TATA MOTORS

74th Annual Report (Integrated) 2018-19

TURNAROUND:

SEIZING TODAY, EMBRACING TOMORROW

Technological disruptions are defining and influencing mobility habits globally and today's value-focused preferences are driving the business operations of tomorrow. With climate, demographics, urbanisation and rapid technological changes assuming centre-stage, the future increasingly seems to be moving towards being autonomous, connected, electric and shared.

As next-generation technologies and automotive worlds merge, we, at Tata Motors Group, are well prepared to embrace the future with 'Charge' and 'Accelerate', our turnaround and transformation programmes for Jaguar Land Rover (JLR) and a stronger Turnaround 2.0 for Tata Motors Limited (TML). We believe that tomorrow belongs to those who prepare for it today. As responsible automakers, we are committed to transforming the future of mobility and more.

Contents

Approach to value creation

We have a strong legacy that focuses on long-term value creation for all our stakeholders. As definition of value evolves, we, at Tata Motors Group, keep realigning our strategies. Our value-creation engine will require us to provide innovative mobility solutions for the new world by firing on all six cylinders, which are the key value drivers of our business. With planned efforts towards improving operational efficiency, reducing costs, enhancing cash flows, expanding commercial and marketing engagements, and managing net debt, we will continue to invest in products and technologies, that make us future ready.

Our approach to reporting

Through this third Integrated Report for FY 2018-19, we, at the Tata Motors Group intend to provide a concise, transparent and balanced presentation of our value-creation process for all our stakeholders. The Report provides insights into our key strategies, operating environment, risks and opportunities, governance structure and holistic approach towards long-term sustainability.

Responsibility statement

In order to optimise governance oversight, risk management and controls, the contents of this Report have been reviewed by the Members of the Executive Committee of Tata Motors.

Reporting principle

The financial and statutory data presented in this Report is in line with the requirements of the Companies Act, 2013 and the rules made thereunder, the Indian Accounting Standards, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards issued by the Institute of Company Secretaries of India. The non-financial section of the Report is guided by the Integrated Reporting <IR> framework of the International Integrated Reporting Council (IIRC). The information on environmental, social and governance performance of TML follows the Global Reporting Initiative (GRI) Standards and is reported in accordance with the 'Comprehensive' criteria.

Materiality and scope of the Integrated Report

This Report includes information that is material to our stakeholders and it presents an overview of our businesses and associated activities that help in short-, medium- and long-term value creation. We have also presented information around our strategic approach towards the material issues.

Assurance statement

Assurance on financial statements has been provided by independent auditors BSR & Co. LLP and non-financial statements of TML is assured by TUV India Private Limited. The assurance has been given against the Report's adherence to the International <IR> Framework of the IIRC and the GRI's Sustainability Reporting Standards. The assurance report issued by TUV India Private Limited is available on our website www.tatamotors.com

MULTI-CAPITALS APPROACH

This Report provides an in-depth view of Tata Motors' holistic approach towards creating value for customers, employees, shareholders and the environment. Tata Motors takes both financial and non-financial aspects of value creation into account. The Report covers extensive financial and non-financial information of TMLand its key subsidiaries, JLR and TMF Holdings Limited. The information presented covers the various capitals that are used or impacted– Financial, Intellectual, Manufactured, Human, Natural and Social and Relationship.

6 CAPITALS

- Financial Capital
- Manufactured Capital
- Intellectual Capital
- Social and Relationship Capital
- Human Capital
- Natural Capital

What sets us apart

Tata Motors Group is a leading manufacturer of some of the world's most admired vehicles. Continuing its legacy, with a focus on engineering and tech-enabled automotive solutions, the Group is catering to the future of mobility. Addressing every challenge, there are key aspects that set us apart from the rest and on the basis of which, we build our competitive advantage.

TATA MOTORS

- **Leading brand,** committed to meeting consumer aspirations globally
- **Clear focus on new products and innovation,** Research and Development (R&D), best-in-class technologies and operational excellence
- **Clear focus on debt management and improving cash flows,** with a disciplined approach to capital allocation and risk management
- **Committed to safety and sustainability,** as an integrated part of the business model

With increasing net promoter score in both Commercial Vehicle (CV) and Passenger Vehicle (PV) businesses, TML was rated as the second most attractive overall brand and most attractive automotive brand in the Economic Times survey in December 2018.

Tata Harrier launched #BornofPedigree, first from the Omega architecture

100+
NEW CV LAUNCHES IN FY 2018-19

Second consecutive year of positive cash flow

Tata Nexon becomes India's first car to receive Global New Car Assessment Programme (GNCAP) '5 stars' for safety

★★★★★

JAGUAR LAND ROVER

- **Leading innovation for the next frontier technologies,** with a focus on electrified, connected and driverless vehicles
- **Project Charge is on track to achieve its GBP 2.5 BN target,** with GBP 1.25 BN of benefits already delivered
- **Continued focus on new product development,** with award-winning vehicles added to the existing illustrious line

Two iconic brands of JLR include Jaguar and Land Rover, spanning an award winning, outstanding product portfolio

Pursuing a clear vision and plans for a significant turnaround and transformation, leveraging the passion of teams

All new Range Rover Evoque with hybrid options launched in FY 2018-19

Launch of the new Defender announced

I-PACE won the World Car, World Car Design and World Green Car, and European Car of the Year

THE STRONG FUNDAMENTALS

TATA MOTORS

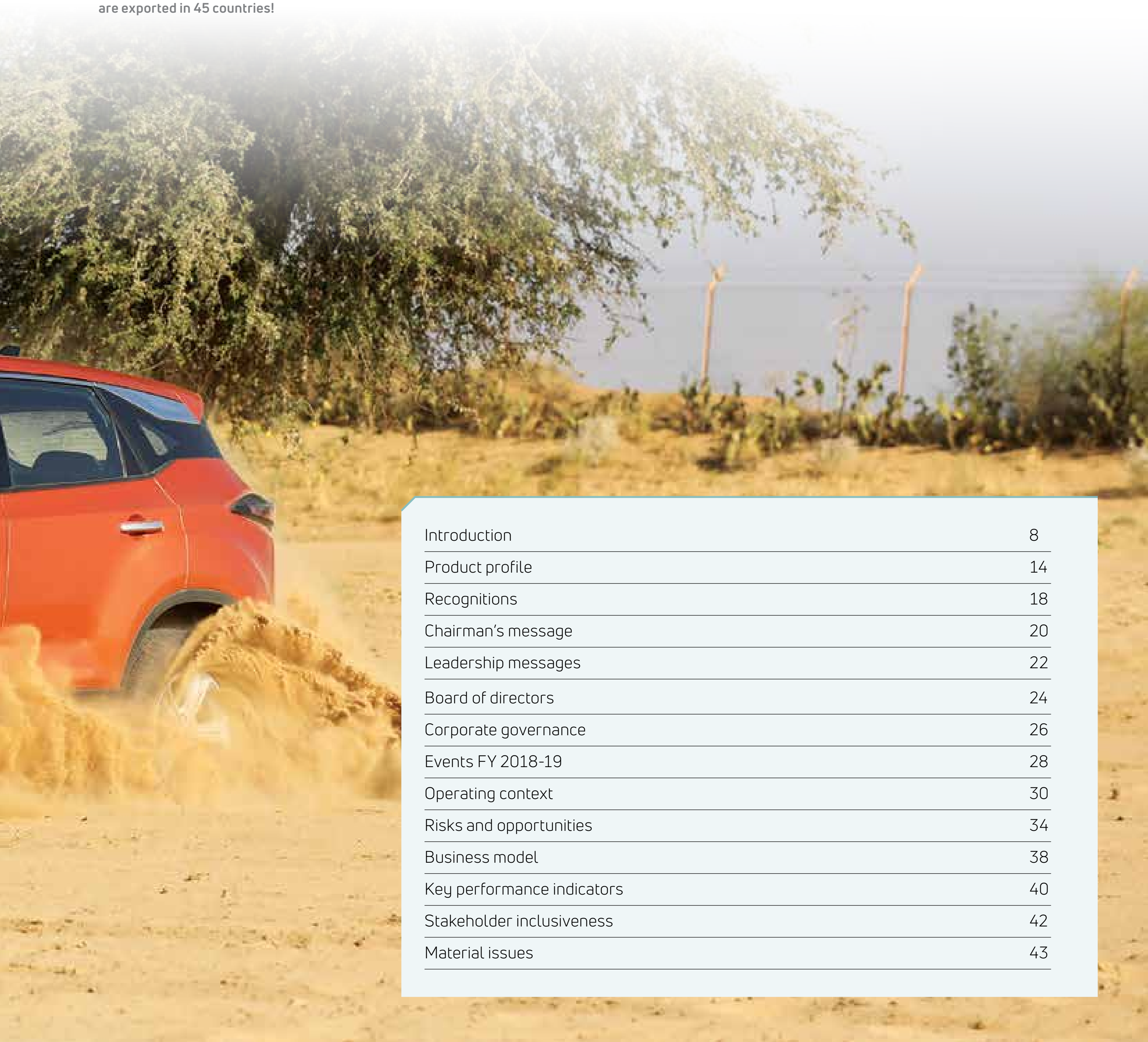
Part of the Tata group, Tata Motors was established in 1945. A leading global automobile manufacturer, the Company remains committed to 'Connecting Aspirations' by offering innovative mobility solutions.

Did you know?
Tata Motors has been exporting trucks for more than 50 years and today, Tata Motors' trucks are exported in 45 countries!

JAGUAR LAND ROVER

Jaguar Land Rover brings together two iconic British brands with a long and illustrious legacy into a single company. It became part of the Tata group in 2008.

Did you know?
Land Rover, along with Jaguar, are the only two automotive brands to hold all three Royal Warrants from Her Majesty The Queen, His Royal Highness The Duke of Edinburgh and His Royal Highness the Prince of Wales.

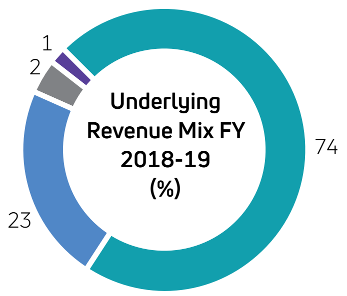


Introduction

TATA MOTORS GROUP

Tata Motors is one of the leading automobile manufacturers in the world, providing mobility solutions to over 175 countries. Our portfolio includes a wide range of cars, utility vehicles, trucks, and buses. We have a strong global network of 134 subsidiaries, associate companies and joint ventures, including the Jaguar Land Rover in the UK and the Tata Daewoo in South Korea.

OUR KEY BUSINESSES



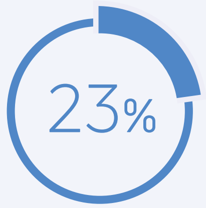
- Tata Motors Limited (Standalone)
- Jaguar Land Rover
- TMF Holdings Limited
- Others

WHO WE ARE

TATA MOTORS LIMITED

TML is India's largest Original Equipment Manufacturer (OEM) offering an extensive range of integrated, smart and e-mobility solutions.

TML has established top-of-the-line manufacturing facilities, R&D and design centres at across nine locations in India, the UK (TMETC), Italy (Trilix) and South Korea (TDCV).



TML's contribution to the Tata Motors Group revenue

WHAT WE DO

TML offers automotive products, ranging from sub-one-tonne to 49-tonne Gross Vehicle Weight (GVW) trucks, small, medium, and large buses and coaches and passenger vehicles. TML is the leader in India's CV market with a market share of 45.1% and sales of 4,68,788 vehicles in FY 2018-19 and has gained market share in the Medium and Heavy Commercial Vehicle (MHCV), Intermediate Light Commercial Vehicle (ILCV) and Small Commercial Vehicle (SCV) segments. TML's market share in the PV segment increased by 60bps to 6.3% in FY 2018-19.

20.3%
REVENUE GROWTH IN FY 2018-19 (Y-O-Y)

WHAT IS OUR GUIDING PHILOSOPHY

VISION

By FY 2023-24, we will become the most aspirational Indian auto brand, consistently winning by

- Delivering superior financial returns
- Driving sustainable mobility solutions
- Exceeding customer expectations, and
- Creating a highly engaged workforce

MISSION

We innovate mobility solutions with passion to enhance the quality of life.

VALUES

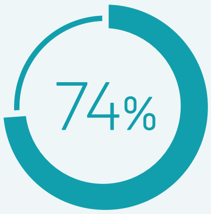
- Integrity
- Accountability
- Excellence
- Teamwork
- Customer centricity
- Speed

JAGUAR LAND ROVER

JLR is Britain's largest automobile manufacturer, housing two iconic British brands under the Tata group.

Jaguar's heritage of elegant design, innovative engineering and groundbreaking technology has excited and delighted the world for over 80 years. Land Rover is the world's favourite Sport Utility Vehicle (SUV) brand. Its pioneering spirit and industry-leading expertise in all-terrain technologies put Land Rover at the forefront of future mobility.

JLR has two major design and engineering sites, three vehicle manufacturing facilities, and an engine manufacturing centre in the UK. It also has plants in China, Slovakia, Austria, Brazil and India, with a new Battery Assembly Centre to be opened in the UK in 2020.



JLR's contribution to the Tata Motors Group revenue

JLR represents a compelling combination of British design and engineering integrity. It designs, develops, manufactures and sells Jaguar premium sports saloons, sports cars, luxury performance SUVs and Land Rover premium all-terrain vehicles.

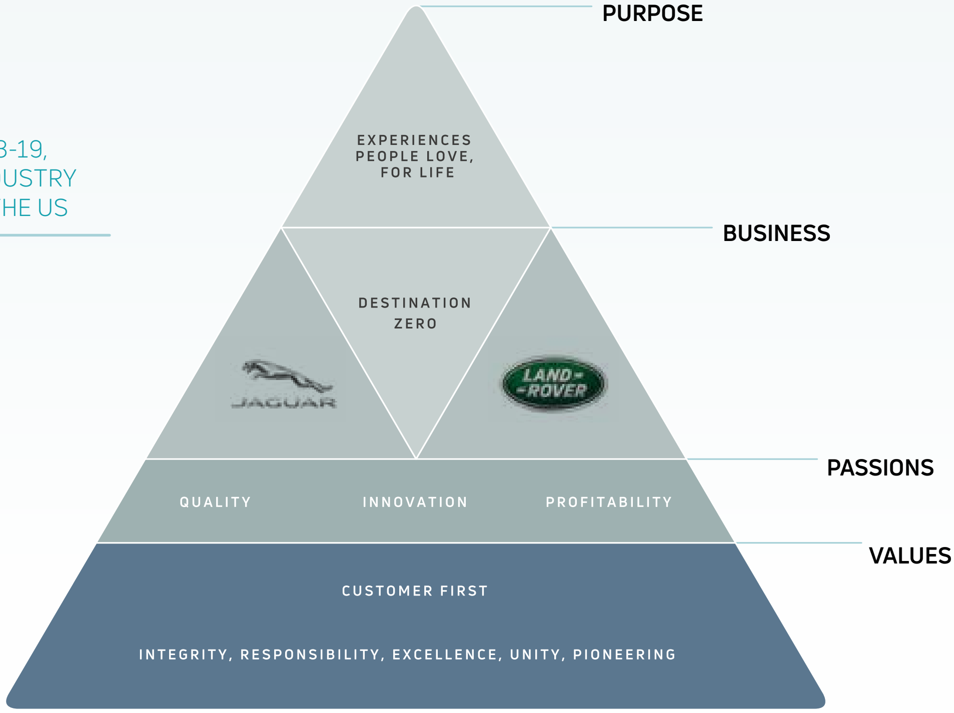
5,78,915

VEHICLES SOLD IN FY 2018-19, OUTPERFORMING THE INDUSTRY GROWTH IN THE UK AND THE US

BLUEPRINT FOR SUCCESS

Destination Zero

JLR's vision is a world of sustainable, smart mobility – Destination Zero – enhancing the quality of everyone's life with **zero emissions, zero accidents and zero congestion** through relentless innovation.



Introduction

WHO WE ARE

TATA MOTORS FINANCE

Tata Motors Finance Limited (TMFL) and Tata Motors Finance Solutions Limited (TMFSL) are Non-Banking Financial Companies (NBFCs). They are subsidiaries of TMF Holdings Limited (TMFHL).

TMFHL is a 100% subsidiary of TML and a core investment company (CIC).

1%

TMFHL's contribution to the Tata Motors Group revenue

WHAT WE DO

TMFL facilitates new vehicle financing. TMFSL undertakes the dealer/vendor financing business and the used vehicle refinance/repurchase business.

37%

STRONG GROWTH IN ASSETS UNDER MANAGEMENT (Y-O-Y)

WHAT IS OUR GUIDING PHILOSOPHY

VISION
Enabling Economic Success, Fulfilling Aspirations

MISSION
To provide relevant customer-centric financial products and solutions that support sustainable growth of the Tata Ecosystem

CORE PURPOSE
Reach out to customers to help them realise their dream of owning a Tata vehicle, easily

CORE VALUES
- Agility
- Empathy
- Synergy
- Transparency
- Integrity

TATA MOTORS GROUP - OTHER SUBSIDIARIES

Tata Daewoo Commercial Vehicle Company Limited (TDCV)
TDCV is one of South Korea's most reputed truck makers. Today, it exports its vehicles to more than 40 countries.

Tata Technologies Limited (TTL)
A leading company in engineering services outsourcing and product development Information Technology (IT) services, TTL is a company of innovators and specialists in the design engineering space, who apply cutting-edge technologies to provide competitive advantage to customers in the manufacturing sector.
The company is headquartered in Pune.

KEY JOINT VENTURES (JVS) AND PARTNERSHIPS

JT Special Vehicles
A 50:50 JV between Tata Motors and Coimbatore-based Jayem Automotives aims to bring back the 'joy of motoring' in daily commute.

Marcopolo
A 51:49 JV between Tata Motors and Marcopolo S.A., Brazil, for manufacturing buses in India.

Fiat
An industrial JV between Tata Motors and Fiat Group Automobiles to manufacture passenger cars, engines and transmissions for the Indian and overseas markets.

Cummins
A 50:50 JV between Tata Motors and Cummins Inc., USA, for the design and manufacture of diesel engines.

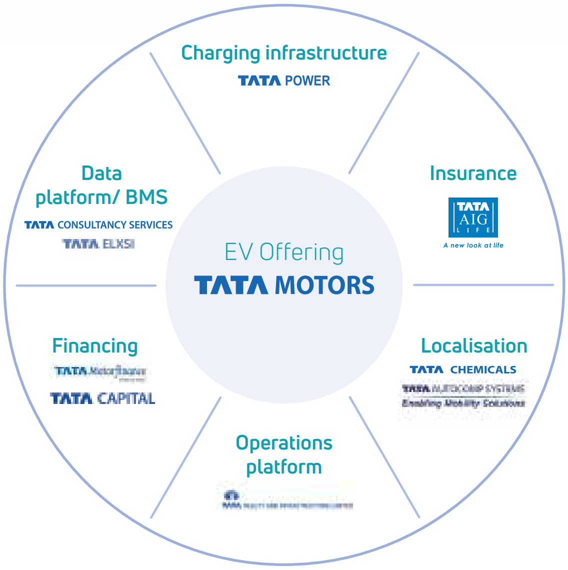
Chery
A 50:50 JV between Chery Automobile Co Ltd. and JLR to manufacture certain Jaguar and Land Rover models including powertrains.

Waymo
A long-term strategic partnership to develop the world's first premium self-driving Electric Vehicle (EV) for Waymo's driverless transportation service.

BMW
A collaboration between Jaguar Land Rover and BMW Group to develop next generation Electric Drive Units (EDUs) in a move that will support the advancement of electrification technologies.

PIONEERING ELECTRIFICATION

Group companies providing one Tata ecosystem



Working together to bring ACES to life

Introduction

OUR GEOGRAPHICAL PRESENCE

KEY MANUFACTURING, DESIGN, R&D AND ENGINEERING FACILITIES

TATA MOTORS LIMITED

1. TML, Jamshedpur, Jharkhand
2. TML, Pantnagar, Uttarakhand
3. TML, Dharwad, Karnataka
4. TML, Pune, Maharashtra
5. TML, Sanand, Gujarat
6. TML, Lucknow, Uttar Pradesh
7. Tata Marcopolo, Dharwad, Karnataka

