(C) <b>Other bank balances (with more than 3 months but less than 12 months maturity)</b>		
(a) Earmarked balance with banks	105.22	11.85
(b) Bank deposits	0.06	0.07
	<b>105.28</b>	11.92
(D) <b>Other bank balances (with more than 12 months maturity)</b>		
(a) Margin money / cash collateral with banks	-	0.01
(b) Earmarked balance with banks	3.99	53.92
	<b>3.99</b>	53.93
	<b>452.08</b>	944.75
# Includes		
- Remittances in transit	143.94	167.94
- In foreign currencies	1.81	673.67

## NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

23. Total revenue	2015-2016	2014-2015
<b>1. Revenue from operations</b>		
(a) Sale of products (Note 1 below) [Note 38, page F-41]	<b>45,879.45</b>	38,829.49
(b) Sale of services	<b>342.60</b>	284.72
(c) Income from vehicle loan contracts	<b>2.80</b>	5.89
	<b>46,224.85</b>	39,120.10
(d) Other operating revenues (Note 2 below)	<b>421.82</b>	411.13
	<b>46,646.67</b>	39,531.23
<b>2. Other income</b>		
(a) Interest income	<b>257.99</b>	102.45
(b) Dividend income [Notes 3 and 4 below]	<b>1,070.71</b>	1,698.48
(c) Profit on sale of Investments (net) [Note 5 below]	<b>804.22</b>	80.48
	<b>2,132.92</b>	1,881.41
<b>Note :</b>		
(1) Includes exchange (loss) / gain (net)	<b>36.15</b>	46.91
(2) Sale of occupancy rights	-	36.60
(3) Includes dividend on		
(a) Trade investments (non-current)	<b>58.90</b>	30.83
(b) Dividend from subsidiary companies (non-current)	<b>1,005.53</b>	1,638.56
(4) Includes exchange gain (non-current)	<b>6.28</b>	29.09
(5) Profit on sale of Investment in subsidiary companies [Note 6 below]	<b>656.36</b>	13.49
(6) During the year ended March 31, 2016,		
(i) the Company has received an additional consideration of ₹324.48 crores from TML Holdings Pte Ltd, Singapore, a wholly owned subsidiary towards divestment of investments in the quarter ended December 31, 2013, in a foreign subsidiary.		
(ii) the Company has sold its 100% stake in Sheba Properties Ltd, to its subsidiary Tata Motors Finance Ltd for a consideration of ₹405.37 crores, resulting in a profit of ₹330.37 crores.		
(iii) the Company has sold its investments in PT Tata Motors Indonesia Ltd, to TML holdings Pte Ltd, Singapore, a wholly owned subsidiary company. Consequently, consideration of ₹17.05 crores (₹145.65 crores for the year 2014-2015) was received resulting in a profit of ₹1.51 crores (₹13.49 crores for the year 2014-2015).		

(Standalone)

## NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

	2015-2016	2014-2015
<b>24. Employee cost / benefits expense</b>	<b>2015-2016</b>	<b>2014-2015</b>
(a) Salaries, wages and bonus	2,548.89	2,524.43
(b) Contribution to provident fund and other funds	172.15	225.78
(c) Staff welfare expenses	305.71	341.25
	<b>3,026.75</b>	<b>3,091.46</b>
<b>25. Finance cost</b>	<b>2015-2016</b>	<b>2014-2015</b>
(a) Interest	1,559.13	1,616.12
Less: Transferred to capital account	(450.89)	(465.05)
	<b>1,108.24</b>	<b>1,151.07</b>
(b) Discounting charges	372.87	460.61
	<b>1,481.11</b>	<b>1,611.68</b>
<b>26. Other expenses</b>	<b>2015-2016</b>	<b>2014-2015</b>
(a) Processing charges	1,507.21	1,450.57
(b) Consumption of stores and spare parts	470.94	447.36
(c) Power and fuel	402.36	395.88
(d) Rent	86.70	98.34
(e) Repairs to buildings	55.86	63.58
(f) Repairs to plant, machinery etc.	101.64	103.23
(g) Insurance	93.92	74.62
(h) Rates and taxes	103.25	108.88
(i) Freight, transportation, port charges, etc.	1,284.57	1,049.93
(j) Publicity	669.99	745.44
(k) Excise duty on change in closing stock	0.71	145.01
(l) Works operation and other expenses [Note below]	3,264.66	3,404.44
	<b>8,041.81</b>	<b>8,087.28</b>
<b>Note :</b>		
<b>Works operation and other expenses include</b>		
(a) Warranty expenses	482.72	428.68
(b) Computer expenses	625.32	615.95
(c) Consultancy	139.34	147.12
(d) Provisions and write off for sundry debtors, vehicle loans and advances (net)	111.48	125.11
(e) Provision for carrying capital cost of buildings under construction at Singur [Note 29, page F-32]	-	309.88
(f) Auditors' remuneration (excluding service tax)		
(i) Audit fees (including IFC certification)	5.05	4.50
(ii) Audit fees for financial statements as per IFRS (including ICFR certification)	3.85	3.85
(iii) In other capacities :		
- Company law matters (₹48,534 for 2015-16, ₹47,500 for 2014-15)	-	-
- Tax audit / Transfer pricing audit	0.65	0.58
- Taxation matters	0.19	0.27
(iv) Other services*	0.75	1.60
(v) Reimbursement of travelling and out-of-pocket expenses	0.60	0.22
* - Includes payment to an affiliate firm of statutory auditors	0.58	0.55
- Excludes audit fees debited to Securities Premium Account related to Rights issue	1.70	-
(g) Cost Auditors' remuneration (excluding service tax) :		
(i) Cost Audit fees	0.20	0.20
(ii) Reimbursement of travelling and out-of-pocket expenses	0.01	0.01
(h) Works operation and other expenses for the year 2015-16 includes ₹20.57 crores (₹18.62 crores for the year 2014-15) spent towards various schemes of Corporate Social Responsibility (CSR) as prescribed under Section 135 of the Companies Act, 2013. No amount has been spent on construction / acquisition of an asset of the Company. The prescribed CSR expenditure required to be spent in the year 2015-16 as per the Companies Act, 2013 is Nil, in view of average net profits of the Company being ₹Nil (under section 198 of the Act) for last three financial years.		

## NOTES FORMING PART OF FINANCIAL STATEMENTS

27. Earnings Per Share		2015-2016	2014-2015	
(a)	Profit / (loss) after tax	₹ crores	234.23	(4,738.95)
(b)	The weighted average number of Ordinary shares for Basic EPS	Nos.	287,31,88,838	276,53,39,619
(c)	The weighted average number of 'A' Ordinary shares for Basic EPS	Nos.	50,60,63,234	48,74,45,041
(d)	The nominal value per share (Ordinary and 'A' Ordinary)	₹	2.00	2.00
(e)	Share of profit for Ordinary shares for Basic EPS	₹ crores	194.85	(4,028.80)
(f)	Share of profit for 'A' Ordinary shares for Basic EPS *	₹ crores	39.38	(710.15)
(g)	Earnings Per Ordinary share (Basic)	₹	0.68	(14.57)
(h)	Earnings Per 'A' Ordinary share (Basic)	₹	0.78	(14.57)
(i)	Profit after tax for Diluted EPS	₹ crores	234.23	#
(j)	The weighted average number of Ordinary shares for Basic EPS	Nos.	287,31,88,838	#
(k)	Add: Adjustment for Options relating to warrants and shares held in abeyance	Nos.	621,045	#
(l)	The weighted average number of Ordinary shares for Diluted EPS	Nos.	287,38,09,883	#
(m)	The weighted average number of 'A' Ordinary shares for Basic EPS	Nos.	50,60,63,234	#
(n)	Add: Adjustment for 'A' Ordinary shares held in abeyance	Nos.	257,745	#
(o)	The weighted average number of 'A' Ordinary shares for Diluted EPS	Nos.	50,63,20,979	#
(p)	Share of profit for Ordinary shares for Diluted EPS	₹ crores	194.84	#
(q)	Share of profit for 'A' Ordinary shares for Diluted EPS *	₹ crores	39.39	#
(r)	Earnings Per Ordinary share (Diluted)	₹	0.68	(14.57)
(s)	Earnings Per 'A' Ordinary share (Diluted)	₹	0.78	(14.57)

Basic and diluted earnings per share for the year ended March 31, 2015, have been retrospectively adjusted for the bonus element in respect of rights issue as described in Note 2(k), F-16.

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

# Since there is a loss for the year ended March 31, 2015, potential equity shares are not considered as dilutive and hence Diluted EPS is same as Basic EPS.

		(₹ in crores)	
		As at March 31, 2016	As at March 31, 2015
<b>28. Contingent liabilities, commitments (to the extent not provided for)</b>			
Description of claims and assertions where a potential loss is possible, but not probable is reported under note (1), (2) and (4) below :			
1	Claims against the Company not acknowledged as debts		
(i)	Sales tax - Gross	1,104.04	870.58
	- Net of tax	721.95	574.67
(ii)	Excise duty - Gross	1,224.34	1,276.16
	- Net of tax	800.62	842.32
(iii)	Others - Gross	218.72	265.29
	- Net of tax	143.03	175.12
(iv)	Income Tax in respect of matters pending in appeal / others	92.35	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	64.34	70.66
3	Other money for which the Company is contingently liable in respect of bills discounted and export sales on deferred credit	217.80	234.63
4	Bonus pertaining to retrospective period as per notification dated January 1, 2016	17.47	-
5	(a) Corporate guarantee given to RUAG Aerospace Structures GMBH for TAL Manufacturing Solutions Limited.	66.25	62.50
	(b) Commitment given for funding Tata Motors European Technical Centre's contribution to National Automotive Innovation Centre at the University of Warwick, UK.	158.45	-
	(c) Corporate Guarantee given to YES Bank for Broadcast Audience Research Council.	1.20	-
6	Estimated amount of contracts remaining to be executed on capital account and not provided		
(i)	Tangible	1,451.69	1,034.57
(ii)	Intangible	398.25	382.02
7	Purchase commitments	3,207.80	6,413.58
8	The Company has entered into an agreement to compensate Tata Motors Finance Solutions Ltd (TMFSL), an indirect subsidiary of the Company, the cost of funds on overdue principal amounts for certain finance receivables, where TMFSL claim losses from the Company, which in the current year amounted to ₹ 121.97 crores (previous year ₹ Nil).		

## NOTES FORMING PART OF FINANCIAL STATEMENTS

29. 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 year ended March 31, 2015, 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.

		(₹ in crores)	
		As at March 31, 2016	As at March 31, 2015
<b>30. Disclosure in respect of leases</b>			
<b>(A) Finance leases :</b>			
	<b>Assets taken on lease :</b>		
(a)	(i) Total of minimum lease payments	<b>23.95</b>	28.80
	The total of minimum lease payments for a period :		
	Not later than one year	<b>13.27</b>	16.86
	Later than one year and not later than five years	<b>10.68</b>	11.94
(ii)	Present value of minimum lease payments		
	Present value of minimum lease payments for a period :		
	Not later than one year	<b>22.11</b>	26.16
	Later than one year and not later than five years	<b>12.08</b>	15.22
		<b>10.03</b>	10.94
(b)	A general description of the significant leasing arrangements - The Company has entered into Finance lease arrangements for computers and data processing equipments from a vendor. The finance lease obligation is secured by a charge against the said assets.		
<b>(B) Operating leases :</b>			
	<b>Assets given on lease :</b>		
(a)	Total of minimum lease payments	<b>39.31</b>	59.87
	The total of minimum lease payments for a period :		
	Not later than one year	<b>15.35</b>	16.09
	Later than one year and not later than five years	<b>21.03</b>	36.43
	Later than five years	<b>2.93</b>	7.35
(b)	Gross block	<b>36.93</b>	37.10
	Accumulated Depreciation	<b>18.08</b>	16.61
	Depreciation for the year ₹ 1.98 crores (2014-15 ₹ 2.73 crores)		
(c)	A general description of significant leasing arrangements- The Company has entered into Operating lease arrangements for buildings and plant and machinery.		

# NOTES FORMING PART OF FINANCIAL STATEMENTS

## 31. (i) Related party disclosures for the year ended March 31, 2016

### (a) Related party and their relationship

#### 1. Subsidiaries :

Concorde Motors (India) Limited  
 TAL Manufacturing Solutions Limited  
 Tata Motors European Technical Centre PLC  
 Tata Motors Insurance Broking and Advisory Services Limited  
 Tata Motors Finance Limited  
 TML Holdings Pte. Limited  
 TML Distribution Company Limited  
 Tata Hispano Motors Carrocera S.A.  
 Tata Hispano Motors Carrocerries Maghreb S.A.  
 TML Drivelines Limited  
 Trilix S.r.l.  
 Tata Precision Industries Pte. Limited  
 Tata Technologies Limited  
 Tata Marcopolo Motors 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  
 PT Tata Motors Distribusi Indonesia  
 Tata Technologies Inc.  
 Tata Technologies (Canada) Inc.  
 Tata Technologies de Mexico, S.A. de C.V.  
 Tata Technologies Pte Limited  
 Tata Technologies (Thailand) Limited  
 Tata Technologies Europe Limited  
 INCAT International Plc.  
 INCAT GmbH  
 Cambric Limited  
 Tata Technologies SRL  
 Cambric GmbH  
 Cambric UK Limited  
 Midwest Managed Services Inc.  
 Cambric Manufacturing Technologies (Shanghai) Company Limited  
 Sheba Properties Limited  
 Tata Motors Finance Solutions Limited (*Converted from Private Ltd w.e.f. June 4, 2015*)  
 TMNL Motor Services Nigeria Limited (*Incorporated w.e.f. September 2, 2015*)  
 Jaguar Land Rover Automotive Plc  
 Jaguar Land Rover Limited  
 Jaguar Land Rover Austria GmbH  
 Jaguar Land Rover Japan Limited  
 JLR Nominee Company Limited  
 Jaguar Land Rover Deutschland GmbH  
 Jaguar Land Rover North America LLC  
 Jaguar Land Rover Nederland BV  
 Jaguar Land Rover Portugal - Veiculos 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 Land Rover (South Africa) Holdings Limited  
 Jaguar e Land Rover Brasil Indústria e Comércio de Veículos LTDA (*Name changed from Jaguar e Land Rover Brasil Importacao e Comercio de Veiculos Ltda w.e.f. February 10, 2016*)  
 Limited Liability Company "Jaguar Land Rover" (Russia)

Jaguar Land Rover India Limited  
 Jaguar Land Rover Espana SL  
 Jaguar Land Rover Belux NV  
 Jaguar Land Rover Holdings Limited  
 Jaguar Cars South Africa (Pty) Limited  
 The Jaguar Collection Limited  
 Jaguar Cars Limited  
 Land Rover Exports Limited  
 Land Rover Ireland Limited  
 Land Rover Parts Limited (*Dissolved & struck off with effect from July 14, 2015*)  
 The Daimler Motor Company Limited  
 Daimler Transport Vehicles Limited  
 S.S. Cars Limited  
 The Lanchester Motor Company Limited  
 Shanghai Jaguar Land Rover Automotive Services Company Limited  
 Jaguar Land Rover Pension Trustees Limited  
 JDHT Limited (*Acquired by Jaguar Land Rover Limited on February 2, 2015*)  
 Silkplan Limited (*Acquired by Jaguar Land Rover Limited on April 16, 2015*)  
 Jaguar Land Rover Slovakia s.r.o (*Incorporated w.e.f. August 27, 2015*)  
 Jaguar Land Rover Singapore Pte. Ltd (*Incorporated w.e.f. November 25, 2015*)  
 Jaguar Racing Limited (*Incorporated w.e.f. February 2, 2016*)  
 InMotion Ventures Limited (*Incorporated w.e.f. March 18, 2016*)

#### 2. Associates :

Jaguar Cars Finance Limited  
 Automobile Corporation of Goa Limited  
 Nita Company Limited  
 Tata Hitachi Construction Machinery Company Private Limited  
 Tata Precision Industries (India) Limited  
 Tata AutoComp Systems Limited  
 Tata Sons Ltd (*Investing Party*)

#### 3. Joint Ventures :

Tata Cummins Private Limited  
 Fiat India Automobiles Private Limited  
 Chery Jaguar Land Rover Automotive Company Limited  
 Chery Jaguar Land Rover Automotive Sales Company Limited  
 Spark44 (JV) Limited  
 Spark44 Pty. Ltd (Sydney)  
 Spark44 GmbH (Frankfurt)  
 Spark44 LLC (LA & NYC)  
 Spark44 Limited (Shanghai)  
 Spark44 Middle East DMCC (Dubai)  
 Spark44 Demand Creation Partners Limited (Mumbai)  
 Spark44 Limited (London & Birmingham)  
 Spark44 Pte Ltd (Singapore)  
 Spark44 Communication SL (Madrid)  
 Spark44 SRL (Rome)  
 Spark44 Limited (Seoul)  
 Spark44 KK (Tokyo)  
 Spark44 Canada Inc (Toronto)  
 TATA HAL Technologies Limited

#### 4. Key Management Personnel :

Mr Guenter Butschek - CEO & Managing Director (*w.e.f. February 15, 2016*)  
 Mr R Pisharody - Executive Director  
 Mr S B Borwankar - Executive Director



## NOTES FORMING PART OF FINANCIAL STATEMENTS

	(₹ in crores)				
	2015-2016				
(b) Transactions with the related parties	Subsidiaries	Joint Venture	Associates	Key Management Personnel	Total
Purchase of goods	<b>1,060.41</b> 1,314.21	<b>5,562.89</b> 5,329.00	<b>742.58</b> 774.56	-	<b>7,365.88</b> 7,417.77
Sale of goods (inclusive of sales tax)	<b>2,612.77</b> 1,611.15	<b>1,194.23</b> 1,243.30	<b>195.09</b> 170.28	-	<b>4,002.09</b> 3,024.73
Purchase of fixed assets	<b>26.17</b> 25.85	-	-	-	<b>26.17</b> 25.85
Sale of fixed assets	<b>5.57</b> 11.46	-	-	-	<b>5.57</b> 11.46
Redemption / buy back of investments	- 1,658.24	-	-	-	- 1,658.24
Sale of investment	<b>746.90</b> 145.66	-	-	-	<b>746.90</b> 145.66
Services received	<b>2,473.53</b> 2,755.01	<b>0.23</b> 0.86	<b>5.41</b> 4.48	<b>11.29#</b> 4.37	<b>2,490.46</b> 2,764.72
Services rendered	<b>256.40</b> 245.66	<b>15.94</b> 5.22	<b>14.26</b> 7.89	-	<b>286.60</b> 258.77
Finance given (including loans and equity)	<b>256.07</b> 141.71	-	- 159.00	-	<b>256.07</b> 300.71
Finance taken (including loans and equity)	<b>1,779.25</b> 1,667.00	-	<b>1,933.09</b> 4.00	<b>-*</b>	<b>3,712.34</b> 1,671.00
Loans repaid by the Company	<b>1,632.55</b> 1,392.25	-	<b>159.00</b> 20.00	-	<b>1,791.55</b> 1,412.25
Interest / dividend paid / (received) (net)	<b>(979.84)</b> (1,613.00)	<b>(28.47)</b> (19.57)	<b>(43.55)</b> 116.39	- -*	<b>(1,051.86)</b> (1,516.18)
Provision for loan given	<b>45.71</b>	-	-	-	<b>45.71</b>
Assets given as security	<b>2,500.00</b>	-	-	-	<b>2,500.00</b>
	-	-	-	-	-
(c) Balances with related parties (as at March 31, 2016)					
Amount receivable	<b>343.33</b> 620.95	-	<b>12.20</b> 4.65	-	<b>355.53</b> 625.60
Amount payable	<b>1,636.87</b> 337.63	<b>336.07</b> 287.35	<b>52.97</b> 59.63	-	<b>2,025.91</b> 684.61
Amount receivable (in respect of loans and interest)	<b>718.40</b> 605.48	<b>387.12</b> 367.94	- 25.66	-	<b>1,105.52</b> 999.08
Provision for amount receivable (including loans)	<b>639.49</b> 593.78	-	-	-	<b>639.49</b> 593.78
Amount payable (in respect of loans)	<b>445.45</b> 288.75	-	<b>27.00</b>	-	<b>472.45</b> 288.75
Bills discounted (in respect of amount receivable)	-	-	<b>5.18</b>	-	<b>5.18</b>
Bank Guarantee / Other assets given as security	- 2.35	-	<b>4.86</b> 3.00	-	<b>4.86</b> 5.35

# includes ₹4.61crores (₹ Nil for the year 2014-2015) of managerial remuneration which is subject to the approval of the Central Government and shareholders

\* Less than ₹10,000/-

Note : Current year figures are shown in bold and comparative figures for the previous year are shown below the current year

## NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

(d) Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year	2015-2016	2014-2015	
(i) <b>Purchase of goods</b>	Fiat India Automobiles Private Ltd	2,688.37	2,996.49
	Tata Cummins Private Ltd	2,874.52	2,332.51
	Tata Marcopolo Motors Ltd	578.16	659.88
	Jaguar Land Rover Ltd	466.12	628.57
	Tata AutoComp Systems Ltd	369.15	408.46
	Automobile Corporation of Goa Ltd	372.07	364.80
(ii) <b>Sale of goods (inclusive of sales tax)</b>	Fiat India Automobiles Private Ltd	982.50	1,066.15
	Concorde Motors (India) Ltd	742.78	599.84
	Jaguar Land Rover India Ltd	1,190.52	449.68
	TML Distribution Company Ltd	536.43	354.97
	Tata Cummins Private Ltd	211.73	177.15
	Nita Company Ltd	167.60	137.18
(iii) <b>Sale of investment</b>	TML Holdings Pte Ltd	324.48	145.66
	Tata Motors Finance Ltd	405.37	-
(iv) <b>Purchase of fixed assets</b>	Tata Technologies Ltd	3.44	11.00
	TML Drivelines Ltd	10.11	7.81
	TAL Manufacturing Solutions Ltd	8.19	4.32
	Jaguar Land Rover India Ltd	4.40	2.71
(v) <b>Sale of fixed assets</b>	TML Drivelines Ltd	5.57	-
(vi) <b>Services received</b>	TML Drivelines Ltd	826.02	766.26
	Tata Technologies Ltd	599.26	556.21
	Tata Motors European Technical Centre PLC	253.60	367.08
	Automobile Corporation of Goa Ltd	2.17	2.39
	Tata Sons Ltd	3.24	2.09
	Tata Motors Finance Solutions Ltd	412.97	-
	Tata Cummins Private Ltd	0.22	-
(vii) <b>Services rendered</b>	TML Drivelines Ltd	105.35	101.78
	Jaguar Land Rover Ltd	74.08	70.70
	Tata Hitachi Construction Machinery Company Private Ltd	10.59	5.79
	Tata Cummins Private Ltd	15.94	5.22
	Tata Sons Ltd	1.78	1.39
(viii) <b>Finance given (including loans and equity)</b>	Investment in Equity		
	Concorde Motors (India) Ltd	45.00	-
	Tata Motors European Technical Centre PLC	73.09	28.71
Loans	Tata Hispano Motors Carrocarriles Maghreb S.A.,	58.32	-
(ix) <b>Assets given as security</b>	Tata Motors Finance Solutions Ltd	2,500.00	-

## NOTES FORMING PART OF FINANCIAL STATEMENTS

		(₹ in crores)	
		2015-2016	2014-2015
(x)	<b>Finance taken by the Company</b>		
	Inter Corporate Deposit	1,168.80	983.70
	Inter Corporate Deposit	484.95	484.35
	Inter Corporate Deposit	28.00	4.00
	Inter Corporate Deposit	158.00	-
	Rights issue money received	1,747.09	-
(xi)	<b>Loans repaid by the Company</b>		
	Inter Corporate Deposit	1,147.30	882.20
	Inter Corporate Deposit	356.25	332.60
	Inter Corporate Deposit	158.00	167.45
(xii)	<b>Interest / Dividend paid / (received)</b>		
	Dividend paid / (received)	(29.70)	140.89
	Dividend received	(700.21)	(1,494.11)
	Dividend received	(227.25)	(99.99)
	Dividend received	(10.47)	-
	Dividend received	(4.47)	-
	Dividend received	(9.00)	-
	Interest received	(21.97)	(25.98)

ii) **Disclosures required by Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186(4) of the Companies Act, 2013**

(a) Amount of loans / advances in nature of loans outstanding from Subsidiaries and Joint Venture during 2015-2016

Name of the Company	Outstanding as at March 31, 2016	Maximum amount outstanding during the year
	₹ in crores	₹ in crores
<b>i) Subsidiaries:</b>		
Tata Motors European Technical Centre Plc., UK [Tata Motors European Technical Centre has utilised this loan for investment in National Automotive Innovation Centre set up jointly with University of Warwick and Jaguar Landrover Ltd and carried an interest rate of 12 months LIBOR + 3%, prevailing rate (4.7076% p.a - 4.7738% p.a.)]	40.56 20.80	40.56 22.39
Tata Hispano Motors Carrocera S.A. (Tata Hispano Motors Carrocera S.A. has utilised this loan for meeting its capex requirement and general corporate purposes, which is fully provided)	539.40 539.40	539.40 539.40
Tata Hispano Motors Carrocerries Maghreb S.A. (Tata Hispano Motors Carrocerries Maghreb S.A. has utilised this loan for general corporate purposes, which is partly provided)	58.32 -	58.32 -
TAL Manufacturing Solutions Ltd (Inter Corporate Deposit utilised for working capital finance at the rate of interest of 10.00% p.a. having Call / Put option)	5.00 10.00	15.00 10.00
Concorde Motors (India) Ltd (Inter Corporate Deposit utilised for working capital finance at the rate of interest of 10.00% p.a. having Call / Put option)	50.00 35.00	50.00 40.00
Tata Marcopolo Motors Ltd (Inter Corporate Deposit utilised for working capital finance at the rate of interest of 10.00% p.a. having Call / Put option)	25.00 -	25.00 -
<b>ii) Joint Ventures:</b>		
Fiat India Automobiles Private Ltd (Loan has been utilised for meeting Capex requirement. The Interest rate is RBI Bank rate, prevailing rate of interest is 7.75 % p.a.)	265.00 265.00	265.00 265.00

(b) Details of Investments made are given in Note 14 and 15 [Refer page F-23, F-24 and F-25].