TATA DAEWOO

1. TDVC, Gunsan, South Korea

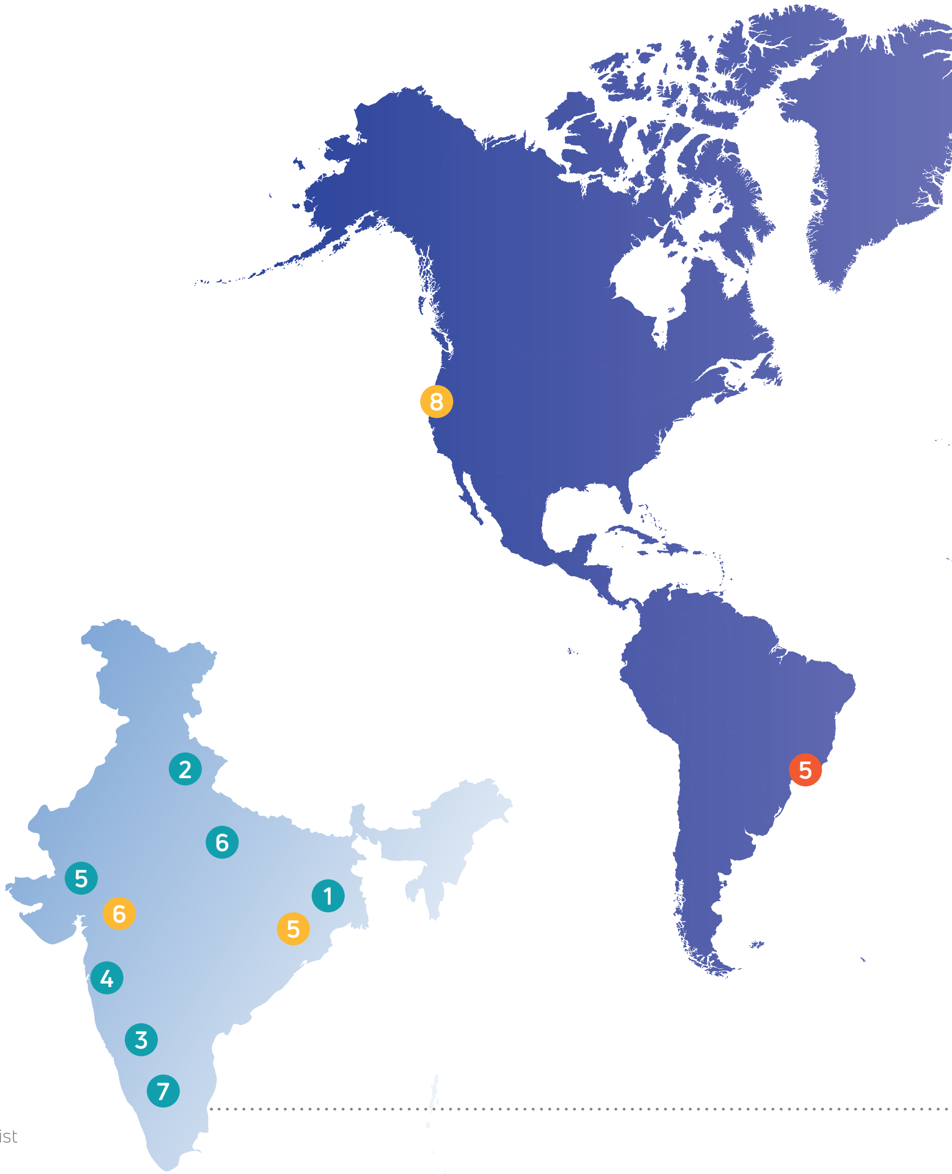
JLR

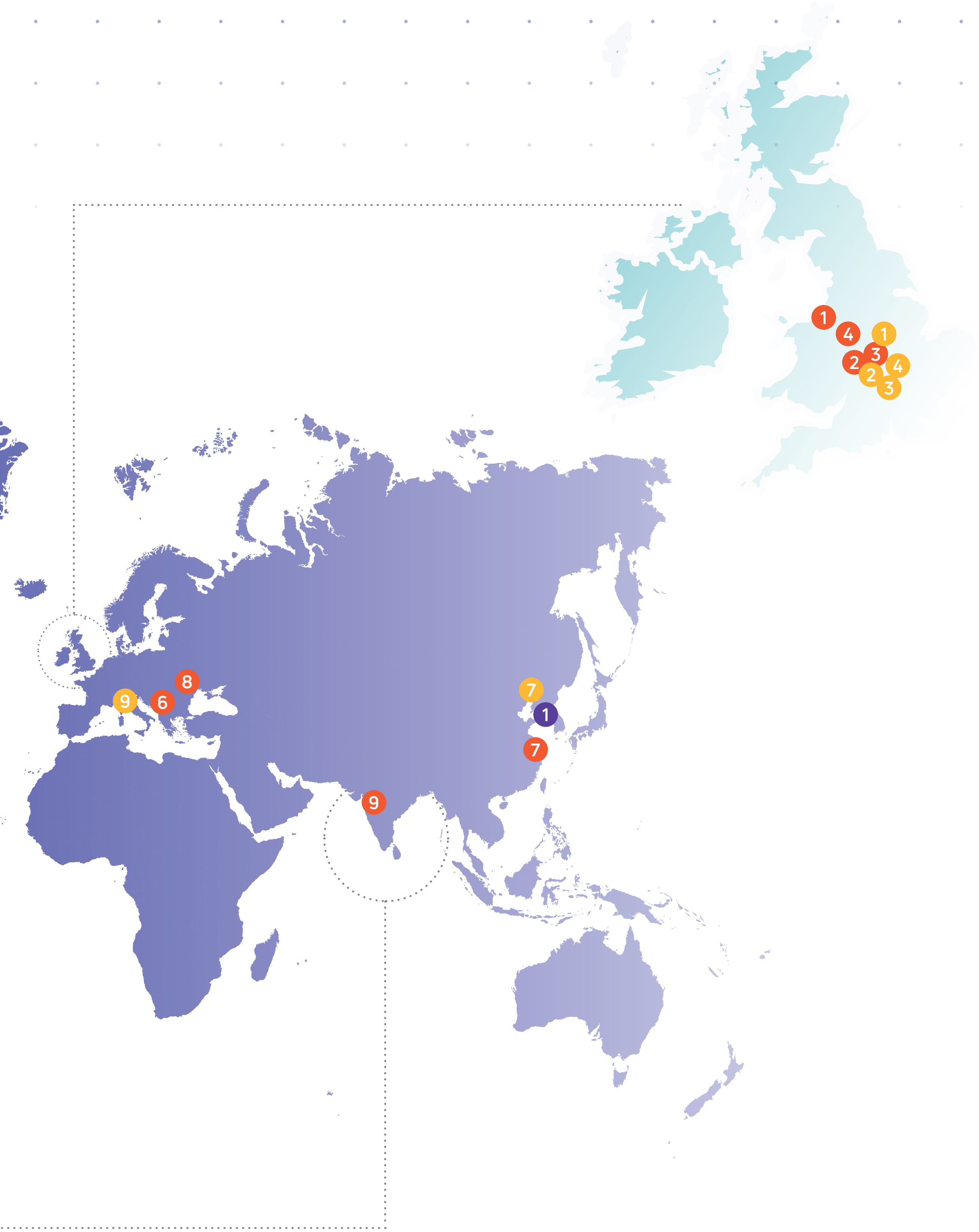
1. JLR, Halewood, UK
2. JLR, Solihull, UK
3. JLR, Castle Bromwich, UK
4. JLR, Wolverhampton, UK (Engine Manufacturing Centre)
5. JLR, Itatiaia, Rio de Janeiro, Brazil
6. JLR, Graz, Austria (Contract manufacturing)
7. JLR, Changshu, China
8. JLR, Nitra, Slovakia
9. JLR, Pune, India

CENTRES FOR INNOVATION AND DESIGN

1. Whitley, Global Headquarters, Engineering & Design, UK
2. Coventry, Special Vehicle Operations Technical Centre, UK
3. Gaydon, UK National Sales Centre, Design and Engineering Centre and Test Centre UK
4. National Automotive Innovation Centre, UK
5. Jamshedpur, India
6. Pune, India
7. Gunsan, South Korea
8. Portland, US
9. Trilix, Italy

Engineering & Technical Centres are also mentioned in the list





* Map not to scale

Product profile

OUR AUTOMOTIVE OFFERINGS

Tata Motors Limited
PV

HATCHBACKS

TIAGO

BOLT

SEDANS

TIGOR

ZEST

SUVs

NEXON

HARRIER

HEXA

SAFARI STORME

CV

SCVs AND PICK-UPs (PUs)

ACE GOLD

INTRA

YODHA

ILCVs

ULTRA NARROW

ULTRA SLEEPER

MHCVs

SIGNA

PRIMA

PASSENGER TRANSPORTATION

MAGNA

WINGER

Product profile

Jaguar Land Rover

JAGUAR

SPORTS

F-TYPE

F-TYPE CONVERTIBLE

LIFESTYLE

I-PACE

F-PACE

E-PACE

LUXURY

XJ

XF SPORTBRAKE

XF + XFL

REFRESHED XE + XEL

LAND ROVER

REFINEMENT

RANGE ROVER

RANGE ROVER SPORT

RANGE ROVER VELAR

RANGE ROVER EVOQUE

VERSATILITY

DISCOVERY

DISCOVERY SPORT

DURABILITY

NEW DEFENDER TO BE REVEALED IN 2020

Recognitions

AWARDS WON BY US

Tata Motors Limited

CV

8 AWARDS won by Tata Motors at ET Now Awards 2019

5 AWARDS were bagged by Tata Motors at Flywheel awards 2019 for CV, including CV Manufacturer of the Year and CV of the Year

Recognised as the
CV MAKER OF THE YEAR
at Apollo CV Awards

Bestowed with five best in segment awards at Apollo CV Awards - MCV Cargo Carrier, CV People Mover, Special Application, MCV Tipper and ICV Cargo Carrier

Ultra 9m E-Bus won
CV OF THE YEAR
at Apollo CV Awards

PV

Autocar, TopGear and Cars India awarded Tata Motors Passenger Vehicle Business as
MANUFACTURER OF THE YEAR

Recognised by ET as
SECOND MOST ATTRACTIVE BRAND

Brand Equity recognised Tata Motors as the
MOST TRUSTED BRAND
in the automotive sector.

Jaguar Land Rover

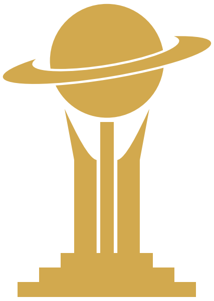
232 PRESTIGIOUS AWARDS
were won by Jaguar Land Rover during FY 2018-19

RANGE ROVER EVOQUE won the Best Compact SUV at GQ Car Awards

RANGE ROVER VELAR won the Best Design and Styling Award from Autocar India

EUROPEAN CAR OF THE YEAR
for I-PACE

60+ AWARDS WON BY I-PACE



WORLD CAR, WORLD CAR DESIGN AND WORLD GREEN CAR TITLES FOR **I-PACE**; THE FIRST CAR TO WIN ALL 3 TOGETHER

Chairman's message

In the CV segment, which is the backbone of the domestic business, the Company has maintained its leadership position in the industry with a 45.1% market share in FY 2018-19.

Mr N Chandrasekaran
Chairman & Non-Executive Director

Dear Shareholders,

It is my privilege to write to you and present the Annual Report for FY 2018-19.

The global automotive industry is witnessing disruptive innovations. The technological changes are leading to new products and business models including shared mobility, autonomous and connected vehicles. Concerns about sustainability are leading the governments across the world to push for reduction in their carbon footprint, encouraging the adoption of EVs. These changes, coupled with the geo-political trade situation, uncertainty around BREXIT and the slowdown in China have led to a period of uncertainty for the global auto industry.

In the Indian context, the automotive industry is expected to emerge as the world's third largest PV market by 2021, driven by the underlying economic growth, increasing consumption demand and mass urbanisation. However, in the short to medium term, the sector faces some challenges due to the ongoing credit crunch, low consumer spending and the transition from BS IV to BS VI emission norms by April 1, 2020. The growth in the CV market is likely to pick up, driven by increased infrastructure spending, growth of new-age industries like e-commerce and further progress in the hub-and-spoke model of distribution.

In this backdrop, I would like to share with you the performance, status and future direction of your Company.

Tata Motors Limited (TML - India)

At TML – India, we had announced a 'Turnaround' programme in July 2017. Since then, your Company has undertaken a series of comprehensive steps to address different aspects of the business. I am happy to share with you that the result of these initiatives has been visible in your Company's strong operational and financial performance.

In the CV segment, which is the backbone of the domestic business, the Company has maintained its leadership position in the industry with a 45.1% market share in FY 2018-19. The business delivered a 17.2% volume growth compared to the previous year. This is a strong performance, in the background of a weaker second half of the year, driven by increased axle load norms, liquidity crunch and lower demand.

In the PV segment, your Company delivered a credible performance by growing its volumes at 13.9% compared to the industry growth rate of 2.8% in FY 2018-19 and achieved the highest unit sales and market share over the past five years. Your Company launched a portfolio of successful products including Nexon, which is the only car in India with a '5-star' safety rating from GNCAP and the second most selling SUV in India.

We need to transform ourselves to be relevant in the world of future mobility. This will require us to form partnerships, develop mobility solutions and optimise our investment in the process.

Tata Harrier was launched in January 2019 to an overwhelmingly positive customer reaction.

While your Company continues to make significant progress, by no means is the work done. In the CV segment, your Company needs to grow and secure sustainable cash flows from the business and ensure smooth transition to BS VI emission norms. In the PV segment, your Company needs to enhance its sales and service offering which is key to growth in volumes as well as execute its plan to achieve profitability at Profit Before Tax (PBT) level.

In EVs, your Company's strong belief is that this is a necessary initiative for India. Your Company is committed to take the lead in this transition and work with other companies in the Tata ecosystem to help create a viable environment to drive the adoption of EVs. However, this transition has to be well planned. The Government and the industry need to work together to ensure that a suitable ecosystem is developed, incentives are provided to stimulate demand and sustainability goals are achieved by implementing emission norms across the value chain.

Jaguar Land Rover (JLR)

JLR is making significant investments to develop next-generation products. Over the past year, it has continued to develop award-winning products that combine outstanding performance, quality and technology. The all-electric Jaguar I-Pace has been awarded the 2019 World Car of the Year, 2019 World Car Design of the Year and the 2019 World Green Car, being the first car ever to win three World Car titles, along with being awarded the Car of the Year at the European Car of the Year Awards 2019. This is a gratifying testament for the superior next-generation car portfolio of JLR.

From an operational performance perspective, the last twelve months have been challenging for JLR. These have resulted in the business reporting a revenue decline this year and an operating loss. JLR's sales from China declined by 34.1% this year compared to the previous year. It faced headwinds from external factors including slowdown of sales in China and Europe, along with internal factors of high fixed cost structures, dealer network profitability and high investment leading to cash outflows.

JLR is taking steps to cut costs while taking a calibrated approach towards future investment in the product portfolio. It is actively looking at partnerships and prioritising its investments while ensuring that it is not compromising its future. These are critical interventions and JLR is committed to deliver cost and cash improvements.

The next few years are going to be decisive for our Company. We have to focus on strong operational excellence to deliver positive cashflows while making the right investments to be prepared for the future. We need to transform ourselves to be relevant in the world of future mobility. This will require us to form partnerships, develop mobility solutions and optimise our investment in the process.

I am aware that it has not been an easy journey and I would like to thank our employees, management team, dealers, customers, suppliers and all other stakeholders for their hard work and commitment at this important time of the Company's journey.

I would also like to thank you for your continued trust, confidence and support as we turn this business around and deliver the results that we all look forward to.

Best Regards,

N Chandrasekaran

Mumbai, May 20, 2019

TML - CEO and Managing Director's message

Mr Guenter Butschek
CEO and Managing Director, Tata Motors

Dear Shareholders,

I am delighted to present the Tata Motors Annual Report for the FY 2018-19.

As the year has been challenging, it has been exciting. We faced external uncertainties throughout the year, starting with the increased axle load regulation, liquidity crisis, muted consumer sentiments and aggressive discounting – all leading to a subdued growth in the H2FY19, after a successful H1FY19. Our continued focus on sales enhancement by market activation and new product launches, rigorous cost reduction and more efficient alignment of demand and supply helped us to deliver a comprehensive Turnaround across the board.

The market performance improved across all segments in CV and PV. In PV, as against the industry growth of 2.8%, TML outperformed the market with a growth of 13.9%. Market share for the year was 6.3%, an improvement of 60bps from the last year. In CV, after outgrowing the industry for H1FY19, we were impacted by the reduced market demand, leading to a more competitive environment, affecting our cumulative market share and resulting in a flat performance for the fiscal. However, the favourable mix of MHCVs and structural cost reductions led to a strong financial performance. CV delivered an industry-leading EBITDA of 11% and PV achieved an EBITDA breakeven.

Our financial backbone rests on the CV performance and therefore the CV business needs to keep firing consistently. We have intensified our sales efforts across the board by active engagement with the dealer community, the fleet owners, the financiers, the customers and the drivers. 100+ new products got launched in CV, addressing customsed requirements. Specific interventions have been launched in target markets and regions to make a sustainable impact on brand pull and sales acceleration. As a market leader, we have always believed in value enhancement rather than value erosion. Therefore, we will continue to play the game responsibly, but aggressively. Our service campaign 'Sampoorna Seva' promises to provide seamless customer experience through an extensive network of after-sales support and best-in-class Turnaround time. Our spare parts and aggregate business in CV grew by 36% in revenue and added to the overall profitability.

We achieved some industry first recognitions this year.

- CV launched the modular Ultra with a range of 14 trucks in the ILCV segment, available with highly customised options and fully built applications.
- CV managed the transition of increased axle load regulations for its MHCV range of trucks in record time.
- We unveiled four new products at the recent Geneva Motor Show - the Harrier, our entry in the mid-SUV premium segment and its 7-seater sibling, the Altroz EV and our showstopper, the H2X Concept, a sub-compact SUV.
- Nexon became India's safest car, achieving a first time ever 5 Star GNCAP safety rating.
- Taking industry lead to shift focus from wholesale to retail, where the benefits for the entire value chain will be far reaching and long lasting.
- PV won the Manufacturer of the Year Award and CV bagged the top awards across seven categories including the most coveted honours, CV of the Year and CV Maker of the Year.
- TML regarded as the Second Most Attractive brand by ET and the Most Trusted Automotive Brand by Brand Equity.

Although the second term of the incumbent Government is likely to augur well for the economy, the ongoing muted demand scenario with the impending challenges of the BS VI transition in Q3/Q4FY20 make our business cycle volatile. The Turnaround therefore continues, as we put in even more rigour in execution to bring sustainability to our overall performance. Our immediate priorities would be to generate better profitability and cash flows through structural cost reductions and capex prioritisation, ensure a smooth transition into the BS VI regime with a portfolio refresh and product enhancements, and maximise the sales opportunity with the recent launches of Harrier, Intra and the upcoming Altroz.

As we commit to manage the present successfully, we need to lead the future sustainably. To step up the game, we are reprioritising our actions against five angles of attack – product, scale, cost, technology and digital – all centered on the customer. A comprehensive set of actions is underway to support our aspirations.

- Defining brands with the birth of our new modular architectures in CV and PV
- Accelerating cost reductions by re-energising the organisation towards challenging targets
- Building scale through simplification in our supplier strategy - 'more buy from less partners', unleashing economies of scale
- Driving technology through a unified Connected Vehicle Platform (CVP) to bring enhanced value proposition to the customer use cases
- Leveraging digital to bring immersive experience to our customers and enhance our interface with channel partners

Our new vertical for e-mobility is uniquely positioned to capture the EV opportunities in India. We are leading the ecosystem development by preparing a tailormade product strategy, leveraging the synergy between the Tata group companies and playing an active role liasoning with the Government in developing the policy framework.

We have demonstrated an innovation mindset in our product development process by receiving 104 patents last year, the second highest in India. We are currently working on a comprehensive strategy of mobility solutions to leverage Connected, Electric, Shared and Safe (CESS) conditions of sustainable growth by enhancing the organisation's skill, capabilities and talent pipeline.

Our approach on safety, health, environment and sustainability evolves out of a long-term, holistic view for the processes and systems that govern the organisation by

- Increasing the use of renewable energy and improving our operational efficiency
- Supporting the climate change principles through reduced carbon emissions
- Fostering a safe and ethical workplace, promoting gender diversity
- Contributing to the Sustainability Initiative, covering 233 critical suppliers and 237 dealerships
- Rededicating to the cause of community development as our 'Triple Bottom Line' responsibility, spending ₹22.4 crore on Corporate Social Responsibility (CSR) and touching over 7,23,000 lives in FY 2018-19.

In order to lead your Company successfully into the future, we need to be globally competitive, develop India centric customer solutions and be ahead of the curve. Our aspirations are high as we set ourselves towards a 5-year Vision horizon.

By FY 2023-24, we will become the most aspirational Indian auto brand, consistently winning by

- delivering superior financial returns
- driving sustainable mobility solutions
- exceeding customer expectations, and
- creating a highly engaged work force.

We remain committed to meet our aspirations and your expectation of further improved performance in FY 2019-20.

Thanking you for your continued support and confidence in our passion for your Company.

Best Regards,

Guenter Butschek
Mumbai, May 20, 2019

JLR - CEO's message

As we transform today for tomorrow, JLR is committed to realising our Blueprint vision of future mobility.

Prof Dr Ralf Speth
CEO, Jaguar Land Rover

Dear Shareholders,

In the decade since Ratan Tata acquired JLR, we are proud to have created an outstanding, award-winning product portfolio. Designed and developed with passion and spirit by our talented team of pioneers, JLR vehicles, today, offer stunning, contemporary design and creative innovation for our customers.

We have formed one truly multinational company from our two quintessentially British brands, nearly quadrupling our turnover and tripling the size of our workforce.

Today, our internationalised operating footprint spans design, engineering and manufacturing centres of excellence across the globe with new technology hubs in Manchester, the UK, Ireland and Hungary and a state-of-the-art new plant in Slovakia. Through our strategy of responsible growth, our UK manufacturing operations have achieved carbon neutral status one year ahead of our 2020 sustainability targets.

We are committed to lifelong learning, offering education and skills development through the Jaguar Land Rover Academy that last year saw our people complete almost 17,00,000 hours of training.

Today, the automotive industry faces multiple regulatory, geopolitical and economic disruptions and technological challenges.

We have met stringent all new Worldwide Harmonised Light Vehicle Test Procedure (WLTP) emission norms, but extensive public debate around emissions, stricter regulation, increasing taxation and customer confusion have impacted diesel's popularity.

An increasingly protectionist global trade agenda and the ongoing BREXIT uncertainty threaten our competitiveness.

And the technology revolution as we move from the Internal Combustion Engine to Autonomous, Connected, Electrified and Shared mobility – or 'ICE' to 'ACES' – means we are set to experience a period of greater change in the next five years than in the last 50.

Our financials for FY 2018-19 reflect these external challenges: lower turnover year on year, an operating loss and a one-time accounting charge to write down the carrying value of capitalised assets.

We have not stood still. We have initiated our Charge and Accelerate turnaround and transformation programmes, robustly and at pace.

- Charge is targeting GBP 2.5 BN of rapid cost, cash and profit improvements by March 2020. We have taken difficult, but responsible decisions affecting our people. Today, we have a leaner organisation.
- Accelerate is simultaneously driving systemic and structural improvements through a root and branch review of all our processes and working practices.

Both programmes are on track to make JLR a business fit for the future.

The next chapter in the story of JLR will be the most exciting – and demanding – in our history.

We lead the 'ICE' to 'ACES' revolution in many areas, offering our customers the choice of clean and efficient petrol and diesel engines, mild and plug-in hybrid and battery-electric propulsion systems. Our Jaguar I-Pace, the world's first premium electric SUV, has won the most prestigious accolades in the automotive industry: European Car of the Year and an unprecedented hat-trick at the World Car Awards in 2019.

Development and innovation in 'ACES' require open collaboration so we work closely with high-tech global partners to spearhead advances in intelligent, connected and autonomous driving technologies.

As we transform today for tomorrow, JLR is committed to realising our Blueprint vision of future mobility. We call this Destination Zero - zero emissions, zero accidents and zero congestion - harnessing new technologies to enable smart integrated mobility and improve lives in the communities we call home.

FY 2018-19 has been a tough year. I would like to thank all those who have contributed to the acclaim and recognition bestowed on our sensational vehicles. In a volatile world, our purpose remains constant: creating experiences that people love, for life.

The coming year promises to be an exciting one with the new Land Rover Defender making its world premiere. We look forward with a steadfast commitment to continue delighting our customers with more of the most capable desirable vehicles in the world.

Best Regards,

Prof Dr Ralf Speth
Mumbai, May 20, 2019

Board of Directors

LEADING US TO THE FUTURE

Mr Ratan N. Tata

Chairman Emeritus

Mr Tata was the Chairman of Tata Sons Private Limited from 1991 till his retirement in December 2012. He also chaired the Boards of major operating Tata companies and the Tata Trusts. Under his stewardship, various group restructuring initiatives were undertaken to leverage global opportunities for the Tata group, the salt-to-software conglomerate, growing revenues and profitability by over 40 times. He was on the Company's Board for more than three decades from 1981 till his retirement, and was Chairman during the last 24 years. He is the Chairman of the Tata Trusts, which are among India's oldest, non-sectarian philanthropic organisations that work in several areas of community development. He also chairs the Council of Management of Tata Institute of Fundamental Research and is a trustee of Cornell University and University of Southern California.

Mr Natarajan Chandrasekaran

Chairman & Non-Executive Director

Mr Chandrasekaran is the Chairman of the Board of Tata Sons Private Limited, the holding company of the Tata group. His appointment as Chairman followed a 30-year business career at Tata Consultancy Services, which he joined from university rising through the ranks to become the Chief Executive Officer (CEO) and Managing Director. He was appointed as a Director on the Board of the Reserve Bank of India in 2016 and on the International Advisory Council of Singapore's Economic Development Board in 2018. He is also the Co-Chair of the India US-CEO Forum.

Mr Nasser Munjee

Non-Executive, Independent Director

Mr Munjee is on the Boards of various multinational companies and trusts.
He is a Technical Advisor on the World Bank's Public-Private Partnership Infrastructure and Advisory Fund, and the Chairman of Development Credit Bank (DCB). He has served with HDFC Bank for over 20 years, across various positions. He was the Managing Director of Infrastructure Development Finance Co. Ltd. (IDFC).

He holds graduate and post-graduate degrees from the London School of Economics.

Mr O P Bhatt

Non-Executive, Independent Director

Mr Bhatt is on the Boards of several companies, including Standard Chartered Bank, Tata Consultancy Services, Tata Steel and Hindustan Unilever. He was the Chairman of the State Bank Group. Besides chairing the Indian Banks' Association, he has served as the Indian diplomat on the India-US CEO Forum, Indo-French CEO Forum and Indo-Russia CEO Forum.

He was the National Science Talent Search Scholar in Physics at DAV College, Dehradun, and holds a post-graduate degree in English Literature from Meerut University.

Ms Hanne Sorensen

Non-Executive, Independent Director

Ms Sorensen, a Danish national, is on the Boards and Committees of various international companies. She was engaged in various roles within the A.P. Moller–Maersk A/S Group in Denmark between 1994 and 2016, serving as the CEO of Damco, the CEO of Maersk Tankers, and Senior Vice-President and Chief Commercial Officer of Maersk Line.

She is a post-graduate in Economics and Management from the University of Aarhus.

Our Board of Directors guide our path to the future, while being supported by our Executive Management Committee.

Mr Vinesh K Jairath

Non-Executive, Independent Director

Mr Jairath has served in several important positions with the Government of India and the State Government of Maharashtra. He has over 25 years' experience in public administration, rural development, infrastructure, finance, industry environmental management and the private sector, as part of the Indian Administrative Service.

He is a post-graduate in Economics from the University of Manchester.

Prof Dr Ralf Speth

Non-Executive Director

Prof Dr Speth is on the Board of Jaguar Land Rover Automobile PLC, UK, and is its CEO. With an experience of 20 years at BMW, he served as the Director of Production, Quality and Product Planning at Ford Motor Company's Premier Automotive Group.

He holds a doctor degree in Mechanical Engineering and Business Administration from Warwick University and an Engineering degree from Rosenheim University, Germany.

Ms Falguni S Nayar

Non-Executive, Independent Director

Ms Nayar is, at present, the founder and CEO of a promising e-commerce start-up, Nykaa.com. She has spent over 19 years with Kotak Mahindra Bank, with the last six years as Managing Director and CEO of Kotak Investment Bank.

She is an Indian Institute of Management, Ahmedabad alumnus.

Ms Vedika Bhandarkar

Non-Executive, Independent Director

Ms Bhandarkar brings more than 25 years of experience with Indian and international financial institutions. At present, she is engaged with Waterorg, a not-for-profit organisation. She was Vice Chairman and Managing Director at Credit Suisse Securities (India) Private Limited from 2010 to 2015.

She is an MBA scholar from the Indian Institute of Management, Ahmedabad and a Science graduate from the MS University, Udaipur.

Mr Guenter Butschek

CEO and Managing Director

Mr Butschek has over 25 years' global experience in international automotive management. Besides Daimler AG, he has worked in the Airbus group as its Chief Operating Officer and a member of the Group Executive Committee.

He is a graduate in Business Administration and Economics with a Diploma from the University of Cooperative Education, Stuttgart.

Mr Satish Borwankar

COO & Executive Director

Mr Borwankar started his career with the Company in 1974 as a Graduate Engineer Trainee and has served in various operating functions like manufacturing, quality, vendor development and strategic sourcing, rising through the ranks to become its Executive Director and Chief Operating Officer.

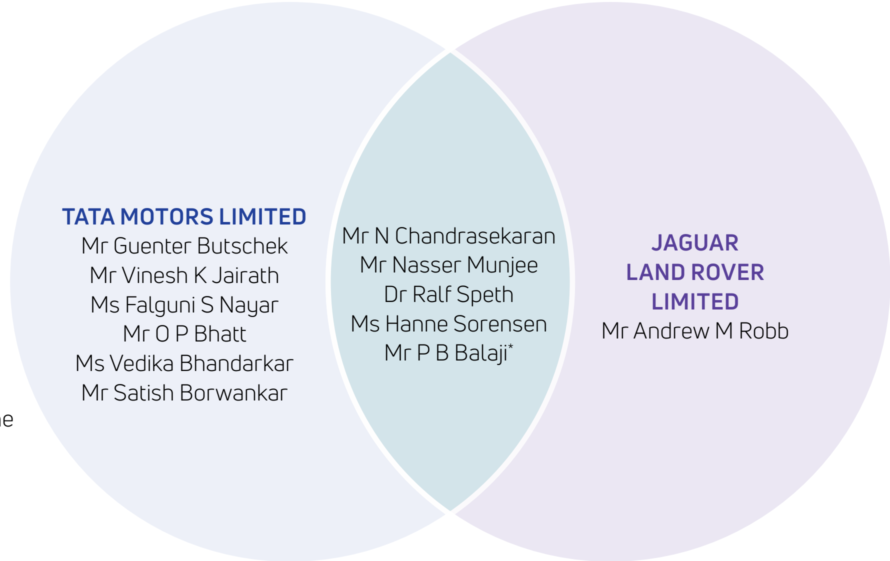
He is a graduate in Mechanical Engineering from Indian Institute of Technology, Kanpur.

COMMITTEES
● Audit ● Nomination and Remuneration ● Stakeholders' Relationship ● Corporate Social Responsibility
● Risk Management ● Safety, Health and Sustainability

Corporate governance

GOVERNANCE EMPOWERING SUSTAINABLE VALUE CREATION

Led by visionaries, Tata Motors Group upholds corporate governance standards that are best in class and that strengthen stakeholder trust in the Company.



*Group CFO - Tata Motors and Director - Jaguar Land Rover

BOARD'S KEY AREAS OF FOCUS

The Board of Directors oversees several areas of the Company's business, as well as its value-creation process.

- Direct, supervise and control the performance of the Company
- Provide leadership and guidance to the Company's management
- Review the Company's strategic and business plan
- Monitor the responsibilities delegated to the Board Committees, to ensure proper and effective governance and control of the Company's activities
- Establish a framework for the risks to be assessed and managed

BOARD EFFECTIVENESS EVALUATION

The Board of Directors carry out an annual evaluation of its performance, and the performance of its Committees as well as individual Directors. This involves receiving inputs from all the Directors. A separate meeting of Independent Directors is held to review the performance of Non-Independent Directors, the performance of the Board of Directors and the performance of the Chairperson of TML. The Independent directors consider the views of Executive Directors and Non-Executive Directors.

The criteria for the performance evaluation of the Board of Directors includes aspects such as its composition and structure, and the effectiveness of its processes, information flow and functioning. The criteria for the performance evaluation of individual Directors includes aspects, such as the Director's contribution to the Board of Directors and Committee meetings, including preparation on the issues to be discussed as well as meaningful and constructive contribution and inputs during meetings. In addition, the Chairperson is evaluated on the key aspects of their role.

INTEGRATED GOVERNANCE STRUCTURE

The governance structure of the Tata Motors Group companies ensures that the key businesses although diverse in nature are led by the Board of Directors based on common principles and the Tata group ethos. As part of our 'integrated thinking' process, the Board Committees make key decisions on the Company's holistic value-creation process across the six capitals.

Although there are two different Boards for TML and JLR, there are five common Board members, including the Chairman.

BOARD COMMITTEES AND THEIR RESPONSIBILITIES

Board Committee	Role of the Committee
Audit	Reviewing quarterly/annual financial statements, adequacy of internal control systems, internal audit reports (ensuring independence of auditors) and statement of uses/ application of funds raised
Nomination and Remuneration	Providing various recommendations to the Board including set up and composition of the Board and its Committees, appointment or re-appointment of Directors; Key Managerial Personnel review Remuneration Policy and structures and support the Board in matters related to set up and review of the Committees
Stakeholders' Relationship	Reviewing statutory compliances and services relating to security holders, dividend payments, performance of Registrar and Transfer Agents
Corporate Social Responsibility	Formulating and recommending the CSR policy to the Board and monitoring the CSR activities and expenditure
Risk Management	Assisting the Board in overseeing the risk management process, controls, risk tolerance, capital liquidity and funding and reviewing the Company's risk governance
Safety, Health and Sustainability	Reviewing the Company's performance on Safety, Health, Environment and Sustainability aspects and overseeing the implementation of relevant policies and strategies

Please refer to the Report on Corporate Governance, Page 162 for more details.

BOARD DIVERSITY

The overseers of governance in the Company are the Board and the Committees – comprising 2 Executive, 2 Non-Executive and 6 Independent members, who are empowered to lead the Company. The Board also brings in diverse and wide experiences to the table, in the areas of automobile engineering; business and economics; banking and finance; and legal affairs; coupled with a global outlook.

Demographics

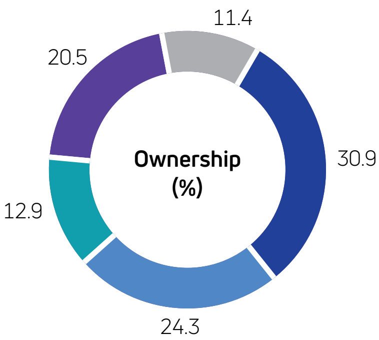
Executive **x2**
Non-executive **x2**
Independent **x6**
Female **x3**
Male **x7**

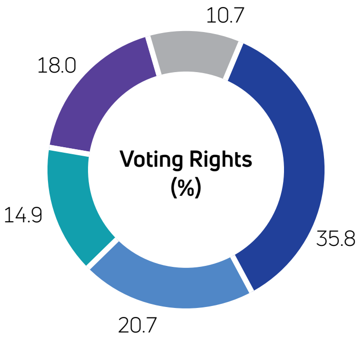
Experience

- Automobile engineering
- Engineering
- Business and economics
- Banking and finance
- Financial services
- Legal affairs
- Technology

TATA MOTORS SHAREHOLDING PATTERNS

- Promoters
- FII
- ADR
- Domestic institutions and Mutual Funds
- Others





Events FY 2018-19

BREAKTHROUGHS OF THE YEAR

Tata Motors Limited

Tata Motors created the electric mobility business vertical to capture opportunities arising out of new mobility trends.

- **Tata Motors announced the launch of Nex-Gen ULTRA range of trucks** to strengthen its leadership in the ILCV segment.
- **Tata Motors announces the nationwide launch of Tata Nexon A.M.T.** with HyprDrive Self-Shift Gears.

Jaguar Land Rover

- **JLR announced plans to open a new software, IT and engineering centre in Manchester** to support its strategy to introduce connected technologies in future vehicles.
- **JLR is making all-terrain autonomy a reality** and developing autonomous cars capable of all-terrain, off-road driving in any weather condition.

Tata Motors Limited

Tata Motors emerged as one of the eight Sustainability Leaders among the global automobile companies on the Dow Jones Sustainability Index (DJSI) 2018.

- **Tata Motors celebrates the roll-out of its 1,500th GS800 Safari Storme** for the Indian Army.
- **Tata Motors' Sanand facility reaches 100% capacity utilisation** to meet growing demand for Tiago and Tigor.
- **Tata Motors showcases the future of sustainable public transportation** in India, with solutions designed to offer convenience, safety, security, and efficiency to its customers.

Jaguar Land Rover

JLR's Range Rover Sport completed the first ever self-driving lap of one of the UK's most challenging road layouts, handling junctions, slip roads and lane changes, all autonomously at a 40 mph speed limit.

- **Plugsurfing puts JLR drivers on the road to easier charging**, with the supply of a premium charging service for JLR's EVs in selected markets in Europe.
- **JLR celebrates past, present and future at Paris Motor Show**, with two landmark anniversaries: 70 years of all-terrain superiority and 50 years of a flagship saloon.

Tata Motors Limited

Tata Motors PV business unit ranks 2nd in the JD Power 2018 India Customer Service Index (Mass Market) study. This is a testimony to Tata Motors' endeavour to offer customers a seamless after-sales experience.

- **Tata Nexon became the first and only car in India to achieve a full '5 stars' adult safety rating from GNCAP**, an internationally renowned safety accreditation body. With this achievement, Nexon has put India on the global map.
- **Tata Motors launched a TV commercial celebrating #DeshKeTruck,** encouraging the homegrown sports of wrestling and kabaddi.
- **Tata Motors launched all new Tigor**, a next-generation compact sedan with exclusively styled interiors and exteriors.

Jaguar Land Rover

JLR launched the new Range Rover Evoque, designed, engineered and made in Britain – the next-generation compact SUV – following a GBP 1 bn investment to support its production.

- **InMotion Ventures, JLR's venture capital arm backed six start-ups that could change the way we travel**, focusing on urban transportation and urban experiences.
- **JLR introduced new Vehicle-to-Infrastructure (V2X)** technology that connects cars to traffic lights, so drivers can avoid getting stuck at red signals and help free up traffic flow in cities.
- **JLR opened its state-of-the-art GBP 1.4 BN manufacturing facility in Nitra, Slovakia**, marking the first time a UK automotive company has opened a plant in this country.

Tata Motors Limited

Tata Motors launched its much-awaited SUV – Harrier. The Harrier is the first vehicle to sport the Impact Design 2.0 design language of Tata Motors, with its stunning exteriors and luxurious interiors. It was born out of the legendary pedigree of JLR's D8 platform.

- **Tata Motors received the BS VI compliance certification for its 3.8L NA SGI CNG engine from the Automotive Research Association of India (ARAI).** This is an important milestone towards preparation for BS VI and a first for any OEM in India.
- **Tata Motors supplied electric buses across Indian states and cities** including West Bengal and Lucknow.
- **Tata Motors showcased its next-gen passenger vehicles** including the Altroz, Premium Hatchback at the Geneva International Motor Show.

Jaguar Land Rover

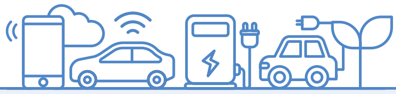
JLR installed 166 smart charging outlets for EVs at its Gaydon engineering centre, making it the UK's largest smart charging facility.

- **JLR was awarded the latest ISO14001 Environmental Management Standard certification**, after making its UK manufacturing and product development sites Carbon Neutral for FY 2017-18.
- **JLR expanded its Ingenium engine family with a new six-cylinder petrol engine,** designed and engineered in-house, and manufactured at its GBP 1 BN Engine Manufacturing Centre (EMC) in Wolverhampton, the UK.

Operating context

OPPORTUNITY LANDSCAPE

TATA MOTORS LIMITED



TECHNOLOGICAL ADVANCEMENTS

Electric vehicles

With the Government's incentives supporting EVs, the success of Faster Adoption and Manufacturing of (Hybrid &) Electric vehicles in India – Phase 2 (FAME II), the burgeoning demand for cleaner fuel options, the rising costs of internal combustion engines technologies and the wide adoption of EVs in shared and public transport, India is on its way to achieve a high EV penetration, with an estimated three million vehicles by 2030.

Shared mobility

India is expected to be a leader in shared mobility by 2030 as the rising share of electric and autonomous vehicles improves shared mile economics. By 2030, shared miles will likely reach 35% of all miles travelled in the country and are likely to increase to 50% in 2040. India had driven 257 billion miles in 2017, of which 10% were shared (including traditional taxis and app-based plays).

Connected environment

In India, the market for connected vehicles and telematics is displaying incredible promise. Due to various factors like availability and affordability of high-speed internet connectivity and smartphone integration via apps, the adoption of telematics is increasing. Furthermore, OEMs are incorporating advanced telematics solutions in the PV as well as the CV segments, which is expected to fuel growth of an automotive telematics ecosystem.

₹10,000 crore

GOVERNMENT OUTLAY FOR FAME II

Source: Government of India

35% BY 2030

SHARED MILES TRAVELLED IN INDIA

Source: Morgan Stanley

24%+ CAGR

EXPANSION FOR A GLOBAL CONNECTED CAR ECOSYSTEM

Source: NASSCOM

TML's response

Tata Motors is already prepared to leverage its existing EV-ready architecture and is equipped with the engineering, sourcing and manufacturing resources that are shared with its core business. It is also leveraging its wide distribution network. It is playing a crucial role under 'One Tata' ecosystem to drive electrification.

Tata Motors created a separate division — Mobility Innovations Hub — to explore ways to tap into its entire range of PVs and CVs for offering shared mobility solutions.

In 2015, Tata Motors became the first OEM to adopt telematics — an efficient way of designing, driving and managing automobiles. In 2019, it became the first vehicle manufacturer in India to install 1,00,000 advanced telematic systems on its CVs under the Tata Fleetman brand. TMETC has successfully completed the connected and autonomous vehicle technology trials on the new-generation SUV, Tata Hexa.

To remain 'Fit for Future', we constantly scan the external environment and adapt to the changes with agility.

REGULATORY DEVELOPMENTS

New axle load norm

In 2018, the Government increased the permissible GVW of over 16 tonne heavy trucks by about 20-25%. The norm allows truck owners to increase load on the vehicle up-to the new prescribed limit. This change has legalised overloading and has given fleet owners the opportunity to utilise their existing assets more, instead of purchasing new trucks, resulting in a sluggish demand for new trucks. This development has also impacted 92% of the MHCV cargo industry.

20-25%.
INCREASE IN PERMISSIBLE GVW
Source: Government of India

BS VI preparedness

With rising concerns about air pollution levels in India, the Government in 2017 decided to leapfrog from BS IV to BS VI emission standards to reduce vehicular pollution. BS VI is the most advanced emission standards for automobiles and is equivalent to Euro VI, which has already been implemented across countries in Europe. BS VI will be introduced in India on April 1, 2020. Accordingly, the automobile industry was asked to comply with the directive before the deadline.

2020
INTRODUCTION OF BS VI

Goods and Services Tax (GST)

With the implementation of a uniform tax structure and the seamless flow of input tax credit for both input goods and services, production costs have come down. Falling production costs have impacted manufacturing sectors positively. This has also benefitted the logistics sector significantly, thereby increasing the ease of doing business.

POSITIVE IMPACT
OF GST IMPLEMENTATION

TML's response

Capitalising on the axle load regulations, Tata Motors launched newly designed products with changes in many aggregates. Enhancing the value proposition for customers by calibrations across products which improve the total cost of ownership. Besides re-engineering the new BS VI compliant models, it is reconfiguring the current prototypes as well.

As part of Tata Motors' continued pursuit in its turnaround journey, a state-of-the-art 'Emission Test Facility' was installed at the Power Systems Engineering Division (PSE), in ERC, Pune. This facility serves as one of the crucial milestones for BS VI implementation. Moreover, Tata Motors is ready with BS VI compliant engines across the board while the deployment on vehicles and validation is on track as per timeliness.

Tata Motors revised prices for its CVs to pass on the benefit of GST rates to its customers.

Operating context

JAGUAR LAND ROVER

TECHNOLOGICAL ADVANCEMENTS

ACES

Autonomous driving, connectivity, electrification, and smart mobility will transform the way the industry and consumers define mobility. Developments in technology are changing our world more quickly than at any time in history, nowhere more so than in the automotive sector. Autonomous, Connected, Electric and Shared mobility (ACES) will transform not just how people travel but how they live.

Self-driving vehicles are expected to revolutionise the way people and goods move around, with major benefits expected in terms of safety, accessibility and traffic flow.

While self-driving cars have tended to hog the limelight when it comes to future vehicle technologies, many in the industry believe that connected cars could have just as big an impact, particularly in the near- to mid-term. Enabling cars to communicate not only with other vehicles but also with their surrounding infrastructure is expected to bring a number of major benefits – in terms of safety, traffic flow, productivity and the environment.

The future is electric. The industry is being pushed towards EVs at an accelerated pace. Regulators are demanding increasing numbers of EVs. The EV penetration depends on the customer demand, which is mainly driven by the subsidies, cost effectiveness and availability of charging infrastructure.

Platform-based mobility, virtually unknown a decade ago, continues to gain traction. People are increasingly seeking new ways to access vehicles outside of the traditional ownership models. Some cities have started restricting private vehicles; for example, Oslo in Norway will ban all vehicles from 2019.

JLR's response

Electrification technologies
Designed and developed in-house, the revolutionary electric Jaguar I-Pace has given JLR an advanced knowledge in electric motor design and lithium-ion battery technology. JLR has 200+ patents pending on this game-changing EV. From 2020, JLR will begin the manufacture of next-generation EDUs at its EMC in Wolverhampton, the UK. These EDUs will be powered by batteries assembled at a new facility near Birmingham, the UK. Together, they will power JLR's future battery electric and plug-in hybrid vehicles.

Autonomous, connected and shared mobility
JLR recognises that in-car experiences must keep pace with the fast-moving technology industry, offering customers products and services that are simple, intuitive and convenient. JRL's InControl services and applications, including 4G Wi-Fi hotspots and the Remote smartphone app, link seamlessly and securely with the outside world and already connect customers to their vehicles from a distance. JLR continues to introduce new driver assistance technologies into its vehicles and are developing more advanced self-driving technologies in response to legal frameworks permitting higher degrees of automation. Through InMotion, JLR's venture capital arm, it develops transport and mobility solutions. InMotion has invested in Lyft, the successful ride-hailing Company, and Voyage, deploying self-driving cars in private communities. THE OUT is InMotion's new on-demand premium car rental service, providing London residents access to JLR vehicles.

Collaboration is key
JLR is working with pioneering organisations such as Waymo and UK Autodrive to develop and pilot self-driving technologies. The National Automotive Innovation Centre (NAIC), at the Warwick University, offers JLR a critical mass of research capability in an environment designed to encourage large-scale collaboration with academia, supply chain partners and leading technology companies.

GEO-POLITICAL FACTORS

The multiple market, geopolitical, technological and regulatory headwinds facing the automotive industry not only impact financial performance but also require us to make significant levels of investment.

China

The Chinese economy has been slowing, exacerbated by trade tensions between the US and China, with weaker consumer demand and the stock market down. Together, these headwinds contributed to an 8.3% year-on-year decline in sales across the Chinese automotive industry. JLR's retail sales have also been impacted by high levels of inventory, intensified competition and low dealer profitability.

JLR's response

JLR launched a local turnaround programme in 2018 to rejuvenate vehicle sales in China. JLR has implemented a more demand-led 'pull' strategy to reduce discounting pressures, improve dealer profitability and protect the premium nature of its brands. JLR continues to reduce in-market inventory and explore ways to improve the experiences of its Chinese customers. JLR has also strengthened local procurement to enhance the competitiveness of its Changshu manufacturing facility. JLR is confident about the long-term outlook in China and that it is taking the right actions to realise these opportunities.

BREXIT

In the year under review, the European Union (EU) region represented a fifth of JLR's retail sales and was the source of a significant proportion of key components. JLR relies on free and frictionless trade. Any barriers, including tariffs and delays at borders, would adversely impact its business. Greater certainty is vital.