(c) During the year 2015-16, the Company has provided Commitment for funding Tata Motors European Technical Centre's contribution towards the National Automotive Innovation Centre at the University of Warwick, UK GBP 16.6 million (₹ 158.45 crores).

## NOTES FORMING PART OF FINANCIAL STATEMENTS

32. The Company has joint ventures with (a) Fiat Group Automobiles S.p.A., Italy, Fiat India Automobiles Private Limited (FIAL), for manufacturing passenger cars, engines and transmissions at Ranjangaon in India and (b) Cummins Inc, USA, Tata Cummins Private Limited (TCL), for manufacturing engines in India. The Company has an investment of ₹ 1,567.04 crores as at March 31, 2016, representing 50% shareholding in FIAL and ₹ 90.00 crores as at March 31, 2016 representing 50% shareholding in TCL.

(a) The proportionate share of assets and liabilities as at March 31, 2016 and income and expenditure for the year 2015-2016 of FIAL as per their unaudited financial statement are given below:

	As at March 31, 2016	As at March 31, 2015		2015-2016	2014-2015
					(₹ in crores)
<b>RESERVES AND SURPLUS</b>	<b>167.47</b>	<b>10.26</b>	<b>INCOME</b>		
Reserves and Surplus			Revenue from operations	1,768.64	2,074.38
<b>NON-CURRENT LIABILITIES</b>			Less : Excise duty	(217.01)	(215.02)
Long-term Borrowings	395.15	403.78	Other operating income	169.82	188.15
Other Long term Liabilities	-	73.82			
Long-term Provisions	3.92	3.41	Other Income	29.04	45.50
<b>CURRENT LIABILITIES</b>				<b>1,750.49</b>	<b>2,093.01</b>
Short-term Borrowings	32.38	75.88			
Trade Payables	129.13	157.91	<b>EXPENDITURE</b>		
Other Current Liabilities	577.40	148.03	Manufacturing and other expenses	1,394.40	1,677.95
Short-term Provisions	7.42	1.31	Depreciation	120.20	132.44
	<b>1,145.40</b>	<b>864.14</b>	Finance Cost	35.75	78.07
<b>NON-CURRENT ASSETS</b>			Exchange (gain) / Loss (net) on revaluation of foreign currency borrowings, deposits and loan given	-	(48.13)
Fixed Assets	1,268.81	1,225.54	Tax expenses	43.00	52.50
Other Long-term Loans and Advances	169.57	35.13		<b>1,593.35</b>	<b>1,892.83</b>
Other Non-Current Assets	-	-			
<b>CURRENT ASSETS</b>	<b>1,097.07</b>	<b>836.30</b>			
	<b>2,535.45</b>	<b>2,096.97</b>			
Claims not acknowledged as debts	21.61	21.06			
Capital Commitments	479.90	9.08			

(b) The proportionate share of assets and liabilities as at March 31, 2016 and income and expenditure for the year 2015-16 of TCL as per their audited financial statement are given below :

	As at March 31, 2016	As at March 31, 2015		2015-2016	2014-2015
					(₹ in crores)
<b>RESERVES AND SURPLUS</b>			<b>INCOME</b>		
Reserves and Surplus	325.51	285.84	Revenue from operations	1,738.29	1,373.18
<b>NON-CURRENT LIABILITIES</b>			Less : Excise duty	(183.27)	(129.64)
Long-term Borrowings	18.56	81.84	Other operating income	3.77	4.44
Deferred tax liabilities	36.05	35.51			
Other Long term Liabilities	-	5.69	Other Income	1.63	1.86
Long-term Provisions	23.63	20.32		<b>1,560.42</b>	<b>1,249.84</b>
<b>CURRENT LIABILITIES</b>					
Short-term Borrowings	45.85	100.69	<b>EXPENDITURE</b>		
Trade Payables	195.92	137.33	Manufacturing and other expenses	1,468.75	1,171.75
Other Current Liabilities	111.49	96.40	Depreciation	52.96	39.09
Short-term Provisions	38.64	37.20	Finance Cost	19.63	7.96
	<b>470.14</b>	<b>514.98</b>	Tax expenses	7.27	5.29
<b>NON-CURRENT ASSETS</b>				<b>1,548.61</b>	<b>1,224.09</b>
Fixed Assets	573.84	607.19			
Other Long-term Loans and Advances	63.70	60.33			
Other Non-Current Assets	13.99	9.08			
<b>CURRENT ASSETS</b>	<b>234.10</b>	<b>214.22</b>			
	<b>885.63</b>	<b>890.82</b>			
Claims not acknowledged as debts	38.06	178.18			
Capital Commitments	22.02	31.16			

# NOTES FORMING PART OF FINANCIAL STATEMENTS

## 33. Defined benefit plans / long term compensated absences - as per actuarial valuations as on March 31, 2016.

(₹ in crores)

	Gratuity, Superannuation and BKY					Compensated Absences					Post-retirement Medicare scheme				
	2016	2015	2014	2013	2012	2016	2015	2014	2013	2012	2016	2015	2014	2013	2012
<b>i Components of employer expense</b>															
Current Service cost	46.38	42.10	44.21	41.46	37.98	34.17	29.92	31.17	28.55	23.16	6.05	4.56	4.27	3.96	4.12
Interest cost	55.04	57.42	53.44	51.78	48.77	19.92	19.56	18.92	18.21	15.82	10.39	9.80	7.80	7.64	7.03
Expected return on plan assets	(50.13)	(47.69)	(48.06)	(46.24)	(43.69)	-	-	-	-	-	-	-	-	-	-
Actuarial (Gains) / Losses	(10.46)	49.12	3.63	(0.04)	9.50	(3.59)	30.91	(22.41)	2.58	17.81	(11.18)	12.34	2.97	0.71	(3.80)
<b>Total expense recognised in the Statement of Profit and Loss in Note 24, page F-30 under item :</b>	<b>40.83</b>	100.95	53.22	46.96	52.56	<b>50.50</b>	80.39	27.68	49.34	56.79	<b>5.27</b>	26.70	15.04	12.31	7.35
	(b) & (c)					(a)					(c)				
<b>ii Actual Contribution and Benefit Payments for year ended March 31,</b>															
Actual benefit payments	101.72	119.14	72.95	72.52	48.92	41.04	46.48	38.16	31.79	25.62	5.65	1.02	2.85	2.94	2.82
Actual Contributions	36.66	102.62	25.24	54.12	46.91	41.04	46.48	38.16	31.79	25.62	5.65	1.02	2.85	2.94	2.82
<b>iii Net liability recognised in Balance Sheet as at March 31,</b>															
Present Value of Defined Benefit Obligation	752.94	742.03	690.29	682.38	652.56	279.16	269.56	235.89	245.72	230.14	134.67	134.32	108.64	96.42	88.66
Fair value of plan assets	664.54	657.87	604.45	624.60	587.21	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Net liability recognised in Balance Sheet</b>	<b>(88.40)</b>	(84.16)	(85.84)	(57.78)	(65.35)	<b>(279.16)</b>	(269.56)	(235.89)	(245.72)	(230.14)	<b>(134.67)</b>	(134.32)	(108.64)	(96.42)	(88.66)
Experience adjustment on plan liabilities	3.16	8.18	24.05	(20.20)	(1.05)	-	(6.68)	(4.97)	N/A	N/A	(14.88)	(4.42)	3.30	8.10	(3.87)
<b>iv Change in Defined Benefit Obligations (DBO) during the year ended March 31,</b>															
Present Value of DBO at the beginning of the year	742.03	690.29	682.38	652.56	606.73	269.56	235.89	245.72	230.14	198.97	134.32	108.64	96.42	88.66	84.13
Current Service cost	46.38	42.10	44.21	41.46	37.98	34.17	29.92	31.17	28.55	23.16	6.05	4.56	4.27	3.96	4.12
Interest cost	55.04	57.42	53.44	51.78	48.77	19.92	19.56	18.92	18.21	15.82	10.39	9.80	7.80	7.64	7.03
Transfer in/ Transfer (out)	5.47	(0.60)	0.98	(9.38)	-	0.13	(0.24)	0.65	(1.97)	-	0.73	-	0.03	(1.61)	-
Actuarial (gain) / losses	5.74	71.96	(17.77)	18.48	8.00	(3.59)	30.91	(22.41)	2.58	17.81	(11.18)	12.34	2.97	0.71	(3.80)
Benefits paid	(101.72)	(119.14)	(72.95)	(72.52)	(48.92)	(41.04)	(46.48)	(38.16)	(31.79)	(25.62)	(5.65)	(1.02)	(2.85)	(2.94)	(2.82)
<b>Present Value of DBO at the end of the year</b>	<b>752.94</b>	742.03	690.29	682.38	652.56	<b>279.16</b>	269.56	235.89	245.72	230.14	<b>134.67</b>	134.32	108.64	96.42	88.66
<b>v Change in Fair Value of Assets during the year ended March 31,</b>															
Plan assets at the beginning of the year	657.87	604.45	624.60	587.21	547.03	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Transfer in/ Transfer (out)	5.40	(0.60)	0.90	(8.97)	-	-	-	-	-	-	-	-	-	-	-
Actual return on plan assets	66.33	70.54	26.66	64.76	42.19	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Actual Company contributions	36.66	102.62	25.24	54.12	46.91	41.04	46.48	38.16	31.79	25.62	5.65	1.02	2.85	2.94	2.82
Benefits paid	(101.72)	(119.14)	(72.95)	(72.52)	(48.92)	(41.04)	(46.48)	(38.16)	(31.79)	(25.62)	(5.65)	(1.02)	(2.85)	(2.94)	(2.82)
<b>Plan assets at the end of the year</b>	<b>664.54</b>	657.87	604.45	624.60	587.21	<b>N/A</b>	N/A	N/A	N/A	N/A	<b>N/A</b>	N/A	N/A	N/A	N/A
<b>vi Actuarial Assumptions</b>															
Discount Rate (%)	6.75-8.00	6.75-8.00	6.75-9.20	6.75-8.35	6.75-8.50	8.00	8.00	9.20	8.35	8.50	8.00	8.00	9.20	8.35	8.50
Expected Return on plan assets (%)	8.00	8.00	8.00	8.00	8.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Medical cost inflation (%)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	6.00	6.00	6.00	5.00	4.00
<b>vii The major categories of plan assets as percentage of total plan assets</b>															
Debt securities	81%	73%	71%	73%	77%	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	17%	21%	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	2%	7%	1%	4%	4%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>viii Effect of one percentage point change in assumed Medical inflation rate</b>						One percentage point increase in Medical inflation rate					One percentage point decrease in Medical inflation rate				
						2016	2015	2014	2013	2012	2016	2015	2014	2013	2012
Revised DBO as at March 31,						150.95	150.27	119.81	103.81	95.34	118.27	118.16	96.31	87.07	81.62
Revised service cost for the year						7.24	6.81	4.96	3.95	4.01	4.64	4.65	3.70	2.79	3.04
Revised interest cost for the year						19.66	19.14	8.55	8.20	7.66	14.24	14.24	7.15	6.67	6.46

### (a) Defined Contribution Plans-

- (a) The Company's contribution to defined contribution plan aggregating ₹ 141.62 crores (2014-15 ₹ 142.08 crores) for the year ended March 31, 2016 has been recognised in the Statement of Profit and Loss under note 24 (b) page F-30.
- (b) The expected rate of return on plan assets is based on market expectations, at the beginning of the year, for returns over the entire life of the related obligation.
- (c) The assumption of future salary increases, considered in actuarial valuation, takes into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- (d) The Company expects to contribute ₹ 56.77 crores to the funded pension plans in the year 2016-17.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

	2015-2016	2014-2015
<b>34. Details of provision</b>		
(a) <b>Product warranty</b>		
Opening balance	515.11	409.48
Add: Provision for the year (net)	456.01	395.61
Less: Payments / debits (net of recoveries from suppliers)	(344.90)	(289.98)
Closing balance	626.22	515.11
Current	382.51	310.84
Non-current	243.71	204.27
(b) <b>Provision for Delinquency</b>		
Opening balance	1,596.26	1,017.61
Add: Provision for the year (net)	-	1,175.94
Less: Payments / debits (net)	(335.84)	(597.29)
Closing balance	1,260.42	1,596.26
Current	631.00	214.08
Non-current	629.42	1,382.18
(c) <b>Provision for Annual maintenance contracts</b>		
Opening balance	28.86	3.12
Add: Provision / (reversal) for the year (net)	8.68	29.32
Less: Payments / debits (net)	(9.76)	(3.58)
Closing balance	27.78	28.86
Current	17.79	16.29
Non-current	9.99	12.57
<b>35. Purchase of products for sale</b>		
(a) Spare parts and accessories for sale	1,578.61	1,731.67
(b) Bodies and trailers for mounting on chassis	1,404.30	1,330.24
(c) Vehicles <b>51,315 nos.</b> (2014-15 : 54,285 nos.)	2,276.36	2,703.33
	5,259.27	5,765.24
<b>36. Expenditure incurred on Research and Development</b>		
(a) Revenue expenditure - charged to statement of profit and loss	563.11	456.10
(b) Revenue expenditure - capitalised	1,573.20	1,651.70
(c) Capital expenditure	80.80	96.50
	2,217.11	2,204.30

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### 37. Derivative transactions

The Company uses forward exchange contracts, principal only swaps, interest rate swaps, currency swaps and currency options to hedge its exposure in foreign currency and interest rates. The information on derivative instruments is as follows :

(a) Derivative Instruments outstanding as at March 31, 2016

	Amount (Foreign currency in millions)	Buy / Sell	Amount (₹ in crores)
(i) Forward exchange contracts (net)			
USD \$ / INR ₹	<b>USD \$ 1.00</b>	<b>To Buy</b>	<b>6.63</b>
USD \$ / INR ₹	USD \$ 2.00	To Buy	12.50
USD \$ / INR ₹	<b>USD \$ 128.17</b>	<b>To Sell</b>	<b>849.09</b>
USD \$ / INR ₹	USD \$ 93.02	To Sell	581.35
GBP £ / INR ₹	<b>GBP £ 0.08</b>	<b>To Sell</b>	<b>0.76</b>
GBP £ / INR ₹	GBP £ 0.03	To Sell	0.26
(ii) Options (net)			
USD \$ / INR ₹	<b>USD \$ 739.50*</b>	<b>To Buy</b>	<b>4,899.00</b>
USD \$ / INR ₹	USD \$ 760.33	To Buy	4,751.90
USD \$ / INR ₹	<b>USD \$ 4.00</b>	<b>To Sell</b>	<b>26.50</b>
USD \$ / INR ₹	-	To Sell	-
GBP £ / USD \$	<b>GBP £ 24.00</b>	<b>To Buy</b>	<b>229.06</b>
GBP £ / USD \$	GBP £ 7.63	To Buy	70.54
GBP £ / INR ₹	-	<b>To Buy</b>	-
GBP £ / INR ₹	GBP £ 2.49	To Buy	23.02
EURO € / USD \$	<b>EURO € 8.00</b>	<b>To Buy</b>	<b>60.30</b>
EURO € / USD \$	-	To Buy	-
(b) Foreign exchange forward contracts, designated as cash flow hedges as at March 31, 2016			
USD \$ / INR ₹	<b>USD \$ 157.00</b>	<b>To Sell</b>	<b>1,040.09</b>
USD \$ / INR ₹	USD \$ 455.00	To Sell	2,843.64
(c) Foreign exchange currency exposures not covered by derivative instruments as at March 31, 2016			

	Amount (Foreign currency in millions)	Amount (₹ in crores)
(i) Amount receivable on account of sales of goods, loan and interest charges	-	-
	USD \$ 22.71	141.94
	<b>EURO € 0.25</b>	<b>1.92</b>
	-	-
	<b>GBP £ 4.27</b>	<b>40.76</b>
	GBP £ 4.65	43.02
	<b>THB 305.30</b>	<b>57.60</b>
	THB 179.85	34.52
	<b>ZAR 26.80</b>	<b>12.03</b>
	ZAR 52.14	26.76
(ii) Amount payable on account of loan and interest charges and other foreign currency expenditure	<b>USD \$ 98.05</b>	<b>649.57</b>
	USD \$ 70.36	439.76
	<b>EURO € 5.44</b>	<b>41.02</b>
	EURO € 9.25	62.13
	<b>GBP £ 9.26</b>	<b>88.43</b>
	GBP £ 28.72	265.50
	<b>JPY ¥ 67.66</b>	<b>399.00</b>
	JPY ¥ 113.89	5.94
	<b>ZAR 21.63</b>	<b>9.71</b>
	ZAR 16.06	8.24
	<b>Others</b>	<b>5.08</b>
	Others	5.83

\* Note: Options includes Call Spread Structures (Buy a Call option and Sell a Call option), Seagull Structures (Buy a Call option, Sell a Call option and Sell a Put option) and Range Forward (Sell a Call option and Buy a Put option).

## NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

	2015-2016	2014-2015
<b>38. Information in regard to Sale of Products effected by the Company</b>		
1. Light, medium and heavy commercial vehicles, jeep type vehicles, passenger cars, utility vehicles etc. and bodies thereon [including export and other incentives of ₹ 235.95 crores (2014-2015 ₹ 293.76 crores)]	41,201.55	34,151.74
2. Spare Parts for Vehicles	3,123.93	2,991.70
3. Others	1,553.97	1,686.05
	<b>45,879.45</b>	<b>38,829.49</b>
<b>39. Information in regard to raw materials and components consumed</b>		
(i) Engines	2,110.72	1,841.64
(ii) Tyres, tubes and flaps	2,807.59	2,375.75
(iii) Paints, oils and lubricants	181.59	188.00
(iv) Steel, steel tubes, steel melting scrap	581.37	609.75
(v) Non-ferrous alloys/metals, ferro alloys	77.01	89.70
(vi) Other components	18,554.80	17,050.39
	<b>24,313.08</b>	<b>22,155.23</b>

The consumption figures shown above are after adjusting excesses and shortages ascertained on physical count, unserviceable items, etc. The figures of other components comprise of finished/ semi finished components/ assemblies/ sub assemblies and other components (balancing figure based on the total consumption).

	2015-2016	2014-2015
<b>40. Information regarding exports and imports and other matters</b>		
1. Earnings in foreign exchange :		
(i) F.O.B. value of goods exported [including sales through Export House, Exports to Nepal, Bhutan and local sales eligible for export incentives and exchange differences (net) - gain of ₹ 10.32 crores (2014-15 ₹ 1.78 crores)]	4,372.15	3,980.18
(ii) Commission	1.68	1.77
(iii) Interest and dividend	708.37	1,526.95
(iv) Sale of services	50.79	58.31
(v) Profit on sale of investment	325.99	13.49
2. C.I.F. value of imports:		
(i) Raw material and components	1,271.37	1,254.57
(ii) Machinery spares and tools	40.68	37.78
(iii) Capital goods	354.25	387.62
(iv) Vehicles / spare parts / accessories for sale	25.42	195.48
(v) Other items	17.84	16.01
3. (a) Value of imported and indigenous raw materials and components consumed [note below] :		
(i) Imported	941.99	1,073.39
(ii) Indigenously obtained	23,371.09	21,081.84
(b) Percentage to total consumption :		
(i) Imported	3.87	4.84
(ii) Indigenously obtained	96.13	95.16

In giving the above information, the Company has taken the view that components and spares as referred to in Clause 5(viii)(c) of Part II of Schedule III of Companies Act, 2013 covers only such items as are consumed directly in production.



## NOTES FORMING PART OF FINANCIAL STATEMENTS

	(₹ in crores)	
	2015-2016	2014-2015
<b>41. Expenditure in foreign currency (subject to deduction of tax where applicable)</b>		
(i) Technical know-how / services / consultancy fees	<b>565.03</b>	661.40
(ii) Interest	<b>263.34</b>	170.21
(iii) Consultancy / professional charges	<b>13.42</b>	12.08
(iv) Payments on other accounts [including exchange differences (net)]	<b>219.44</b>	327.19

### 42. Other notes

(i) The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law/ accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of account.

#### (ii) 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)	
	2015-2016	2014-2015
(a) Amounts outstanding but not due as at March 31,	<b>127.39</b>	139.28
(b) Amounts due but unpaid as at March 31,	-	-
- Principal		
(c) Amounts paid after appointed date during the year	<b>122.51</b>	125.55
- Principal		
(d) Amount of interest accrued and unpaid as at March 31,	<b>1.17</b>	1.15
- Interest		
(e) Amount of estimated interest due and payable for the period from April 1, 2016 to actual date of payment or May 30, 2016 (whichever is earlier)	<b>0.03</b>	0.04
- Interest		

(iii) Current year figures are shown in bold prints.

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

**CYRUS P MISTRY [DIN: 00010178]**  
Chairman

For and on behalf of the Board

**N N WADIA [DIN: 00015731]**

**R A MASHELKAR [DIN: 00074119]**

**S BHARGAVA [DIN: 00035672]**

**N MUNJEE [DIN: 00010180]**

**V K JAIRATH [DIN: 00391684]**

**R SPETH [DIN: 03318908]**

Directors

**GUENTER BUTSCHEK [DIN: 07427375]**

CEO & Managing Director

**R PISHARODY [DIN: 01875848]**

Executive Director

**S B BORWANKAR [DIN: 01793948]**

Executive Director

**C RAMAKRISHNAN**

Group Chief Financial Officer

**H K SETHNA [FCS: 3507]**

Company Secretary

Mumbai, May 30, 2016

# INDEPENDENT AUDITORS' REPORT

## TO THE MEMBERS OF TATA MOTORS LIMITED

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **TATA MOTORS LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates and jointly controlled entities, comprising the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, as applicable. The respective Boards of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated 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 financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at March 31, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

## Emphasis of Matter

We draw attention to Note j (i) under significant accounting policies. As stated in the note, the changes in actuarial valuation (net) amounting to ₹3,702.60 crores (net of tax) for the year ended March 31, 2016, has been credited and ₹6,659.25 crores (net of tax) has been debited as at March 31, 2016 to "Reserves and Surplus" in respect of a group of subsidiary companies.

Our opinion is not qualified in respect of the above matter.

## Other Matters

- a) We did not audit the financial statements / financial information of thirteen subsidiaries, whose financial statements / financial information reflect total assets (net) of ₹75,780.71 crores as at March 31, 2016, total revenues of ₹2,31,743.47 crores and net cash outflows amounting to ₹264.02 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also includes the Group's share of net profit of ₹4.34 crores for the year ended March 31, 2016, as considered in the consolidated financial statements, in respect of one associate, whose financial statements / financial information has not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors.
- b) We did not audit the financial statements / financial information of six subsidiaries and one jointly controlled entity, whose financial statements / financial information reflect total assets (net) of ₹983.89 crores as at March 31, 2016, total revenues of ₹2,211.67 crores and net cash inflows amounting to ₹52.59 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 ₹11.19 crores for the year ended March 31, 2016, as considered in the consolidated financial statements, in respect of two associates, whose financial statements / financial information have not been audited by us. These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

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- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.
- e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled companies incorporated in India are disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our Report in "Annexure A", which is based on the auditors' reports of the Holding Company, subsidiary companies, associate companies and jointly controlled companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding Company's/ subsidiary companies' / associate companies' / jointly controlled companies' incorporated in India internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities.
- ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and jointly controlled companies incorporated in India.

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

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

MUMBAI, May 30, 2016

## ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT

**(Referred to in paragraph (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date to the Members of Tata Motors Limited)**

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of **TATA MOTORS LIMITED** (hereinafter referred to as “the Holding Company”) and its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, as of that date.

### Management’s Responsibility for Internal Financial Controls

The respective Boards of Directors of the Holding Company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (“the Guidance Note”) issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary company, which is company incorporated in India, in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us and taking into consideration the reports of the other auditors referred to in the Other Matters paragraph below, the Holding Company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

### **Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one subsidiary company, which is incorporated in India, is based on the corresponding report of the auditors of such company incorporated in India.