JLR's response

JLR's mitigations against the risks of a BREXIT no-deal outcome have included factory downtime and ensuring that buffer production stock is available.

US tariffs

During the year, over 20% of JLR's vehicle sales were made in the US. The US Government is considering a 25% tariff on imported vehicles. Given JLR vehicles sold in the US are imported, such a tariff would severely impact its business performance and competitiveness in the US market.

JLR's response

JLR will closely watch the situation and take appropriate measures in case this risk fructifies. Meanwhile, JLR will continue with its turnaround and transformation plan.

Diesel uncertainty

Diesel engines have reduced CO_2 emissions significantly over the past decade. New diesel engines typically have similar levels of NO_x and particulate emissions to their equivalent petrol engines, while achieving up-to 20% better fuel economy and up-to 15% lower CO_2 emissions. However, consumer confusion, tightening emissions regulations and increasing taxation have impacted diesel's popularity. As a result, JLR's sales of diesel vehicles in the UK and Europe fell by 10-15% in the year. Growing concerns about air pollution levels in cities around the world are expected to lead to increasing restrictions and bans, and several countries have committed to phase out the sale of vehicles with internal combustion engines altogether. Negative perceptions of diesel have led consumers to favour petrol engines, contributing to increased fleet CO_2 emissions.

JLR's response

JLR remains on track to deliver a 45% reduction in European fleet average tailpipe CO_2 emissions by 2020. JLR has introduced robust training to support its retailer network as well as online support for its customers to help them assess which fuel type – whether that be petrol, diesel, hybrid or electric – is right for them and the journeys they make.

Emission norms

Changes to the European emissions tests of the WLTP in September 2018 made non-compliant models subject to additional taxes. The changes also increased manufacturing costs and caused consumer uncertainty.

JLR's response

JLR's latest Euro VI Ingenium diesel and petrol engines are among the cleanest in the world. JLR was one of the few car manufacturers to meet the WLTP deadline for type approval of its vehicles, reducing the operational impact of the emissions test changes. A range of JLR vehicles, including the new Range Rover Evoque, the Land Rover Discovery Sport and the refreshed Jaguar XE, have all achieved compliance with stringent Real Driving Emissions Step 2 (RDE2) standards NO_x emissions tests well in advance of the 2020 introduction of RDE2 for all new models. Investing in continued refinements and improvements to JLR's internal combustion engines remains key to JLR's forward-looking strategy, particularly for future plug-in hybrid vehicles.

Risks and opportunities

FUTURE PROOFING

KEY RISK CATEGORIES	WHAT ARE THE RISKS	WHAT ARE WE DOING ABOUT IT
Global economic and geo-political environment	Tata Motors Group's expanding global presence increases its exposure to global economic, geopolitical and other external factors (BREXIT, China, political instability, rising protectionism, wars, terrorism and natural disasters) that may negatively impact its business	The Group continues to maintain its international manufacturing footprint and a balanced retail sales profile across its key regions. It also continues to closely monitor and assess the risk of global developments and implement mitigation plans where appropriate.
Competitive business efficiency	Delivering on operational efficiency objectives is key to sustaining profitable growth. Uncertainty relating to the achievement of the projected benefits needs to be managed to a minimum.	With the launch of Turnaround 2.0, TML intends to drive its journey towards Competitive, Consistent and Cash-accretive growth, successfully navigating the headwinds in the Indian automotive market. The broader objectives of the plan include: 'Win Decisively' in CV, 'Win Sustainably' in PV, 'Win Proactively' in EV and 'Embed the turnaround culture'. JLR has launched Project Charge and Project Accelerate to conserve cash, reduce costs and increase operational efficiency. From 2020, JLR will be introducing its next-generation modular architecture, which will streamline engineering and manufacturing processes and reduce complexity with the aim to reduce costs and improve quality.
Brand positioning	Brand positioning is becoming increasingly challenging, as the dynamics of the automotive market (like automated driving, electrification and digital connectivity) and the competitive pressures from existing automotive manufacturers and new disruptive entrants evolve.	Recent successful model launches (like Harrier, Nexon, Tiago, Tigor EV, Jaguar I-PACE, Jaguar E-PACE, Range Rover Velar and Range Rover Evoque) have broadened the Group's product range to existing and new customers in established and emerging segments. In addition, the Group regularly monitors the perception of its brands to quickly identify and address uncertainties that may arise to inform how it articulates brand values to its customers.

6 CAPITALS

Financial Capital | Manufactured Capital | Intellectual Capital | Social and Relationship Capital | Human Capital | Natural Capital

WHERE DO WE SEE THE OPPORTUNITIES	CAPITALS IMPACTED
Global economic growth in developed and emerging markets presents opportunities to increase sales. Global growth and rising incomes create opportunities in both new and existing geographical markets as well as new and existing segments.	
Enhanced overall business efficiency will yield sustainable financial results and greater opportunities for growth and continued investment in the Group's product portfolio and new technologies.	
The Group continue to strengthen its brands by creating greater brand association imbibing innovation, technological advancement and customer trends and feedback into its expanding and evolving product portfolio and services.	

Risks and opportunities

KEY RISK CATEGORIES	WHAT ARE THE RISKS	WHAT ARE WE DOING ABOUT IT
Environmental regulations and compliance	The Group is subject to a rapidly evolving regulatory landscape with associated laws, regulations and policies that impact the vehicles it produces and its manufacturing facilities (like CO_2 emissions, fuel economy and noxious/air quality emissions). Continued adverse public perception of diesel-powered vehicles, largely driven by the media and government policy, could sustain declining diesel sales and customer uncertainty, primarily in the UK and Europe.	The Group is committed to offering its customers a wide range of clean, sustainable propulsion technologies – whether petrol, diesel, plug-in and mild hybrids or EVs. TML has achieved the BS VI engine certification milestone with intense design and development focus, leveraging in-house capabilities and those of the technology partners. TML is also leveraging synergies across Tata group companies to drive electrification. EVs have been strongly positioned to address tailpipe emission concerns. JLR has invested substantially in the development of its next-gen modular architecture, the in-house manufacture and continued refinement of its internal combustion engines and electrification technologies. JLR retains an EU derogation permitting alternative fleet average CO_2 targets. The continued refinement of its internal combustion engines and production flexibility within its EMC remains a priority.
Rapid technology change	The fast pace of technological development together with the scarcity of specialist resources could result in a significant change in the automotive industry and increases the risk of delivering superior products demanded by current and future customers.	The Group continue to invest in R&D and also continues its strategic focus on key technology areas, including ACES, with the aim of launching pioneering products ahead of its competition.
Product liability and recalls	Potential defects and quality deficiencies could increase the Group's exposure to risks associated with product liability.	Enact swift management of recalls to minimise customer impact and subsequent warranty costs. Proactively issue technical updates to dealer network to efficiently manage potential defects.

For details of all the risks, please refer to the Management Discussion and Analysis on Page 116.

6 CAPITALS

Financial Capital | Manufactured Capital | Intellectual Capital | Social and Relationship Capital | Human Capital | Natural Capital

WHERE DO WE SEE THE OPPORTUNITIES	CAPITALS IMPACTED
TML is the first OEM in India to achieve BS VI certification for a naturally aspirated Compressed Natural Gas (CNG) engine for CVs. TML is pioneering India's EV transition and driving the shift towards sustainable mobility solutions by leveraging subsidies to drive the initial EV push, while building other ecosystem pillars. JLR was the first premium manufacturer to introduce a battery EV into mainstream production with the Jaguar I-Pace and has introduced the Range Rover and Range Rover Sport PHEV models as well. From 2020, JLR will offer an electrified option for each of its models. JLR's diesel engines are as clean as its petrol engines, with significantly reduced CO_2 and NO_x emissions in real-world usage and 20 to 30% better fuel consumption and CO_2 emissions. JLR's new D150 engine meets RDE2 standards in advance of the 2021 requirement. This presents opportunity for tax incentives in the UK and a solid platform for further refinements.	
Substantial changes to the market (like ACES) enables the Group to focus on launching industry-defining products and services ahead of its competition as well as strengthening partnerships with global technological organisations.	
Enhanced use of vehicle connectivity and digital capability to analyse potential failure modes and to implement corrections.	

Business model

OUR VALUE-CREATION PROCESS

KEY RESOURCES AND RELATIONS

INVESTMENTS
The funds and monetary resources needed to establish and operate the business. The business raises funds through a mix of debt and equity and optimises its debt based on market conditions.

INSIGHTS AND INNOVATION
R&D, innovation, design and engineering form the basis of our product development efforts. Understanding customer preferences and expertise in new-age technology help us create enhanced products, with features that delight customers.

MANUFACTURING CAPABILITIES
Our production facilities and equipment for designing, prototyping and manufacturing vehicles.

RELATIONSHIPS WITH SUPPLIERS, DEALERS, CUSTOMERS AND COMMUNITIES
We focus on maintaining a sustainable supply chain where we operate, and we focus on maintaining long-term relations with all our partners and customers. Our relations with communities ensure our social licence to operate.

PEOPLE
Our people's collective skills and experience are key to our business and we provide them the opportunity for continuous development.

NATURAL RESOURCES
The automotive business is dependent on multiple natural resource based raw materials. At the same time, there are several impacts of our business activities on nature.

KEY ACTIVITIES

- RESEARCH AND INNOVATION
- DESIGN, ENGINEERING AND TECHNOLOGY
- AFTER-SALES CUSTOMER SERVICES AND EXPERIENCES
- FINANCIAL SERVICES

KEY PRODUCTS & SERVICES

Tata Motors Limited
See product portfolio on Page 14

2,10,500
PVs SOLD*

4,68,788
CVs SOLD*

*This does not include exports.

Our value-creation model lays the foundation of our business. It ensures the optimal utilisation of our resources and management of relations through our value chain. The process is dynamic and responsive to developments in the external environment. We are guided by our governance framework and strategy while creating value for our stakeholders.

PRODUCT DEVELOPMENT

MANUFACTURING OF VEHICLES

SALES AND DEALERS NETWORK

MARKETING AND BRANDING COMMUNICATION

SUPPLY AND LOGISTICS

CREATING VALUE FOR ALL STAKEHOLDERS

- Connecting aspirations of customers and creating quality experiences
- Sustainable growth for investors
- Safe and healthy working condition and equal opportunities for our employees
- Reduced environmental impacts
- Creating sustainable and stronger communities

Jaguar Land Rover

See product portfolio on Page 16

5,78,915

RETAIL SALES INCLUDING CJLR

Tata Motors Finance

₹21,993 crore

WORTH OF VEHICLE FINANCE DISBURSED

SEE HOW OUR KEY BUSINESSES CREATE VALUE

Tata Motors Limited — Page 66

Jaguar Land Rover — Page 60

Tata Motors Finance — Page 76

Key performance indicators

PERFORMANCE SNAPSHOT

(Tata Motors Group in FY 2018-19)

FINANCIAL

Revenue (₹ in crore)

2018-19	3,04,904
2017-18	2,96,298
2016-17	2,75,247

Volume* (in units)

2018-19	12,74,072
2017-18	12,21,124
2016-17	10,91,748

excluding wholesales from CJLR

Automotive free cash flow (₹ in '000 crore)

2018-19	(9.2)
2017-18	(7.3)
2016-17	(1.6)

Net auto debt/Shareholders' equity (x)

2018-19	0.47
2017-18	0.15
2016-17	0.13

Consolidated EBITDA margin (%)

2018-19	9.0
2017-18	10.7
2016-17	11.1

Consolidated EBIT margin (%)

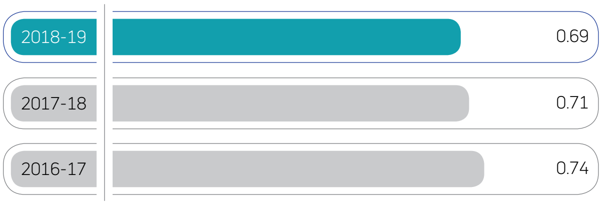
2018-19	1.2
2017-18	4.1
2016-17	5.0

NON-FINANCIAL

Tata Motors Limited (Standalone)

Jaguar Land Rover

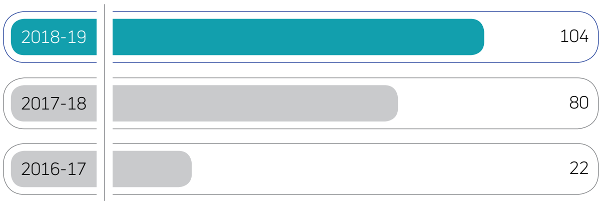
Specific GHG emissions (in tCO_2e/vehicle)



50.7%

REDUCTION IN GLOBAL OPERATING CO_2 EMISSIONS PER VEHICLE BUILT VERSUS A 2007 BASELINE

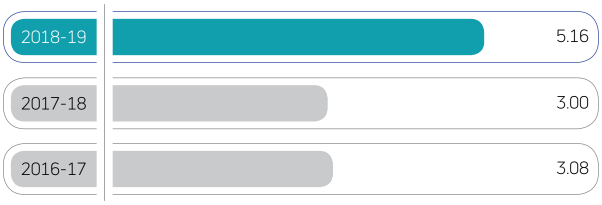
Number of patents granted



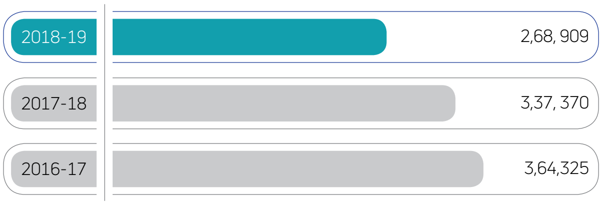
23%

REDUCTION IN OPERATING WATER USE PER VEHICLE BUILT IN THE UK VERSUS A 2007 BASELINE

Ratio of female employees to total employees (in %)



CO_2 emissions for UK operations (tonnes)



Stakeholder inclusiveness

ENGAGING CLOSELY WITH STAKEHOLDERS

Stakeholder engagement is critical to the Tata Motors Group's long-term performance and sustainability.

Engagement aimed at establishing and maintaining mutually beneficial relationships creates both opportunities to enhance performance and manages emerging risks to the business. We focus on creating long-term relations with a range of stakeholders to continuously improve the alignment of interests between the Group and its key stakeholders. We remain committed to maintaining the highest standards of integrity and ethical conduct in dealing with all our stakeholders.

STAKEHOLDER GROUP	ENGAGEMENT MECHANISM
Employees	Weekly/Monthly Reviews, HR Forum, Townhalls, Focused Group Discussions
Communities	Meetings
Suppliers/ Service Providers	Sustainable Supply Chain Initiative, Technology Days, Supplier Meets, Vendor Council, Audits
Experts/Academic and Research Institutions	Case Based Meetings
Media	Regular Interactions
Dealers and Service Centres	Dealer Meets, Joint Programmes, Special Training Programmes, Dealers Council, Dealer Visits, Audits, Dealers Sustainability Initiative
Customers	Customer Meets, Key Account Process, Surveys, Feedback Calls, Training Forums, Direct Visits
Investors and Shareholders	Investor Meets, Investor Calls, Shareholder/Investors Grievance Forum, Stakeholders' Grievance Committee, One-to-one Interactions
Regulators/ Government Authorities	One-on-one Meetings, Meetings in Industry Forums

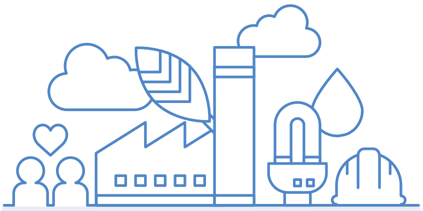
Material issues

MOST SIGNIFICANT ISSUES FOR VALUE CREATION

At Tata Motors Group, we take a holistic approach to sustainable value creation.

We have identified significant issues which may have impact on our value-creation capabilities in the short, medium and long term, through dialogues with different stakeholder groups. Although there are a wide range of issues on our radar, and every one of them matters, they are not all under our direct influence. In order to make a positive contribution to addressing the challenges while making the most of the opportunities, we have categorised the issues as per their priorities. These issues are further addressed through our strategy.

CRITICAL



- Customer satisfaction
- Regulatory compliance
- Product innovation and competitiveness
- Occupational Health and Safety
- Water
- Economic performance
- Emissions to air
- Energy and GHG emissions

HIGH

- Environment, labour and human rights in supply chain
- Training and education
- Labour management relations
- Effluent and waste management
- Raw material and recycled material usage
- Human rights
- Product labelling
- Procurement practices
- Social media

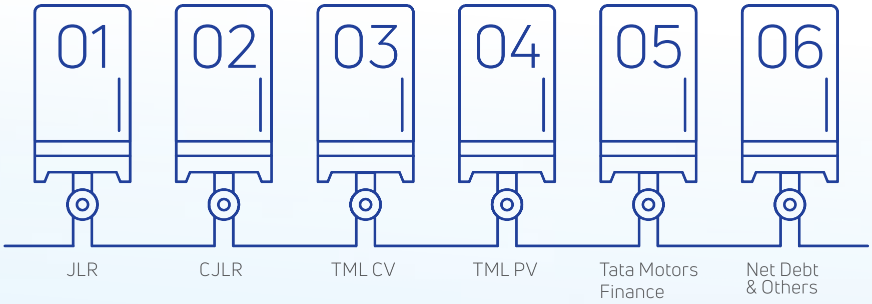
MODERATE

- Gender diversity
- Public policy advocacy
- Biodiversity
- Local communities

Note: The material issues listed have been identified by Tata Motors Limited (Standalone) through a detailed assessment carried out in FY 2017-18.

6 CYLINDERS OF OUR VALUE-CREATION ENGINE

As part of our strategy, we have prioritised six areas for the Tata Motors Group, which form the six cylinders of our value-creation engine. The six cylinders represent our key value drivers. Identifying these drivers will help us take focused actions on areas that will have the greatest impact on value.



Did you know?

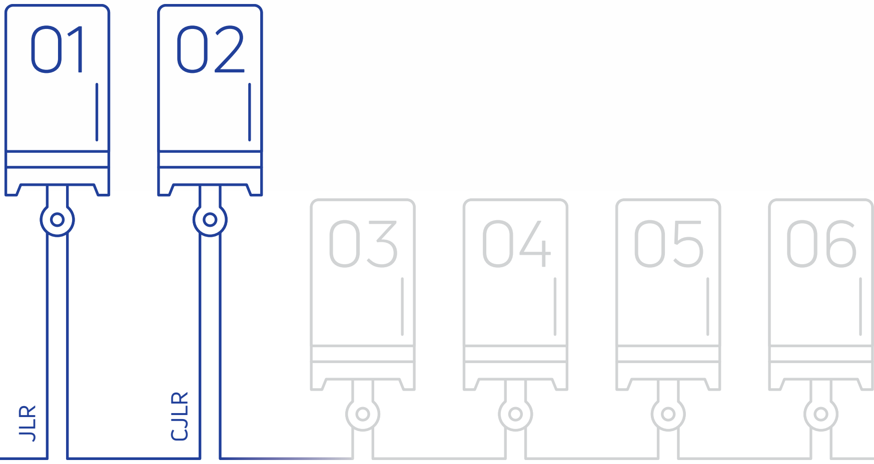
Tata Motors was the first to introduce a unique indigenous Vehicle Tracking and Bay Scheduling (VTAB) system for customers to keep a track of the repair or maintenance work being performed on their vehicles while being ensconced in the customer lounge at a Tata Motors service centre!

Jaguar was the creator of the world's first disc brake in 1953, an industry leader in aluminium lightweighting and closed-loop recycling.

Land Rover has 70 years of off-roading experience providing extensive know-how and patented technologies, such as Dynamic Stability Control and the industry-leading Terrain Response.

JLR and CJLR

A PLAN TO TURNAROUND AND TRANSFORM



JLR has created an outstanding, award-winning product portfolio, grown as a global player in the premium car segment and delivered a solid business and financial performance over the decade of Tata Group's ownership. JLR vehicles represents a compelling combination of British design and engineering integrity. Chery Jaguar Land Rover (CJLR) is a 50:50 JV formed between Chery Automobile Co Ltd. and JLR. CJLR manufactures world-class products, which include Range Rover Evoque, Discovery Sport, Jaguar XFL, Jaguar XEL and Jaguar E-Pace.

The foundation is strong with two iconic premium brands. Jaguar is one of the world's premier luxury sports saloon and sports car marques. Land Rover is the world's leading manufacturer of premium SUVs. Recent successful model launches, including award winning I-Pace, Hybrid Range Rover, Range Rover Sports and the new Range Rover Evoque, have broadened the product range to existing and new customers in established and emerging segments. The excitement continues with the iconic Defender to be launched later this year.

Jaguar Land Rover has delivered solid performance over the long term, through exciting products, strong profits and investing in its future. Between FY 2010-11 and FY 2018-19 JLR has:

- Increased revenues to GBP 24 BN (12% CAGR)
- Generated PBT of over GBP 13 BN (before exceptional items)
- Generated ~GBP 27 BN of operating cash flow before investment of ~GBP 25 BN in new products, technology, capacity and infrastructure

JLR has witnessed unprecedented challenges in the last fiscal, which includes weak market conditions in China, muted industry conditions in other markets, geopolitical uncertainty with rising populism, and tariff and trade tensions, along with high fixed cost structure: all of which severely impacted the financial performance.

Given the above challenges, JLR is gearing up for the next phase of its turnaround and transformation through: **Project Charge** and **Project Accelerate**.

CHARGE

ACCELERATE

TRANSFORMING TODAY FOR TOMORROW

PROJECT CHARGE

JLR has launched Project Charge in response to the unprecedented market, technological and regulatory challenges that are impacting its current financial performance. The objective of this programme is to identify and implement at speed, short-term gains to improve cost, cash, revenue and profitability.

Positively charged

Through decisive actions, JLR will reduce investment spending by GBP 1 BN, improve working capital by GBP 500 MN and make GBP 1 BN of profit growth and cost efficiencies, all by the end of FY 2019-20. Project Charge is on track to achieve its GBP 2.5 BN target, with GBP 1.25 BN of benefits already delivered during FY 2018-19.

These comprise the following:

- A GBP 700 MN reduction in investment (of GBP 3.8 BN versus the GBP 4.5 BN originally anticipated) following rigorous spend reviews to identify non-core and non-product investment savings without compromise to JLR's revenue-generating product plans;
- GBP 400 MN of working capital improvements, with inventory reduced by GBP 800 MN since September through actions including improved production and demand management enabled by advanced forecasting and analytics; and
- GBP 150 MN of savings in costs including labour overhead savings through a workforce reduction programme.

Paving the way to a sustainable, profitable future

Reducing the size of JLR's global workforce by 6,000 is expected to deliver over GBP 400 MN of ongoing cost efficiencies, starting from FY 2019-20, with further cost savings expected as Project Charge continues its review of costs, including commercial, purchasing and marketing activities. Project Charge will also maintain a focus on investment spend and working capital to identify, deliver and sustain the additional savings necessary to meet JLR's GBP 2.5 BN target.

The cost and cash improvements achieved by Project Charge enable vital ongoing investment into next generation ACES products and services to deliver experiences that people love, for life.

JLR and CJLR

CHARGE ON TRACK

JLR has already taken significant steps towards reducing investment spending and identifying various cost reduction opportunities. Out of the target GBP 2.5 BN, GBP 1.25 BN benefits have already been delivered in FY 2018-19.

PROJECT ACCELERATE

The focus of Project Accelerate is medium to long term.

The key focus areas of the project are to enhance sales performance, deliver competitive variable cost, reduce delays and improve quality. JLR launched Project Accelerate to simultaneously drive large-scale systemic and structural change with root-and-branch reviews of all of its processes and working practices. It has planned a set of actions for each of these focus areas.

Reducing delay and improving quality

As a medium- to long-term plan, improving quality and reducing delays become crucial. In order to meet these objectives, JLR plans to optimise resource planning. Improved quality is also related to the commonality between products and the drive consistency between them. Modularity will help in consistent production planning and reducing delays. That said, these objectives cannot be met without bringing in a process discipline and vendor collaborations and stepping up risk management and change management. Underpinning all these action areas is the way JLR brings in process quality and brings about a change in enterprise-wide systems.

Delivering competitive material cost

To deliver competitive costs, JLR will focus on purchase lifecycle planning and customer value-driven standards. At the same time, it would like to minimise per unit manufacturing costs by making a strategic choice between 'make' or 'buy'. This would require a change in the global material sourcing strategy. JLR makes the 'should cost' and 'should design' analyses with a thorough benchmarking process.

Enhancing sales performance

JLR plans to work on the pricing, positioning and launch approach of its products, while providing value-added products and features to its customers. JLR is also focusing on customer marketing effectiveness, while expanding the network coverage. The goal is to improve customer perception of product quality and services. JLR seeks to 'fix right first time' with rapid diagnosis and prompt issue resolution.

JLR is also reviewing its organisational design and business behaviours to improve role and process clarity. By evaluating and improving its core systems, its culture and the ways it works, JLR will create greater efficiency and drive a relentless focus on quality and competitiveness throughout the organisation.

PRIORITIES FOR THIS YEAR

JLR has clearly laid down its focus areas to be implemented this year.

- Successful launch of the iconic Defender
- Implementing the flexible Modular Longitudinal Architecture (MLA)
- Turn around the performance in China
- Drive sustained benefits through Project Charge
- Deliver fundamental transformation through Project Accelerate

Further JLR is also focusing on achieving the investment efficiency through:

- An emphasis on core portfolio, together with a rationalisation of niche, non-product spend (like Evoque Convertible and Range Rover SV Coupe)
- A simplified offering by reducing powertrain complexity (like >50% certification reductions and no V6 in Jaguar XE/XF)
- Innovative collaborations (like Waymo and I-Pace, BMW and EDUs)

Steps towards safeguarding the future

JLR through its two iconic brands, future generation product portfolio, technical capabilities and turnaround and transformation programmes will pave its way towards Consistent, Competitive and Cash-accretive growth.

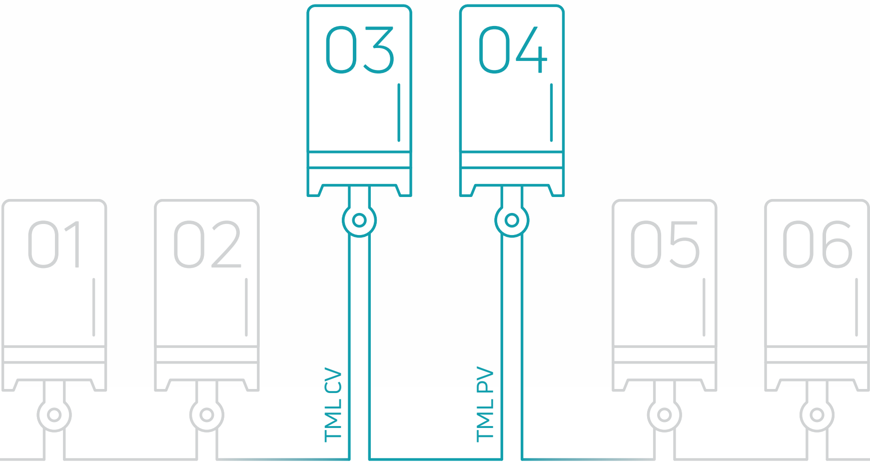
Key capital trade-offs and interlinkages of the Turnaround and Transformation plan

A pragmatic interplay across Financial Capital, Human Capital and Manufactured Capital will help drive long-term profitability and efficiency.

Social and Relationship Capital has been enhanced through improved customer service quality, improved dealer management and collaborations with vendors for sourcing efficiency. This will also result in enhanced Financial Capital.

TML CV and PV

THE TURNAROUND 2.0 STORY



With the launch of Turnaround 2.0, TML intends to drive its journey towards Competitive, Consistent and Cash-accretive growth. TML has been successfully navigating the headwinds in the Indian automotive market with its Turnaround 2.0 plan. The broader objectives of the plan are: 'Win Decisively' in CV, 'Win Sustainably' in PV, 'Win Proactively' in EV and 'Embed the turnaround culture'. The roadmap to meeting these objectives is guided by the six identified strategic focus areas that underpin the Turnaround 2.0 plan.

3.8% (+330bps)
EBIT GROWTH (Y-O-Y)

+₹1,539 crore
POSITIVE FREE CASH FLOW IN SECOND SUCCESSIVE YEAR

+20.3%
REVENUE GROWTH (Y-O-Y)

Strategic focus areas of Turnaround 2.0

To continue the Turnaround 2.0 success, TML has identified six focus areas:

- Volume growth ahead of industry
- Pricing ahead of net inflation; ensuring secure mix
- Reduce business breakeven, through aggressive savings
- Drive efficiencies for best-in-class cash conversion cycles
- Prudent and proactive capex to drive cash accretive growth
- Stress test plan to deliver value even in downturns

+17.2%
VOLUME GROWTH (WHOLESALE DOMESTIC)

+12%
MHCV

+23%
ILCV

+24%
SCV AND PUs

+4%
CV PASSENGER VEHICLE

22.6%
RETAIL EXPANSION

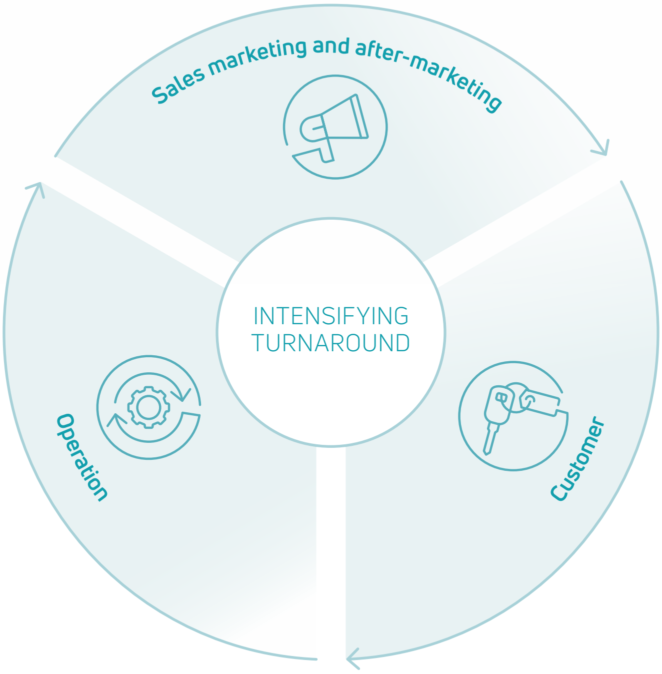
+11%
STABLE EBITDA MARGINS

+61
NET PROMOTER SCORE (AS COMPARED TO +57 IN FY 2016-17)

88
SALES SATISFACTION INDEX (AS COMPARED TO 83 IN FY 2016-17)

WIN DECISIVELY IN CV

The success of the Turnaround 2.0 initiatives is evident in the CV space, where CV continued to deliver strong margins while upholding the EBITDA margins in challenging market conditions. All the four segments of TML's CV business – MHCV, ILCV, SCV and PUs, and CV Passenger Vehicles – saw improved performance driven by all-round execution. Market share was gained across three of the four segments: MHCV at 55% (70bps growth year on year), ILCV at 45.4% (50bps growth year on year) and SCV and PUs at 40.1% (70bps growth year on year).



Intensifying turnaround

The turnaround in the CV segment is intensifying with enhanced sales productivity and market activation. This is driven by TML's 'Dealer Centre of Excellence' in SCV and 'Go to Market Excellence' initiatives. A slew of focused marketing initiatives will further strengthen the brand. There is also an accelerated focus on dealer performance and profitability to become the most attractive franchise. In addition, TML is undertaking a multitude of actions to improve customer experience, like improving last-mile service networks. TML plans to improve the CV after-market share and drive sustainable and profitable growth, particularly in parts and aggregates. Leveraging digital at the front end and delivering impactful products for its customers are some of its other priorities, along with intensified cost reduction efforts and maintaining world-class quality.

TML CV and PV

WIN SUSTAINABLY IN PV

The PV business is on track to 'Win Sustainably' by getting the basics right. TML's PV business continued to gain market share. In the year under review, market share improved, and volume growth was ahead of the industry average. This has been mainly driven by TML's relentless focus on strengthening its business fundamentals. TML was able to overcome the seasonality of the PV market through new product launches. Within 51 days during the festival season, TML introduced Tiago NRG, Nexon KRAZ, Tigor Refresh and Tiago/Tigor JTP. These interventions helped to attract additional set of customers and sustain market buzz.

Another significant development was the adoption of 'Impact' design, which supports best-in-class features and user experiences, which, in turn, improve brand perception. In the PV segment, TML's focus has been on adoption of best-in-class designs, safety features and closer engagement with dealers.

Overall market share stood at 6.3%, a 60bps growth year on year and breakeven was achieved with regard to EBITDA.

+13.9%
VOLUME GROWTH (WHOLESALE DOMESTIC)

9
QUARTERS OF INDUSTRY OUTPERFORMANCE

+4.4%
RETAIL EXPANSION

5
EXCITING PRODUCTS LAUNCHED IN 51 DAYS

NEXON
BECOMES THE FIRST CAR TO ACHIEVE 5-STAR GNCAP RATING

EBITDA
BREAKEVEN ACHIEVED

2ND RANK
JD POWER CUSTOMER SATISFACTION FOR THE 2ND CONSECUTIVE YEAR

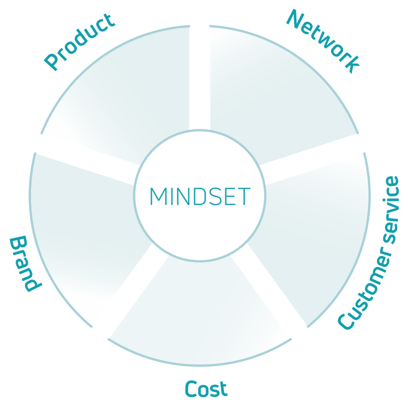
+20
NET PROMOTER SCORE (AS COMPARED TO -1 IN FY 2014-15)

Intensifying turnaround

To intensify focus as well as counter the near-term headwinds in the industry, TML has launched 'multiple angles of attack'. These include:

- Leveraging new architecture (Alpha and Omega), gaining more from less
- Improving brand resilience
- Driving rigorous cost reductions
- Aiming to be the most customer caring company with a focus on quality of service, personnel training and equipment
- Bringing about a paradigm shift in the mindset from wholesale to retail

MULTIPLE ANGLES OF ATTACK



WIN PROACTIVELY IN E-MOBILITY

TML's approach to 'Win Proactively' in e-mobility broadly encompasses four aspects:

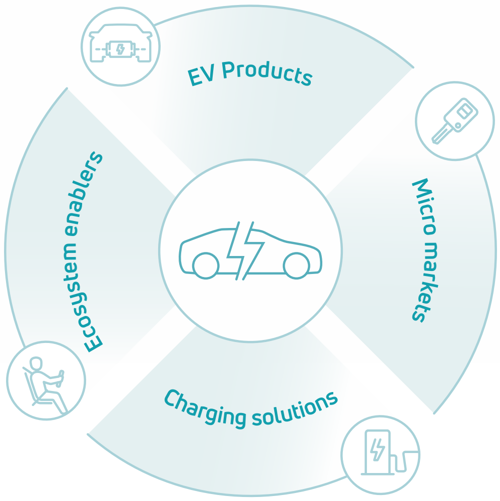
- Providing full ecosystem solutions;
- Building a comprehensive range in EV to create excitement among consumers;
- Delivering a compelling value proposition that breaks barriers; and
- Leveraging partnerships and new business models .

'FUTUREADY': STEPPING UP THE GAME

The Turnaround continues as TML is getting FutuReady with a roadmap for sustainable growth. The new rule of the game – 'Aspiring leadership' by decoding the Indian growth story – will require being globally competitive, providing solutions for the Indian customer and staying ahead of the curve. In order to drive volume growth, improve market share and enrich branding, the TML's strategy will include five key levers.

- **Developing products** of global design standards with Impact 2.0
- **Increasing scale** while focusing on productivity through modularity, using common platforms for different products and driving volume growth
- **Focusing on cost competitiveness** through faster, better and cost-effective products manufactured leveraging new architectures
- **Leading on the technology front** and remaining ahead of competitors
- **Encouraging 'digital first'** thinking across the value chain

KEY FOCUS AREAS



Preparedness for BS VI emission norms

- Full portfolio migration commencing from January 2020
- In-house capability to build, test and accredit new homologations
- Differentiated BS VI solutions
- Ready with BS VI compliant engines across the board
- Unbeatable powertrains for multiple applications

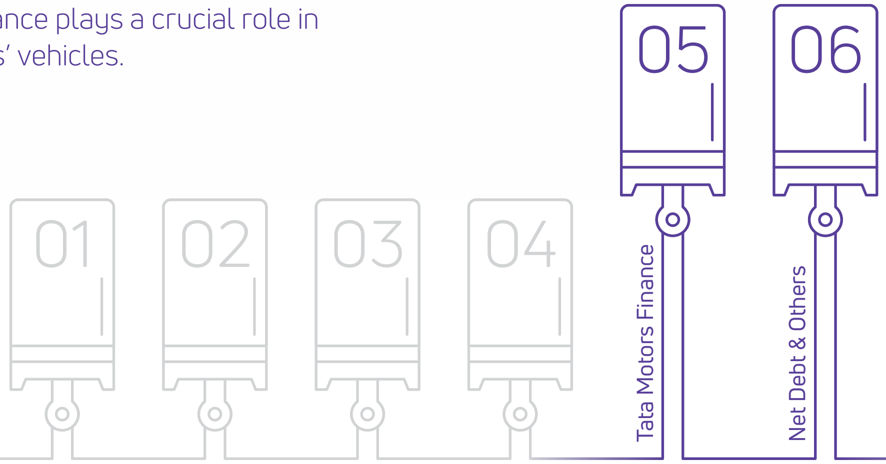
Key capital trade-offs and interlinkages of the Turnaround 2.0 plan

Enhanced Intellectual Capital in terms of introduction of new designs, manufacturing platforms, and new products, led to an improvement in Social and Relationship Capital with better-quality customer perception of the brand. This, in turn, augmented Financial Capital. At the same time, operational efficiency measures also improved Financial Capital

Tata Motors Finance Limited and Net Debt & Others

FOCUS ON FINANCING AND MANAGING DEBT

One of the key value-driving aspects of Tata Motors is Tata Motors Finance. Facilitating the financing process for customers and enabling the sales process, Tata Motors Finance plays a crucial role in supporting the sales of Tata Motors' vehicles.



TATA MOTORS FINANCE

TMF Holdings Limited (TMFHL) became the holding company for the financial services business under the TML umbrella. Tata Motors Finance Limited (TMFL) undertakes the new vehicle financing business and is the captive financier for TML's vehicles. On the other hand, Tata Motors Finance Solutions Limited (TMFSL) is engaged in used vehicle financing business that has strong operational linkages with TML's pre-owned vehicles. TMFSL is also actively engaged in corporate lending wherein it provides both short-term and long-term financing to dealers and suppliers of TML.

Tata Motors Finance focuses on two major segments of vehicle financing: new vehicles and used vehicles. Leveraging the familiarity with the Tata Motors ecosystem, Tata Motors Finance is in a position to mitigate any risks effectively and enjoys 26% market share in Tata Motors' volumes.

By 2024, Tata Motors Finance targets to have Assets Under Management (AUM) worth ₹75,000 crore and a Return On Equity (ROE) of 20%, while maintaining Gross Non-Performing Assets (GNPA) at 2.5%. Moving towards this target, it has identified a few action areas which include reducing collection delays and enhancing disbursals.

₹38K crore
AUM (AS ON MARCH 31, 2019)
37% Y-O-Y GROWTH

2.6%
GNPA (REDUCED FROM 4.0% IN FY 2017-18)

Key action areas

While focusing on enhancing disbursals, Tata Motors Finance is improving its collection strategy in light of the implementation of Ind-AS. It is also widening its liability franchise to manage its cost of borrowings.

Tata Motors Finance is focused on growing its AUM, which recorded a sharp 37% increase in FY 2018-19 from FY 2017-18 levels. Meanwhile, GNPA fell from 4% in FY 2017-18 to 2.6% in FY 2018-19.

NET DEBT & OTHERS

The Tata Motors Group is focused on reducing net debt. The Group's focus is on bringing down the gross debt to EBITDA ratio, improving business performance and reducing the debt through focused and identified divestments.

Key capital trade-offs and interlinkages for Tata Motors Finance

Improved Social and Relationship capital, in terms of customer relationships and reduced collection delays had a direct impact on financial capital.

₹21,993 crore
DISBURSED IN FY 2018-19 (+43%)

+38%
NEW VEHICLES DISBURSALS

+86%
USED VEHICLES FINANCING

2.3
JLR'S DEBT TO EBITDA RATIO

3.3
TML'S DEBT TO EBITDA RATIO

Outlook

GEARED FOR THE FUTURE

As we move ahead with our turnaround plans, we will continue enhancing our value with the six cylinders— our key value drivers. Based on the challenges and opportunities globally, we have charted our medium- to long-term plans.

OUTLOOK – MEDIUM TO LONG TERM

We remain committed to Competitive, Consistent and Cash-accretive growth over the medium to long term. For our key businesses, TML and JLR, we have set targets around volume growth, EBIT and cash flow for FY 2020-21 and beyond.

FY 2020-21	FY 2022-23	BEYOND
3-4% EBIT	4-6% EBIT	7-9% EBIT
> PREMIUM SEGMENT VOLUME GROWTH	> PREMIUM SEGMENT VOLUME GROWTH	> PREMIUM SEGMENT VOLUME GROWTH
NEGATIVE, IMPROVING FCF	POSITIVE FCF	POSITIVE FCF
UP-TO GBP 4 BN INVESTMENT SPENDING	UP-TO GBP 4 BN INVESTMENT SPENDING	11-13% OF REVENUE INVESTMENT SPENDING

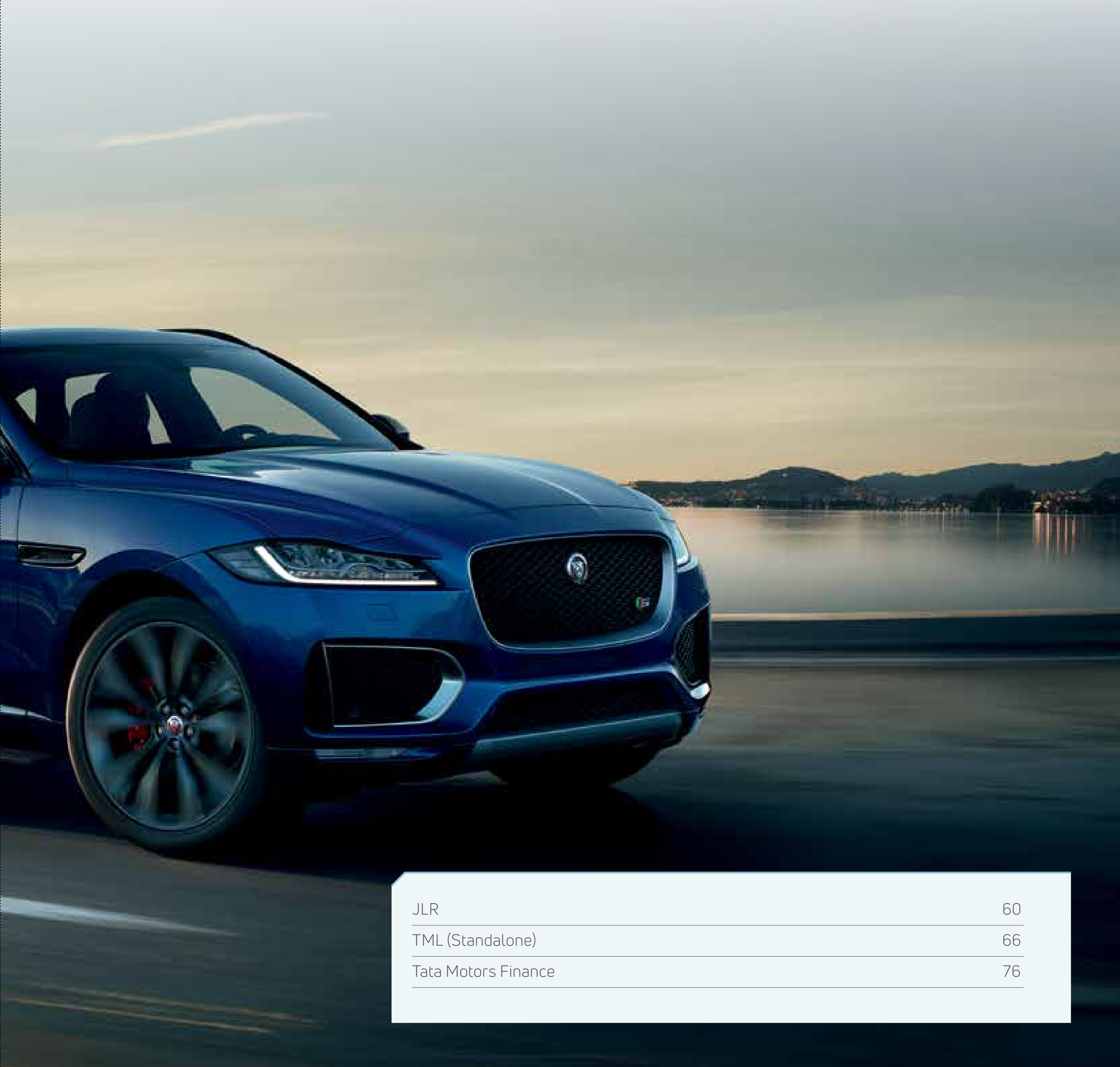
TATA MOTORS

FY 2020-22	BEYOND	
4-6% EBIT	**5-7%** EBIT	COMMITTED TO COMPETITIVE, CONSISTENT AND CASH-ACCRETIVE GROWTH OVER THE MEDIUM TO LONG TERM
> MARKET VOLUME GROWTH	**> MARKET** VOLUME GROWTH	
POSITIVE FCF	**POSITIVE** FCF	

HOLISTIC APPROACH TO VALUE CREATION

At the Tata Motors Group, we are committed to creating value for all our stakeholders by adopting an 'integrated thinking' approach. We believe our financial performance is as important as our non-financial performance.