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

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

MUMBAI, May 30, 2016

# CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2016

				(₹ in crores)	
				As at March 31, 2016	As at March 31, 2015
	Note	Page			
<b>I. EQUITY AND LIABILITIES</b>					
<b>1. SHAREHOLDERS' FUNDS</b>					
(a) Share capital	2	F-58	679.18		643.78
(b) Reserves and surplus	3	F-60	<b>80,103.49</b>		55,618.14
				<b>80,782.67</b>	56,261.92
<b>2. MINORITY INTEREST</b>					
				<b>888.26</b>	433.34
<b>3. NON-CURRENT LIABILITIES</b>					
(a) Long-term borrowings	4	F-62	51,876.31		56,071.34
(b) Deferred tax liabilities (net)	6	F-64	3,166.08		1,343.20
(c) Other long-term liabilities	7	F-65	9,946.52		9,141.92
(d) Long-term provisions	9	F-66	<b>11,817.30</b>		15,134.27
				<b>76,806.21</b>	81,690.73
<b>4. CURRENT LIABILITIES</b>					
(a) Short-term borrowings	5	F-62	11,223.63		13,140.14
(b) Trade payables	11	F-66	63,632.89		57,407.28
(c) Other current liabilities	8	F-65	27,261.82		23,688.58
(d) Short-term provisions	10	F-66	<b>8,702.12</b>		6,036.00
				<b>110,820.46</b>	100,272.00
				<b>269,297.60</b>	2,38,657.99
<b>II. ASSETS</b>					
<b>1. NON-CURRENT ASSETS</b>					
(a) Fixed Assets					
(i) Tangible assets	12	F-67	63,107.34		52,326.21
(ii) Intangible assets	13	F-67	38,482.89		31,456.29
(iii) Capital work-in-progress			7,808.51		9,330.47
(iv) Intangible assets under development			<b>19,451.93</b>		19,309.62
			<b>128,850.67</b>		1,12,422.59
(b) Goodwill (on consolidation)	14	F-68	4,836.52		4,696.99
(c) Non-current investments	15	F-68	1,253.15		1,240.50
(d) Deferred tax assets (net)	6	F-64	2,726.43		2,733.20
(e) Long-term loans and advances	17	F-69	13,940.82		14,948.31
(f) Other non-current assets	19	F-70	<b>2,374.88</b>		858.00
				<b>153,982.47</b>	136,899.59
<b>2. CURRENT ASSETS</b>					
(a) Current investments	16	F-69	19,212.94		14,096.24
(b) Inventories	21	F-70	33,398.98		29,272.34
(c) Trade receivables	22	F-70	12,989.96		12,579.20
(d) Cash and bank balances	23	F-70	32,879.98		32,115.76
(e) Short-term loans and advances	18	F-69	14,757.51		10,746.44
(f) Other current assets	20	F-70	<b>2,075.76</b>		2,948.42
				<b>115,315.13</b>	101,758.40
				<b>269,297.60</b>	2,38,657.99
<b>III. NOTES FORMING PART OF FINANCIAL STATEMENTS</b>					

In terms of our report attached

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants**B P SHROFF**  
Partner

Mumbai, May 30, 2016

For and on behalf of the Board

**N N WADIA [DIN: 00015731]**  
**R A MASHELKAR [DIN: 00074119]**  
**S BHARGAVA [DIN: 00035672]**  
**N MUNJEE [DIN: 00010180]**  
**V K JAIRATH [DIN: 00391684]**  
**R SPETH [DIN: 03318908]**  
 Directors

**GUENTER BUTSCHEK [DIN: 07427375]**  
 CEO & Managing Director  
**R PISHARODY [DIN: 01875848]**  
 Executive Director  
**S B BORWANKAR [DIN: 01793948]**  
 Executive Director  
**C RAMAKRISHNAN**  
 Group Chief Financial Officer  
**H K SETHNA [FCS: 3507]**  
 Company Secretary

Mumbai, May 30, 2016

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# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2016

		Note	Page	(₹ in crores)	
				2015-2016	2014-2015
<b>I.</b>	<b>REVENUE FROM OPERATIONS</b>	24 (I)	F-71	<b>280,096.72</b>	266,707.90
	Less: Excise duty			<b>(4,535.61)</b>	(3,548.92)
				<b>275,561.11</b>	263,158.98
<b>II.</b>	<b>OTHER INCOME</b>	24 (II)	F-71	<b>981.72</b>	898.74
<b>III.</b>	<b>TOTAL REVENUE (I + II)</b>			<b>276,542.83</b>	264,057.72
<b>IV.</b>	<b>EXPENSES:</b>				
	(a) Cost of materials consumed			<b>152,445.39</b>	149,956.54
	(b) Purchase of products for sale			<b>12,850.27</b>	13,293.82
	(c) Changes in inventories of finished goods, work-in-progress and products for sale			<b>(2,876.62)</b>	(3,330.35)
	(d) Employee cost / benefits expense	25	F-72	<b>29,198.89</b>	25,548.96
	(e) Finance cost	26	F-72	<b>4,623.35</b>	4,861.49
	(f) Depreciation and amortisation expense			<b>17,014.18</b>	13,388.63
	(g) Product development / Engineering expenses			<b>3,480.43</b>	2,875.17
	(h) Other expenses	27	F-72	<b>60,424.95</b>	50,980.37
	(i) Expenditure transferred to capital and other accounts			<b>(16,718.43)</b>	(15,404.18)
	<b>TOTAL EXPENSES</b>			<b>260,442.41</b>	242,170.45
<b>V.</b>	<b>PROFIT BEFORE EXCEPTIONAL ITEMS, EXTRAORDINARY ITEMS AND TAX (III - IV)</b>			<b>16,100.42</b>	21,887.27
<b>VI.</b>	<b>EXCEPTIONAL ITEMS</b>				
	(a) Exchange loss (net) including on revaluation of foreign currency borrowings, deposits and loans			<b>240.19</b>	91.72
	(b) Employee separation cost			<b>32.72</b>	92.99
	(c) Provision for costs associated with closure of operations and impairment of intangibles of a subsidiary company			<b>44.31</b>	-
	(d) Impairment of capitalised fixed assets			<b>163.94</b>	-
	(e) Others	39(a)	F-86	<b>1,638.39</b>	-
				<b>2,119.55</b>	184.71
<b>VII.</b>	<b>PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX (V - VI)</b>			<b>13,980.87</b>	21,702.56
VIII.	Extraordinary items			-	-
<b>IX.</b>	<b>PROFIT BEFORE TAX FROM CONTINUING OPERATIONS (VII - VIII)</b>			<b>13,980.87</b>	21,702.56
X.	Tax expense (net)	6(c)	F-64	<b>2,872.60</b>	7,642.91
<b>XI.</b>	<b>PROFIT AFTER TAX FROM CONTINUING OPERATIONS (IX - X)</b>			<b>11,108.27</b>	14,059.65
XII.	Share of profit / (loss) of associates (net)			<b>21.34</b>	13.42
XIII.	Minority interest			<b>(105.86)</b>	(86.78)
<b>XIV.</b>	<b>PROFIT FOR THE YEAR</b>			<b>11,023.75</b>	13,986.29
<b>XV.</b>	<b>EARNINGS PER SHARE</b>	28	F-73		
	A. Ordinary shares (Face value of ₹ 2 each)				
	a. Basic	₹		<b>32.61</b>	42.98
	b. Diluted	₹		<b>32.60</b>	42.97
	B. 'A' Ordinary shares (Face value of ₹ 2 each)				
	a. Basic	₹		<b>32.71</b>	43.08
	b. Diluted	₹		<b>32.70</b>	43.07
<b>XVI.</b>	<b>NOTES FORMING PART OF FINANCIAL STATEMENTS</b>				

In terms of our report attached

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants**B P SHROFF**  
Partner

Mumbai, May 30, 2016

For and on behalf of the Board

**N N WADIA [DIN: 00015731]**  
**R A MASHELKAR [DIN: 00074119]**  
**S BHARGAVA [DIN: 00035672]**  
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 Executive Director  
**C RAMAKRISHNAN**  
 Group Chief Financial Officer  
**H K SETHNA [FCS: 3507]**  
 Company Secretary

Mumbai, May 30, 2016



# CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2016

	(₹ in crores)	
	2015 -2016	2014 -2015
<b>A. Cash flows from operating activities</b>		
Profit for the year	11,023.75	13,986.29
Adjustments for:		
Depreciation and amortization expense (including lease equalisation adjusted in income)	17,014.18	13,386.36
Loss on sale of assets (including assets scrapped / written off)	792.04	699.83
Profit on sale of investments (net)	(181.39)	(119.57)
Diminution in value of investment	1.50	
Provision for costs associated with closure of operations and impairment of intangibles of a subsidiary	44.31	-
Provision made for doubtful finance receivables	506.68	1,587.46
Provision made for doubtful trade receivables and advances	103.61	217.66
Gain on settlement of deferred sales tax liability	(163.68)	(178.64)
Share of (profit) / loss of associates (net)	(21.34)	(13.42)
Impairment of capitalised fixed assets	163.94	-
Exceptional items - others	1,638.39	-
Minority interest	105.86	86.78
Tax expense (net)	2,872.60	7,642.91
Interest / dividend (net)	3,823.02	4,082.32
Exchange difference (net)	885.65	2,019.13
	<b>27,585.37</b>	<b>29,410.82</b>
Operating profit before working capital changes	<b>38,609.12</b>	43,397.11
Adjustments for:		
Inventories		
Trade receivables	(5,234.24)	(3,692.41)
Finance receivables	(136.40)	(3,008.02)
Other current and non-current assets	(2,628.23)	(170.97)
Trade payables	153.08	(624.61)
Other current and non-current liabilities	4,741.40	3,597.82
Provisions	2,376.42	423.83
	<b>3,279.50</b>	<b>(197.45)</b>
	<b>2,551.53</b>	<b>(3,671.81)</b>
Cash generated from operations	<b>41,160.65</b>	39,725.30
Income taxes paid (net)	<b>(1,993.94)</b>	(4,194.04)
Net cash from operating activities	<b>39,166.71</b>	35,531.26
<b>B. Cash flows from investing activities</b>		
Payment for fixed assets	(32,682.08)	(31,962.17)
Proceeds from sale of fixed assets	58.84	74.19
Investments in mutual fund sold / (made) (net)	(4,714.73)	(5,450.10)
Acquisition of subsidiary company	(111.44)	-
Investment in Associate companies	-	(160.00)
Investments - others	(12.91)	(10.51)
Investments in Pass-through certificates (PTC) sold / (made) (net)	35.53	57.12
Sale / redemption of investments - others	89.20	42.34
Fixed deposits with Financial Institutions made	(1,968.00)	(200.00)
Fixed deposits with Financial Institutions realised	1,968.00	232.50
Deposits of margin money / cash collateral	(153.85)	-
Realisation of margin money / cash collateral	83.87	36.17
Fixed / restricted deposits with banks made	(47,048.78)	(28,550.25)
Fixed / restricted deposits with banks realised	44,947.13	30,340.77
Interest received	768.14	697.74
Dividend received from associates	15.42	15.33
Dividend / income on investments received	42.27	64.65
Loan to Others (net)	7.58	-
(Increase) / decrease in short term Inter-corporate deposit	65.00	(95.00)
Net cash used in investing activities	<b>(38,610.81)</b>	<b>(34,867.22)</b>

# CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2016

(₹ in crores)

	2015 -2016	2014 - 2015
<b>C. Cash flows from financing activities</b>		
Proceeds from Rights issue of shares (net of issue expenses)	7,433.22	-
Brokerage and other expenses on Non-Convertible Debentures (NCD)	2.84	(47.95)
Premium paid on redemption of NCD	-	(744.19)
Proceeds from long-term borrowings (net of issue expenses)	10,887.42	27,393.38
Repayment of long-term borrowings	(13,964.34)	(17,714.72)
Proceeds from short-term borrowings	13,964.41	8,969.27
Repayment of short-term borrowings	(15,132.23)	(9,771.64)
Net change in other short-term borrowings (with maturity up to three months)	(932.13)	4,153.95
Repayment of fixed deposits	(2.74)	(9.31)
Dividend paid (including dividend distribution tax)	(86.28)	(681.06)
Dividend paid to minority shareholders	(87.66)	(39.31)
Proceeds from issue of preference shares to minority shareholders (net of issue expenses)	428.44	-
Interest paid [including discounting charges paid ₹ 681.99 crores (2014-2015 ₹ 885.00 crores)]	(5,703.90)	(6,306.98)
Net cash (used in) / from financing activities	(3,192.95)	5,201.44
<b>Net (decrease) / increase in cash and cash equivalents (A+B+C)</b>	<b>(2,637.05)</b>	<b>5,865.48</b>
Cash and cash equivalents as at April 1 (Opening balance)	21,128.33	16,627.98
Cash and cash equivalent on acquisition of subsidiary	-	0.46
Effect of foreign exchange on cash and cash equivalents	859.20	(1,365.59)
<b>Cash and cash equivalents as at March 31 (Closing balance)</b>	<b>19,350.48</b>	<b>21,128.33</b>
Previous year's figures have been restated, wherever necessary, to confirm to this year's classification.		

In terms of our report attached

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

**B P SHROFF**  
Partner

Mumbai, May 30, 2016

**CYRUS P MISTRY [DIN: 00010178]**  
Chairman

For and on behalf of the Board

**N N WADIA [DIN: 00015731]**  
**R A MASHELKAR [DIN: 00074119]**  
**S BHARGAVA [DIN: 00035672]**  
**N MUNJEE [DIN: 00010180]**  
**V K JAIRATH [DIN: 00391684]**  
**R SPETH [DIN: 03318908]**  
Directors

**GUENTER BUTSCHEK [DIN: 07427375]**  
CEO & Managing Director  
**R PISHARODY [DIN: 01875848]**  
Executive Director  
**S B BORWANKAR [DIN: 01793948]**  
Executive Director  
**C RAMAKRISHNAN**  
Group Chief Financial Officer  
**H K SETHNA [FCS: 3507]**  
Company Secretary

Mumbai, May 30, 2016

# 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 have been prepared in accordance with the Generally Accepted Accounting Principles in India to comply with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act")

#### (b) Use of estimates

The preparation of financial statements requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent liabilities at the date of these financial statements. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

#### (c) Principles of consolidation:

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

- The financial statements of the subsidiary companies / joint ventures / associates used in the consolidation are drawn upto the same reporting date as of the Company i.e. year ended March 31, 2016.
- The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions and unrealised profits have been fully eliminated.
- The consolidated financial statements include the share of profit / loss of the associate companies which has been accounted as per the 'Equity method'; and accordingly, the share of profit / loss of each of the associate companies (the loss being restricted to the cost of investment) has been added to / deducted from the cost of investments.  
An associate is an enterprise in which the investor has significant influence and which is neither a subsidiary nor a joint venture of the investor.
- The financial statements of the joint venture companies have been combined by using proportionate consolidation method and accordingly, venturer's share of each of the assets, liabilities, income and expenses of jointly controlled entity is reported as separate line items in the Consolidated Financial Statements.
- The excess of cost to the Company of its investments in the subsidiary companies / joint ventures over its share of equity of the subsidiary companies / joint ventures, at the dates on which the investments in the subsidiary companies / joint ventures are made, is recognised as 'Goodwill' being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary companies / joint ventures as on the date of investment is in excess of cost of investment of the Company, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the consolidated financial statements.
- Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments as stated above.

#### (d) The following subsidiary companies are considered in the Consolidated Financial Statements:

Sr No.	Name of the Subsidiary Company	Country of incorporation	% of equity holding either directly or through subsidiaries	
			As at March 31, 2016	As at March 31, 2015
<b>Direct Subsidiaries</b>				
1	TML Drivelines Limited	India	100	100
2	TAL Manufacturing Solutions Limited	India	100	100
3	Concorde Motors (India) Limited	India	100	100
4	Tata Motors Insurance Broking & Advisory Services Limited	India	100	100
5	Tata Motors European Technical Centre Plc	UK	100	100
6	Tata Technologies Limited	India	72.32	72.32
7	Tata Motors Finance Limited	India	100	100
8	Tata Marcopolo Motors Limited	India	51	51
9	TML Holdings Pte Limited	Singapore	100	100
10	TML Distribution Company Limited	India	100	100
11	Tata Hispano Motors Carrocera S.A.	Spain	100	100
12	Tata Hispano Motors Carrocerias Maghreb S.A.	Morocco	100	100
13	Trilix S.r.l	Italy	80	80
14	Tata Precision Industries Pte Limited	Singapore	78.39	78.39
<b>Indirect subsidiaries *</b>				
15	Tata Daewoo Commercial Vehicle Co. Limited	South Korea	100	100
16	Tata Daewoo Commercial Vehicle Sales and Distribution Co. Limited	South Korea	100	100
17	Tata Motors (Thailand) Limited	Thailand	95.28	95.28
18	Tata Motors (SA) (Proprietary) Limited	South Africa	60	60
19	PT Tata Motors Indonesia	Indonesia	100	100
20	Tata Technologies (Thailand) Limited	Thailand	72.32	72.32
21	Tata Technologies Pte. Limited, Singapore	Singapore	72.32	72.32
22	INCAT International Plc	UK	72.32	72.32
23	Tata Technologies Europe Limited	UK	72.32	72.32
24	INCAT GmbH.	Germany	72.32	72.32
25	Tata Technologies Inc	USA	72.37	72.52
26	Tata Technologies de Mexico, S.A. de C.V.	Mexico	72.37	72.52
27	Tata Technologies (Canada) Inc.	Canada	72.37	72.52
28	Cambric Limited, Bahamas	USA	72.32	72.32

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Sr No.	Name of the Subsidiary Company	Country of incorporation	% of holding either directly or through subsidiaries	
			As at March 31, 2016	As at March 31, 2015
29	Cambric UK Limited	UK	72.32	72.32
30	Cambric GmbH	Germany	72.32	72.32
31	Midwest Managed Services Inc, Utah	USA	72.32	72.32
32	Tata Technologies SRL	Romania	72.32	72.32
33	Cambric Manufacturing Technologies (Shanghai) Co. Limited	China	72.32	72.32
34	Jaguar Land Rover Automotive Plc	UK	100	100
35	Jaguar Land Rover Limited	UK	100	100
36	Jaguar Land Rover Austria GmbH	Austria	100	100
37	Jaguar Land Rover Belux NV	Belgium	100	100
38	Jaguar Land Rover Japan Limited	Japan	100	100
39	Jaguar Cars South Africa (pty) Limited	South Africa	100	100
40	JLR Nominee Company Limited	UK	100	100
41	The Daimler Motor Company Limited	UK	100	100
42	The Jaguar Collection Limited	UK	100	100
43	Daimler Transport Vehicles Limited	UK	100	100
44	S.S. Cars Limited	UK	100	100
45	The Lanchester Motor Company Limited	UK	100	100
46	Jaguar Land Rover Deutschland GmbH	Germany	100	100
47	Jaguar Land Rover Holdings Limited (formerly known as Land Rover)	UK	100	100
48	Jaguar Land Rover North America LLC	USA	100	100
49	Land Rover Ireland Limited	Ireland	100	100
50	Jaguar Land Rover Nederland BV	Netherlands	100	100
51	Jaguar Land Rover Portugal - Veiculos e Pecas, LDA	Portugal	100	100
52	Jaguar Land Rover Australia Pty Limited	Australia	100	100
53	Jaguar Land Rover Italia Spa	Italy	100	100
54	Jaguar Land Rover Espana SL (formerly known as Land Rover Espana SL)	Spain	100	100
55	Jaguar Land Rover Korea Co. Limited	South Korea	100	100
56	Jaguar Land Rover Automotive Trading (Shanghai) Co. Limited	China	100	100
57	Jaguar Land Rover Canada ULC	Canada	100	100
58	Jaguar Land Rover France, SAS	France	100	100
59	Jaguar Land Rover (South Africa) (pty) Limited	South Africa	100	100
60	Jaguar e Land Rover Brasil Indústria e Comércio de Veiculos LTDA (Name changed from Jaguar e Land Rover Brasil Importacao e Comercio de Veiculos Ltda w.e.f. February 10, 2016)	Brazil	100	100
61	Limited Liability Company "Jaguar Land Rover" (Russia)	Russia	100	100
62	Land Rover Parts Ltd (Dissolved on July 14, 2015)	UK	100	100
63	Jaguar Land Rover (South Africa) Holdings Limited	UK	100	100
64	Jaguar Land Rover India Limited	India	100	100
65	Jaguar Cars Limited	UK	100	100
66	Land Rover Exports Ltd. (non-trading)	UK	100	100
67	Jaguar Land Rover Pension Trustees Limited	UK	100	100
68	Jaguar Daimler Heritage Trust Limited	UK	100	100
69	Silkplan Ltd (Acquired on April 16, 2015)	UK	100	-
70	Shanghai Jaguar Land Rover Automotive Services Company Limited	China	100	100
71	Jaguar Land Rover Slovakia s.r.o (Incorporated w.e.f. August 27, 2015)	Slovakia	100	-
72	Jaguar Land Rover Singapore Pte Ltd (incorporated w.e.f. November 25, 2015)	Singapore	100	-
73	Jaguar Racing Limited (Incorporated w.e.f. February 2, 2016)	UK	100	-
74	InMotion Ventures Limited (Incorporated w.e.f. March 18, 2016)	UK	100	-
75	PT Tata Motors Distribusi Indonesia	Indonesia	100	100
76	Tata Motors Finance Solutions Limited (Converted from Private Ltd w.e.f. June 4, 2015)	India	100	100
77	TMNL Motor Services Nigeria Limited (incorporated w.e.f. September 2, 2015)	Nigeria	100	-
78	Sheba Properties Ltd (indirect subsidiary w.e.f. March 31, 2016)	India	100	100

\* 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 equity holding either directly or through subsidiaries	
			As at March 31, 2016	As at March 31, 2015
1	Fiat India Automobiles Private Limited	India	50	50
2	Tata Cummins Private Limited	India	50	50
3	Tata HAL Technologies Limited**	India	36.16	36.16
4	Spark44 (JV) Limited	UK	50	50
5	Spark44 Pty. Limited. (Sydney)	Australia	50	50
6	Spark44 GmbH (Frankfurt)	Germany	50	50
7	Spark44 LLC (LA & NYC)	USA	50	50
8	Spark44 Limited (Shanghai)	China	50	50
9	Spark44 Middle East DMCC (Dubai)	UAE	50	50
10	Spark44 Demand Creation Partners Limited (Mumbai)	India	50	50
11	Spark44 Limited (London & Birmingham)	UK	50	50
12	Spark44 Pte Limited (Singapore)	Singapore	50	50
13	Spark44 Communication SL (Madrid)	Spain	50	50
14	Spark44 SRL (Rome)	Italy	50	50
15	Spark44 Limited (Seoul)	South Korea	50	50
16	Spark44 KK (Tokyo)	Japan	50	50
17	Spark44 Canada Inc (Toronto)	Canada	50	50
18	Chery Jaguar Land Rover Automotive Co Limited	China	50	50
19	Chery Jaguar Land Rover Auto Sales Company Limited	China	50	50

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

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## (II) Significant accounting policies :

### (a) Revenue recognition

#### (i) Sale of products

The Company recognises revenue on the sale of products, net of discounts, sales incentives, customer bonuses and rebates granted, 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 the Straight Line Method (SLM) over the estimated useful lives of the assets considering the nature, estimated usage, operating conditions, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support. Taking into account these factors, the Company and its domestic group companies have decided to retain the useful life hitherto adopted for various categories of fixed assets, which are different from those prescribed in Schedule II of the Act.

#### Type of Asset

#### Estimated useful life

Leasehold Land	amortised over the period of the lease
Buildings, Roads, Bridge and culverts	4 to 60 years
Plant, machinery and equipment	3 to 30 years
Computers and other IT assets	3 to 6 years
Vehicles	3 to 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.

(ii) 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.

(iii) Product development costs are amortised over a period of upto 120 months for New Generation vehicles and power trains on the basis of highest of the volumes between planned and actuals and on a straight line method over a period of 36 months for Vehicle Variants, Derivatives and other Regulatory Projects.

(iv) In respect of assets whose useful life has been revised, the unamortised depreciable amount has been charged over the revised remaining useful life.

(v) 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 and accumulated impairment, if any.

(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 the 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 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) Heritage assets are measured at cost and not depreciated as they are considered to have useful economic life in excess of 50 years. An annual impairment review is performed and any impairment in the carrying value is recognized immediately in the statement of Profit and Loss.

(v) Tangible assets and Software not exceeding ₹25,000 and product development costs relating to minor product enhancements, facelifts and upgrades are charged off to the Statement of Profit and Loss as and when incurred.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### (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 at March 31, 2016, none of the fixed assets were considered impaired.

### (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 / rental income 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 Statment 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 were accumulated in Foreign Currency Monetary Item Translation Difference Account, and 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 for the year.

- (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.

### (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.

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## (h) Income on vehicle loan

Interest income from loan contracts in respect of vehicles 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 finance receivables based on the prudential norms issued by the RBI relating to income recognition, assets classification and non-performing assets. In addition to the provisioning as per the RBI norms, provision is also being made for the anticipated loss to be incurred by the Company on resale of repossessed vehicles.

## (i) 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.

## (j) Employee benefits

### (i) Pension plans

One of the major subsidiary groups, 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 March 31, 2016, ₹3,702.60 crores (net of tax) has been credited and ₹6,659.25 crores (debit) (net of tax) as at March 31, 2016, have been accounted in "Reserves and Surplus" representing changes in actuarial valuation of pension plans of Jaguar Land Rover group 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. Some subsidiaries have obtained insurance policies with the Life Insurance Corporation of India. 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 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.

During the year 2014-15, the employees covered by this plan were given one time option to exit from the plan prospectively. Further, the employees who opted for exit were given one time option to withdraw accumulated balances from the superannuation plan.

The Company maintains a separate irrevocable trust for employees covered and entitled to benefits. The Company contributes up to 15% or ₹1,00,000 whichever is lower 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.

### (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 as at Balance Sheet date.

### (v) 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

### (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 as at Balance Sheet date.

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## (vii) Provident fund and family pension

The eligible employees of the Company and some of its subsidiaries are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the company/subsidiaries make monthly/annual contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary). The contributions, as specified under the law, are made to the provident fund and pension fund set up as irrevocable trust by the Company and its subsidiaries or to respective Regional Provident Fund Commissioner and the Central Provident Fund under the State Pension scheme. The Company and some of its subsidiaries are generally liable for monthly/annual contributions and any shortfall in the fund assets based on the government specified minimum rates of return or pension and recognises such contributions and shortfall, if any, as an expense in the year incurred.

## (viii) Compensated absences

The Company and some of its subsidiaries provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation.

## (k) 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.

## (l) 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 substantively 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.