Did you know?
Tata Motors' CSR interventions extend much beyond India. The Tata Motors SkillPro programme reached out to youth in Bangladesh, Mozambique, Sudan, Tanzania, Kenya, Nigeria, Ghana and Sri Lanka.



JLR

APPROACH TO DESTINATION ZERO

INPUTS

Financial

GBP 3.8 BN
Investment spend

Manufactured

8
Manufacturing facilities

Intellectual

8
Number of technology hubs

Human

41,710
Total employees

340
Employees are currently being sponsored to achieve an academic degree or higher qualification at the Jaguar Land Rover Academy

Natural

3,00,000 tonnes
Scrap recycled back into vehicles over the last six years

2.79 m^3/Vehicle
Water withdrawn per vehicle built

100%
Zero carbon electricity at core UK sites and Slovakia plant

Social and Relationship

75,000
Number of employee hours volunteered

~GBP 7 MN
Total CSR spend

JLR is driven by its commitment of providing premium quality experience to customers, ensuring sustainable profitable growth for investors, creating a happy, healthy and future-ready workforce, building stronger communities and minimising the environmental footprint. JLR's vision for Destination Zero is to enhance the overall quality of life by achieving zero emissions, zero accidents and zero congestion.

BUSINESS PROCESSES

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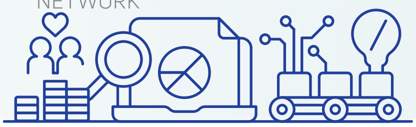
08 FINANCIAL SERVICES

09 AFTER-SALES CUSTOMER SERVICES AND EXPERIENCES



OUTCOMES

GBP 24.2 BN
Revenue

5,78,915
Retail sales (in units)

87
Patents granted in India

17
Patents granted internationally

1,306
Days lost due to injuries

18.5%
Increase of women in workforce

0.52 tCO_2e/Vehicle
Specific GHG emissions*

45,601 tonnes
Total waste generated and disposed#

1.01 MN
CSR beneficiaries

75%
Production suppliers have registered and completed the Achillies sustainability index

* excluding Pune, Nitra and SVO operations in the UK
\# excluding Pune and Nitra

Conserving natural capital

JLR's responsible business imperatives drive its towards Destination Zero. JLR's commitment towards responsible corporate citizenship drives its continuous investments in people and communities.

DESTINATION ZERO

JLR is on a journey to Destination Zero – a world of zero emissions, zero accidents and zero congestion. Its ambition is to make societies safer and healthier and the environment cleaner through relentless innovation, adapting our products and services to the rapidly-changing world.

Zero emissions

Through the introduction of more electrified products and the relentless innovation of its Ingenium petrol and diesel powertrains, JLR's continually seek to reduce tailpipe CO_2 emissions. JLR is on track to deliver a 45 % reduction in European fleet average tailpipe CO_2 emissions by 2020 versus 2007. JLR's concerted efforts towards creating modern, clean and efficient combustion engines will continue to play a crucial role in its complete transition to electric mobility from 2020.

Zero accidents

JLR, in collaboration with UK Autodrive, is conducting trials on next stage self-driving technologies, on test tracks as well as on complex, busy routes in UK cities. Self-driving Range Rover prototypes are already capable of negotiating traffic lights, parking themselves and avoiding vehicle hazards while avoiding pedestrians and other road users.

Zero congestion

JLR is testing the Green Light Optimal Speed Advisory (GLOSA) system, a new vehicle-to-everything (V2X) technology designed to communicate with traffic lights to find the optimal driving speed that minimises frequency of stops at traffic junctions. Reducing harsh acceleration and sudden braking comes with positive environmental benefits, in the form of improved air quality.

JLR is committed to reducing its environmental footprint by consuming natural resources responsibly. JLR is also focused on reducing emissions of its products. Globally, JLR has doubled production while halving emissions from its manufacturing sites.

DECARBONISING OPERATIONS

JLR's UK manufacturing assembly and production development sites were verified as Carbon Neutral, from April 2017 to March 2018. JLR continues to purchase 100 % renewable, zero carbon electricity at its core UK sites, as well as its manufacturing plant in Slovakia.

REDUCING VEHICLE EMISSIONS

Through the introduction of electrified products and innovation of Ingenium petrol and diesel powertrains, JLR aims at reducing tailpipe CO_2 emissions. All Jaguar Land Rover models meet the standards required by the RDE testing procedure. From January 2020, RDE2 will require vehicles to emit 80mg/km NO_x or less. The Evoque is the first luxury compact SUV to achieve this standard.

Innovation at work

Circular economy and consumption of materials

JLR takes a 'whole systems thinking' approach towards design, sourcing, manufacturing, and recycling of vehicles. While focusing on aesthetics, JLR tries to utilise materials that are sustainable and capable of delivering industry benchmarks in that direction.

JLR's latest project, REALITY builds on its long-standing work – 2016's REALCAR initiative – and finds innovative ways to recover aluminium from end-of-life vehicles to build next-generation models. It uses natural fibres and premium recycled materials to reduce environmental impact.

Moreover, JLR's employees took an initiative to reduce the use of single-use plastics and managed to save more than 1,100,000 m^2 of plastics going to the environment. Through this initiative, JLR also managed to save money and improve health and safety.

CIRCULAR ECONOMY IN PRACTICE

The new Range Rover Evoque interior features eucalyptus textile made from 30 per cent natural wool fibres, along with polyurethane fabric, creating a durable yet lightweight material.

Understanding and addressing customer needs

JLR strives to meet the ever-evolving needs of customers. The emergence of connected technologies has facilitated large-scale customer data mining for analysing and understanding the needs, routines and habits of JLR's customers.

For example, the GO I-PACE app uses Artificial Intelligence to help customers understand how the Jaguar I-Pace would fit their lifestyle. Safety of customer data is of utmost importance.

Managing supply chain responsibly

JLR maintains a sustainable, resilient supply chain at all its manufacturing locations and ensures all its tier-1 suppliers are ISO14001 certified.

The tier-1 suppliers are also required to uphold the highest standards of business ethics, environment management, human rights and working conditions, as prescribed by JLR's Code of Conduct. In addition, 75 % of JLR's component suppliers submit their sustainability performance measures to the Achilles data management system.

Engaging in community development

JLR engages with its communities worldwide to address their needs through innovative solutions, funding and technology.

COUNTERING FOOD POVERTY IN UK

JLR's Solihull manufacturing plant initiated a large-scale community project on a waste ground allotted for the programme. The scheme aims at providing fresh produce to the people facing food poverty in and around Solihull and Birmingham. It builds on the plant's existing relationship with Gro Organic, an organisation dedicated to creating green spaces while providing social and economic opportunities for the most disadvantaged people in the region. Now in its second year, the project brought together 30 of JLR's volunteers who contributed 270 volunteering hours to clean and prepare the land. The project has already provided 20 boxes of fresh food to the local community and will continue to contribute through food banks, schools and churches.

JAGUAR LAND ROVER CHINA CHILDREN – YOUTH DREAM FUND

From 2014, the Fund focused on helping underprivileged children to realise their potential. In its second phase since 2018, the Fund intends to provide exposure to creative education, social care and China-UK cultural changes to children and has reached out to more than 50,000 kids.

DELIVERING SHARED VALUE IN NITRA

During FY 2018-19, JLR employees donated ~500 volunteering hours to complete a series of CSR projects in Nitra, Slovakia. Working with the city council, JLR helped renovate public spaces and building while addressing the needs of children with disabilities. JLR also delivered educational programmes and created an endowment fund that will provide long-term support to the city and its people.

HELPING IMPROVE NATURAL ENVIRONMENT IN BRAZIL

In Brazil, at the commencement of manufacturing operations, JLR planted trees on one hectare (ha) of its land , as part of recreating the natural forest. It is now embarking on planting trees on another 1 ha of its land.

TECHNOLOGY FOR GOOD

JLR's engineers have developed a door that opens automatically to improve usability for people with limited mobility.

CRATES TO CLASSROOMS

Undertaken by the employees of JLR's Pune facility, the Company under this initiative has donated 700 desks to seven schools around the plant location. Now in its fourth year, the programme with the help of a carpenter is upcycling used pallets and crates into desks for disadvantaged children.

Solihull Gro Organic community allotment

Land Rover 4x4 in Schools – Technology Challenge

Creating diverse and future-ready workforce

JLR endeavours to provide the right platform for its employees to learn and grow, and has taken several initiatives in that direction.

PARTNERSHIP WITH RED CROSS

JLR's worldwide partnership with the Red Cross has funded 20 humanitarian projects in 25 countries since 2013 reaching over 1.1 million people.

JAGUAR LAND ROVER ACADEMY

The Academy is founded on the principle of lifelong learning, from recruitment to retirement. All employees, irrespective of age, background or career stage, can be part of the Academy. The training programmes at the Academy primarily include Science, Technology, Engineering and Maths (STEM); and last year provided ~17 lakh hours of training

PROMOTING DIVERSITY IN ENGINEERING

JLR runs specific programmes for supporting ex-armed forces personnel, and for creating employee networks for gender equality, Lesbian, Gay, Bisexual and Transgender (LGBT) communities and black professionals. It also facilitates training to help employees overcome unconscious biases. JLR runs specific education, apprenticeship and undergraduate programmes to encourage more women to study STEM subjects and pursue engineering careers.

PROVIDING SAFE WORK ENVIRONMENT

JLR has a defined vision to shape future mobility – Destination Zero – zero emissions, zero accidents and zero congestion. JLR harnesses new technologies to enable smart integrated mobility and improve lives in the communities it calls home. JLR is adopting circular economy principles throughout product creation processes, with active reuse and recycling as well as application of innovative sustainable materials. JLR also focuses on employee well-being, including mental health. With the launch of the 'let's have the conversation' programme, it supports open discussions on matters of mental health. Third party audits were conducted for OHSAS 18001 during FY 2017-18 within all the UK manufacturing locations, and JLR maintained its accreditation to this standard through a series of external assessments. It plans to migrate to the new International Standard ISO 45001.

Strength in diversity

TML (Standalone)

APPROACH TO LONG-TERM VALUE CREATION

INPUTS

Financial

₹22,163 crore
Net worth

₹4,753 crore
Capex

₹5,325 crore
Investment spend

Manufactured

7
Manufacturing facilities

Intellectual

86
Total patents filed
(India and international)

113
Total design applications filed
(India and international)

Human

1,95,083
Training hours

17,735
Training hours on women

4,001
R&D
team strength

4,71,842
Total training
hours on safety

Natural

20,17,690.86 Gj
Absolute indirect energy consumed

15,75,788.8 Gj
Absolute direct energy consumed

5.04 Gj/Vehicle
Specific total energy consumption
(Total = Direct + Indirect)

Social and Relationship

60,000
Number of employee
hours volunteered

15
Number of dealer
workshops conducted

₹22.2 crore
Total CSR spend

TML (Standalone) is well aligned with its vision of delivering financial growth, while providing sustainable mobility solutions, exceeding customer expectations and creating a highly engaged workforce. Its business processes and activities reflect its 'integrated thinking' towards deploying resources and their relationships.

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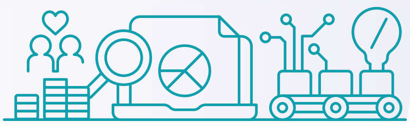


OUTCOMES

₹2,021 crore
PAT

₹5,706 crore
EBITDA

7,55,534
Number of vehicles produced (both CV and PV)

13.2%
Increase in volumes in FY 2018-19 as compared to FY 2017-18

104
Total patents granted (India and international)

37
Total design applications granted (India and international)

0.08
Lost-Time Injury Frequency Rate (LTIFR) (per million person-hours)

1.833%
Increased female participation in workforce

0.69tCO_2e/Vehicle
Specific total GHG Emissions

16.22%
Energy consumed from RE sources

7,23,632
CSR beneficiaries

2ND
JD Power 2018 Customer Satisfaction Index

233
Suppliers covered under Supplier Sustainability Initiative

237
Dealers covered under dealers' workshop

27
Dealers assessed under the Dealers Sustainability Initiative

Enhancing Financial Capital

We evaluate our value-creation abilities across multiple capitals and aim to continuously enhance the value it creates.

TML generates direct economic value through its operations, products and services. TML also works towards nation building by contributing towards significant indirect economic impacts, which result in increased economic activity, reduced social disparity and an improved quality of life.

While TML continues focusing on improving cash flows and cost competitiveness, it makes significant investments in product innovation, process improvement and technology development to leverage opportunities in the changing market scenario to stay ahead of the curve.

TML spent ₹2,965.25 crore in R&D for developing clean technology vehicles, transitioning from BS III to BS IV, and implementing mandatory safety features. We also made substantial investments in clean and sustainable mass transportation such as hybrid buses and SCV for last mile connectivity. These investments focus on increasing profitability while creating far-reaching and positive economic impacts.

Economic performance in FY 2018-19

Economic value generated	₹ in crore – TML (Standalone)
Gross revenue	69,992.52
Economic value distributed	
Operating costs	62,775.55
Employee benefits and wages	4,054.14
Payments to providers of capital	1,743.64
Payments to government	749.97
Economic value retained	669.22

Progressing on excellence in manufacturing

Efficiency in manufacturing is closely associated with TML cost competitiveness. As part of its Turnaround 2.0 plan, TML emphasises the use of efficient manufacturing technologies, modular platforms and improving efficiency in its supply chains.

The core of TML's business is its manufacturing capability. Manufactured capital encompasses physical infrastructure including plants, buildings, machineries, equipment, tools and technology as well as infrastructure owned by third parties such as warehouse and logistics facilities.

With the emergence of new-age sustainable mobility solutions, TML is preparing its manufacturing capabilities for the future. On one hand, TML has developed the OMEGA and ALFA modular architectures, which can also provide the platform for manufacturing EVs. On the other, it is transforming as an organisation by building in operational efficiency using modular architecture, managing costs and embedding a culture of innovation in businesses and processes. It is conducting a critical review of internal resources and rolling out productivity improvement and fixed cost reduction initiatives. All TML plants are ISO 14001:2015 and OHSAS 18001:2007 certified.

Innovation deeply embedded in the DNA

Strong R&D teams – comprising leading scientists, engineers, designers and technicians based out of multiple locations globally – focus on world-class engineering and next-generation technologies.

TML's ability to innovate is demonstrated by its frugal engineering, path-breaking vehicles, new-age concept cars, and award-winning engines.

TML's state-of-the-art R&D centres and design studios are located in Pune (India), South Korea, Italy and the UK, and have many firsts to their credit. TML houses Asia's first anechoic chamber, India's first full vehicle crash test facility and the country's only full climate test facility.

POWERTRAINS

With the launch of Nexon, TML added two power-packed, performance-oriented engines to the powertrain family – the 1.2L Revotron turbocharged petrol engine and the 1.5L Revotorq diesel engine. We recently also rolled out the Turbotronn 3L, 3.3L and 5L series diesel engines for CVs. These new generation engines offer an unrivalled combination of fuel efficiency, performance and refinement, coupled with the latest technology available globally. The Revotron and Revotorq engines sport the first-in-segment multi-drive modes; eco, city and sport.

REVOTRON Engine

DESIGN

At Tata Motors, design is not just about developing new surfaces, blending colours, materials and finish, but is also about creating compelling products that offer the latest technology-rich features and deliver high performance.
In continuation with our transformation journey, TML had introduced the IMPACT Design philosophy for its PVs in 2016. In January 2018, TML introduced the second version – IMPACT Design 2.0 – during the 150th anniversary of the Tata group. IMPACT Design 2.0 is a sharper and more contemporary iteration of Tata Motors' renowned design language.

The design language extends to TML's CVs as well. Termed as the Premium Tough Design philosophy, it combines visual richness and sophistication with robustness and reliability.

Preparing future leaders

TML invests in attracting and retaining the best talent. It works towards ensuring their holistic development by empowering them with resources that promote work-life balance. TML works towards enabling professional development of high potential and managerial staff through systematic career management programmes. During the year, 2,100 joined TML at various permanent positions and 44,061 at temporary positions while 1,681 left the organisation.

EMPLOYEE COUNT

Permanent

Male	26,586
Female	986

Temporary

Male	23,449
Female	1,736

Total

Male	50,035
Female	2,722

SAFETY

Several initiatives were taken across TML locations to enhance safety. These include implementation of Proactive Safety Index (PSI), monitoring of driving safety behaviour (SDI), i-Care programme, senSHEtise programme on women safety, second party SHE audits, celebration of Road Safety Month 2019 and National Safety Month 2019. The PSI and SDI are two effective measures of safety compliance within and outside plants, respectively.

Safety training

The i-Care initiative was directed towards developing behavioural safety. Apart from internal and third-party audits, employees from one plant carry out audits in another plant to improve safety governance in the system.

Our safety programmes include not only our senior executives, but are also used to sensitise our suppliers, vendors and channel partners.

TML believes that what can be measured, can be improved. This is especially true for its safety performance.

Safety performance in FY 2018-19

	Male	Female
Lost time injuries (nos.)	11	1
LTIFR including fatalities (per million person-hours)	0.09	0.16
Total recordable cases (nos.)	97	1
Total recordable cases frequency rate (per million person-hours)	0.78	0.16
Lost work day rate (%)	2.95	9.98

TRAINING AND DEVELOPMENT

The automotive sector is witnessing transformational changes with the emergence of electrified, shared and autonomous vehicles. TML, thus, needs to continuously update and upgrade, both technically and functionally, its learning and development programmes in line with the changing needs. A learning governance body called the Learning Advisory Council (LAC) is entrusted with the responsibility of ensuring business relevance and value. The LAC designs, implements and periodically reviews the learning agenda.

For senior executives and officers, TML associates itself with third parties such as the National Employment Enhancement Mission (NEEM) and designed programmes on vehicle integration in collaboration with the Government.

TML's Chief Learning Officer is responsible for managing skill development and training needs of senior executives and officers; the training and development initiatives are managed through the Learning Management System (LMS) platform.

Enhancing natural environment

TML acknowledges and understands the impact of its operations on the natural ecosystem where it operates.

For the automotive industry, environmental impacts can be classified into two primary buckets – one, the impact of manufacturing processes, two, the environmental impact throughout the operational life of vehicles. In addressing the second, TML has undertaken several initiatives and is proactively foraying into the non-conventional fuel and electric vehicles space.

In addressing the environmental impact of its operations, it practises Reduce, Recycle, Recover and Refurbish as recommended by the Tata Code of Conduct. It works towards increasing energy efficiencies, minimising carbon emissions, reducing waste, enhancing biodiversity and optimising water usage. The Safety, Health and Sustainability (SH&S) Committee at the Board of Director level oversees the environmental performance of TML every quarter. The SH&S Councils at the business level, supported by the SH&S Apex Committee at plant level, are responsible for reviewing the performance every month. All TML plants have a separate Environment department which is responsible for implementing Environment Management Programmes.

ENERGY CONSERVATION AND CLIMATE CHANGE MITIGATION

TML has implemented Energy Conservation (EN-CON) initiatives at all seven plants to minimise energy consumption. Several process improvement initiatives have been undertaken at the paint booth, weld shop and press shop of the Pune PV plant. Such initiatives include the installation of LED lights, the optimisation of blower speeds, the installation of Variable Frequency Drives (VFDs) and the use of motion sensors. TML is also a signatory to RE 100 and is investing in renewable energy through rooftop solar, hybrid-wind and solar installations. In addition, it will continue to source renewable power from the grid in line with the regulatory policies/frameworks and tariffs in the States where it operates.

SOLAR ROOFTOP INSTALLATION AT PUNE COMMERCIAL VEHICLES BUSINESS UNIT

To commemorate the National Energy Conservation Day (14 December), the second phase of the 2MWp Rooftop Solar PV project was inaugurated at the Commercial Vehicles Business Unit (CVBU), Pune, in 2018-19.

GHG emissions generated (FY 2018-19)

	Absolute emissions (tCO_2)	Specific emissions (tCO_2/vehicle)
Scope 1	105318.03	0.15
Scope 2	385002.00	0.54

Scope 3 GHG emissions (FY 2018-19)

Categories	tCO_2
Purchased goods and services	1,36,127
Fuel and energy related	1,07,678
Upstream transportation and distribution	8,481
Business travel	10,142
Employee commuting	14,777
Use of sold products	41,75,425
Franchise*	3,912

*Tata Motors' downstream value chain

Nurturing long-term relationships

WASTE REDUCTION AND REUSE

TML's plants are vertically integrated. While it disposes of waste as per regulatory requirements, it adopts a three-pronged approach to waste management including minimisation, recovery and recycle, and development and adoption of eco-friendly waste disposal methods. In order to reduce the waste burden on landfills, TML has taken steps such as the conversion of paint sludge into secondary paints, which can be used in-house or in the supply chain for casting and frames.

CIRCULAR ECONOMY – ProLife BUSINESS

TML's ProLife business is a pioneering after-market product support strategy for customers. The use of Tata Motors Prolife aggregate ensures original equipment-like vehicle performance even after the first lifecycle. The customer receives reconditioned aggregates in exchange for old aggregates.

In FY 2018-19, 32,092 engines were reused or recycled (up by 19% over the previous year) under the take-back programme, resulting in revenue of ₹240 crore. The ProLife business has maintained the energy consumption level at 74kWh per equivalent engine for remanufacturing since FY 2011-12.

Relations with suppliers, vendors, dealers and customers have a significant impact on operations. TML collaborates and creates value for them through engagement programmes, knowledge exchange programmes, sharing technical knowhow and advocating global best practices.

In addition to engaging with business partners, interactions with the communities residing near TML's plants and operations are of great significance for its social license to operate.

ENGAGING WITH SUPPLY CHAIN PARTNERS

TML relies on a large network of suppliers and dealers. It engages with its supply chain on a range of issues through various departments such as Engineering Research Centre, Strategic Sourcing and Purchase and Supply Chain. TML's Supplier and Dealer Codes of Conduct ensure ethical and sustainable practices across the value chain. It has developed vendor parks at its new manufacturing locations to ensure emission reductions linked to logistics as well as to increase local employment. In its endeavour to minimise the ecological and social impacts of its supply chain, TML has taken up the Sustainable Supply Chain Initiative. TML has been adopting a systematic approach since FY 2016-17. This includes sensitisation of its supply chain on Environmental, Social and Governance (ESG) issues through formulation of Guidelines, preparation of data templates, conducting workshops for suppliers and training sessions for local TML's purchase and supply chain team, data collection from suppliers and on-site sustainability assessment of suppliers. TML embarked on this initiative by shortlisting its top 200 suppliers on the basis of share of revenue and ESG criticality (80/20). As a part of this initiative, TML has covered a cumulative of 233 suppliers – 52 in FY 2016-17, 66 in FY 2017-18 and 115 in FY 2018-19.

Taking a step further, TML has extended this initiative to its downstream channel partners and authorised service stations in FY 2018-19. It has developed sustainability guidelines and conducted sensitisation sessions for dealers across different locations in India. It also develops customised data templates and conducts detailed site assessments to build capacities and motivate channel partners and authorised service stations to integrate sustainability into their business practices. During the year, TML has covered a total of 237 channel partners, conducted 15 sensitisation workshops and assessed 27 dealers.

ENCOURAGING SUSTAINABLE PRACTICES AT SUPPLIER SITES

TML encourages its supply chain partners to fulfill their energy requirements from renewable sources. Minda Stoneridge, a supplier covered under the Sustainable Supply Chain Initiative, has installed a rooftop solar plant with a generation capacity of 741 kW. As a result of this installation, they have achieved 12% reduction in their carbon emissions in FY 2018-19.

Being partner of choice for communities

At the Tata group, the spirit of giving reflects in every business decision. The group's core values and community-centric approach form the bedrock of TML's CSR initiatives. TML continuously aligns our strategies to meet national and global development goals.


Trainees for motor mechanics

Guided by the Tata Code of Conduct (TCoC), TML plans its actions for meeting its stakeholders' needs.

Programmes under the **Aadhar initiatives** are focused on the marginalised Scheduled Caste (SC)/Scheduled Tribe (ST) communities.

Health initiatives (Aarogya) focus on addressing malnutrition in children between 0 and 6 years of age. Apart from providing nutritional and dietary supplements to the affected children, TML focuses on inducing behavioural changes in communities, especially young mothers and parents, through awareness sessions and by providing ante-natal and post-natal services. In addition, it carries out curative healthcare services where the communities are served through diagnosis, administration of generics medicines and consultations.


Health camp

Access to safe drinking water is another issue that TML's initiative Amrutdhara aims to address.

Impact of health initiatives

TML's health programme has benefitted 3,81,437 people. Over 90% of the malnourished children are now in the healthy category and there has been a positive change in the knowledge, attitude and behaviour of the communities on health.

TML strengthened the institutional delivery mechanism by enhancing capacities of Government health personnel on one hand, while mentoring communities to take ownership of programmes on the other.


Girls' education

Educational programmes (Vidyadhanam) are engineered to bring holistic development in students at the secondary school level.

TML has adopted a targeted approach by instituting need-based rolling scholarships/financial support for financially challenged students, organising support classes for difficult subjects, value-based life skills, sports and other co-curricular activities and plugging gaps in infrastructure at schools.

Impact of education initiatives

TML has touched the lives of 1,46,894 students. These initiatives have led to an improvement in the pass percentage of government schools, from 55% in 2015 to 80% in 2019. Average score of the students increased by 5% and 44% of the students secured more than 60% marks in their Class X board examinations in 2019.

Employability or skills development programme (Kaushalya) focuses on training unemployed youth in three segments – auto trades, non-auto trades, and agriculture and allied activities. In Auto Trades, TML focuses mainly on skills in driving and motor mechanics, where Tata Motors as an organisation has domain expertise and business connect. On completion of their training programmes, most of which are National Skill Development Corporation (NSDC) certified, they find ready employment either in the Tata Motors ecosystem or in the open market. TML also engages with community-based groups of women and farmers and help them earn supplementary income through its agriculture and allied programmes.

Impact of employability or skills development programme

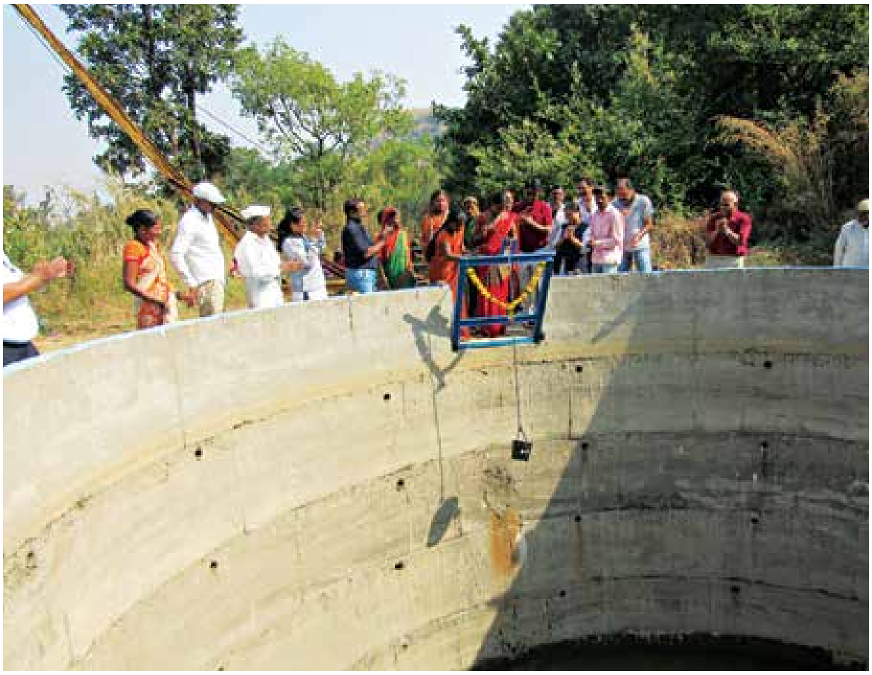
During FY 2018-19, TML trained 1,06,038 youths and farmers, of whom over 56% found employment (or are self-employed) resulting in an annual increase in family income by ₹1 lakh.

As part of its **environmental stewardship (Vasundhara)**, TML is making concerted efforts to increase green cover through sapling plantation on one hand, while enhancing the environmental awareness levels in the community on the other.

Impact of environmental stewardship programme

TML planted 11,17,186 saplings (of indigenous varieties) and ensured a significantly high (85%) survival rate. At a few locations, these places have turned into micro-habitats which host varied species of flora and fauna. TML's environmental awareness programmes aim to sensitise young children and TML has been able to reach out to 89,263 persons.

Rural development programmes aim at improving the overall development of a village through an integrated village development approach. One key element of these programmes is to leverage the synergistically working Government schemes. In doing so, TML has collaborated with 'Sahabhag' – the CSR cell of the Government of Maharashtra – to improve the quality of life of 3,000 tribal communities of the Pathardi gram panchayat in the Palghar district, where 70% of the resources for village development came from the Government.



Well construction - Rural development project

Sapling distribution for plantation activity

Recognitions for corporate citizenship

TML was the only Indian automobile manufacturer at the Leadership level in the Global CDP 2018 ranking.

Selected in the Dow Jones Sustainability Index (DJSI) 2018. Recognised as one of the eight sustainability leaders among global automobile companies

Recognised as one of India's top companies for Sustainability and CSR 2018, as per the Responsible Business Rankings 2018, Indian Institute of Management, Udaipur

CDP

MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM

Responsible Business Rankings 2018

Won Asia's Best Report Design for 2018 at the 4th Asia Sustainability Reporting Awards (ASRA)

Won the Sustainable Supply Chain Management 2019 Award at India Sustainability Summit and Awards 2019

This Integrated Report also addresses requirements of Reporting Frameworks such as GRI, UNGC and SDG.

TML Jamshedpur Plant received the first prize for environment management in the Engineering Industry Category

Tata Motors Finance

APPROACH TOWARDS INCLUSIVE GROWTH

INPUTS

Financial

₹21,993 crore
Total funds disbursed

Intellectual

Multiple market surveys to measure customer satisfaction, gauge their feedback and understand their requirements better

Human

5,625
Employees trained

₹2.20 crore
Total expenses related to learning and development

1,10,800
Total training hours

6,824
Training hours for women

Social and Relationship

13,322
Volunteering hours clocked in FY 2018-19

₹19.57 crore
Total CSR spend

BUSINESS PROCESSES

01 FINANCING INNOVATION

02 STRATEGIC PARTNERSHIPS IN FINTECH, LEASING, CO-LENDING, E-LOGISTICS AND OTHERS

03 OFFERINGS FOR PRIMARY AND WHOLESALE SEGMENTS; RETAIL NEW VEHICLE OWNERS; AND RETAIL USED VEHICLE OWNERS

04 MARKETING AND BRANDING COMMUNICATION

05 SALES AND DEALERS NETWORK

06 CUSTOMER CONVERSION WITH CONTINUED LIFECYLE ENGAGEMENT

OUTCOMES

₹84 crore
Absolute reduction in GNPA

Bespoke financing solutions that cater to the varying needs of dealers and transporters in the short and long term

5%
Women as of total workforce

5,940
girls enrolled in Bhandara and Joynagar sites of Project Uddan

Close to 2,882 participated in various volunteering interventions

Clocked 13,079 volunteering hours in FY 2018-19

TMFL and TMFSL are NBFCs, with each of them being a subsidiary of TMFHL.
The vehicle financing business is undertaken by TMFL, while the dealer/vendor financing business and used vehicle refinance/repurchase is undertaken by TMFSL.
Tata Motors Finance has a strong footprint across India and operates through its own 260+ branch networks, in addition to Tata Motors dealers' sales outlets.

Tata Motors Finance has prioritised the Capitals which it measures and manages. Apart from Financial Capital, Intellectual Capital, Human Capital and Social and Relationship Capitals are its priority Capitals.

People

Being a service organisation, at the heart of its delivery resides dedicated workforce. As an equal opportunity employer, Tata Motors Finance strives to create a work environment for its employees which would make it their employer of choice. There are a multitude of initiatives that it undertakes to encourage diversity and to provide learning and development opportunities to all employees.

KEY VALUE-ENHANCING ACTIVITIES

Encouraging diversity

Tata Motors Finance launched – BRAID – a diversity campaign and created a Gender Diversity Committee in the organisation. Under the aegis of this programme, Tata Motors Finance revised its Maternity Policy (child care leave, extended maternity leave, nursing breaks and so on) and Women Mentoring Programme. It has also devised ways for additional incentives for referral of women candidates for recruitment. It focuses on building a safe working environment for women in the workforce by providing them safer transport facilities.

Facilitating learning and development

To keep employees abreast with the market requirement and to facilitate their continual growth, Tata Motors Finance has developed several training programmes.

Spin Selling Conversation - is an intense, immersive and engaging programme that incorporated real-world sales conversations.

Romancing the Balance Sheet was developed for senior leaders on basic concepts of finance management, managing profitability, understanding cash flow, managing working capital and evaluation of financial performance.

Master class on Mentoring - was a workshop for identified senior mentors to guide and inspire select high-potential employees

All-in-One Mandatory eLearning Module (2018-19)

was a comprehensive module on guidelines and regulations. It included TATA Code of Conduct (TCoC), Anti-Money Laundering (AML), Prevention of Sexual Harassment (POSH) and Information Security Awareness (ISA),

Community engagement

Tata Motors Finance engages with communities by reaching out through societal and environmental interventions or employee volunteering efforts.

Tata Motors Finance's flagship programme, Project Uddan, is now active in three locations . This is an 'adolescence to livelihood' programme and comprises holistic development, remedial education, scholarships and livelihood programmes. IMPACT, the employee volunteering programme stands for #itisIMPortanttoACT.

KEY VALUE-ENHANCING ACTIVITIES

During FY 2018-19, Project Uddan was launched at Bhandara, Joynagar and Kurnool. At present, it is running in 65 villages in Bhandara, Maharashtra and 15 schools in Joynagar, West Bengal. Approximately 6000 girls are covered in this project.

IMPACT - encourages employees, their families, customers and dealers to participate. In FY 2018-19, volunteering causes included promoting sustainable living; teaching; engaging with children from marginalised communities; and tree plantation; among others.

Board's Report

TO THE MEMBERS OF TATA MOTORS LIMITED

The Directors present their Seventy Fourth Annual Report along with the Audited Financial Statement of Accounts for the Financial Year 2018-19.

FINANCIAL RESULTS

(₹ in crores)

PARTICULARS	Standalone*		Consolidated	
	FY 2019	FY 2018	FY 2019	FY 2018
Revenue from operations	**69,202.76**	58,689.81	**3,01,938.40**	2,92,340.64
Total expenditure	**63,476.23**	55,824.11	**2,72,143.59**	2,58,536.37
Operating profit	**5,726.53**	2,865.70	**29,794.81**	33,804.27
Other Income	**2,554.66**	2,492.48	**2,965.31**	3,957.59
Profit before interest, foreign exchange, depreciation, amortization, exceptional item and tax	**8,281.19**	5,358.18	**32,760.12**	37,761.86
Finance cost	**1,793.57**	1,744.43	**5,758.60**	4,681.79
Profit before depreciation, amortization, exceptional item, foreign exchange and tax	**6,487.62**	3,613.75	**27,001.52**	33,080.07
Depreciation, amortization and product development/ engineering expenses	**3,670.40**	3,576.87	**27,815.20**	25,085.46
Foreign exchange (gain)/loss (net)	**215.22**	17.14	**905.91**	(1,185.28)
Profit/(loss) before exceptional items and tax	**2,602.00**	19.74	**(1,719.59)**	9,179.89
Exceptional Items - (gain) / loss (net)	**203.07**	966.66	**29,651.56**	(1,975.14)
Profit/(loss) before tax	**2,398.93**	(946.92)	**(31,371.15)**	11,155.03
Tax expenses (net)	**378.33**	87.93	**(2,437.45)**	4,341.93
Profit/(loss) after tax	**2,020.60**	(1,034.85)	**(28,933.70)**	6,813.10
Share of profit of joint venture and associates (net)	**-**	-	**209.50**	2,278.26
Profit/(loss) for the year	**2,020.60**	(1,034.85)	**(28,724.20)**	9,091.36
Other comprehensive income/(loss)	**(23.43)**	43.22	**(5,575.77)**	29,562.51
Total Other comprehensive income/(loss) for the year	**1,997.17**	(991.63)	**(34,299.97)**	38,653.87
Attributable to:				
Shareholders of the Company	**-**	-	**(34,401.73)**	38,524.52
Non-controlling interest	**-**	-	**101.76**	129.35

* These include the Company's proportionate share of income and expenditure in its two joint operations, namely, Tata Cummins Pvt. Ltd. and Fiat India Automobiles Pvt. Ltd.

DIVIDEND

In view of inadequate profits for FY 2018-19, no dividend is permitted to be paid to the Members as per the provisions of the Companies Act, 2013 ('the Act') and the Rules framed thereunder.

TRANSFER TO RESERVES

The Board of Directors has decided to retain the entire amount of profits for FY 2018-19 in the Profit and Loss Account.

FINANCIAL PERFORMANCE AND STATE OF THE COMPANY'S AFFAIRS

Operating Results and Profits

The Indian economy in FY 2018-19 started with a healthy 8.2% growth in the first quarter on the back of domestic resilience. Growth eased to 7.3% in the subsequent quarter due to rising global volatility, largely from financial volatility, normalized monetary policy in advanced economies, externalities from trade disputes, and investment rerouting. Further, the Indian rupee depreciated because of the crude price shock, and conditions exacerbated as recovery in some advanced economies caused faster investment outflows.

Global growth is moderating as the recovery in trade and manufacturing activity is losing its steam. Despite ongoing negotiations, trade tensions among major economies remain elevated. Growth in the United States has remained solid, bolstered by fiscal stimulus. In contrast, activity in the Euro Area has been somewhat weaker than previously expected, owing to slowing net exports. China registered growth of 6.5% in 2018. A rebound in private fixed investment helped offset a decline in public infrastructure and other state spending. However, industrial production and export growth have decelerated, reflecting easing global manufacturing activity. Japan's economy also saw annualized growth of 0.8% due to bad weather and natural disasters. The GDP rate of Russia slowed down to 0.8% in 2018. At a growth rate of 1.2%, South Africa's economic expansion would still be above the 0.8% level at which the economy expanded in 2018. The Middle East economy growth looks uncertain with the cut in oil production in compliance with OPEC+ deal and geopolitical risks will continue to cap the growth.

The **Tata Motors Group** registered a growth of 3.3% in income from operations to ₹3,01,938 crores in FY 2018-19 as compared to ₹2,92,341 crores in FY 2017-18. This was due to better sales volume in the business in India and due to favorable translation impact from Great Britain Pound ('GB£') to Indian Rupee ('₹') of ₹14,517 crores. Earnings before other income, interest and tax, were ₹3,774 crores in FY 2018-19 compared to ₹11,788 crores in FY 2017-18. The decrease was primarily driven by the performance of Jaguar Land Rover business, including higher depreciation and amortization and fixed marketing expenses / selling costs. The Company's net loss (attributable to shareholders of the Company) was ₹28,826 crores in FY 2018-19 as compared to a profit of ₹8,989 crores in FY 2017-18. In FY 2018-19, the Company has taken an impairment charge of ₹27,838 crores for Jaguar Land Rover, due to weak sales and profitability change in the market conditions, especially in China and technology disruptions.

Tata Motors Limited recorded revenue from operations (including joint operations) of ₹69,203 crores in FY 2018-19, 17.9% higher from ₹58,690 crores in FY 2017-18. Growth in demand of Medium and Heavy Commercial Vehicle ('M&HCV') and Light Commercial Vehicle ('LCV'), new product offerings in passenger cars and Utility Vehicles ('UV'), resulted in increase in EBITDA margins to 7.4% in FY 2018-19 as against 4.1% in FY 2017-18. Profit Before and After Tax (including joint operations) for FY 2018-19 were at ₹2,399 crores and ₹2,021 crores, respectively as compared to Loss Before and After Tax (including joint operations) of ₹947 crores and ₹1,035 crores respectively for FY 2017-18.

Jaguar Land Rover ('JLR'), (as per IFRS) recorded revenue of GB£24.2 billion in FY 2018-19 compared to GB£25.8 billion in FY 2017-18, down by 6.2% broadly in line with the decline in wholesales (excluding CJLR) which were down 6.9% primarily as a result of the challenging conditions in China.

Consolidated EBITDA for FY 2018-19 was GB£2.0 billion, lower compared GB£2.8 billion for FY 2017-18, as a result of the lower wholesales, higher incentive and warranty costs, partially offset by Project Charge cost efficiencies and favourable realised foreign exchange movements. The Loss Before Interest and Tax ('EBIT') was GB£(180) million in FY 2018-19 compared to EBIT of GB£971 million in FY 2017-18, due to the lower EBITDA, higher depreciation and amortisation and lower profits from the China joint venture.

The Loss Before Tax excluding exceptional items in FY 2018-19 was GB£(358) million compared to Profit Before Tax excluding exceptional items of GB£1.1 billion in FY 2017-18, primarily reflecting the lower EBIT, higher interest costs and unfavourable revaluation of hedges and foreign currency debt in FY 2018-19 compared to favourable revaluation in the prior year. Exceptional charges totalled £3.3 billion for FY 2018-19, including a £3.1 billion asset impairment in Q3 and a further £149 million for employee separation charges in Q4.

Free cash flow was negative £1.3 billion for FY19 (including £1.4 billion positive free cash flow in Q4) after lower investment of £3.8 billion and £403 million of working capital inflows. As at 31 March 2019, JLR had £3.8 billion of cash and a £1.9 billion undrawn credit facility resulting in £5.7 billion of total liquidity.

TMF Holdings Limited ('TMFHL'), the Company's captive financing subsidiary, reported consolidated revenues of ₹3,975 crores (FY 2017-18: ₹2,908 crores) and Profit After Tax of ₹164 crores in FY 2018-19 (FY 2017-18: ₹76 crores).

Tata Daewoo Commercial Vehicle Company Limited, South Korea ('TDCV') (as per Korean GAAP), registered revenues of KRW 651.36 billion, a drop of 25.0% over FY 2017-18. The Loss After Tax was KRW 28.02 billion as compared to Profit After Tax of KRW 33.66 billion in FY 2017-18. Lower profitability was mainly due to lower sales and lower absorption of fixed costs partially offset by material cost reduction.

Vehicle Sales and Market Shares

The **Tata Motors Group** sales for the year stood at 12,74,072 vehicles, up by 4.3% as compared to FY 2017-18. Global sales of all Commercial Vehicles were 5,27,286 vehicles, while sales of Passenger Vehicles were at 7,46,786 vehicles.

Tata Motors

Tata Motors recorded sales of 6,79,288 vehicles, a growth of 16.2% over FY 2017-18, higher than the Indian Auto Industry grew by 5.9%. The Company's market share increased to 15.5% in FY 2018-19 from 14.1% in FY 2017-18. The Company's exports on standalone basis were marginally higher by 1.4% to 53,140 vehicles in FY 2018-19 as compared to 52,404 vehicles in FY 2017-18.

Commercial Vehicles ('CV')

The CV Industry started FY 2018-19 on a very strong note, which continued through first half before being impacted by the implementation of the increased Axle load norm. This resultant drop in demand along with increase in parc capacity, the liquidity crunch triggered by the NBFC crisis, coupled with other factors dampened the demand largely in second half. However, overall FY 2018-19 was a year of robust growth for the CV industry. Tata Motors CV Business sales in the domestic market for FY 2018-19, witnessed a robust growth of 17.2% with 4,68,788 units sold. The market share of Tata Motors for FY 2018-19 was 45.1%. All the four segments showed strong growth with three out of four segments inching up their market share.

Some of the highlights for the year were:

- M&HCV volumes grew by 12.3% in FY 2018-19. Several new products and variants across the Prima and Signa platforms were launched. These include LPT 1618 5L Turbotronn – the first 4 cylinder engine offering in M&HCV range, SIGNA 4923.T and 4823.T – India's first range of 16 wheeler trucks with 49T and 47.5T GVW, the entire range of Increased Axle Load range of products from 18.5T to 55T GVW across trucks, tractors and new range of Tippers: - 1913.T and 1918.T, 2818.T, 3518.T, 4223.T, 4623.S, 5523.S, 2823.TK/K, 1918K, 1923K. Tata Motors inched up its market share by 0.7% in this segment, with a growth for the first time after 10 years.

- ILCV volumes registered a strong growth of 23% in the FY 2018-19. Tata Motors reinforced its position through the introduction of the Ultra 1518.T, Ultra 1412, Ultra T.7 with smaller cabin design suitable for intercity operations in domestic and international markets. In addition the launch of LPT407/27 FE, LPT 1412SLP, LPT 1212CRX, LPT1512 CRX, SFC 909, LPT 909/49 CNG and India's first 13.8T CNG vehicle LPT1412 CNG in the regular ICV range helped Tata Motors establish itself as No. 1 in ICVs sub-segment. Tata Motors also launched specialized e-commerce containers range with advanced features like surveillance cameras, OTP based Lock, Load sensors etc. in the year. Tata Motors market share in the segment was up by 0.5% compared to FY 2017-18.
- SCV & Pickup Volumes grew by 23.9% in FY 2018-19. The launch of Tata Ace Gold with the legendary facia, popular among the target customer group added to the Company's strength in the Ace family. The market share was up by 0.7% compared to FY 2017-18.
- Volumes in the CV passenger segment grew by 3.5% in FY 2018-19. The introduction of 15 seater and 12 seater Winger helped to cater to the ever increasing tour and travel segment. The year also saw introduction of 1623, a 230 HP 12 meter bus, typically used for intercity coaches. In addition EGR vehicles on the 1515 range and 1212, a bus meant to cater to the higher seating capacity rugged application, very prevalent in the country today were launched. On the other end of the spectrum, 407 on the smaller wheel base (2900 WB) was introduced as a perfect fit to intra-city congested roads for both school and staff applications.
- Reiterating its commitment to greener fuel options, the Company started delivery of electric buses to various State Transport Units.
- The Company significantly improved the ability to provide customers with end-to-end support and comfort through enhancing value added services under a umbrella brand of "Sampoorna Seva". The key elements include 6 Year 6 lakh km warranty on the entire range of M&HCVs, Tata Alert breakdown assistance service available across 3 million kilometers of Indian roads and Tata Delight Loyalty Program.
- Non-vehicle business revenue for CVBU from spares, prolife and aggregates increased by 21.6% in FY 2018-19. Tata Motors Genuine Oil ('TMGO') launched last year reached 17,000 KL of sale helping to bring down the Total Cost of Ownership for its customers.