## (m) 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.

## (n) 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.



(Consolidated)

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

	As at March 31, 2016	As at March 31, 2015
<b>2. Share Capital</b>		
<b>(a) Authorised :</b>		
<b>350,00,00,000</b> Ordinary shares of ₹2 each (as at March 31, 2015: 350,00,00,000 Ordinary shares of ₹2 each)	<b>700.00</b>	700.00
<b>100,00,00,000</b> 'A' Ordinary shares of ₹2 each (as at March 31, 2015: 100,00,00,000 'A' Ordinary shares of ₹2 each)	<b>200.00</b>	200.00
<b>30,00,00,000</b> Convertible Cumulative Preference shares of ₹100 each (as at March 31, 2015: 30,00,00,000 shares of ₹100 each)	<b>3,000.00</b>	3,000.00
	<b>3,900.00</b>	3,900.00
<b>(b) Issued [Note (I), page F-59] :</b>		
<b>288,78,42,351</b> Ordinary shares of ₹2 each (as at March 31, 2015: 273,71,97,592 Ordinary shares of ₹2 each)	<b>577.57</b>	547.44
<b>50,87,36,805</b> 'A' Ordinary shares of ₹2 each (as at March 31, 2015: 48,22,06,515 'A' Ordinary shares of ₹2 each)	<b>101.75</b>	96.44
	<b>679.32</b>	643.88
<b>(c) Subscribed and called-up :</b>		
<b>288,72,03,602</b> Ordinary shares of ₹2 each (as at March 31, 2015: 273,67,13,122 Ordinary shares of ₹2 each)	<b>577.44</b>	547.34
<b>50,84,76,704</b> 'A' Ordinary shares of ₹2 each (as at March 31, 2015: 48,19,66,945 'A' Ordinary shares of ₹2 each)	<b>101.70</b>	96.40
	<b>679.14</b>	643.74
<b>(d) Calls unpaid</b> - Ordinary shares	<b>(0.01)</b>	(0.01)
<b>(e) Paid-up (c + d)</b>	<b>679.13</b>	643.73
<b>(f) Forfeited Shares</b> - Ordinary shares	<b>0.05</b>	0.05
<b>Total (e + f)</b>	<b>679.18</b>	643.78

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

	2015-2016		2014-2015	
	No. of shares	(₹ in crores)	No. of shares	(₹ in crores)
<b>(i) Ordinary shares</b>				
Shares as at April 1	<b>273,67,13,122</b>	<b>547.34</b>	273,67,13,122	547.34
Add: Shares issued pursuant to Rights issue	<b>150,490,480</b>	<b>30.10</b>	-	-
Shares as at March 31	<b>288,72,03,602</b>	<b>577.44</b>	273,67,13,122	547.34
<b>(ii) 'A' Ordinary shares</b>				
Shares as at April 1	<b>48,19,66,945</b>	<b>96.40</b>	48,19,66,945	96.40
Add: Shares issued pursuant to Rights issue	<b>26,509,759</b>	<b>5.30</b>	-	-
Shares as at March 31	<b>50,84,76,704</b>	<b>101.70</b>	48,19,66,945	96.40

**(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 declare an interim dividend. The holders of 'A' Ordinary shares shall be entitled to receive dividend for each financial year at five percentage point more than the aggregate rate of dividend declared on Ordinary shares for that financial year.
- In the event of liquidation, the shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholdings.

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## (ii) American Depository Shares (ADSs) and Global Depository Shares (GDSs) :

- Each ADS and GDS underlying the ADR and GDR respectively represents five Ordinary shares of ₹2 each. A holder of ADS and GDS is not entitled to attend or vote at shareholders meetings. An ADS holder is entitled to issue voting instructions to the Depository with respect to the Ordinary shares represented by ADSs only in accordance with the provisions of the Company's ADSs deposit agreement and Indian Law. The depository for the ADSs and GDSs shall exercise voting rights in respect of the deposited shares by issue of an appropriate proxy or power of attorney in terms of the respective deposit agreements.
- Shares issued upon conversion of ADSs and GDSs will rank pari passu with the existing Ordinary shares of ₹2 each in all respects including entitlement of the dividend declared.

## (i) Number of shares held by each shareholder holding more than 5 percent of the issued share capital

	As at March 31, 2016		As at March 31, 2015	
	% of Issued share capital	No. of shares	% of Issued share capital	No. of shares
<b>(i) Ordinary shares :</b>				
(a) Tata Sons Limited	26.98%	77,89,70,378	25.67%	70,23,33,345
(b) Tata Steel Limited	*	*	5.54%	15,16,87,515
(c) Life Insurance Corporation of India	6.90%	19,91,44,257	*	*
(d) Citibank N A as Depository	#	49,19,64,200	#	58,22,60,190
<b>(ii) 'A' Ordinary shares :</b>				
(a) HDFC Trustee Company Limited-HDFC Equity Fund	12.95%	6,58,38,405	*	*
(b) HSBC Global Investment Funds A/C HSBC Global Investment Funds Mauritius Ltd	*	*	5.16%	2,48,78,664
#	held by Citibank, N.A. as depository for American Depository Receipts (ADRs) and Global Depository Receipts (GDRs)			
*	Less than 5%			

## (j) Information regarding issue of shares in the last five years

- The Company has not issued any shares without payment being received in cash.
- There has been no issue of bonus shares.
- The Company has not undertaken any buy-back of shares.

- (k) The Company allotted 15,04,90,480 Ordinary shares (including 3,20,49,820 shares underlying the ADRs) of ₹2 each at a premium of ₹448 per share, aggregating ₹6,772.07 crores and 2,65,09,759 'A' Ordinary shares of ₹2 each at a premium of ₹269 per share, aggregating ₹718.42 crores pursuant to the Rights issue. 1,54,279 Ordinary shares and 20,531 'A' Ordinary shares have been kept in abeyance.

Proceeds from the Rights issue have been utilised upto March 31, 2016, in the following manner:

Particulars	(₹ in crores)	
	Planned	Actual
Funding capital expenditure towards plant and machinery	500.00	500.00
Funding expenditure relating to research and product development	1,500.00	1,500.00
Repayment, in full or part, of certain long-term and short-term borrowings availed by the Company	4,000.00	4,000.00
General corporate purposes	1,428.00	1,401.10
Issue related expenses	70.00	64.76
<b>Total</b>	<b>7,498.00</b>	<b>7,465.86</b>

\* Of the above ₹2.34 crores was pending withdrawal as at March 31, 2016.

- (l) The entitlements to 6,38,749 Ordinary shares of ₹2 each (as at March 31, 2015 : 4,84,470 Ordinary shares of ₹2 each) and 2,60,101 'A' Ordinary shares of ₹2 each (as at March 31, 2015: 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 hence kept in abeyance.

(Consolidated)

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

		(₹ in crores)			
3. Reserves and surplus		As at March 31, 2015	Additions	Deductions	As at March 31, 2016
(a)	Capital Redemption Reserve	2.28	-	-	2.28
		2.28	-	-	2.28
(b)	Securities Premium Account [Notes (i) and (ii)]	11,811.60	7,455.09	54.43	19,212.26
		11,683.09	175.05	46.54	11,811.60
(c)	Debenture Redemption Reserve	1,042.15	-	-	1,042.15
		1,042.15	-	-	1,042.15
(d)	Capital Reserve (on consolidation) [Note (iii)]	507.24	14.29	-	521.53
		504.56	2.68	-	507.24
(e)	Revaluation Reserve	22.87	-	-	22.87
		22.87	-	-	22.87
(f)	Amalgamation Reserve	0.05	-	-	0.05
		0.05	-	-	0.05
(g)	Special Reserve	269.38	22.88	-	292.26
		229.97	39.41	-	269.38
(h)	Hedging Reserve Account [Note (iv)]	(6,329.79)	94.55	788.31	(7,023.55)
		5,399.55	2,933.08	14,662.42	(6,329.79)
(i)	Pension Reserve [Note (v)]	(10,361.85)	4,837.84	1,135.24	(6,659.25)
		(7,568.38)	731.59	3,525.06	(10,361.85)
(j)	Earned Surplus Reserve [Note (vi), page F-61]	14.51	9.49	-	24.00
		14.51	-	-	14.51
(k)	Reserves for Research and Human Resource Development [Note (vii) page F-61]	169.29	-	-	169.29
		169.29	-	-	169.29
(l)	Restricted Reserve	0.39	-	-	0.39
		0.39	-	-	0.39
(m)	Legal Reserve	0.44	0.61	-	1.05
		0.33	0.11	-	0.44
(n)	Translation Reserve [Note (viii) page F-61]	2,979.09	1,730.87	-	4,709.96
		7,173.03	-	4,193.94	2,979.09
(o)	General Reserve [Note (ix), page F-61]	5,230.39	38.99	3,483.73	1,785.65
		5,181.62	48.77	-	5,230.39
(p)	Foreign Currency Monetary Item Translation Difference Account (Net) [Note (x), page F-61]	(4,227.07)	(271.89)	(1,651.12)	(2,847.84)
		573.88	(5,710.31)	(909.36)	(4,227.07)
(q)	Profit and Loss Account / Surplus [Note (xi), page F-61]	54,487.17	14,507.48	144.26	68,850.39
		40,530.48	14,079.69	123.00	54,487.17
		<b>55,618.14</b>	<b>28,440.20</b>	<b>3,954.85</b>	<b>80,103.49</b>
		64,959.67	12,300.07	21,641.60	55,618.14

## Notes:

		2015 - 2016		2014 - 2015	
		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)	<b>Securities Premium Account :</b>				
(a)	Premium on Rights issue of Shares	7,455.09	-	-	-
(b)	Rights issue expenses and brokerage, stamp duty and other fees on issue of Non-Convertible Debentures (NCD) [net of tax ₹ Nil (2014-15 ₹ 1.41 crores)]	-	54.43	-	46.54
(c)	Reversal of premium on redemption of NCD	-	-	175.05	-
		<b>7,455.09</b>	<b>54.43</b>	175.05	46.54
(iii)	The addition/deduction to Capital Reserve represents exchange gain/(loss) on opening balances in respect of foreign subsidiaries.				
(iv)	<b>Hedging Reserve :</b>				
(a)	Fair value gains / losses	-	788.31	-	14,662.42
(b)	Deferred tax on fair value gains / losses	94.55	-	2,933.08	-
		<b>94.55</b>	<b>788.31</b>	2,933.08	14,662.42
(v)	<b>Pension Reserve :</b>				
(a)	Actuarial losses (net)	4,837.84	-	-	3,525.06
(b)	Movement in restriction of pension assets	-	13.91	26.82	-
(c)	Deferred Tax impact on actuarial losses (net) and movement in restriction of pension assets	-	1,121.33	704.77	-
		<b>4,837.84</b>	<b>1,135.24</b>	731.59	3,525.06

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

- (vi) 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.
- (vii) 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'.
- (viii) Translation Reserves represents conversion of balances in functional currency of foreign subsidiaries (net of minority share) and associates. [Note (f) (i), page F-55]

		2015 - 2016		2014 - 2015	
		Additions	Deductions	Additions	Deductions
<b>(₹ in crores)</b>					
(ix)	<b>General Reserve :</b>				
	(a) Government grants/incentives received [net of tax ₹ 1.04 crores (2014-15 ₹ Nil)]	38.99	-	27.77	-
	(b) Amount transferred from Profit and Loss Account	-	-	21.00	-
	(c) Amount transferred to Profit and Loss Account	-	3,483.73	-	-
		<b>38.99</b>	<b>3,483.73</b>	48.77	-
(x)	<b>Foreign Currency Monetary Item Translation Difference Account (Net) :</b>				
	(a) Exchange gain / (loss) during the year (net)	(271.89)	-	(5,710.31)	-
	(b) Amortisation of exchange fluctuation for the year	-	(1,651.12)	-	(909.36)
		<b>(271.89)</b>	<b>(1,651.12)</b>	(5,710.31)	(909.36)
(xi)	<b>Profit and Loss Account / Surplus :</b>				
	(a) Profit for the year	11,023.75	-	13,986.29	-
	(b) Tax on interim dividend by subsidiaries (including Group's share of subsidiaries' dividend tax)	-	13.42	-	8.40
	(c) Proposed dividend	-	73.00	-	-
	(d) Tax on proposed dividend (including Group's share of subsidiaries' dividend tax)	-	24.10	-	51.81
	(e) Reversal of dividend distribution tax of earlier year	-	-	93.40	-
	(f) Dividend on cumulative preference shares of a subsidiary	-	0.76	-	2.27
	(g) General Reserve	3,483.73	-	-	21.00
	(h) Special Reserve	-	22.88	-	39.41
	(i) Earned Surplus Reserve	-	9.49	-	-
	(j) Legal Reserve	-	0.61	-	0.11
		<b>14,507.48</b>	<b>144.26</b>	14,079.69	123.00

(Consolidated)

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	(₹ in crores)	
	As at March 31, 2016	As at March 31, 2015
<b>4. Long-term Borrowings</b>		
<b>(A) Secured :</b>		
(a) Privately placed Non-Convertible Debentures [Notes 1(a) below, 2(a) and 2(b), page F-63]	2,310.23	2,493.34
(b) Term loans :		
(i) From banks [Notes 1(b) below, 2(d) and 2(f), page F-63]	4,214.37	5,329.79
(ii) From others [Note 2(e), page F-63]	577.89	489.75
(c) Finance Lease Obligations [Note 31(A)(a)(ii), page F-74]	38.38	11.42
	<b>7,140.87</b>	<b>8,324.30</b>
<b>(B) Unsecured :</b>		
(a) Privately placed Non-Convertible Debentures [Note 1(a) below]	6,079.90	8,129.90
(b) Subordinated perpetual debentures	375.30	375.30
(c) Term loans :		
(i) From banks [Note 1(b) below]	8,441.90	8,654.59
(ii) From others	48.70	200.17
(d) Senior Notes [Note 1(c) below]	29,789.64	30,387.08
	<b>44,735.44</b>	<b>47,747.04</b>
<b>Total (A+B)</b>	<b>51,876.31</b>	<b>56,071.34</b>

	As at March 31, 2016	As at March 31, 2015
<b>5. Short-term borrowings</b>		
<b>(A) Secured :</b>		
(a) Loan from banks [Note 2(c), page F-63]	5,388.48	6,327.44
(b) Loan from others	98.23	77.07
	<b>5,486.71</b>	<b>6,404.51</b>
<b>(B) Unsecured :</b>		
(a) Loan from banks	1,044.18	1,663.05
(b) Loan from others	13.78	49.91
(c) Inter corporate deposits from associates	27.00	60.00
(d) Commercial paper	4,651.96	4,962.67
	<b>5,736.92</b>	<b>6,735.63</b>
<b>Total (A+B)</b>	<b>11,223.63</b>	<b>13,140.14</b>

## Notes :

## (1) Terms of redemption / repayments :

- (a) Privately placed Non-Convertible Debentures will be redeemed from financial year 2016-17 to 2025-26.  
(b) Term Loans from Banks are repayable from financial year 2016-17 to 2023-24.  
(c) Schedule of repayment of Senior notes :

	Currency	Amount (in million)	As at March 31, 2016 (₹ in crores)	As at March 31, 2015 (₹ in crores)
5.750% Senior Notes due 2024	USD	250	1,656.31	1,562.50
5.625% Senior Notes due 2023	USD	500	3,327.47	3,130.46
3.875% Senior Notes due 2023	GBP	400	3,818.09	3,697.96
5.000% Senior Notes due 2022	GBP	400	3,818.09	3,697.96
8.125% Senior Notes due 2021	USD	83.58*	556.24	523.30
5.75% Senior Notes due 2021	USD	300	1,987.43	1,874.93
8.25% Senior Notes due 2020	GBP	-	-	540.38
4.625% Senior Notes due 2020	USD	500	3,312.63	3,125.00
3.50% Senior Notes due 2020	USD	500	3,327.47	3,130.46
4.25% Senior Notes due 2019	USD	500	3,327.47	3,130.46
4.125% Senior Notes due 2018	USD	700	4,658.45	4,382.63
4.25% Senior Notes due 2018	SGD	-	-	1,591.04
			<b>29,789.64</b>	<b>30,387.08</b>

\* Prepaid subsequent to March 31, 2016

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## Notes:

### (2) Nature of Security (on loans including interest accrued thereon):

- (a) Rated, Listed, Secured, 9.95% Coupon, Non-Convertible Debentures amounting to ₹200 crores and 10.25% Coupon, Non-Convertible Debentures amounting to ₹500 crores are secured by a pari passu charge by way of an English mortgage of the Company's freehold land together with immovable properties, plant and machinery and other movable assets (excluding stock and book debts) situated at Sanand in the State of Gujarat.
- (b) Privately placed non-convertible debentures amounting to ₹1,610.23 crores are fully secured by:
- First pari passu charge on residential flat of Tata Motors Finance Limited (TMFL), a subsidiary of the Company
  - Pari passu charge is created in favour of debenture trustee on:
    - All receivables of TMFL arising out of loan, lease and hire purchase transactions,
    - All book debts, trade advances forming part of movable property of TMFL.
  - Any other security as identified by TMFL and acceptable to the debenture trustee.

(c) 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.

(d) Term loans from banks amounting to ₹2,750 crores are secured by a pari passu charge in favour of the security trustee on all receivables of the Company arising out of loan, lease and hire purchase transactions, all other book debts, receivables from senior and junior pass-through-certificates in which Company has invested; and such other current assets as may be identified by the Company from time to time and accepted by the relevant lender/security trustee.

Term loan from bank amounting to ₹19.84 crores is secured by hypothecation by way of exclusive charge on all the moveable Plant and Machinery at the "Generic Facility" at Nagpur.

Loan from bank is secured by exclusive charge on the factory land and building of ISLE Project at Phaltan (termed as TCL 3) and hypothecation charge on movable fixed assets of TCL 3 plant on pari passu with HSBC bank.

(e) The term loan of ₹541.51 crores is due for repayment from the quarter ending March 31, 2033 to quarter ending March 31, 2036, along with simple interest at the rate of 0.10% p.a. The loan is secured by a second and subservient charge (creation of charge is under process) over Company's freehold land together with immovable properties, plant and machinery and other movable assets (excluding stock and book debts) situated at Sanand plant in the State of Gujarat.

The term loan of ₹11.15 crores is due for repayment in the quarter ending June 30, 2030, along with a simple interest of 0.10% p.a. The loan is secured by bank guarantee as per the terms of the agreement.

The term loan of ₹17.98 crores is due for repayment in the quarter ending March 31, 2026, along with a simple interest of 0.10% p.a. The loan is secured by bank guarantee.

(f) The term loan of ₹1,029 crores (CNY 1,001 Million) taken by Jaguar Landrover Automotive PLC, an indirect subsidiary of the Company is for the syndicated loan of Chery Jaguar LandRover Automotive Co. Ltd in China, a Joint Venture (JV) of the Company, secured over the fixed assets of the JV.

(g) During the year 2015-16, TML Holdings Pte Ltd, Singapore, a subsidiary of the Company, has refinanced the existing SGD 350 million 4.25% Senior notes due in May 2018 by a new syndicated loan of USD 250 million maturing in March 2020.

(3) During the year ended March 31, 2016, TML Holdings Pte Ltd., Singapore, a wholly owned subsidiary of the Company has refinanced existing:

- Unsecured Multi currency loan of USD 600 million (USD 250 million and SGD 62.8 million maturing in November 2017 and USD 210 million and SGD 114 million maturing in November 2019) by a new syndicated loan of USD 600 million (USD 300 million maturing in October 2020 and USD 300 million maturing in October 2022) and
- SGD 350 million 4.25% Senior notes due in May 2018 by a new syndicated loan of USD 250 million maturing in March 2020.

(Consolidated)

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

		(₹ in crores)	
		As at March 31, 2016	As at March 31, 2015
<b>6. (a)</b>	<b>Deferred tax assets and liabilities (net) classified on a company wise basis :</b>		
	(i) Deferred tax assets	2,726.43	2,733.20
	(ii) Deferred tax liabilities	(3,166.08)	(1,343.20)
	<b>Net deferred tax assets / (liabilities)</b>	<b>(439.65)</b>	<b>1,390.00</b>
<b>(b)</b>	<b>Major components of deferred tax arising on account of timing differences are:</b>		
	<b>Liabilities:</b>		
	Depreciation	(1,816.77)	(1,782.45)
	Intangibles / Product development cost and Reserves for Research and Human Resource Development	(10,785.42)	(9,843.79)
	Others	(306.20)	(263.38)
		<b>(12,908.39)</b>	<b>(11,889.62)</b>
	<b>Assets:</b>		
	Unabsorbed depreciation / business loss	5,261.10	5,878.08
	Employee benefits / expenses allowable on payment basis	4,442.52	4,943.59
	Provision for doubtful debts	715.73	733.90
	Derivatives	1,925.76	1,610.46
	Others	123.63	113.59
		<b>12,468.74</b>	<b>13,279.62</b>
	<b>Net deferred tax assets / (liabilities)</b>	<b>(439.65)</b>	<b>1,390.00</b>
<b>(c)</b>	<b>Tax expense :</b>	<b>2015 - 2016</b>	<b>2014 - 2015</b>
	<b>(i) Current tax</b>		
	Current tax [including Minimum Alternate Tax / (credit)]	1,961.21	4,558.81
	<b>(ii) Deferred tax charge</b>	911.39	3,084.10
	<b>Total (i + ii)</b>	<b>2,872.60</b>	<b>7,642.91</b>
<b>(d)</b>	<b>Deferred tax charge for the year</b>	<b>2015 - 2016</b>	<b>2014 - 2015</b>
	Opening net deferred tax assets	1,390.00	774.75
	(Debited) / Credited to Securities Premium Account	-	1.41
	(Debited) / Credited to Hedging Reserve	94.54	2,933.08
	(Debited) / Credited to Pension Reserve	(1,121.33)	704.77
	Translation differences in respect of foreign subsidiaries	108.53	60.09
		<b>471.74</b>	<b>4,474.10</b>
	<b>Closing net deferred tax assets / (liabilities)</b>	<b>(439.65)</b>	<b>1,390.00</b>
	Deferred tax charge for the year	<b>911.39</b>	<b>3,084.10</b>

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

7. Other long-term liabilities	As at March 31, 2016	As at March 31, 2015
(a) Deferred payment liabilities	70.08	126.41
(b) Interest accrued but not due on borrowings	1.36	23.22
(c) Derivative financial instruments	7,744.11	7,721.94
(d) Deferred revenue	1,668.81	923.62
(e) Others	462.16	346.73
<b>Total</b>	<b>9,946.52</b>	<b>9,141.92</b>

8. Other current liabilities	As at March 31, 2016	As at March 31, 2015
(a) Liability towards vehicles sold under repurchase arrangements	2,550.44	1,820.60
(b) Liability for capital expenditure	3,503.13	4,605.24
(c) Deposits and retention money	219.11	211.21
(d) Interest accrued but not due on borrowings	968.12	1,004.72
(e) Current maturities of long-term borrowings (Note below)	7,368.55	4,398.91
(f) Deferred payment Liabilities	64.50	59.75
(g) Advance and progress payments from customers	2,163.70	2,288.91
(h) Statutory dues (VAT, Excise, Service Tax, Octroi etc)	2,528.70	1,864.75
(i) Employee benefit obligations	18.89	43.00
(j) Liability towards Investors Education and Protection Fund under Section 125 of the Companies Act, 2013 (IEPF) not due	33.19	40.50
(k) Derivative financial instruments	6,476.69	6,445.98
(l) Deferred revenue	956.19	621.56
(m) Others	410.61	283.45
<b>Total</b>	<b>27,261.82</b>	<b>23,688.58</b>

**Notes:****Current maturities of long term borrowings consists of :**

(i) Privately placed Non-Convertible Debentures	2,372.49	1,778.68
(ii) Term loans from banks and others	4,981.79	2,604.66
(iii) Finance lease obligations [Note 31(A)(a)(ii), page F-74]	14.27	15.57
<b>Total</b>	<b>7,368.55</b>	<b>4,398.91</b>



# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

		(₹ in crores)	
		As at	As at
		March 31, 2016	March 31, 2015
<b>9. Long-term provisions</b>			
(a)	Employee benefit obligations	4,604.68	8,964.79
(b)	Warranty and product liability [Note 35(i), page F-81]	6,826.06	5,693.64
(c)	Residual risk [Note 35(ii), page F-81]	123.42	142.55
(d)	Environmental cost [Note 35(iii), page F-81]	222.15	244.88
(e)	Provision for Annual maintenance contract [Note 35(iv), page F-81]	9.99	12.57
(f)	Others	31.00	75.84
	<b>Total</b>	<b>11,817.30</b>	<b>15,134.27</b>
<b>10. Short term provisions</b>			
(a)	Employee benefit obligations	1,878.86	341.82
(b)	Warranty and product liability [Note 35(i), page F-81]	5,618.72	4,663.66
(c)	Current income tax (net of payment)	928.77	835.90
(d)	Proposed dividend	73.00	-
(e)	Provision for tax on dividend	28.95	66.36
(f)	Residual risk [Note 35(ii), page F-81]	57.42	42.72
(g)	Environmental cost [Note 35(iii), page F-81]	68.99	44.18
(h)	Provision for Annual maintenance contract [Note 35(iv), page F-81]	17.79	16.29
(i)	Others	29.62	25.07
	<b>Total</b>	<b>8,702.12</b>	<b>6,036.00</b>
<b>11. Trade payables</b>			
(a)	Acceptances	3,981.33	4,076.75
(b)	Other than acceptances	59,651.56	53,330.53
	<b>Total</b>	<b>63,632.89</b>	<b>57,407.28</b>

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## 12. Tangible assets

(₹ in crores)

Particulars	Cost as at April 1, 2015	Additions/adjustments [Note (ii)]	Translation adjustment	Deductions/adjustments	Cost as at March 31, 2016	Accumulated depreciation as at April 1, 2015	Depreciation for the year [Note (iii)]	Translation adjustment-accumulated depreciation	Deductions/adjustments for the year [Note (iv)]	Accumulated depreciation up to March 31, 2016	Net book value as at March 31, 2016
<b>[I] Owned assets :</b>											
(i) Land	2,242.49 2,027.99	485.64 328.33	43.75 (112.39)	24.25 1.44	2,747.63 2,242.49	- -	- -	- -	- -	- -	2,747.63 2,242.49
(ii) Buildings	13,329.80 10,946.48	2,231.56 3,169.82	241.00 (620.66)	35.03 165.84	15,763.33 13,329.80	4,232.59 4,313.93	463.82 324.57	99.20 (246.09)	34.90 159.82	4,760.71 4,232.59	11,006.62 9,097.21
(iii) Plant, machinery and equipment [Note (i)]	88,493.04 79,061.70	14,851.14 16,046.70	1,753.61 (4,692.94)	1,844.16 1,922.42	103,253.63 88,493.04	49,567.02 48,411.14	7,402.60 5,846.04	1,081.04 (2,813.09)	1,675.17 1,877.07	56,375.49 49,567.02	46,878.14 38,926.02
(iv) Furniture, fixtures and office appliances [Note (i)]	1,149.40 1,010.56	257.64 232.79	22.68 (52.98)	37.69 40.97	1,392.03 1,149.40	560.41 476.04	140.23 141.85	11.46 (25.27)	35.49 32.21	676.61 560.41	715.02 588.99
(v) Vehicles [Note (i)]	280.40 270.33	57.42 52.38	1.38 (5.13)	45.18 37.18	294.02 280.40	152.77 142.83	43.19 39.17	0.30 (1.82)	37.61 27.41	158.65 152.77	135.37 127.63
(vi) Heritage assets	482.12 -	- 514.19	15.66 (32.07)	- -	497.78 482.12	- -	- -	- -	- -	- -	497.78 482.12
(vii) Computers and other IT assets [Note (i)]	1,363.66 1,125.82	384.76 294.07	10.81 (40.89)	41.24 15.34	1,717.99 1,363.66	841.37 757.04	141.37 110.20	7.52 (14.65)	29.34 11.22	960.92 841.37	757.07 522.29
<b>[II] Assets given on lease :</b>											
(i) Plant and machinery	411.02 404.32	3.26 7.35	- -	1.03 0.65	413.25 411.02	382.75 380.92	3.17 4.17	- -	0.76 2.34	385.16 382.75	28.09 28.27
(ii) Land	- -	21.66 -	(0.67) -	- -	20.99 -	- -	- -	- -	- -	- -	20.99 -
(iii) Buildings	- -	34.93 -	(1.11) -	- -	33.82 -	- -	0.74 -	(0.02) -	- -	0.72 -	32.10 -
<b>[III] Assets taken on lease :</b>											
(i) Leasehold land	270.48 268.47	0.02 2.37	- -	- 0.36	270.50 270.48	36.06 32.32	3.77 3.74	- -	- -	39.83 36.06	230.67 234.42
(ii) Buildings	66.10 63.65	6.08 3.84	(0.24) (0.68)	14.84 0.71	57.10 66.10	20.21 14.85	5.46 6.14	0.26 (0.28)	0.77 0.50	25.16 20.21	31.94 45.89
(iii) Plant and machinery	38.52 38.96	- 0.09	- -	- 0.53	38.52 38.52	37.77 36.64	0.25 1.70	- (0.04)	- 0.53	38.02 37.77	0.50 0.75
(iv) Computers and other IT assets	166.69 157.73	9.80 8.97	- (0.01)	- -	176.49 166.69	136.56 116.01	15.91 20.55	- -	- -	152.47 136.56	24.02 30.13
<b>TOTAL TANGIBLE ASSETS</b>	<b>108,293.72</b> 95,376.01	<b>18,343.91</b> 20,660.90	<b>2,086.87</b> (5,557.75)	<b>2,043.42</b> 2,185.44	<b>126,681.08</b> 108,293.72	<b>55,967.51</b> 54,681.72	<b>8,220.51</b> 6,498.13	<b>1,199.76</b> (3,101.24)	<b>1,814.04</b> 2,111.10	<b>63,573.74</b> 55,967.51	<b>63,107.34</b> 52,326.21

Notes:

- (i) Includes buildings, plant, machinery and equipment, furniture, fixtures and office appliances, vehicles and computers and other IT assets having gross block of ₹17.59 crores, ₹466.38 crores, ₹7.52 crores, ₹1.89 crores and ₹136.68 crores (as at March 31, 2015 ₹0.56 crore, ₹250.22 crores, ₹6.16 crores, ₹1.50 crores and ₹143.78 crores) and net block of ₹14.27 crores, ₹42.39 crores, ₹0.58 crore, ₹0.13 crore and ₹0.65 crore (as at March 31, 2015 ₹0.51 crore, ₹16.21 crores, ₹0.50 crore, ₹0.03 crore and ₹0.63 crore) respectively, held for disposal at lower of their net book value and net realisable value.
- (ii) Additions / adjustments:  
(a) include capitalisation of exchange loss mainly on plant, machinery and equipment of ₹42.49 crores (2014-2015 ₹26.24 crores)  
(b) is net of capital government grants received ₹36.25 crores (2014-15 ₹93.61 crores)
- (iii) Depreciation excludes lease equalisation of ₹Nil (2014-15 ₹2.27 crores) adjusted in lease rental income.
- (iv) Includes impairment charge on plant, machinery and equipment in deduction / adjustment for the year of ₹60.32 crores (2014-2015 ₹Nil).

## 13. Intangible assets

Particulars	Cost as at April 1, 2015	Additions/adjustments [Note (i)]	Translation adjustment	Deductions/adjustments	Cost as at March 31, 2016	Accumulated amortisation as at April 1, 2015	Amortisation for the year	Translation adjustment-accumulated amortisation	Deductions/adjustments for the year [Note (ii)]	Accumulated amortisation up to March 31, 2016	Net book value as at March 31, 2016
(i) Technical know-how	83.50 56.65	28.18 26.82	0.12 0.03	- -	111.80 83.50	47.32 46.13	7.32 1.19	- -	- -	54.64 47.32	57.16 36.18
(ii) Computer software	4,572.82 3,118.71	1,638.42 1,787.75	86.30 (278.86)	179.05 54.78	6,118.49 4,572.82	1,948.86 1,555.64	760.69 524.59	32.05 (104.39)	162.96 26.98	2,578.64 1,948.86	3,539.85 2,623.96
(iii) Product development cost	40,456.62 29,229.51	13,557.42 15,265.62	819.95 (2,469.42)	3,560.06 1,569.09	51,273.93 40,456.62	15,688.51 11,833.55	7,929.69 6,248.50	292.88 (827.21)	3,457.71 1,566.33	20,453.37 15,688.51	30,820.56 24,768.11
(iv) Trade marks and brand	3,677.51 3,958.94	- -	119.71 (281.43)	- -	3,797.22 3,677.51	- -	- -	- -	- -	- -	3,797.22 3,677.51
(v) Developed technologies	1,122.39 1,188.40	0.49 1.91	32.21 (67.92)	0.49 -	1,154.60 1,122.39	771.86 698.34	95.97 116.22	18.67 (42.70)	- -	886.50 771.86	268.10 350.53
<b>TOTAL INTANGIBLE ASSETS</b>	<b>49,912.84</b> 37,552.21	<b>15,224.51</b> 17,082.10	<b>1,058.29</b> (3,097.60)	<b>3,739.60</b> 1,623.87	<b>62,456.04</b> 49,912.84	<b>18,456.55</b> 14,133.66	<b>8,793.67</b> 6,890.50	<b>343.60</b> (974.30)	<b>3,620.67</b> 1,593.31	<b>23,973.15</b> 18,456.55	<b>38,482.89</b> 31,456.29

Notes:

- (i) Additions/adjustments:  
(a) include capitalisation of exchange loss mainly on product development cost of ₹28.19 crores (2014-15 capitalisation of exchange loss of ₹40.96 crores)  
(b) is net of capital government grants received ₹284.80 crores (2014-15 ₹48.53 crores)
- (ii) Includes impairment charge of ₹103.62 crores (2014-15 ₹Nil).

(Consolidated)

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

		(₹ in crores)	
		As at March 31, 2016	As at March 31, 2015
<b>14. Goodwill (on consolidation)</b>			
<b>Opening balance</b>		<b>4,696.99</b>	4,978.83
Add : Addition due to acquisition of subsidiary		-	9.05
Less : Impairment		<b>(2.59)</b>	-
Add : Impact of foreign currency translation		<b>142.12</b>	(290.89)
<b>Closing balance</b>		<b>4,836.52</b>	4,696.99
<b>15. Non-current investments</b>		<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>
<b>(A) Investments in equity accounted investees :</b>			
(a) Carrying amount of investments in associates (Note 4 below)		<b>391.75</b>	382.59
(b) 9% optionally convertible preference shares		<b>160.00</b>	160.00
		<b>551.75</b>	542.59
<b>(B) Others (at cost)</b>			
<b>(i) Quoted</b>			
Equity shares		<b>313.98</b>	302.08
<b>(ii) Unquoted</b>			
(a) Equity shares		<b>381.46</b>	382.31
(b) Non cumulative redeemable preference shares		<b>2.00</b>	2.00
(c) Cumulative redeemable non-participating preference shares		<b>6.00</b>	6.00
(d) Non-convertible debentures		<b>3.50</b>	3.50
(e) Retained interest in securitisation transactions		<b>0.14</b>	6.20
		<b>707.08</b>	702.09
<b>(C) Provision for diminution in value of Investments (net)</b>		<b>(5.68)</b>	(4.18)
<b>Total (A + B + C)</b>		<b>1,253.15</b>	1,240.50
<b>Notes:</b>			
(1) Book value of quoted investments (other than in associates)		<b>313.98</b>	302.08
(2) Book value of unquoted investments (other than in associates)		<b>387.42</b>	395.83
(3) Market value of quoted investments (other than in associates)		<b>210.50</b>	210.61
(4) The particulars of investments in associate companies as of March 31, 2016 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	<b>26.00</b>	<b>77.47</b>	-	<b>139.92</b>	<b>217.39</b>
			26.00	77.47	-	138.18	215.65
(ii)	NITA Company Ltd	Bangladesh	<b>40.00</b>	<b>1.27</b>	<b>(0.43)</b>	<b>26.08</b>	<b>27.35</b>
			40.00	1.27	(0.43)	20.92	22.19
(iii)	Automobile Corporation of Goa Ltd	India	<b>47.19</b>	<b>109.63</b>	<b>55.28</b>	<b>33.47</b>	<b>143.10</b>
			47.19	109.63	55.28	31.21	140.84
(iv)	Jaguar Cars Finance Ltd	UK	<b>49.90</b>	<b>3.91</b>	-	-	<b>3.91</b>
			49.90	3.91	-	-	3.91
(v)	Tata Hitachi Construction Machinery Company Ltd	India	<b>40.00</b>	<b>80.20</b>	<b>0.20</b>	<b>(80.20)</b>	-
			40.00	80.20	0.20	(80.20)	-
<b>Total</b>				<b>272.48</b>	<b>55.05</b>	<b>119.27</b>	<b>391.75</b>
				272.48	55.05	110.11	382.59

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

	As at March 31, 2016	As at March 31, 2015
<b>16. Current investments (at cost or fair value whichever is lower) (fully paid)</b>		
<b>(A) Unquoted</b>		
(a) Mutual funds	19,211.01	14,058.36
(b) Optionally convertible debentures	-	1.49
(c) Equity shares	-	4.68
(d) Retained interest in securitisation transactions	1.93	31.41
	<b>19,212.94</b>	<b>14,095.94</b>
<b>(B) Advance against investments</b>	-	0.30
<b>Total (A+B)</b>	<b>19,212.94</b>	<b>14,096.24</b>
<b>Note:</b> Book value of unquoted investments	<b>19,212.94</b>	<b>14,096.24</b>
<b>17. Long-term loans and advances</b>		
<b>(A) Secured:</b>		
Finance receivables [Note below]	10,372.61	11,812.60
<b>Total</b>	<b>10,372.61</b>	<b>11,812.60</b>
<b>(B) Unsecured:</b>		
(a) Loans to employees	38.17	40.06
(b) Loan to Joint Venture (FIAT India Automobile Private Ltd)	-	132.50
(c) Taxes recoverable, statutory deposits and dues from government	980.40	1,173.10
(d) Capital advances	470.31	234.93
(e) Credit entitlement of Minimum Alternate Tax (MAT)	58.26	89.88
(f) Non-current income tax assets (net of provision)	1,343.48	947.70
(g) Loan to others	33.81	42.14
(h) Others	643.78	475.40
<b>Total</b>	<b>3,568.21</b>	<b>3,135.71</b>
<b>Total (A + B)</b>	<b>13,940.82</b>	<b>14,948.31</b>
<b>Note:</b> Finance receivables (Gross)*	10,525.25	13,551.30
Less: Allowances for doubtful loans	(152.64)	(1,738.70)
<b>Total</b>	<b>10,372.61</b>	<b>11,812.60</b>
*Loans are secured against hypothecation of the underlying vehicles		
<b>18. Short-term loans and advances</b>		
<b>(A) Secured:</b>		
Finance receivables [Note below]	8,626.77	5,065.22
Others	23.51	85.37
<b>Total</b>	<b>8,650.28</b>	<b>5,150.59</b>
<b>(B) Unsecured:</b>		
(a) Advances and other receivables	1,089.26	889.21
(b) Inter corporate deposits	30.30	95.30
(c) Loan to Joint Venture (FIAT India Automobile Private Ltd)	132.50	-
(d) Fixed deposit with Financial Institutions	5.00	5.00
(e) VAT, other taxes recoverable, statutory deposits and dues from government	4,529.79	4,269.28
(f) Current income tax assets (net of provisions)	159.01	212.08
(g) Others	161.37	124.98
<b>Total</b>	<b>6,107.23</b>	<b>5,595.85</b>
<b>Total (A + B)</b>	<b>14,757.51</b>	<b>10,746.44</b>
<b>Note:</b> Finance receivables (Gross)*	10,455.51	6,104.98
Less: Allowances for doubtful loans	(1,828.74)	(1,039.76)
<b>Total</b>	<b>8,626.77</b>	<b>5,065.22</b>
*Loans are secured against hypothecation of the underlying vehicles		

(Consolidated)

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

		(₹ in crores)	
		As at March 31, 2016	As at March 31, 2015
<b>19.</b>	<b>Other non-current assets</b>		
	(a) Prepaid expenses	446.83	224.62
	(b) Prepaid debt issue cost / loan arrangement fees	335.80	338.54
	(c) Interest accrued on loans and deposits	0.56	62.56
	(d) Derivative financial instruments	1,591.69	232.28
	<b>Total</b>	<b>2,374.88</b>	<b>858.00</b>
<b>20.</b>	<b>Other current assets</b>		
	(a) Prepaid expenses	1,187.58	1,163.41
	(b) Prepaid debt issue cost / loan arrangement fees	84.39	101.99
	(c) Interest accrued on loans and deposits	77.02	12.12
	(d) Derivative financial instruments	726.77	1,670.90
	<b>Total</b>	<b>2,075.76</b>	<b>2,948.42</b>
<b>21.</b>	<b>Inventories</b>		
	(a) Stores and spare parts	206.97	196.64
	(b) Consumable tools	283.89	215.81
	(c) Raw materials and components	2,679.90	2,201.82
	(d) Work-in-progress	4,280.75	3,367.26
	(e) Finished goods	25,369.82	22,824.04
	(f) Goods-in-transit - Raw materials and components	577.65	466.77
	<b>Total</b>	<b>33,398.98</b>	<b>29,272.34</b>
<b>22.</b>	<b>Trade receivables (unsecured)</b>		
	(a) Over six months	1,147.24	1,001.02
	(b) Others	13,083.07	12,316.04
		14,230.31	13,317.06
	Less : Allowances for doubtful debts	(1,240.35)	(737.86)
	<b>Total</b>	<b>12,989.96</b>	<b>12,579.20</b>
<b>23.</b>	<b>Cash and bank balances</b>		
	<b>(A) Cash and cash equivalents</b>		
	(a) Cash on hand	40.09	36.97
	(b) Cheques on hand	115.11	51.64
	(c) Current account with banks #	9,271.65	8,070.61
	(d) Bank deposits with upto 3 months maturity	9,923.63	12,969.11
	<b>Total</b>	<b>19,350.48</b>	<b>21,128.33</b>
	<b>(B) Other bank balances</b>		
	Earmarked balances with banks	248.22	18.37
	<b>Total</b>	<b>248.22</b>	<b>18.37</b>
	<b>(C) Other bank balances (with more than 3 months but less than 12 months maturity)</b>		
	(a) Bank deposits	12,776.18	10,434.24
	(b) Earmarked balances with banks	282.60	216.36
	<b>Total</b>	<b>13,058.78</b>	<b>10,650.60</b>
	<b>(D) Other bank balances (with more than 12 months maturity)</b>		
	(a) Earmarked balances with banks	206.87	218.33
	(b) Margin money / cash collateral with banks	15.63	100.13
	<b>Total</b>	<b>222.50</b>	<b>318.46</b>
	<b>Total (A + B + C + D)</b>	<b>32,879.98</b>	<b>32,115.76</b>
	# Includes remittances in transit	145.25	169.30

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

24. Total revenue	2015-2016	2014-2015
<b>(I) Revenue from operations</b>		
(a) Sale of products [including export and other incentive of ₹ 1,232.92 crores (2014-2015 ₹ 1,599.19 crores)]	273,501.03	261,071.20
(b) Sale of services	1,294.15	1,020.22
(c) Income from vehicle loan contracts (Note 1 below)	2,386.27	2,191.83
	<b>277,181.45</b>	264,283.25
(d) Other operating revenues [including export and other incentive of ₹ 1,328.12 crores (2014-2015 ₹ 1,011.40 crores)]	2,915.27	2,424.65
<b>Total</b>	<b>280,096.72</b>	266,707.90
<b>(II) Other income</b>		
(a) Interest income	755.66	714.96
(b) Dividend income (Note 2 below)	44.36	58.97
(c) Profit on sale of investments (net) (Note 3 below)	181.39	119.57
(d) Other non-operating income	0.31	5.24
<b>Total</b>	<b>981.72</b>	898.74
<b>Notes:</b>		
1) Includes:		
(a) Income from securitisation / sale of receivables of loan contracts (net)	71.06	24.85
(b) Interest income from loan contracts (net of income reversal)	2,167.42	2,011.11
2) Includes dividend on:		
(a) Trade investments (current)	3.12	7.51
(b) Trade investments (non-current)	41.24	51.46
3) Includes:		
(a) Profit on sale of investments including Mutual funds (current)	181.33	109.50
(b) Profit on sale of investments (non-current)	0.06	10.07

(Consolidated)

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

		(₹ in crores)	
25.	Employee cost / benefits expenses	2015-2016	2014-2015
	(a) Salaries, wages and bonus	22,670.51	19,802.49
	(b) Contribution to provident fund and other funds	3,341.74	2,799.21
	(c) Staff welfare expenses	3,186.64	2,947.26
	<b>Total</b>	<b>29,198.89</b>	<b>25,548.96</b>
<hr/>			
26.	Finance cost	2015-2016	2014-2015
	(a) Interest	5,037.14	5,695.36
	Less: Transferred to capital account	(1,184.51)	(1,651.71)
		<b>3,852.63</b>	<b>4,043.65</b>
	(b) Discounting charges	770.72	817.84
	<b>Total</b>	<b>4,623.35</b>	<b>4,861.49</b>
<hr/>			
27.	Other expenses	2015-2016	2014-2015
	(a) Processing charges	1,110.68	1,050.48
	(b) Consumption of stores & spare parts	2,097.24	1,782.94
	(c) Power & fuel	1,169.44	1,121.75
	(d) Rent	453.20	516.04
	(e) Repairs to buildings	118.28	120.47
	(f) Repairs to plant, machinery etc.	524.37	471.86
	(g) Insurance	376.25	287.49
	(h) Rates & taxes	376.77	380.53
	(i) Freight, transportation, port charges etc.	9,787.41	7,754.97
	(j) Publicity	8,847.93	8,501.36
	(k) Excise duty on change in closing stock	13.87	160.10
	(l) Works operation and other expenses (Note below and Note 39 (b), page F-86)	35,549.51	28,832.38
	<b>Total</b>	<b>60,424.95</b>	<b>50,980.37</b>
<hr/>			
<b>Note:</b>			
<b>Works operation and other expenses include:</b>			
	(i) Warranty and product liability expenses	6,953.18	5,945.99
	(ii) Computer expenses	2,459.24	2,163.25
	(iii) Engineering expenses	6,505.57	6,113.10
	(iv) Miscellaneous contract jobs / Outsourcing expenses	4,843.62	4,310.97
	(v) Lease rentals in respect of plant, machinery and equipment	332.76	216.63
	(vi) Provision and write off of sundry debtors, vehicle loans and advances (net)	893.33	1,800.78
	(vii) Exchange loss on Maturity and MTM on trading forward and options	3,716.03	39.48
	(viii) MTM loss on commodity derivatives	1,155.53	362.65
	(ix) Provision for carrying capital cost of buildings under construction at Singur [Note 30, page F-74]	-	309.88

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

28. Earnings Per Share		2015-2016	2014-2015**
(a) Profit for the year	₹ in crores	<b>11,023.75</b>	13,986.29
(b) The weighted average number of Ordinary shares for Basic EPS	Nos.	<b>287,31,88,838</b>	276,53,39,619
(c) The weighted average number of 'A' Ordinary shares for Basic EPS	Nos.	<b>50,60,63,234</b>	48,74,45,041
(d) The nominal value per share (Ordinary and 'A' Ordinary)	₹	<b>2.00</b>	2.00
(e) Share of profit for Ordinary shares for Basic EPS	₹ in crores	<b>9,368.57</b>	11,886.23
(f) Share of profit for 'A' Ordinary shares for Basic EPS *	₹ in crores	<b>1,655.18</b>	2,100.06
(g) Earnings Per Ordinary share (Basic)	₹	<b>32.61</b>	42.98
(h) Earnings Per 'A' Ordinary share (Basic)	₹	<b>32.71</b>	43.08
(i) Profit for the year for Basic EPS	₹ in crores	<b>11,023.75</b>	13,986.29
(j) Profit for the year for Diluted EPS	₹ in crores	<b>11,023.75</b>	13,986.29
(k) The weighted average number of Ordinary shares for Basic EPS	Nos.	<b>287,31,88,838</b>	276,53,39,619
(l) Add: Adjustment for options relating to warrants, shares held in abeyance	Nos.	<b>6,21,045</b>	4,84,470
(m) The weighted average number of Ordinary shares for Diluted EPS	Nos.	<b>287,38,09,883</b>	276,58,24,089
(n) The weighted average number of 'A' Ordinary shares for Basic EPS	Nos.	<b>50,60,63,234</b>	48,74,45,041
(o) Add: Adjustment for 'A' Ordinary shares held in abeyance	Nos.	<b>2,57,745</b>	2,39,570
(p) The weighted average number of 'A' Ordinary shares for Diluted EPS	Nos.	<b>50,63,20,979</b>	48,76,84,611
(q) Share of Profit for Ordinary shares for Diluted EPS	₹ in crores	<b>9,368.16</b>	11,885.67
(r) Share of Profit for 'A' Ordinary shares for Diluted EPS *	₹ in crores	<b>1,655.59</b>	2,100.62
(s) Earnings Per Ordinary share (Diluted)	₹	<b>32.60</b>	42.97
(t) Earnings Per 'A' Ordinary share (Diluted)	₹	<b>32.70</b>	43.07

\* '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.

\*\* Basic and diluted earnings per share for the year ended March 31, 2015, has been retrospectively adjusted for the bonus element in respect of rights issue as described in Note 2 (k) in page F-59.



(Consolidated)

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

29. Contingent liabilities, commitments (to the extent not provided for):	As at March 31, 2016	As at March 31, 2015
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	2,922.87	2,782.27
(2) Provision not made for income tax matters in dispute	134.08	134.55
(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	267.03	70.71
(4) The Company has given guarantees for liability in respect of receivables assigned by way of securitisation	229.95	215.45
(5) Other money for which the Company is contingently liable:		
(i) In respect of bills discounted and export sales on deferred credit	451.54	706.10
(ii) Cash margin / collateral	15.24	240.89
(iii) Corporate guarantee	1.20	-
(iv) In respect of subordinated receivables	0.10	0.93
(v) Bonus pertaining to retrospective period to the notification date January 1, 2016	34.84	-
(vi) Others	313.21	62.06
(6) Estimated amount of contracts remaining to be executed on capital account and not provided for	10,183.94	9,005.09
(7) Purchase commitments	19,472.19	9,127.77
<b>30. 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 year ended March 31, 2015, 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.</b>		
<b>31. Disclosure in respect of leases:</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>
<b>(A) Finance leases:</b>		
<b>Assets taken on lease:</b>		
(a) (i) Total of minimum lease payments	80.81	29.76
The total of minimum lease payments for a period:		
Not later than one year	17.27	17.27
Later than one year and not later than five years	26.31	12.49
Later than five years	37.23	-
(ii) Present value of minimum lease payments	52.65	26.99
Present value of minimum lease payments for a period:		
Not later than one year	14.27	15.57
Later than one year and not later than five years	19.91	11.42
Later than five years	18.47	-
(b) A general description of the significant leasing arrangements - The Company has entered into finance lease arrangements for computers and data processing equipments from various vendors.		
<b>(B) Operating leases:</b>		
<b>Assets given on lease:</b>		
(a) Total of minimum lease payments	118.87	15.19
The total of minimum lease payments for a period:		
Not later than one year	17.59	15.19
Later than one year and not later than five years	8.07	-
Later than five years	93.21	-
(b) Gross block	54.81	-
Accumulated Depreciation	0.72	-
Depreciation for the year ₹0.74 crores (2014-15 ₹ Nil)		
<b>Assets taken on lease:</b>		
(a) Total of minimum lease payments	1,717.08	1,279.16
The total of minimum lease payments for a period:		
Not later than one year	499.82	464.82
Later than one year and not later than five years	778.79	571.07
Later than five years	438.47	243.27
(b) A general description of significant leasing arrangements - The Company has entered into operating lease arrangements for property, computers and data processing equipments from various vendors.		

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## 32. Related party disclosures for the year ended March 31, 2016

### (A) Related parties and their relationship

#### Joint Ventures :

Fiat India Automobiles Private Limited	Spark44 Pte Ltd (Singapore)	Nita Company Limited
Tata Cummins Private Limited	Spark44 Communication SL (Madrid)	Tata Precision Industries (India) Limited
Tata HAL Technologies Limited	Spark44 SRL (Rome)	Automobile Corporation of Goa Limited
Spark 44 (JV) Limited	Spark44 Limited (Seoul)	Jaguar Cars Finance Limited
Spark44 Pty. Ltd. (Sydney)	Spark44 KK (Tokyo)	Tata Sons Ltd ( <i>Investing Party</i> )
Spark44 GmbH (Frankfurt)	Spark44 Canada Inc (Toronto)	
Spark44 LLC (LA & NYC)	Chery Jaguar Land Rover Automotive Company Limited	
Spark44 Limited (Shanghai)	Chery Jaguar Land Rover Automotive Sales Company Limited	
Spark44 Middle East DMCC (Dubai)		
Spark44 Demand Creation Partners Limited (Mumbai)		
Spark44 Limited (London & Birmingham)		

#### Key Management Personnel :

Mr. Guenter Butschek (*w.e.f February 15, 2016*)

Mr. R Pisharody

Mr. S B Borwankar

#### In Subsidiary Companies :

Dr. Ralf Speth

#### Associates

Tata Auto Comp Systems Limited

Tata Hitachi Construction Machinery Company Private Limited

	Joint Venture	Associates	Key Management Personnel	(₹ in crores) 2015 - 2016 Total
<b>(B) Transactions with related parties</b>				
Purchase of goods	<b>2,781.45</b>	<b>872.73</b>	-	<b>3,654.18</b>
	2,664.50	959.76	-	3,624.26
Sale of goods (inclusive of sales tax)	<b>2,149.70</b>	<b>196.29</b>	-	<b>2,345.99</b>
	1,357.13	172.96	-	1,530.09
Services received	<b>422.20</b>	<b>24.22</b>	<b>62.66</b> *	<b>509.08</b>
	48.48	21.83	83.12	153.43
Services rendered	<b>321.14</b>	<b>21.23</b>	-	<b>342.37</b>
	113.76	11.10	-	124.86
Finance given (including loans and equity)	-	-	-	-
	-	160.00	-	160.00
Finance taken (including loans and equity)	-	<b>1,933.09</b>	-#	<b>1,933.09</b>
	-	64.00	-	64.00
Finance taken, paid back (including loans and equity)	-	<b>159.00</b>	-	<b>159.00</b>
	-	30.00	-	30.00
Interest / Dividend paid / (received) (net)	<b>(14.24)</b>	<b>(41.68)</b>	-#	<b>(55.92)</b>
	(9.79)	120.38	-	110.59
<b>(C) Balances with the related parties</b>				
Amount receivable	<b>336.86</b>	<b>16.48</b>	-	<b>353.34</b>
	218.09	8.76	-	226.85
Amount payable	<b>175.70</b>	<b>77.52</b>	-	<b>253.22</b>
	144.25	78.34	-	222.59
Amount receivable (in respect of loans, interest and dividend)	<b>193.56</b>	-	-	<b>193.56</b>
	183.97	25.66	-	209.63
Amount payable (in respect of loans, interest and dividend)	-	<b>27.00</b>	-	<b>27.00</b>
	-	3.49	-	3.49
Bills discounted (in respect of amount receivable)	-	<b>5.18</b>	-	<b>5.18</b>
	-	4.86	-	4.86
Bank Guarantee / Other assets given as security	-	<b>3.00</b>	-	<b>3.00</b>
	-	3.00	-	3.00

\* Includes ₹4.61 crores (2014-2015 ₹ Nil) of managerial remuneration which is subject to the approval of the Central Government and shareholders.

# Less than ₹ 10,000/-

Note: Current year figures are shown in bold and comparative figures for the previous year are shown below current year.

<b>(D) Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year</b>	2015 - 2016	2014 - 2015	
(i) Purchase of goods			
	Tata Cummins Private Limited	1,437.26	1,166.25
	Fiat India Automobiles Private Limited	<b>1,344.19</b>	1,498.25
	Automobile Corporation of Goa Limited	<b>386.26</b>	375.68
	Tata AutoComp Systems Limited	<b>485.11</b>	582.78
(ii) Sale of goods (inclusive of sales tax)			
	Fiat India Automobiles Private Limited	<b>491.25</b>	533.07
	Chery Jaguar Land Rover Automotive Company Limited	<b>1,552.34</b>	735.04
(iii) Services received			
	Nita Company Limited	<b>167.60</b>	137.18
	Tata Sons Ltd	<b>22.02</b>	19.43
	Spark 44 (JV) Limited	<b>420.74</b>	45.85
(iv) Services rendered			
	Chery Jaguar Land Rover Automotive Company Limited	<b>313.12</b>	111.15
	Tata Hitachi Construction Machinery Company Private Limited	<b>16.51</b>	7.94
(v) Finance taken (including loans and equity)			
	Rights Issue money received	<b>1,747.09</b>	-
	Inter-corporate deposits	<b>158.00</b>	-
	Inter-corporate deposits	<b>28.00</b>	64.00
(vi) Finance taken, paid back (including loans and equity)			
	Tata Hitachi Construction Machinery Company Private Limited	<b>(158.00)</b>	-
(vii) Interest / Dividend paid / (received)			
	Dividend received	<b>(29.70)</b>	(9.90)
	Dividend received	<b>(4.50)</b>	-
	Dividend received	<b>(10.47)</b>	(10.47)
	Dividend received	<b>(4.47)</b>	-
	Interest received	<b>(10.98)</b>	(12.99)
	Interest paid	<b>3.73</b>	-

(Consolidated)

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## 33. Consolidated segment information for the year ended March 31, 2016

(₹ in crores)

(A) Primary segment	Automotive				Others	Inter-Segment Eliminations	Total
	Tata Vehicles and financing thereof*	Jaguar and Land Rover	Intra Segment Eliminations	Total			
<b>(a) Revenue</b>							
External sales and income from other operations	49,665.89	224,463.12	-	274,129.01	1,432.10	-	275,561.11
	44,003.88	217,828.44	-	261,832.32	1,326.66	-	263,158.98
Inter segment/Intra segment sales and other income	76.91	8.00	(75.42)	9.49	1,502.72	(1,512.21)	-
	114.25	-	(106.84)	7.41	1,421.13	(1,428.54)	-
<b>Total revenue</b>	<b>49,742.80</b>	<b>224,471.12</b>	<b>(75.42)</b>	<b>274,138.50</b>	<b>2,934.82</b>	<b>(1,512.21)</b>	<b>275,561.11</b>
	44,118.13	217,828.44	(106.84)	261,839.73	2,747.79	(1,428.54)	263,158.98
<b>(b) Segment results before other income, finance cost, tax and exceptional items</b>	<b>2,285.75</b>	<b>17,100.75</b>	<b>-</b>	<b>19,386.50</b>	<b>439.49</b>	<b>(83.94)</b>	<b>19,742.05</b>
	(2,505.90)	28,127.33	-	25,621.43	375.96	(147.37)	25,850.02
<b>(c) (i) Other income</b>							<b>981.72</b>
(ii) Finance cost							898.74
							<b>(4,623.35)</b>
							(4,861.49)
(iii) Exceptional items :							
- Exchange loss (net) including on revaluation of foreign currency borrowings, deposits and loans							<b>(240.19)</b>
							(91.72)
- Employee separation cost							<b>(32.72)</b>
							(92.99)
- Provision for costs associated with closure of operations and impairment of intangibles of a subsidiary company							<b>(44.31)</b>
							-
- Impairment of capitalised fixed assets							<b>(163.94)</b>
							-
- Others [Note 39(a), page F-86]							<b>(1,638.39)</b>
							-
<b>(d) Profit before tax</b>							<b>13,980.87</b>
							21,702.56
Tax expense (net)							<b>2,872.60</b>
							7,642.91
<b>(e) Profit after tax</b>							<b>11,108.27</b>
							14,059.65
<b>(f) Segment assets</b>	<b>60,727.13</b>	<b>165,916.64</b>	<b>(10.00)</b>	<b>226,633.77</b>	<b>2,208.37</b>	<b>(935.19)</b>	<b>227,906.95</b>
	57,553.16	146,134.60	-	203,687.76	2,092.68	(1,074.50)	204,705.94
<b>(g) Segment liabilities</b>	<b>14,090.71</b>	<b>83,198.65</b>	<b>(10.00)</b>	<b>97,279.36</b>	<b>603.42</b>	<b>(281.31)</b>	<b>97,601.47</b>
	14,115.52	76,234.35	-	90,349.87	629.56	(283.61)	90,695.82
<b>(h) Other information</b>							
(a) Depreciation and amortisation expense	2,810.47	14,138.05	-	16,948.52	65.66	-	17,014.18
	3,013.16	10,319.73	-	13,332.89	55.74	-	13,388.63
(b) Capital expenditure	3,725.79	28,257.78	-	31,983.57	124.65	(83.80)	32,024.42
	3,228.98	31,732.49	-	34,961.47	75.15	(147.01)	34,889.61
<b>(i) Segment assets exclude:</b>							
(i) Deferred tax assets							<b>2,726.43</b>
							2,733.20
(ii) Current and non-current investments							<b>20,466.09</b>
							15,336.74
(iii) Income tax assets (net of provision) including MAT credit entitlement							<b>1,560.75</b>
							1,249.66
(iv) Other unallocated assets							<b>16,637.38</b>
							14,632.45
							<b>41,390.65</b>
							33,952.05

\* Other brand vehicles includes Tata Daewoo and Fiat traded vehicles

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

							(₹ in crores)
<b>(j) Segment liabilities exclude:</b>							
(i) Minority interest							888.26
							433.34
(ii) Long-term borrowings							<b>51,876.31</b>
							56,071.34
(iii) Short-term borrowings							<b>11,223.63</b>
							13,140.14
(iv) Current maturities of long term debt							<b>7,368.55</b>
							4,398.91
(v) Deferred tax liabilities (net)							<b>3,166.08</b>
							1,343.20
(vi) Proposed dividend and tax thereon							<b>101.95</b>
							66.36
(vii) Provision for income tax (net of payment)							<b>928.77</b>
							835.90
(viii) Other unallocated liabilities							<b>15,359.91</b>
							15,411.06
							<b>90,913.46</b>
							91,700.25
<b>(B) Secondary segment</b>							
	<b>United States</b>	<b>UK</b>	<b>Rest of Europe</b>	<b>India</b>	<b>China</b>	<b>Rest of World</b>	<b>Total</b>
<b>Revenue from external customers</b>	<b>43,692.61</b>	<b>46,007.94</b>	<b>41,583.95</b>	<b>41,979.43</b>	<b>53,123.58</b>	<b>49,173.60</b>	<b>275,561.11</b>
	31,469.53	35,484.92	31,791.99	35,676.53	76,170.40	52,565.61	263,158.98
<b>Carrying amount of segment assets</b>	<b>3,514.18</b>	<b>136,080.86</b>	<b>4,442.72</b>	<b>56,394.25</b>	<b>13,376.82</b>	<b>14,098.12</b>	<b>227,906.95</b>
	3,480.97	119,577.63	2,694.32	54,566.39	14,082.82	10,303.81	204,705.94
<b>Capital expenditure</b>	<b>50.13</b>	<b>25,300.83</b>	<b>183.05</b>	<b>3,681.75</b>	<b>1,640.00</b>	<b>1,168.66</b>	<b>32,024.42</b>
	51.40	29,642.62	14.90	3,102.05	1,779.83	298.81	34,889.61

**Notes:**

- The Company has disclosed business segment as primary segment. The Company primarily operates in the Automotive 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 comprises primarily activities relating to information technology or IT services, machine tools and factory automation solutions.
- 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.

(Consolidated)

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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

(₹ in crores)

Particulars As at / for the year ended on March 31,	Gratuity, Superannuation and BKV / PSY					Compensated Absences					Post-retirement Medicare scheme				
	2016	2015	2014	2013	2012	2016	2015	2014	2013	2012	2016	2015	2014	2013	2012
<b>(i) Components of employer expense</b>															
Current service cost	64.26	56.43	58.75	52.84	47.09	41.94	36.53	38.81	34.90	28.34	7.68	5.71	5.18	4.06	4.22
Interest cost	66.96	69.05	63.93	60.20	55.57	22.82	22.17	21.95	20.78	18.00	12.18	11.31	9.06	8.34	8.14
Expected return on plan assets	(60.63)	(57.15)	(57.02)	(53.64)	(49.95)	-	-	-	-	-	-	-	-	-	-
Past service cost	-	-	-	-	-	-	-	-	-	-	-	0.70	0.55	-	-
Actuarial Losses / (Gains)	(8.30)	60.00	(0.43)	4.99	21.89	(0.81)	39.23	(25.65)	5.88	22.85	(8.69)	16.15	2.65	2.00	(6.02)
<b>Total expense recognised in the Statement of Profit and Loss in Note 25, page F-72 :</b>	<b>62.29</b>	<b>128.33</b>	<b>65.23</b>	<b>64.39</b>	<b>74.60</b>	<b>63.95</b>	<b>97.93</b>	<b>35.11</b>	<b>61.56</b>	<b>69.19</b>	<b>11.17</b>	<b>33.87</b>	<b>17.44</b>	<b>14.40</b>	<b>6.34</b>
	<b>(b) &amp; (c)</b>					<b>(a)</b>					<b>(c)</b>				
<b>(ii) Actual Contribution and Benefit Payments</b>															
Actual benefit payments	120.66	137.19	85.87	81.64	56.44	50.16	56.57	49.27	41.36	32.34	6.78	2.20	3.90	4.07	3.90
Actual contributions	50.78	122.62	42.40	68.00	68.36	50.16	56.57	49.27	41.36	32.34	6.78	2.20	3.90	4.07	3.90
<b>(iii) Net asset/(liability) recognised in Balance Sheet</b>															
Present value of Defined Benefit Obligation	923.92	901.85	827.79	814.79	757.76	323.59	309.90	268.65	283.58	263.38	160.11	155.72	124.05	110.51	100.18
Fair value of plan assets	799.73	789.18	720.63	737.38	676.74	-	-	-	-	-	-	-	-	-	-
<b>Net asset / (liability) recognised in Balance Sheet</b>	<b>(124.19)</b>	<b>(112.67)</b>	<b>(107.16)</b>	<b>(77.41)</b>	<b>(81.02)</b>	<b>(323.59)</b>	<b>(309.90)</b>	<b>(268.65)</b>	<b>(283.58)</b>	<b>(263.38)</b>	<b>(160.11)</b>	<b>(155.72)</b>	<b>(124.05)</b>	<b>(110.51)</b>	<b>(100.18)</b>
Experience adjustment on plan liabilities	6.85	7.82	23.55	(23.73)	(7.37)	0.51	(6.68)	N/A	N/A	N/A	(16.20)	(3.80)	3.46	8.76	(2.83)
<b>(iv) Change in Defined Benefit Obligations (DBO)</b>															
Present value of DBO at beginning of year	901.85	827.79	814.79	757.76	692.38	309.90	268.65	283.58	263.38	226.31	155.72	124.05	110.51	100.18	97.74
Liability on acquisitions	-	-	-	0.04	0.43	-	-	-	-	0.22	-	-	-	-	-
Current service cost	64.26	56.43	58.75	52.84	47.09	41.94	36.53	38.81	34.90	28.34	7.68	5.71	5.18	4.06	4.22
Past service cost	-	-	-	-	-	-	-	-	-	-	-	0.70	0.55	-	-
Interest cost	66.96	69.05	63.93	60.20	55.57	22.82	22.17	21.95	20.78	18.00	12.18	11.31	9.06	8.34	8.14
Plan amendments	-	(0.20)	-	-	-	(0.10)	(0.11)	-	-	-	-	-	-	-	-
Settlement cost / (credit)	-	-	-	-	-	-	-	(0.77)	-	-	-	-	-	-	-
Actuarial (gains) / losses	11.51	85.97	(23.81)	25.59	18.73	(0.81)	39.23	(25.65)	5.88	22.85	(8.69)	16.15	2.65	2.00	(6.02)
Benefits paid	(120.66)	(137.19)	(85.87)	(81.64)	(56.44)	(50.16)	(56.57)	(49.27)	(41.36)	(32.34)	(6.78)	(2.20)	(3.90)	(4.07)	(3.90)
<b>Present value of DBO at the end of year</b>	<b>923.92</b>	<b>901.85</b>	<b>827.79</b>	<b>814.79</b>	<b>757.76</b>	<b>323.59</b>	<b>309.90</b>	<b>268.65</b>	<b>283.58</b>	<b>263.38</b>	<b>160.11</b>	<b>155.72</b>	<b>124.05</b>	<b>110.51</b>	<b>100.18</b>
<b>(v) Change in fair value of assets</b>															
Plan assets at beginning of year	789.18	720.63	737.38	676.74	618.02	-	-	-	-	-	-	-	-	-	-
Liability on acquisitions	-	-	-	0.04	0.43	-	-	-	-	0.22	-	-	-	-	-
Actual return on plan assets	80.44	83.12	33.65	74.24	46.80	-	-	-	-	-	-	-	-	-	-
Actual Company contributions	50.78	122.62	42.40	68.00	68.36	50.16	56.57	49.27	41.36	32.34	6.78	2.20	3.90	4.07	3.90
Benefits paid	(120.66)	(137.19)	(85.87)	(81.64)	(56.44)	(50.16)	(56.57)	(49.27)	(41.36)	(32.34)	(6.78)	(2.20)	(3.90)	(4.07)	(3.90)
Others	-	-	(6.93)	-	-	-	-	-	-	-	-	-	-	-	-
<b>Plan assets at the end of year</b>	<b>799.74</b>	<b>789.18</b>	<b>720.63</b>	<b>737.38</b>	<b>676.74</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(vi) Actuarial Assumptions</b>															
Discount rate (%)	6.75-8.00	6.75-8.00	6.75-9.30	6.75-8.35	6.75-8.90	7.90-8.00	7.90-8.00	9.20	8.35	8.50	8.00	8.00	9.20	8.35	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	6.00	6.00	5.00	4.00
<b>(vii) The major categories of plan assets as percentage to total plan assets</b>															
Debt securities	79%	73%	71%	73%	77%	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	19%	21%	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	2%	6%	1%	4%	4%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>(viii) Effect of one percentage point change in assumed medical inflation rate</b>	<b>One percentage point increase in medical inflation rate</b>					<b>One percentage point decrease in medical inflation rate</b>									
	2016	2015	2014	2013	2012	2016	2015	2014	2013	2012					
Revised DBO	181.56	176.28	137.03	121.00	108.44	142.21	138.52	111.55	101.33	81.62					
Revised service cost	9.53	8.71	6.05	4.86	4.88	6.21	5.96	4.47	3.41	3.04					
Revised interest cost	24.55	23.32	9.94	9.30	8.85	17.81	17.24	8.30	7.54	6.81					

(a) Defined contribution plans-

The Company's contribution to defined contribution plan aggregated ₹ 193.92 crores (2014-15 ₹ 192.74 crores) for the year ended March 31, 2016 has been recognised in the Statement of Profit and Loss in note 25(b) on page F-72

(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 ₹ 70.03 crores to the funded pension plans in the year 2016-2017.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### 34. (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,	2016	2015	2014	2013	2012
<b>i Components of employer expense</b>					
Current service cost	55.53	42.16	38.75	37.24	21.18
Interest cost	7.61	8.05	5.64	9.30	10.26
Past service cost	-	-	-	(6.17)	-
Expected return on plan assets	(8.21)	(6.07)	(0.04)	-	-
Actuarial losses / (gains)	(61.22)	69.92	(7.14)	(62.40)	(8.39)
<b>Total expense recognised in the Statement of Profit and Loss in Note 25(b), page F-72 :</b>	<b>(6.29)</b>	114.06	37.21	(22.03)	23.05
<b>ii Actual Contribution and Benefit Payments</b>					
Actual benefit payments	3.31	4.73	6.83	87.97	14.64
Actual contributions	52.15	75.48	135.03	87.97	14.64
<b>iii Net liability recognised in Balance Sheet</b>					
Present value of Defined Benefit Obligation	333.91	330.78	219.54	164.44	252.58
Fair value of plan assets	261.78	202.54	129.43	-	-
<b>Net liability recognised in Balance Sheet</b>	<b>(72.13)</b>	(128.24)	(90.11)	(164.44)	(252.58)
Experience adjustment on plan liabilities	(4.09)	19.83	6.54	79.62	19.01
Experience adjustment on plan assets	-	-	-	-	-
<b>iv Change in Defined Benefit Obligations (DBO)</b>					
Present Value of DBO at the beginning of the year	330.78	219.54	164.44	252.58	220.62
Current service cost	55.53	42.16	38.75	37.24	21.18
Interest cost	7.61	8.05	5.64	9.30	10.26
Past service cost	-	-	-	(6.17)	-
Actuarial losses / (gains)	(66.11)	67.29	(7.14)	(62.40)	(8.39)
Benefits paid	(3.31)	(4.73)	(6.83)	(87.97)	(14.64)
Exchange fluctuation	9.41	(1.53)	24.68	21.86	23.55
<b>Present Value of DBO at the end of the year</b>	<b>333.91</b>	330.78	219.54	164.44	252.58
<b>v Change in fair value of assets</b>					
Plan assets at the beginning of the year	202.54	129.43	-	-	-
Actual return on plan assets	3.32	3.44	0.04	-	-
Actual Company contributions	52.15	75.48	135.03	87.97	14.64
Benefits paid	(3.31)	(4.73)	(6.83)	(87.97)	(14.64)
Exchange fluctuation	7.08	(1.08)	1.19	-	-
Plan assets at the end of the year	261.78	202.54	129.43	-	-
<b>vi Actuarial assumptions</b>					
Discount Rate	1.90%	2.30%	3.60%	3.07%	4.03%
Expected return on plan assets	2.00%	3.60%	N/A	N/A	N/A

- (a) **Defined Contribution Plans-**  
The Company's contribution to defined contribution plan aggregated ₹19.41 crores (2014-15 ₹16.66 crores) for the year ended March 31, 2016 has been recognised in the Statement of Profit and Loss in note 25(b) on page F-72.
- (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 ₹40.53 crores to the funded pension plans in the year 2016-2017.

(Consolidated)

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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

(₹ in crores)

As at / for the year ended on March 31,	Post-retirement Pension scheme					Post-retirement Medicare scheme				
	2016	2015	2014	2013	2012	2016	2015	2014	2013	2012
<b>(i) Components of employer expense</b>										
Current service cost	2,140.58	1,584.36	1,626.77	1,009.27	780.53	0.59	0.49	0.58	0.52	0.46
Interest cost	2,661.70	2,772.76	2,587.53	2,177.34	1,829.87	0.49	0.39	0.48	0.60	0.53
Expected return on plan assets	(2,218.84)	(2,342.67)	(2,203.42)	(1,917.76)	(1,833.99)	-	-	-	-	-
Amortisation of past service cost	1.38	5.13	54.72	49.10	112.99	-	-	-	-	-
Settlement	-	(2.07)	-	-	-	-	-	-	(0.52)	-
Expenses paid	-	-	1.35	-	-	-	-	-	-	-
<b>Total expense recognised in the Statement of Profit and Loss in Note 25(b), page F-72</b>	<b>2,584.82</b>	<b>2,017.51</b>	<b>2,066.95</b>	<b>1,317.95</b>	<b>889.40</b>	<b>1.08</b>	<b>0.88</b>	<b>1.06</b>	<b>0.60</b>	<b>0.99</b>
<b>(ii) Actual contribution and benefit payments</b>										
Actual benefit payments	1,601.62	1,437.45	1,314.88	1,112.62	866.72	-	0.10	0.10	0.09	-
Actual contributions	937.70	3,409.01	3,202.75	1,442.36	1,760.55	-	0.10	0.10	3.10	-
<b>(iii) Amount recognised in Pension Reserve</b>										
Actuarial loss / (gain)	(4,836.85)	3,523.68	1,283.81	3,972.49	1,490.14	(0.99)	1.38	(2.40)	0.86	0.84
Movement in restriction of pension assets	13.91	(26.82)	21.45	(235.08)	(42.75)	-	-	-	-	-
Onerous obligation	-	-	-	(1,056.73)	(37.41)	-	-	-	-	-
Economic benefit from pre payment of normal contribution	-	-	-	300.08	(266.44)	-	-	-	-	-
Deferred tax	1,121.33	(704.77)	(40.39)	(626.73)	(1,272.50)	-	-	-	-	-
<b>Amount recognised in Pension Reserve</b>	<b>(3,701.61)</b>	<b>2,792.09</b>	<b>1,264.87</b>	<b>2,354.03</b>	<b>(128.96)</b>	<b>(0.99)</b>	<b>1.38</b>	<b>(2.40)</b>	<b>0.86</b>	<b>0.84</b>
<b>(iv) Net liability recognised in Balance Sheet</b>										
Present value of Defined Benefit Obligation	73,179.83	72,871.09	60,249.67	49,426.92	40,065.65	12.48	11.73	9.15	9.60	10.76
Fair value of plan assets	67,803.25	64,688.30	53,576.49	44,046.30	38,372.91	-	-	-	-	-
Restriction of pension asset	(34.36)	(3.51)	(29.56)	(6.16)	(229.00)	-	-	-	-	-
Onerous obligation	-	-	-	-	(1,001.94)	-	-	-	-	-
Economic benefit from pre payment of normal contribution	-	-	-	-	284.52	-	-	-	-	-
Net asset recognised in balance sheet	21.29	3.61	4.38	3.61	15.49	-	-	-	-	-
<b>Net (Liability) recognised in Balance Sheet</b>	<b>(5,432.23)</b>	<b>(8,189.91)</b>	<b>(6,707.12)</b>	<b>(5,390.39)</b>	<b>(2,654.65)</b>	<b>(12.48)</b>	<b>(11.73)</b>	<b>(9.15)</b>	<b>(9.60)</b>	<b>(10.76)</b>
Experience adjustment on plan liabilities	(621.32)	(995.83)	69.24	56.75	610.62	-	-	-	-	-
<b>(v) Change in Defined Benefit Obligations (DBO)</b>										
Present Value of DBO at beginning of year	72,871.09	60,249.67	49,426.92	40,065.65	30,723.35	11.73	9.16	9.60	10.32	7.69
Current service cost	2,140.58	1,584.36	1,626.77	1,009.27	780.53	0.59	0.49	0.58	0.52	0.46
Interest cost	2,661.70	2,772.76	2,587.53	2,177.34	1,829.87	0.49	0.39	0.48	0.60	0.53
Amendments	-	-	55.78	49.10	51.53	-	-	-	-	-
Actual member contributions	16.37	18.34	13.08	59.93	112.99	-	-	-	-	-
Actuarial losses / (gains)	(5,344.70)	15,108.87	(2,628.99)	7,314.38	2,797.44	(0.99)	1.38	(2.40)	0.86	0.84
Benefits paid	(1,601.62)	(1,437.45)	(1,314.88)	(1,112.62)	(866.72)	-	(0.10)	(0.10)	(0.09)	-
Expenses paid	(27.61)	-	-	(0.77)	(1.22)	-	-	-	-	-
Past service cost	1.38	5.13	-	-	-	-	-	-	-	-
Plan combination	-	(1.58)	-	-	-	-	-	-	-	-
Plan curtailment	-	-	(1.06)	-	-	-	-	-	-	-
Plan settlement	-	(13.11)	-	-	-	-	-	-	(3.53)	-
Exchange fluctuation	2,462.64	(5,415.90)	10,484.52	(135.36)	4,637.88	0.66	0.41	0.99	0.92	0.80
<b>Present Value of DBO at the end of year</b>	<b>73,179.83</b>	<b>72,871.09</b>	<b>60,249.67</b>	<b>49,426.92</b>	<b>40,065.65</b>	<b>12.48</b>	<b>11.73</b>	<b>9.15</b>	<b>9.60</b>	<b>10.32</b>
<b>(vi) Change in fair value of assets</b>										
Plan assets at beginning of year	64,688.30	53,576.49	44,046.30	38,372.91	29,816.11	-	-	-	-	-
Actual return on plan assets	1,710.99	13,927.87	(1,709.38)	5,259.65	3,141.29	-	-	-	-	-
Actual company contributions	937.10	3,409.01	3,202.18	1,442.36	1,760.55	-	0.10	0.10	3.10	-
Actual member contributions	16.37	18.34	13.08	59.93	51.53	-	-	-	-	-
Benefits paid	(1,601.62)	(1,437.45)	(1,314.88)	(1,112.62)	(866.72)	-	(0.10)	(0.10)	(0.09)	-
Expenses paid	(29.19)	(1.77)	(1.35)	(0.77)	(1.22)	-	-	-	-	-
Plan settlement	-	(11.04)	-	-	-	-	-	-	(3.01)	-
Exchange fluctuation	2,081.30	(4,793.15)	9,340.54	24.84	4,471.37	-	-	-	-	-
Plan assets at the end of year	67,803.25	64,688.30	53,576.49	44,046.30	38,372.91	-	-	-	-	-
<b>(vii) Actuarial assumptions</b>										
Discount rate (%)	2.92-3.63	2.45-3.37	3.71-4.59	3.69-4.40	4.38-5.10	3.95	3.75	4.35	4.10	4.88
Inflation (%)	2.00-3.01	2.00-3.06	2.00-3.44	2.00-3.40	2.00-3.30	N/A	N/A	N/A	N/A	N/A
Expected return on plan assets (%)	2.92-3.63	3.37	2.07-3.94	4.75-6.34	4.85-6.34	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	4.50	4.50	4.50
<b>(viii) The major categories of plan assets as percentage to total plan assets</b>										
Equity securities	10%-19%	8%-20%	10%-37%	17%-38%	19%-38.4%	N/A	N/A	N/A	N/A	N/A
Debt securities	48%-67%	49%-70%	35%-69%	38%-68%	38.4%-67%	N/A	N/A	N/A	N/A	N/A
Other	22%-33%	18%-31%	19%-27%	15%-24%	8%-23.2%	N/A	N/A	N/A	N/A	N/A

(a) Defined Contribution Plans-

Jaguar Land Rover group's contribution to defined contribution plan aggregated ₹ 463.52 crores (₹ 325.37 crores) for the year ended March 31, 2015) has been recognised in the Statement of Profit and Loss in note 25(b) on page F-72.

(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 ₹ 1,656.84 crores to the funded pension plans in the year 2016-2017.

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

	2015 - 2016	2014 - 2015
<b>35. (i) Movement of provision for warranty and product liability</b>		
Opening balance	10,357.30	9,482.22
Add: Provision for the year (net) (including additional provision for earlier years)	6,925.88	5,912.78
Less: Payments / debits (net of recoveries from suppliers)	(5,156.82)	(4,152.96)
Foreign currency translation	318.42	(884.74)
Closing balance	12,444.78	10,357.30
Current portion	5,618.72	4,663.66
Non-current portion	6,826.06	5,693.64
	12,444.78	10,357.30
The provision is expected to be utilized for settlement of warranty claims within a period of 5 years.		
<b>(ii) Movement of provision for residual risk</b>		
Opening balance	185.27	148.94
Add: Provision / (reversal of provision) for the year	(2.86)	43.98
Less: Payments / debits	(14.79)	-
Foreign currency translation	13.22	(7.65)
Closing balance	180.84	185.27
Current portion	57.42	42.72
Non-current portion	123.42	142.55
	180.84	185.27
In certain markets, some subsidiaries are responsible for the residual risk arising on vehicles sold by dealers on a leasing arrangement. The provision is based on the latest available market expectations of future residual value trends. The timing of the outflows will be at the end of the lease arrangements – being typically up to three years.		
<b>(iii) Movement of provision towards environmental cost</b>		
Opening balance	289.06	206.68
Add: Provision for the year (net)	(7.29)	98.29
Less: Payments	-	-
Foreign currency translation	9.37	(15.91)
Closing balance	291.14	289.06
Current portion	68.99	44.18
Non-current portion	222.15	244.88
	291.14	289.06
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.		
<b>(iv) Movement of provision for annual maintenance contract</b>		
Opening balance	28.86	3.12
Add: Provision for the year (net)	8.68	29.32
Less: Payments	(9.76)	(3.58)
Closing balance	27.78	28.86
Current portion	17.79	16.29
Non-current portion	9.99	12.57
	27.78	28.86



(Consolidated)

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

36. The Company has joint ventures with (a) Fiat Group Automobiles S.p.A., Italy, Fiat India Automobiles Private Limited (FIAL), for manufacturing passenger cars, engines and transmissions at Ranjangaon in India (b) Cummins Inc, USA, Tata Cummins Private Limited (TCL), for manufacturing engines in India (c) Hindustan Aeronautics Ltd, Tata HAL Technologies Ltd for providing engineering and design solutions and services in the domain of aerospace industry and (d) Spark 44 Ltd for advertising and (e) Chery Jaguar Land Rover Automotive Co. Ltd. for manufacture and assembly of vehicles. The Company has an investment of ₹1,567.04 crores in FIAL, ₹90.00 crores in TCL, ₹3.40 crores in Spark 44 Ltd and ₹2,748.28 crores in Chery Jaguar Land Rover Automotive Co. Ltd representing 50% shareholding and ₹3.67 crores representing 36.16% shareholding in Tata HAL Technologies Ltd.

(a) The proportionate share of assets and liabilities as at March 31, 2016 and income and expenditure for the year 2015-16 of FIAL as per their unaudited financial statements are given below:

	As at March 31, 2016	As at March 31, 2015		(₹ in crores)	
				2015-2016	2014-2015
<b>RESERVES AND SURPLUS</b>			<b>INCOME</b>		
Reserves and Surplus	167.47	10.26	Revenue from operations	1,768.64	2,074.38
<b>NON-CURRENT LIABILITIES</b>			Less : Excise duty	(217.01)	(215.02)
Long-term Borrowings	395.15	403.78	Other operating income	169.82	188.15
Other Long term Liabilities	-	73.82	Other Income	29.04	45.50
Long-term Provisions	3.92	3.41		1,750.49	2,093.01
<b>CURRENT LIABILITIES</b>			<b>EXPENDITURE</b>		
Short-term Borrowings	32.38	75.88	Manufacturing and other expenses	1,394.40	1,677.95
Trade Payables	129.13	157.91	Depreciation	120.20	132.44
Other Current Liabilities	577.40	148.03	Finance Cost	35.75	78.07
Short-term Provisions	7.42	1.31	Exchange (gain) / Loss (net) on revaluation of foreign currency borrowings, deposits and loan given	-	(48.13)
	1,145.40	864.14	Tax expenses	43.00	52.50
<b>NON-CURRENT ASSETS</b>				1,593.35	1,892.83
Fixed Assets	1,268.81	1,225.54			
Other Long-term Loans and Advances	169.57	35.13			
Other Non-Current Assets	-	-			
<b>CURRENT ASSETS</b>					
	1,097.07	836.30			
	2,535.45	2,096.97			
Claims not acknowledged as debts	21.61	21.06			
Capital Commitments	479.90	9.08			

(b) The proportionate share of assets and liabilities as at March 31, 2016 and income and expenditure for the year 2015-16 of TCL as per their audited financial statements are given below:

	As at March 31, 2016	As at March 31, 2015		(₹ in crores)	
				2015-2016	2014-2015
<b>RESERVES AND SURPLUS</b>			<b>INCOME</b>		
Reserves and Surplus	325.51	285.84	Revenue from operations	1,738.29	1,373.18
<b>NON-CURRENT LIABILITIES</b>			Less : Excise duty	(183.27)	(129.64)
Long-term Borrowings	18.56	81.84	Other operating income	3.77	4.44
Deferred Tax Liabilities	36.05	35.51	Other Income	1.63	1.86
Other Long term Liabilities	-	5.69		1,560.42	1,249.84
Long-term Provisions	23.63	20.32	<b>EXPENDITURE</b>		
<b>CURRENT LIABILITIES</b>			Manufacturing and other expenses	1,468.75	1,171.75
Short-term Borrowings	45.85	100.69	Depreciation	52.96	39.09
Trade Payables	195.92	137.33	Finance Cost	19.63	7.96
Other Current Liabilities	111.49	96.40	Tax expenses	7.27	5.29
Short-term Provisions	38.64	37.20			
	470.14	514.98		1,548.61	1,224.09
<b>NON-CURRENT ASSETS</b>					
Fixed Assets	573.84	607.19			
Other Long-term Loans and Advances	63.70	60.33			
Other Non-Current Assets	13.99	9.08			
<b>CURRENT ASSETS</b>					
	234.10	214.22			
	885.63	890.82			
Claims not acknowledged as debts	38.06	178.18			
Capital Commitments	22.02	31.16			

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

- (c) The proportionate share of assets and liabilities as at March 31, 2016 and income and expenditure for the year 2015-16 of Tata HAL Technologies Ltd as per their audited financial statements are given below:

(₹ in crores)				
	As at March 31, 2016	As at March 31, 2015	2015-2016	2014-2015
<b>RESERVES AND SURPLUS</b>				
Reserves and Surplus	(2.00)	(2.13)	3.21	4.49
<b>NON-CURRENT LIABILITIES</b>			0.21	0.09
Long-term Provisions	0.08	0.07	3.42	4.58
<b>CURRENT LIABILITIES</b>				
Trade Payables	0.72	0.46		
Other Current Liabilities	0.07	0.06		
Short-term Provisions	0.01	0.01		
	0.88	0.60		
<b>NON-CURRENT ASSETS</b>				
Fixed Assets	0.11	0.22		
Other Long-term Loans and Advances	0.09	0.32		
Other Non-Current Assets	0.20	0.05		
<b>CURRENT ASSETS</b>	2.15	1.55		
	2.55	2.14	3.30	4.08
<b>INCOME</b>				
Service income			3.21	4.49
Other Income			0.21	0.09
			3.42	4.58
<b>EXPENDITURE</b>				
Cost of traded items & services			0.58	0.02
Salary & other general expenses			2.55	3.89
Depreciation			0.13	0.17
Income tax			0.04	-
			3.30	4.08

- (d) The proportionate share of assets and liabilities as at March 31, 2016 and income and expenditure for the year 2015-16 of Spark 44 (JV) Limited as per their audited financial statements are given below:

(₹ in crores)				
	As at March 31, 2016	As at March 31, 2015	2015-2016	2014-2015
<b>RESERVES AND SURPLUS</b>				
Reserves and Surplus	43.71	25.89	233.85	128.87
<b>NON-CURRENT LIABILITIES</b>				
Other Long-term Liabilities	2.48	0.65	233.85	128.87
<b>CURRENT LIABILITIES</b>				
Trade Payables	78.99	27.83		
Short-term Provisions	1.62	0.37		
	83.09	28.85		
<b>NON-CURRENT ASSETS</b>				
Fixed Assets	26.69	9.15	195.09	112.89
<b>CURRENT ASSETS</b>	100.13	45.58	7.15	3.45
	126.82	54.73	10.37	3.85
	-	176.58	212.61	120.19
Capital Commitments	-	176.58		
<b>INCOME</b>				
Revenue from operations			233.85	128.87
			233.85	128.87
<b>EXPENDITURE</b>				
Manufacturing and other expenses			195.09	112.89
Depreciation			7.15	3.45
Tax expenses			10.37	3.85
			212.61	120.19

- (e) The proportionate share of assets and liabilities as at March 31, 2016 and income and expenditure for the year 2015-16 of Chery Jaguar Land Rover Automotive Company Limited as per their audited financial statements are given below:

(₹ in crores)				
	As at March 31, 2016	As at March 31, 2015	2015-2016	2014-2015
<b>RESERVES AND SURPLUS</b>				
Reserves and Surplus	3,268.19	2,621.39	5,452.40	781.29
<b>NON-CURRENT LIABILITIES</b>			108.78	15.97
Long-term Borrowings	1,028.98	893.61	5,561.18	797.26
<b>CURRENT LIABILITIES</b>				
Short-term Borrowings	163.61	258.49		
Trade Payables	2,421.24	1,274.22		
Other Current Liabilities	200.64	51.03		
Short-term Provisions	140.22	15.53		
	3,954.69	2,492.88		
<b>NON-CURRENT ASSETS</b>				
Fixed Assets	3,860.47	2,555.56	4,184.52	796.47
Other Long-term Loans and Advances	-	37.35	287.44	81.15
Other Non-Current Assets	28.73	115.19	260.01	14.20
<b>CURRENT ASSETS</b>	3,333.67	2,406.17	216.97	(29.09)
	7,222.87	5,114.27	4,948.95	862.73
Capital Commitments	973.61	175.65		
Purchase Commitments	343.63	-		
<b>INCOME</b>				
Revenue from operations			5,452.40	781.29
Other income			108.78	15.97
			5,561.18	797.26
<b>EXPENDITURE</b>				
Manufacturing and other expenses			4,184.52	796.47
Depreciation			287.44	81.15
Finance Cost			260.01	14.20
Tax expenses / (credit)			216.97	(29.09)
			4,948.95	862.73

(Consolidated)

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## 37. Additional information as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as subsidiary / Associates / Joint Ventures

Name of the entity	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount (₹ in crores)	As % of consolidated profit or loss	Amount (₹ in crores)
<b>Parent</b>				
Tata Motors Limited	27.56%	22,368.08	2.12%	234.23
<b>Subsidiaries</b>				
<b>Indian</b>				
TAL Manufacturing Solutions Limited	0.09%	69.97	-0.13%	(13.98)
TML Drivelines Limited	1.00%	813.21	0.50%	54.76
Concorde Motors (India) Limited	-0.01%	(6.05)	-0.37%	(40.54)
Sheba Properties Limited	0.24%	197.61	0.10%	11.02
Tata Technologies Limited	0.76%	617.10	2.02%	222.63
Tata Motors Insurance Broking & Advisory Services Limited	0.02%	12.42	0.05%	5.84
TML Distribution Company Limited	0.34%	277.01	0.07%	7.94
Tata Motors Finance Limited	4.43%	3,599.98	0.87%	95.62
Tata Motors Finance Solutions Limited	1.82%	1,479.01	0.07%	7.72
Tata Marcopolo Motors Limited	0.11%	86.36	-0.08%	(8.32)
Jaguar Land Rover India Limited	0.27%	217.20	-0.19%	(21.28)
<b>Foreign</b>				
Tata Daewoo Commercial Vehicle Co. Limited	2.60%	2,109.32	2.60%	286.90
Tata Motors European Technical Centre Plc	0.27%	215.68	-0.02%	(2.60)
Tata Motors (SA) (Proprietary) Limited	0.01%	10.15	0.00%	(0.36)
Tata Motors (Thailand) Limited	-0.38%	(307.29)	-1.13%	(124.88)
TML Holdings Pte Ltd, Singapore	12.21%	9,910.70	8.91%	982.74
Tata Hispano Motors Carrocera S.A	-0.81%	(655.45)	-0.11%	(11.60)
Tata Hispano Motors Carroceries Maghreb	-0.01%	(9.16)	-0.40%	(43.85)
Trilix S.r.l	0.05%	41.61	0.20%	21.51
Tata Precision Industries Pte Limited	0.00%	1.15	0.00%	-
PT Tata Motors Indonesia	0.17%	134.01	-0.04%	(4.91)
INCAT International Plc	0.06%	46.42	-0.01%	(0.59)
Tata Technologies Inc	0.41%	336.62	0.16%	17.92
Tata Technologies (Canada) Inc.	0.01%	4.08	-0.02%	(2.20)
Tata Technologies de Mexico, S.A. de C.V.	0.00%	3.88	0.00%	0.15
Tata Technologies Europe Limited	0.71%	574.13	1.14%	125.77
INCAT GmbH.	0.02%	16.08	0.00%	0.35
Tata Technologies (Thailand) Limited	0.01%	11.41	0.00%	0.49
Tata Technologies Pte. Ltd, Singapore	0.92%	744.45	-0.06%	(6.83)
Cambric Limited, Bahamas	0.02%	20.11	0.01%	1.17
Cambric UK Limited	0.00%	3.89	0.01%	0.61
Cambric GmbH	0.00%	1.99	0.00%	0.40
Midwest Managed Services Inc, Utah	0.00%	0.77	0.01%	0.80
Tata Technologies SRL, Romania	0.02%	15.51	0.11%	11.82
Cambric Manufacturing Technologies (Shanghai) Co. Limited	0.01%	7.06	0.04%	4.95
Jaguar Land Rover Automotive Plc	21.59%	17,523.43	26.09%	2,876.62
Jaguar Land Rover Limited	89.75%	72,854.61	99.22%	10,937.50
Jaguar Land Rover Holdings Limited	59.67%	48,438.17	73.71%	8,125.95
JLR Nominee Company Limited	0.00%	-	0.00%	-
Jaguar Land Rover North America, LLC	0.65%	528.22	1.38%	152.47
Jaguar Land Rover Deutschland GmbH	0.70%	568.07	0.92%	101.37
Jaguar Land Rover Austria GmbH	0.10%	79.78	0.13%	13.95
Jaguar Land Rover Italia Spa	0.46%	374.93	1.04%	114.80
Jaguar Land Rover Portugal-Veiculos e Pecas, Lda.	-0.01%	(4.96)	0.03%	2.84
Jaguar Land Rover France, SAS	0.13%	107.68	0.28%	30.87
Jaguar Land Rover Australia Pty Limited	0.12%	99.98	0.73%	81.02
Jaguar Land Rover Automotive Trading (Shanghai) Co. Limited	4.87%	3,953.88	14.04%	1,548.19
Jaguar Land Rover Japan Limited	0.36%	294.14	0.23%	25.53
Jaguar Land Rover Korea Company Limited	0.13%	106.59	0.51%	56.76
Jaguar Land Rover Canada ULC	0.09%	70.06	0.65%	71.82

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Name of the entity	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount (₹ in crores)	As % of consolidated profit or loss	Amount (₹ in crores)
Jaguar e Land Rover Brasil Indústria e Comércio de Veículos Limited Liability Company "Jaguar Land Rover" (Russia)	0.03%	22.14	-3.23%	(355.67)
Jaguar Land Rover (South Africa) (Pty) Limited	0.85%	687.82	4.35%	480.02
Jaguar Land Rover Belux NV	0.17%	138.97	0.85%	94.05
Jaguar Land Rover South Africa Holdings Limited	0.07%	56.83	0.18%	19.65
Land Rover Ireland Limited	2.83%	2,294.81	0.41%	45.14
Jaguar Land Rover Espana SL	0.01%	7.82	0.01%	0.63
Jaguar Land Rover Nederland BV	0.51%	413.20	0.52%	57.15
The Lanchester Motor Company Limited	0.03%	20.94	0.01%	0.95
The Daimler Motor Company Limited	0.00%	-	0.00%	-
S S Cars Limited	0.02%	14.33	0.00%	-
Daimler Transport Vehicles Limited	0.00%	-	0.00%	-
The Jaguar Collection Limited	0.00%	-	0.00%	-
Jaguar Cars (South Africa) (Pty) Limited	0.00%	-	0.00%	-
Jaguar Cars Limited	0.00%	-	0.00%	-
Land Rover Exports Ltd (non-trading)	0.00%	-	0.00%	-
Jaguar Land Rover Pension Trustees Limited	0.00%	-	0.00%	-
Shanghai Jaguar Land Rover Automotive Services Company Limited	0.01%	4.72	-0.09%	(10.36)
JDHT Ltd (acquired w.e.f February 2, 2015)	0.00%	0.15	0.00%	-
Silkplan Ltd (Acquired on April 16, 2015)	0.00%	-	0.00%	-
Jaguar Land Rover Slovakia s.r.o (Incorporated w.e.f. August 27, 2015)	0.00%	193.11	-0.30%	(33.37)
Jaguar Land Rover Singapore Pte Ltd (incorporated w.e.f November 25,2015)	0.24%	3.61	0.00%	0.02
Jaguar Racing Limited (Incorporated w.e.f. February 2, 2016)	0.00%	-	0.00%	-
InMotion Ventures Limited (Incorporated w.e.f. March 18, 2016)	0.00%	-	0.00%	-
Tata Daewoo Commercial Vehicle Sales and Distribution Co. Limited	0.03%	20.65	0.04%	4.59
PT Tata Motors Distribusi Indonesia	0.00%	5.88	-0.45%	(49.43)
TMNL Motor Services Nigeria Ltd (incorporated w.e.f September 2, 2015)	0.01%	(0.13)	0.00%	(0.13)
<b>Minority Interests</b>				
<b>Indian</b>				
Concorde Motors (India) Limited	-0.01%	(11.81)	0.00%	-
Tata Marcopolo Motors Limited	-0.05%	(42.33)	0.04%	4.08
Tata Motors Finance Limited	-0.54%	(434.42)	0.00%	(0.42)
Tata Technologies Limited	-0.47%	(385.34)	-0.96%	(105.64)
<b>Foreign</b>				
Tata Motors (SA) (Proprietary) Limited	0.00%	(4.04)	0.00%	(0.14)
Tata Precision Industries Pte Limited	0.00%	(0.31)	0.00%	-
Trilix S.r.l	-0.01%	(10.01)	-0.03%	(3.74)
<b>Joint ventures (as per proportionate consolidation / investment as per the equity method)</b>				
<b>Indian</b>				
Fiat India Automobiles Private Limited	1.71%	1,390.05	2.01%	221.71
Tata Cummins Private Limited	0.51%	415.50	0.11%	11.84
Tata HAL Technologies Limited	0.00%	1.66	0.00%	0.12
<b>Foreign</b>				
Spark 44 (JV) Limited	0.05%	43.72	0.19%	20.63
Chery Jaguar Land Rover Automotive Co Limited	4.03%	3,268.19	5.39%	594.03
<b>Adjustments arising out of consolidation</b>	-142.04%	(115,296.65)	-144.65%	(15,946.39)
<b>Sub - total ( a )</b>		<b>80,782.67</b>		<b>11,002.41</b>
<b>Associates (Investment as per the equity method)</b>				
<b>Indian</b>				
Tata AutoComp Systems Limited	0.27%	217.39	0.10%	11.19
Automobile Corporation of Goa Limited	0.18%	143.10	0.06%	6.81
Tata Hitachi Construction Machinery Company Private Limited	0.00%	-	0.00%	-
<b>Foreign</b>				
Nita Company Ltd	0.03%	27.35	0.03%	3.34
Tata Precision Industries (India) Limited	-	-	-	-
Jaguar Cars Finance Limited	0.00%	3.91	0.00%	-
<b>Sub - total ( b )</b>		<b>391.75</b>		<b>21.34</b>
<b>Total</b>	<b>100.00%</b>	<b>81,174.42</b>	<b>100.00%</b>	<b>11,023.75</b>

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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

- Advances received are ₹ 6.49 crores (as at March 31, 2015 ₹ 5.79 crores)
- Retention money is ₹ 4.63 crores (as at March 31, 2015 ₹ 6.07 crores)
- Contract revenue recognised during the year is ₹ 33.63 crores (2014-15 ₹ 13.81 crores)
- Aggregate amount of costs incurred and recognised profits (less recognised losses) ₹ 64.15 crores (as at March 31, 2015 ₹ 161.49 crores)

## 39. Other Notes

- A provision against the carrying value of inventory of ₹ 1,638.39 crores (GBP 157 million) was recognised in the year 2015-16, for the explosion at the port of Tianjin in China in August 2015. A provision of ₹ 2,493.18 crores (GBP 245 million) against the carrying value of inventory was recorded in the quarter ended September 30, 2015, based on the assessment of the physical condition of the vehicles involved. Subsequent to that, insurance proceeds and other recoveries of ₹ 854.79 crores (GBP 88 million) have been recognised, partially reversing the exceptional charge recognised during the quarter ended September 30, 2015. The process for finalising ongoing insurance claims may take some months to conclude, so further insurance and other potential recoveries will only be recognised in future periods when paid or confirmed and have not been recognised in this period.
- In May 2016, a passenger airbag safety recall was announced in the United States by National Highway Traffic System Administration (NHTSA) in respect of airbags from a supplier (Takata). Certain front-passenger airbags from Takata are installed in vehicles sold by Jaguar Land Rover Group. The Company has considered this to be an adjusting Post Balance Sheet event and has recognised an additional provision of ₹ 641.50 crores (GBP 67.4 million) for the estimated cost of repairs in the Statement of Profit and Loss for the year ended March 31, 2016. The provision is expected to be utilised over 1-4 years.
- During the year ended March 31, 2014, legislation was enacted that allows United Kingdom (UK) companies to elect for the Research and Development Expenditure Credit (RDEC) on qualifying expenditures 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, ₹ 647.65 crores and ₹ 645.81 crores of the RDEC, for the years ended March 31, 2016 and 2015, respectively, the proportion relating to capitalized product development expenditure, have been off set against intangibles under development.
- 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, 2016	Total Revenue for the year ended March 31, 2016	Net Increase / (Decrease) in Cash & Cash equivalent during 2015-2016
<b>(i) Subsidiaries :</b>			
Tata Motors European Technical Centre Plc	215.69	273.92	29.27
Trilix S.r.l	41.61	115.07	(1.21)
Tata Precision Industries Pte Ltd	1.15	-	0.01
Tata Hispano Motors Carrocera S.A	(655.45)	6.16	(8.31)
Tata Hispano Motors Carroceries Maghreb S.A	(9.16)	9.59	22.07
	<b>(406.16)</b>	<b>404.74</b>	<b>41.83</b>
<b>(ii) Joint venture :</b>			
Fiat India Automobiles Private Ltd	1,390.01	1,806.93	10.76
<b>Total (i + ii)</b>	<b>983.85</b>	<b>2,211.67</b>	<b>52.59</b>
For the year ended / as at March 31, 2015	788.68	2,557.55	204.71

- Previous year figures have been regrouped / reclassified wherever necessary to correspond with the current year classification / disclosure.
- The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law/ accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of account.
- Current year figures are shown in bold prints.

**CYRUS P MISTRY [DIN: 00010178]**  
Chairman

For and on behalf of the Board

**N N WADIA [DIN: 00015731]**  
**R A MASHELKAR [DIN: 00074119]**  
**S BHARGAVA [DIN: 00035672]**  
**N MUNJEE [DIN: 00010180]**  
**V K JAIRATH [DIN: 00391684]**  
**R SPETH [DIN: 03318908]**  
Directors

**GUENTER BUTSCHEK [DIN: 07427375]**  
CEO & Managing Director  
**R PISHARODY [DIN: 01875848]**  
Executive Director  
**S B BORWANKAR [DIN: 01793948]**  
Executive Director  
**C RAMAKRISHNAN**  
Group Chief Financial Officer  
**H K SETHNA [FCS: 3507]**  
Company Secretary

Mumbai, May 30, 2016

**Statement pursuant to first proviso to sub-section (3) of section 129 of the Companies Act 2013, read with rule 5 of Companies (Accounts) Rules, 2014 in the prescribed Form AOC-1 relating to subsidiary companies**  
**Part - A**

(₹ in crores)

Sr. No	Subsidiary	Country	Reporting currency	Exchange Rate	Share capital (incl. advances towards capital where applicable)	Reserves and Surplus	Total Assets	Total Liabilities	Turnover	Profit/(Loss) Before Tax	Tax Expense/(Credit)	Profit/(Loss) after tax	Profit/(Loss) for the period/year*	Proposed dividend and tax thereon	Investments (except in case of investment in the subsidiaries)	% of shareholding
1	TAL Manufacturing Solutions Limited	India	INR	1.00	115.00	(45.03)	276.46	206.49	231.26	(13.98)	-	(13.98)	(13.98)	-	-	100.00
2	TML Drivelines Limited	India	INR	1.00	77.00	736.21	1,046.59	233.38	545.53	79.74	24.98	54.76	54.76	4.63	25.00	100.00
3	Concorde Motors (India) Limited	India	INR	1.00	88.05	(94.10)	357.28	363.33	908.62	(40.54)	-	(40.54)	(40.54)	-	-	100.00
4	Sheba Properties Limited	India	INR	1.00	75.00	1,226.61	204.99	7.38	0.09	12.14	1.12	11.02	11.02	3.97	193.40	100.00
5	Tata Daewoo Commercial Vehicle Co. Limited	South Korea	KRW	0.06	57.35	2,051.97	3,630.27	1,520.95	4,994.43	348.18	61.28	286.90	286.90	-	3.95	100.00
6	Tata Technologies Limited	India	INR	1.00	43.22	573.88	996.69	379.59	1,082.31	265.29	42.66	222.63	222.63	103.57	68.47	72.32
7	Tata Motors Insurance Broking & Advisory Services Limited	India	INR	1.00	2.50	9.92	16.91	4.49	25.93	6.67	0.83	5.84	5.84	-	0.66	100.00
8	Tata Motors European Technical Centre Plc	UK	GBP	95.45	335.48	(119.80)	338.64	122.96	271.92	1.86	4.46	(2.60)	(2.60)	-	-	100.00
9	TML Distribution Company Limited	India	INR	1.00	225.00	52.01	387.49	110.48	548.28	11.75	3.81	7.94	7.94	-	-	100.00
10	Tata Motors (SA) (Proprietary) Limited	South Africa	ZAR	4.49	13.00	(2.85)	93.03	82.88	80.58	(0.20)	0.16	(0.36)	(0.36)	-	-	60.00
11	Tata Motors Finance Limited	India	INR	1.00	1,753.02	1,846.96	20,217.74	16,617.76	2,314.77	131.90	36.28	95.62	95.62	48.13	453.10	100.00
12	Tata Motors Finance Solutions Limited	India	INR	1.00	1,500.50	(21.49)	5,502.67	4,023.66	590.96	6.05	(1.67)	7.72	7.72	-	73.15	100.00
13	Tata Marcopolo Motors Limited	India	INR	1.00	170.00	(83.64)	349.09	262.73	541.33	(8.32)	-	(8.32)	(8.32)	-	-	51.00
14	Tata Motors (Thailand) Limited	Thailand	THB	1.89	525.41	(832.70)	414.21	721.50	105.54	(124.88)	-	(124.88)	(124.88)	-	-	95.28
15	TML Holdings Pte Ltd, Singapore	Singapore	GBP	95.45	10,791.87	(881.17)	17,715.63	7,804.93	-	994.08	11.34	982.74	982.74	-	-	100.00
16	Tata Hispano Motors Carrocera SA	Spain	EUR	75.37	3.70	(659.15)	79.51	734.96	6.16	(11.60)	-	(11.60)	(11.60)	-	-	100.00
17	Tata Hispano Motors Carroceries Maghreb	Morocco	MAD	6.88	146.30	(155.46)	76.78	85.94	9.59	(43.80)	0.05	(43.85)	(43.85)	-	-	100.00
18	Trilix S.r.l	Italy	EUR	75.37	0.61	41.00	71.48	29.87	115.07	30.34	8.83	21.51	21.51	-	-	80.00
19	Tata Precision Industries Pte Limited	Singapore	SGD	49.24	74.21	(73.06)	1.16	0.01	-	-	-	-	-	-	-	78.39
20	PT Tata Motors Indonesia	Indonesia	IDR	0.01	197.52	(63.51)	138.96	4.95	-	(4.89)	0.02	(4.91)	(4.91)	-	-	100.00
21	INCAT International Plc	UK	GBP	95.45	2.32	44.11	47.95	1.53	-	(0.59)	-	(0.59)	(0.59)	-	-	72.32
22	Tata Technologies Inc	USA	USD	66.25	793.01	(456.39)	510.53	173.91	785.81	34.97	17.05	17.92	17.92	-	-	72.37
23	Tata Technologies (Canada) Inc.	USA	USD	66.25	0.01	4.07	4.19	0.11	1.27	(1.97)	0.23	(2.20)	(2.20)	-	-	72.37
24	Tata Technologies de Mexico, S.A. de C.V.	USA	USD	66.25	1.03	2.85	10.87	6.99	20.32	0.27	0.12	0.15	0.15	-	-	72.37
25	Tata Technologies Europe Limited	UK	GBP	95.45	0.10	574.03	1,071.61	497.48	1,084.10	139.96	14.19	125.77	125.77	-	-	72.32
26	INCAT GmbH.	Germany	EUR	75.37	1.24	14.85	16.72	0.64	0.35	0.35	-	0.35	0.35	-	-	72.32
27	Tata Technologies (Thailand) Limited	Thailand	THB	1.89	6.65	4.75	13.16	1.75	13.99	0.62	0.13	0.49	0.49	-	-	72.32
28	Tata Technologies Pte. Limited	Singapore	USD	66.25	357.74	386.71	750.56	6.11	25.66	(6.70)	0.13	(6.83)	(6.83)	-	-	72.32
29	Cambrix Limited, Bahamas	USA	USD	66.25	17.89	2.22	20.11	-	5.56	1.17	-	1.17	1.17	-	-	72.32
30	Cambrix UK Limited	UK	USD	66.25	-	3.89	4.18	0.29	29.94	0.28	(0.33)	0.61	0.61	-	-	72.32
31	Cambrix GmbH	Germany	USD	66.25	0.20	1.79	2.14	0.15	4.38	0.56	0.16	0.40	0.40	-	-	72.32
32	Midwest Managed Services Inc, Utah	USA	USD	66.25	-	0.77	2.90	2.13	2.94	0.80	-	0.80	0.80	-	-	72.32
33	Tata Technologies SRL, Romania	Romania	USD	66.25	8.98	6.53	21.92	6.41	67.92	14.11	2.29	11.82	11.82	-	-	72.32
34	Cambrix Manufacturing Technologies (Shanghai) Co. Limited	China	USD	66.25	3.31	3.75	47.33	40.27	60.39	6.59	1.64	4.95	4.95	-	-	72.32
35	Jaguar Land Rover Automotive Plc	UK	GBP	95.45	14,323.95	3,199.47	40,730.74	23,207.32	-	2,863.57	-	2,863.57	2,863.57	1,489.81	-	100.00
36	Jaguar Land Rover Limited	UK	GBP	95.45	25,034.43	50,143.93	191,507.07	116,328.71	182,094.78	8,954.95	50.00	8,904.96	8,904.96	-	17,343.68	100.00
37	Jaguar Land Rover Holdings Limited	UK	GBP	95.45	47.73	48,237.98	49,717.49	1,431.78	-	8,467.54	372.06	8,095.48	8,095.48	-	-	100.00
38	JLR Nominee Company Limited	UK	GBP	95.45	-	-	-	-	-	-	-	-	-	-	-	100.00
39	Jaguar Land Rover North America, LLC	USA	USD	66.25	1,042.07	(526.01)	7,870.87	7,354.80	43,154.14	238.49	92.75	145.74	145.74	-	-	100.00
40	Jaguar Land Rover Deutschland GmbH	Germany	EUR	75.37	19.26	333.82	3,059.19	2,706.10	11,430.69	118.83	36.25	82.58	82.58	-	-	100.00
41	Jaguar Land Rover Austria GmbH	Austria	EUR	75.37	1.75	74.90	382.12	305.47	1,673.07	15.33	3.68	11.65	11.65	-	-	100.00
42	Jaguar Land Rover Italia Spa	Italy	EUR	75.37	188.43	242.79	1,577.86	1,146.64	9,025.56	89.41	34.23	55.19	55.19	-	-	100.00
43	Jaguar Land Rover Portugal-Veiculos e Pecas, Lda.	Portugal	EUR	75.37	90.23	(95.19)	158.34	163.30	661.75	6.78	2.26	4.52	4.52	-	-	100.00
44	Jaguar Land Rover France, SAS	France	EUR	75.37	31.66	66.33	1,358.60	1,260.62	7,151.11	63.66	31.50	32.17	32.17	-	-	100.00
45	Jaguar Land Rover Australia Pty Limited	Australia	AUD	50.95	3.57	85.14	2,003.55	1,914.84	5,671.02	119.67	36.06	83.61	83.61	-	-	100.00
46	Jaguar Land Rover Automotive Trading (Shanghai) Co. Limited	China	CNY	10.27	68.79	7,990.16	12,825.85	4,766.91	47,076.90	1,319.93	329.78	990.15	990.15	-	-	100.00
47	Jaguar Land Rover Japan Limited	Japan	JPY	0.59	234.90	36.14	956.39	685.36	1,957.64	20.00	10.31	9.69	9.69	-	-	100.00
48	Jaguar Land Rover Korea Company Limited	Korea	KRW	0.06	34.67	72.30	1,826.72	1,719.75	4,331.49	76.47	19.71	56.76	56.76	-	-	100.00
49	Jaguar Land Rover Canada ULC	Canada	CAD	51.22	-	16.35	935.47	919.13	4,228.05	25.77	9.42	16.35	16.35	-	-	100.00
50	Jaguar e Land Rover Brasil Indústria e Comércio de Veiculos	Brazil	BRL	18.50	109.56	(55.49)	3,021.27	2,967.20	2,776.71	(276.16)	(8.90)	(267.25)	(267.25)	-	-	100.00
51	Limited Liability Company "Jaguar Land Rover" (Russia)	Russia	RUB	0.99	64.90	510.28	1,300.37	725.19	5,015.10	578.50	120.97	457.53	457.53	-	-	100.00
52	Jaguar Land Rover (South Africa) (Pty) Limited	South Africa	ZAR	4.49	-	152.12	1,067.30	915.19	2,559.03	210.04	57.93	152.12	152.12	-	-	100.00
53	Jaguar Land Rover Belux NV	Belgium	EUR	75.37	9.42	54.94	801.50	737.13	3,405.37	33.02	13.02	20.00	20.00	-	-	100.00
54	Jaguar Land Rover South Africa Holdings Limited	UK	ZAR	4.49	874.99	730.36	1,617.23	11.88	-	165.25	11.86	153.39	153.39	-	-	100.00
55	Land Rover Ireland Limited	Ireland	EUR	75.37	-	7.81	20.38	12.57	-	-	-	-	-	-	-	100.00
56	Jaguar Land Rover Espana SL	Spain	EUR	75.37	332.92	102.72	1,440.97	1,005.33	4,792.78	48.04	16.97	31.07	31.07	-	-	100.00
57	Jaguar Land Rover Nederland BV	Netherlands	EUR	75.37	0.34	34.51	420.85	386.00	1,465.06	14.33	3.51	10.82	10.82	-	-	100.00
58	Jaguar Land Rover India Limited	India	INR	1.00	280.25	(63.04)	532.64	315.43	1,611.26	(21.28)	-	(21.28)	(21.28)	-	-	100.00
59	The Lanchester Motor Company Limited	UK	GBP	95.45	-	-	-	-	-	-	-	-	-	-	-	100.00
60	The Daimler Motor Company Limited	UK	GBP	95.45	14.32	-	14.32	-	-	-	-	-	-	-	-	100.00
61	S S Cars Limited	UK	GBP	95.45	-	-	-	-	-	-	-	-	-	-	-	100.00
62	Daimler Transport Vehicles Limited	UK	GBP	95.45	-	-	-	-	-	-	-	-	-	-	-	100.00
63	The Jaguar Collection Limited	UK	GBP	95.45	-	-	0.01	-	-	-	-	-	-	-	-	100.00
64	Jaguar Cars (South Africa) (Pty) Limited	South Africa	ZAR	4.49	-	-	-	-	-	-	-	-	-	-	-	100.00
65	Jaguar Cars Ltd	UK	GBP	95.45	8.19	(8.19)	-	-	-	-	-	-	-	-	-	100.00
66	Land Rover Exports Ltd (non-trading)	UK	GBP	95.45	-	-	-	-	-	-	-	-	-	-	-	100.00
67	Jaguar Land Rover Pension Trustees Limited	UK	GBP	95.45	-	-	-	-	-	-	-	-	-	-	-	100.00
68	Shanghai Jaguar Land Rover Automotive Services Company Limited	China	CNY	10.27	16.42	(8.68)	62.27	54.53	102.04	2.17	7.81	(5.65)	(5.65)	-	-	100.00
69	JDHT Limited (acquired w.e.f February 2,2015)	UK	GBP	95.45	-	0.15	0.15	-	-	-	-	-	-	-	-	100.00
70	Silkplan Limited	UK	GBP	95.45	-	0.95	0.95	-	-	-	-	-	-	-	-	100.00
71	Jaguar Land Rover Slovakia s.r.o (Incorporated w.e.f. August 27, 2015)	Slovakia	EUR	75.37	226.15	(33.34)	310.35	117.55	-	(33.34)	-	(33.34)	(33.34)	-	-	100.00
72	Jaguar Land Rover Singapore Pte Limited (incorporated w.e.f November 25,2015)	Singapore	SGD	49.24	3.69	(0.09)	30.20	26.60	-	(0.09)	-	(0.09)	(0.09)	-	-	100.00
73	Jaguar Racing Limited (Incorporated w.e.f. February 2, 2016)	UK	GBP	95.45	-	-	-	-	-	-	-	-	-	-	-	100.00
74	InMotion Ventures Limited (Incorporated w.e.f. March 18, 2016)	UK	GBP	95.45	-	-	-	-	-	-	-	-	-	-	-	100.00
75	TML Motor Services Nigeria Ltd (incorporated w.e.f September 2, 2015)	Nigeria	Naira	0.34	-	(0.13)	-	0.13	-	(0.13)	-	(0.13)	(0.13)	-	-	100.00
76	Tata Daewoo Commercial Vehicle Sales and Distribution Co. Limited	South Korea	KRW	0.06	4.00	16.65	60.69	40.04	134.32	6.22	1.63	4.59	4.59	-	-	100.00
77	PT Tata Motors Distribusi Indonesia	Indonesia	IDR	0.01	136.18	(130.30)	56.97	51.09	53.59	(49.43)	0.09	(49.52)	(49.52)	-	-	100.00

(Subsidiary companies)

## Statement pursuant to first proviso to sub-section (3) of section 129 of the Companies Act 2013, read with rule 5 of Companies (Accounts) Rules, 2014 in the prescribed Form AOC-1 relating to subsidiary companies Part - A

(₹ in crores)

Sr. No	Subsidiary	Country	Reporting currency	Exchange Rate	Share capital (incl. advances towards capital where applicable)	Reserves and Surplus	Total Assets	Total Liabilities	Turnover	Profit/(Loss) Before Tax	Tax Expense/(Credit)	Profit/(Loss) after tax	Profit/(Loss) for the period/year*	Proposed dividend and tax thereon	Investments (except in case of investment in the subsidiaries)	% of shareholding
<b>Details of Direct subsidiaries, on consolidated basis including their respective subsidiaries included above</b>																
1	Tata Technologies Limited				43.22	1,253.46	2,292.37	995.69	2,688.23	460.89	79.23	381.66	381.66	103.57	68.47	72.32
2	Tata Motors Finance Limited				1,753.02	1,227.55	24,004.72	21,024.15	2,901.52	301.63	34.60	267.03	267.03	48.13	719.65	100.00
3	TML Holdings Pte Limited, Singapore**				-	-	-	-	-	-	-	-	-	-	-	100.00
4	PT Tata Motors Indonesia				197.52	(193.81)	56.08	52.37	46.50	(54.11)	0.13	(54.24)	(54.24)	-	-	100.00
<b>**TML Holdings Pte Ltd, Singapore holds fully Jaguar Land Rover Automotive Plc. and Tata Daewoo Commercial Vehicle Co. Ltd., the consolidated accounts of which are given below :</b>																
1	Jaguar Land Rover Automotive Plc				14,323.95	58,748.60	199,735.94	126,663.39	222,512.94	15,347.11	2,743.36	12,603.75	12,603.75	1,489.81	17,343.68	100.00
2	Tata Daewoo Commercial Vehicle Co. Limited				61.07	1,967.38	3,558.01	1,529.56	4,820.59	354.40	62.91	291.49	291.49	-	-	100.00

\* Profit for the year is after share of minority interest and share of profit/(loss) in respect of investment in associate companies.

## Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures Part - B

Sr. No	Name of Associates/Joint Ventures	Shares of Associate/Joint Ventures held by the company on the year end					Profit/(loss) for the year			
		Latest audited Balance Sheet Date	No. of shares	Amount of Investment in Associates/Joint Venture (₹ in crore)	Extent of Holding %	Networth attributable to Shareholding as per latest audited Balance Sheet (₹ in crore)	Considered in consolidation (₹ in crore)	Not considered in consolidation (₹ in crore)	Description of how there is significant influence	Reason why the associate/joint venture is not consolidated
<b>Joint ventures</b>										
1	Fiat India Automobiles Private Limited*	March 31, 2016	122,257,983	1,567.04	50%	1,390.05	221.71	-	Note (a)	-
2	Tata Cummins Private Limited	March 31, 2016	90,000,000	90.00	50%	415.50	11.84	-	Note (a)	-
3	Tata HAL Technologies Limited	March 31, 2016	10,140,000	3.67	50%	1.66	0.12	-	Note (a)	-
4	Spark44 (JV) Limited	March 31, 2016	500,000	3.40	50%	43.72	20.63	-	Note (a)	-
5	Chery Jaguar Land Rover Automotive Co Limited	March 31, 2016	-	2,748.28	50%	3,268.19	594.03	-	Note (a)	-
<b>Associates</b>										
1	Tata AutoComp Systems Limited	March 31, 2016	52,333,170	77.47	26%	217.39	11.19	-	Note (b)	-
2	Nita Company Limited	March 31, 2016	16,000	1.27	40%	27.35	3.34	-	Note (b)	-
3	Automobile Corporation of Goa Limited	March 31, 2016	3,030,529	109.63	47.19%	143.10	6.81	-	Note (b)	-
4	Jaguar Cars Finance Limited	March 31, 2016	49,900	3.91	49.90%	3.91	-	-	Note (b)	-
5	Tata Hitachi Construction Machinery Company Private Limited	March 31, 2016	40,000,000	80.20	39.99%	-	-	-	Note (b)	-

\* Unaudited financials considered for consolidation

Note: (a) - There is a significant influence by virtue of joint control

(b) - There is a significant influence due to percentage (%) of share capital

For and on behalf of the Board

**CYRUS P MISTRY [DIN: 00010178]**  
Chairman

**N N WADIA [DIN: 00015731]**  
**R A MASHLAKAR [DIN: 00074119]**  
**S BHARGAVA [DIN: 00035672]**  
**N MUNJEE [DIN: 00010180]**  
**V K JAIRATH [DIN: 00391684]**  
**R SPETH [DIN: 03318908]**  
Directors

**GUENTER BUTSCHEK [DIN: 07427375]**  
CEO & Managing Director  
**R PISHARODY [DIN: 01875848]**  
Executive Director  
**S B BORWANKAR [DIN: 01793948]**  
Executive Director  
**C RAMAKRISHNAN**  
Group Chief Financial Officer  
**H K SETHNA [FCS: 3507]**  
Company Secretary

Mumbai, May 30, 2016



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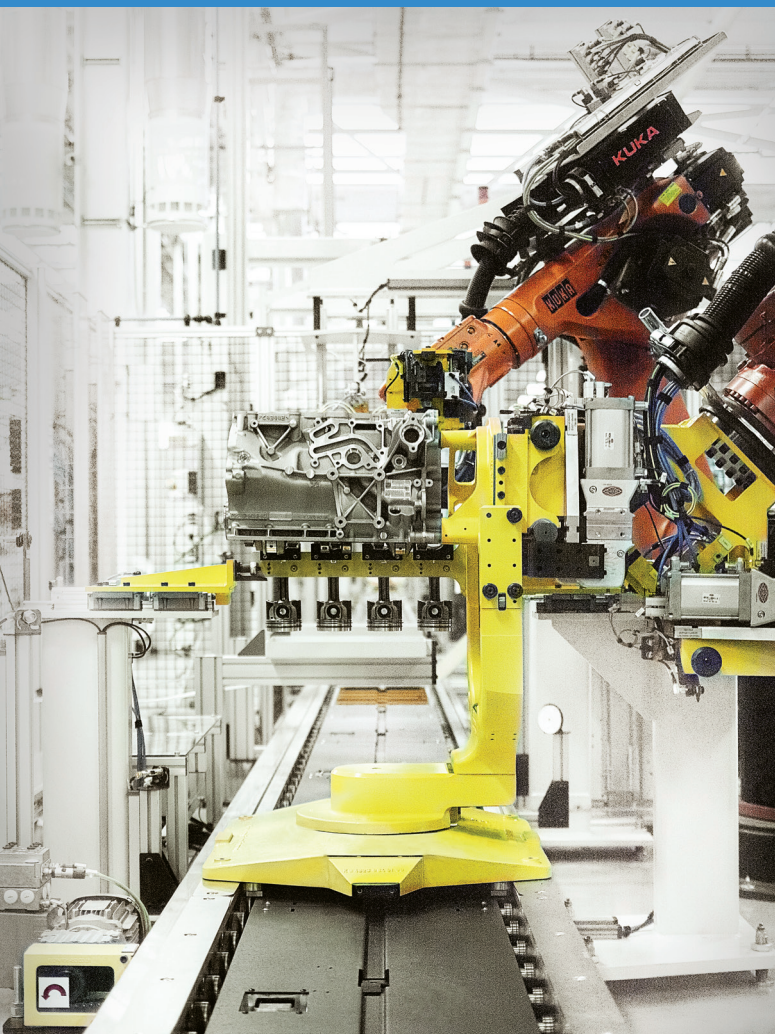
Jaguar Land Rover Engine Manufacturing Centre, Wolverhampton, UK

## TATA MOTORS

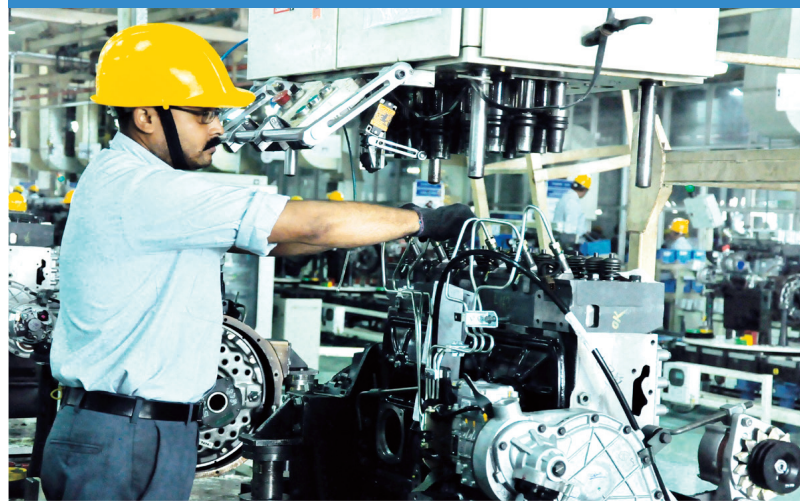
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[www.tatamotors.com](http://www.tatamotors.com)

Jaguar Land Rover Wolverhampton Manufacturing Facility



Tata Motors Jamshedpur Manufacturing Facility



Tata Motors Lucknow Manufacturing Facility