Passenger Vehicles ('PV')

The domestic PV Industry grew by 2.8% during FY 2018-19 registering a volume of 3.35 million vehicles. Barring the first quarter, industry de-grew consecutively for three quarters. Overall, the Industry performance was affected by delay in availability of retail finance, higher interest rate, higher acquisition price because of requirement of buying three year insurance at the time of purchase, negative sentiment in market and postponement of purchase decisions. As a result, the retail sales was far below expectations. This led to higher stock at dealerships and dealers faced the challenge of the working capital rotation.

The festival seasons during the year did not give the expected impetus. The beginning of the festive season was washed out due to unprecedented floods in Kerala. During Navaratri and Diwali, the market was expected to bounce back and infuse positive energy into the system. But just before this festive season the liquidity was severely impacted because of NBFC crisis. The festive season reported a 14% de-growth, one of the worst festive sales performance in the recent past.

Whilst market situation remained challenging throughout the year, Tata Motors PV business outperformed the market. The Company registered a 13.9% overall growth in FY 2018-19 with a total volume of 2,10,500 units. The market share for the year was 6.3%, an improvement of 60 basis points from FY 2017-18. The growth rate 13.9% for the Company is ahead of the industry. This is the highest unit sales and market share over the last 5 years.

Tiago registered a growth of 17% in its 3rd year of market presence with 2,00,000 + customers. Nexon was awarded with 5 star safety rating by GNCAP, the only car in India with 5 star safety rating, and established itself as the second most selling SUV with annual sales of over 55,000 units.

To counter the market slowdown, the Company did four critical product interventions within 51 days in festival season, namely, Tiago NRG, Nexon KRAZ, Tigor Refresh and Tiago/Tigor JTP range of products. These interventions helped to attract additional set of customers and continue the market buzz. On January 23, 2019, the Tata Harrier was launched and the initial response from customers is overwhelming.

Customer satisfaction remained as the centre of business. The Company ranked a clear 2nd in JD Power customer satisfaction survey. In FY 2017-18, the Company shared the 2nd rank with Maruti Suzuki. Non-vehicular business revenue improved 15% over last financial year. The Net Promoter Score of PV business significantly improved from a negative score of 13 in FY 2014-15 to a positive score of 18 in FY 2018-19 signifying improvement in brand perception. This helped the Company to gain pricing power across models and exercise pricing leadership.

Exports

The Company exported 53,140 vehicles (FY 2017-18: 52,404 vehicles).

Export of CV marginally increased by 2% in FY 2018-19 with 51,119 units compared to 50,106 units in FY 2017-18. New regulations and political uncertainty in Sri Lanka, and slump in Middle East, impacted industry volumes in these markets. However, our market share in both these markets improved for commercial vehicles. Market share in most of the focused markets, either improved or have been strong and the Company successfully bagged several prestigious orders.

Export of PV stood at 2,021 units compared to 2,298 units in FY 2017-18. Two large markets remain non-operational - Sri Lanka due to high import duties, tight retail financing and South Africa due to the closure of the distribution channel. Launch of new models in Nepal and Bangladesh helped the Company to achieve rank No. 4 and No. 3 in the respective markets.

JLR

Retail sales were 5,78,915 vehicles in FY 2018-19, down 5.8% year on year, primarily reflecting weaker market conditions in China which was partially offset by strong growth in the UK and North America.

The introduction of new and refreshed models led by the Jaguar E-PACE, award winning I-PACE, Range Rover Velar and the refreshed Range Rover and Range Rover Sport were offset by lower sales of more established models, mainly in China, and the run-out of the first generation Range Rover Evoque in the third quarter with sales of the new Evoque beginning to ramp up through the fourth quarter. By region, sales were up strongly in the UK by 8.4% and in North America by 8.1% and retails were also higher in Overseas markets by 2.4%. Retails sales in Europe declined 4.5% year on year on account of continuing diesel uncertainty, Brexit and the change to more stringent World Harmonised Light Vehicle Testing Procedure ('WLTP') emissions testing regime. Retail sales in China (including sales from the joint venture) were down 34.1% year on year due to trade tensions with the US, slowing economic growth and uncertainty driven by import duty changes effective from July 2018, inventory reduction and corrective actions in China.

The total wholesale volumes (excluding sales from the China Joint Venture) at 5,07,895 units were down 6.9% as compared to the 5,45,298 units in FY 2017-18, generally reflecting the trends seen in the retail sales above.

Some of the key highlights of FY 2018-19 were:

- JLR's first battery electric vehicle, the Jaguar I-PACE went on sale in June 2018 (2019 World Car of the Year, 2019 World Car Design of the Year, 2019 World Green Car, 2019 European Car of the Year).
- E-Pace launched and on sale from the China joint venture in September 2018.
- All new Range Rover Evoque with hybrid options went on sale in Q4.
- Refreshed Jaguar XE launched in Q4 with exterior updates and significantly improved infotainment.
- Announced the reveal of the All New Land Rover Defender for later in 2019.
- Project Charge announced to deliver £2.5 billion of cost, cash and profit improvements by the end of FY 2020; and Project Accelerate announced to support long term sustainable profitable growth.
- Manufacturing plant in the city of Nitra in Slovakia commenced production of the Land Rover Discovery in October 2018.
- Land Rover celebrated it's 70 year anniversary.
- JLR completed it's first self-driving journey as part of autonomous driving trials with the UK Autodrive project in Q2.
- Announced 6 cylinder Ingenium 3.0 litre petrol engine to be manufactured at the Engine Manufacturing Centre in Wolverhampton, UK to be introduced in Range Rover Sport.
- Announced the production of next-generation Electric Drive Units ('EDU') at the Engine Manufacturing Centre in Wolverhampton later this year.
- Announced that the batteries to power the EDU's will be assembled at a new Battery Assembly Centre located at North Warwickshire in the UK.

TDCV

During FY 2018-19 sold 6,672 commercial vehicles, lower by 24.8% over FY 2017-18, mainly due to decrease in sales in domestic sales. TDCV sold 4,371 commercial vehicles in the domestic market lower by 36.3% as compared to sales in FY 2017-18, primarily due to lower industry volumes and aggressive discounting and marketing strategies primarily driven by the imported brands. The market share for both HCV and MCV segments put together was 21.1% as compared to 26.5% in FY 2017-18. However, TDCV could increase its export sales to 2,301 commercial vehicles, 14.4% higher compared to 2,011 commercial vehicles in FY 2017-18.

TMFHL

It is the vehicle financing arm under the brand "TMF Holdings Limited". TMFHL's disbursements (including refinance) increased by 42.8% at ₹21,993 crores in FY 2018-19 as compared to ₹15,406 crores in FY 2017-18. New Vehicle disbursements are done through its subsidiary Tata Motors Finance Ltd ('TMFL'). TMFL financed 2,16,015 vehicles reflecting an increase of 23.3% over 1,75,128 vehicles financed in FY 2017-18. Disbursements for CV increased by 39.6% and were at ₹15,978 crores (142,187 units) as compared to ₹11,448 crores (115,689 units) in FY 2017-18 mainly due to gain in market share (28.3% in FY 2018-19 vs. 26.1% in FY 2017-18). Disbursements of PV increased by 28.5% to ₹3,013 crores (46,500 units) from a level of ₹2,345 crores (42,619 units). Used Vehicle disbursements done through Tata Motors Finance Solutions Limited ('TMFSL'), a 100% Subsidiary of TMFHL were at ₹3,002 crores (27,328 vehicles) as compared to ₹1,614 crores (16,820 vehicles) during FY 2017-18.

Tata Motors (Thailand) Limited ('TMTL')

TMTL wholesales in FY 2018-19 was 633 units as compared to 682 units in FY 2017-18. The Thai Commercial Automobile Industry has witnessed a growth of 22% in FY 2018-19 compared to 14% growth in the year before, however as part of ongoing review, TMTL have undertaken a reassessment of its business model in Thailand to ensure it is sustainable over the long term. As a part of the restructuring, the Company has ceased the current manufacturing operations in the financial year and are in the process of scaling down the operations including reduction of manpower. The Company shall address the Thailand market with a revamped product portfolio, suitable to local market needs, delivered through a CBU distribution model. TMTL bagged a prestigious order from Royal Thai Army to supply 614 units of the 1.25 ton Tata Truck.

FINANCE

During the year, the free cash flows for Tata Motors Group were negative ₹16,346 crores (FY 2017-18: negative ₹11,191 crores), post spend on capex, design and development of ₹35,236 crores. Tata Motors Group's borrowing as at March 31, 2019 stood at ₹106,175 crores (as at March 31, 2018: ₹88,951 crores). Cash and bank balances and investments in mutual funds stood at ₹42,086 crores (as at March 31, 2018: ₹48,974 crores). The consolidated net automotive debt to equity ratio stood at 0.47 as at March 31, 2019, as compared to 0.15 as at March 31, 2018.

Free cash flows were ₹1,539 crores (FY 2017-18: ₹1,339 crores) standalone basis with joint operations of the Company. Spend on capex, design and development were ₹4,753 crores (net). The borrowings of the Company as on March 31, 2019 stood at ₹18,640 crores (as at March 31, 2018: ₹18,464 crores). Cash and bank balances including mutual funds stood at ₹2,981 crores (as at March 31, 2018: ₹2,312 crores). Additionally, the Company has undrawn committed lines of ₹1,500 crores.

During FY 2018-19, the Company raised unsecured term loans amounting to ₹1,500 crores from Banks for general corporate purpose.

The Company successfully completed liability management exercise by part refinancing of US$ 500 million notes due for repayment on April 30, 2020. The Company raised ECB of US$ 237.468 million maturing in June 2025 which was used to repay the bonds through the tendering process.

Deposits: The Company has not accepted any public deposits during FY 2018-19. There were no over dues on account of principal or interest on public deposits other than the unclaimed deposits as at the end of FY 2018-19 which is ₹7.30 crores (Previous year ₹10.80 crores).

At **JLR,** post spend on capital expenditure, design and development of GB£3,373 million (₹30,325 crores) [FY 2017-18: GB£4,186 million (₹35,776 crores)] the free cash flows were negative GB£1,267 million (₹9,962 crores) for FY 2018-19. The borrowings of JLR as on March 31, 2019, stood at GB£4,511 million (₹40,829 crores) [as at March 31, 2018: GB£3,731 million (₹34,238 crores)]. Cash and financial deposits stood at GB£3,775 million (₹34,168 crores) [as at March 31, 2018: GB£4,657 million (₹42,977 crores)]. Additionally, JLR has undrawn committed long term bank lines of GB£1,935 million (JLR data as per IFRS).

During FY 2018-19, JLR issued €500 million senior notes due in 2026 at a coupon of 4.50% per annum. JLR also raised US$ 1,000 million through syndicated loan. The proceeds were for general corporate purposes, including support for JLR's ongoing growth and capital spending requirements.

At **TMFHL** and its subsidiaries, the borrowings as on March 31, 2019 stood at ₹37,814 crores (as at March 31, 2018: ₹27,470 crores). Cash and bank balances and investments in mutual funds stood at ₹2,119 crores (as at March 31, 2018: ₹1,206 crores). TMFHL and its subsidiaries, raised ₹2,066 crores by issuing NCDs. Bank borrowings through secured term loans continued to be a major source of funds for long-term borrowing and raised ₹6,306 crores during FY 2018-19. TMFL has also done securitization of ₹3,862 crores in FY 2018-19.

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.

Credit Rating : During FY 2018-19, the Company's rating for foreign currency borrowings was downgraded to "Ba2" / Negative by Moody's and to "B+" / Watch Negative by Standard & Poor's. For borrowings in the local currency, Non-Convertible debentures and long term bank facilities i.e. (Buyers Credit and Revolving Credit Facility), the ratings were downgraded by CARE to "AA" / Stable and the ratings were retained with a change in outlook by CRISIL at "AA / Negative and by ICRA at "AA / Negative". During the year, JLR's rating was downgraded by Moody's at "Ba3" / Negative and by Standard & Poor's at "B+" / Watch Negative on account of weak performance and challenging external environment at JLR.

During FY 2018-19, for TMFHL and its subsidiaries, CRISIL and ICRA has maintained its rating and changed its outlook on long-term debt instruments and long term bank facilities to "AA / Negative". Further CARE has changed the ratings on long term debt and long term bank facilities to CARE AA / Stable.

Material Changes and Commitment Affecting the Financial Position

There are no material changes affecting the financial position of the Company subsequent to the close of the FY 2018-19 till the date of this report.

CONSOLIDATED FINANCIAL STATEMENT

The consolidated financial statement of the Company and its subsidiaries for FY 2018-19 are prepared in compliance with the applicable provisions of the Act and as stipulated under Regulation 33 of the SEBI Listing Regulations as well as in accordance with the Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015. The audited consolidated financial statement (condensed) together with the Auditor's Report thereon form part of this Annual Report. Pursuant to Section 129(3) of the Act, a statement containing the salient features of the Financial Statement of the subsidiary companies is attached to the Financial Statement in Form AOC-1. Pursuant to the provisions of Section 136 of the Act, the Company will make available the said financial statement of the subsidiary companies upon a request by any member of the Company or its subsidiary companies. These financial statements of the Company and the subsidiary companies will also be kept open for inspection by any member at the Registered Office of the Company and would be available on the Company's website URL: https://www.tatamotors.com/investors/annual-reports/.

SUBSIDIARY, JOINT ARRANGEMENTS AND ASSOCIATE COMPANIES

The Company has 99 subsidiaries (12 direct and 87 indirect), 10 associate companies, 3 joint ventures and 2 joint operations as at March 31, 2019, as disclosed in the accounts.

During FY 2018-19, the following changes have taken place in subsidiary / associates / joint venture companies:

Name of the companies which have become subsidiaries, associates or joint ventures during the year:

Subsidiaries

- Spark44 Taiwan Limited (Taiwan) was incorporated with effect from May 7, 2018.
- Spark44 Colombia S.A.S. (Colombia) was incorporated with effect from May 10, 2018.
- Jaguar Land Rover Classic USA LLC was incorporated with effect from June 1, 2018 (dormant).
- Jaguar Land Rover Hungary KFT was incorporated with effect from July 30, 2018.
- Jaguar Land Rover Classic Deutschland GmbH was incorporated with effect from August 10, 2018.
- InMotion Ventures 4 Limited was incorporated with effect from January 4, 2019.

Associates

- Tata Toyo Radiator Limited was converted from a joint venture to subsidiary company with effect from July 1, 2018.
- Loginomic Tech Solutions Private Limited ('TruckEasy') stake acquired with effect from July 10, 2018.
- Automotive Skill Training Pvt. Ltd. converted into Private Limited Company from Section 25 Company with effect from December 10, 2018 (formerly Automotive Skills Training Foundation)
- TitanX Engine Cooling, Poland incorporated with effect from April 25, 2018.

Name of the companies which have ceased to be subsidiaries, associates or joint ventures during the year:

Subsidiaries

- TML Drivelines Limited merged with the Company with effect from April 30, 2018 and consequently Authorised Share Capital of the Company increased from ₹3,900 crores to ₹4,000 crores.
- The Jaguar Collection Limited (dormant) dissolved with effect from June 19, 2018.
- Entire shareholding in TAL Manufacturing Solutions Limited ('TAL') sold to Tata Advanced Systems Limited with effect from March 29, 2019 after acquisition of the non-aerospace business from TAL.

Associates

- Serviplem S.A.U. liquidated with effect from February 6, 2019.

Restructuring

- Shareholding in Tata Technologies Limited ('TTL') decreased from 72.29% to 72.28% on account of further allotment of 6,188 shares with effect from April 20, 2018.
- Shareholding in Tata Motors (Thailand) Limited increased from 95.49% to 95.81% on account of further allotment of 2,500,000 shares to TML Holdings Pte. Ltd. with effect from April 2, 2018 and from 95.81% to 95.87% on account of further allotment of 548,000 shares to TML Holdings Pte. Ltd. with effect from November 22, 2018.
- Shareholding in Trilix S.r.l. increased from 80% to 100% with effect from December 6, 2018.

Transfer of Defense Undertaking to Tata Advanced Systems Limited: The Company proposes to transfer the value added segment of Defence vehicles business and specialized Defence projects (excluding FICV) ('Defense Undertaking') pursuant to a Scheme of Arrangement as a going concern on a slump sale basis to Tata Advanced Systems Limited ('TASL'), a wholly owned subsidiary of Tata Sons Private Limited, at an enterprise value of ₹209.27 crores arrived at using the Net Asset Value Method. The total consideration receivable from the said transfer has been negotiated for an upfront consideration of ₹100 crores (to be adjusted for design and development spent and changes in working capital) plus a future consideration of 3% of the revenue generated from identified Specialized Defence Projects for upto 15 years from the financial year ended FY 2020 subject to a maximum of ₹1,750 crores. Your Company has received No Objection from the Stock Exchanges, SEBI and the Competition Commission of India for the said transfer and requisite approvals from the Company's shareholders, National Company Law Tribunal ('NCLT'), the Ministry of Defence and other statutory authorities are under process.

The Company has adopted a Policy for determining Material Subsidiaries which has been amended during the year in line with Regulation 16 of the SEBI Listing Regulations. The Policy, as approved by the Board, is available on the Company's website URL: https://investors.tatamotors.com/pdf/material.pdf.

Other than the above, there has been no material change in the nature of the business of the subsidiary companies.

RISK MANAGEMENT

The Board takes responsibility for the overall process of risk management throughout the organization. Through an Enterprise Risk Management programme, the Company's business units and corporate functions address risks through an institutionalized approach aligned to the Company's objective. This is facilitated by internal audit. The Business risk is managed through cross-functional involvement and communication across businesses. The result of the risk assessment are presented to the senior management. The Risk Management Committee reviews business risk areas covering the top operational, financial, strategic and regulatory risks.

INTERNAL FINANCIAL CONTROL SYSTEMS AND ADEQUACY

The Board has adopted policies and procedures for governance of orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures. The Company's internal control systems commensurate with the nature of its business, the size and complexity of its operations.

The Company has an independent in-house Internal Audit ('IA') department that functionally reports to the Chairman of the Audit Committee, thereby maintaining its objectivity. Remediation of deficiencies by the IA department has resulted in a robust framework for internal controls. These are detailed in the Management Discussion and Analysis Report, which forms part of this Report.

HUMAN RESOURCES

The Tata Motors Group employed 82,797 permanent employees as of FY 2018-19 (FY 2017-18: 81,090 employees). The Company employed 27,572 permanent employees as of FY 2018-19 (FY 2017-18: 24,989 employees).

The Company has labour unions for operative / worker grade employees at all its plants across India, except the Dharwad Plant. The Company has generally enjoyed cordial relations with its employees and unions at its factories and offices and have received unions' support in the Company's implementation of reforms that impact safety, quality, cost and productivity improvements across all locations. Employee wages are being paid in accordance with wage agreements that have varying terms (typically three to four years) at different locations.

In line with the Company's philosophy of continuously harnessing employee potential and developing them to become more capable professionals and future leaders, in FY 2018-19 we have partnered with Symbiosis International (Deemed University) and launched a 2 year Management Program ('EPGDBM') with curriculum around operations, finance, people management, supply chain & marketing and 90 employees joined in the 1st batch. To enable comprehensive development of white collar workforce, the Company has created 4 Learning Academies – Commercial Excellence, Management Development, Operations Excellence, and Product Leadership. During FY 2018-19, 8443 permanent white collar employees were trained under these academies on various functional and managerial aspects. To develop its blue collar workforce, the Company trained 11,721 employees in technician's skill development, quality management and productivity improvement.

Inclusion and Diversity

The Company believes that with diversity and inclusion at workplace, it can leverage the multiplicity of skillsets in all its operations. The Company has established policies and a supportive work environment, especially for its women employees and for employees from different backgrounds, age-groups and ethnicities as well.

The Company also endorses the initiative from Tata Group – Second Career Initiative Program ('SCIP') to offer an opportunity to returning mothers who would like to restart their professional careers. 'GearUp' initiative for mid-level women managers is designed to provide management development inputs focussed on leadership skills to make them ready as future leaders. Company's Human Resource ('HR') policy framework, including maternity leave policy, sabbatical and half-day-half-pay policy and flexible timings, helps employees to establish a work-life balance. The company employed 3.5% permanent women employees as of FY 2018-19. (FY 2017-18: 3.3%).

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. Internal Complaints Committee ('ICC') is in place for all works and offices of the Company to redress complaints received regarding sexual harassment. 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.

During FY 2018-19, the Company had received 11 complaints on sexual harassments, 10 of which have been substantiated and appropriate actions taken. The remaining 1 complaint was received during mid March and is being investigated. There were no complaints pending for more than 90 days. The Company organized 103 workshops or awareness programs against sexual harassment.

Tata Motors Limited Employees Stock Option Scheme

In order to ring fence and incentivize key talent, for driving long term objectives of the Company and ensuring that employee payoffs match the long gestation period of certain key initiatives whilst simultaneously fostering ownership behavior and collaboration amongst employees, the Tata Motors Limited Employees Stock Option Scheme 2018 ('TML ESOP Scheme 2018' / 'the Scheme') was implemented during the year. Based on the approval of the shareholders at the Annual General Meeting held on August 3, 2018, aggregate 78,12,427 number of Options were granted to the Eligible Employees during the year under the Scheme.

During the financial year 2018-19, there has been no change in the Scheme. There were no ESOP that vested or any shares issued on vesting during the year. The Scheme is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. Appropriate disclosures prescribed under the said Regulations with regard to the Scheme are available on the Company's website URL: https://www.tatamotors.com/investors/ESOP/

PARTICULARS OF EMPLOYEES

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 is annexed to the Report as **Annexure - 1**.

Statement containing particulars of top 10 employees and the employees drawing remuneration in excess of limits prescribed under Section 197 (12) of the Act read with Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in the Annexure forming part of this 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. None of the employees listed in the said Annexure are related to any Director of the Company.

BUSINESS RESPONSIBILITY REPORT

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

SAFETY & HEALTH – PERFORMANCE & INITIATIVES

Tata Motors has been in a Safety Excellence journey since 7 years. With very high level engagement in Safety, the Organization has taken huge strides to improve Safety Organization Structure and build strong safety systems with a vision of achieving 'Zero Injury at Workplace'.

For FY 2018-19 Tata Motors, including its subsidiaries, achieved the Safety Performance Target with Total Recordable Case Frequency Rate ('TRCFR') being 0.80 against the target of 1.01. For Indian Operations also, Tata Motors Safety Performance was well within targets with Total Recordable Case Frequency Rate ('TRCFR') being 0.60 against the target of 0.89. Unfortunately 3 fatalities were recorded - one each at a manufacturing location, workshop ('DTC') and a road incident. Robust incident investigation has been carried out for all 3 incidents and horizontal deployment of recommendations has been completed.

As a part of our robust governance mechanism, the Company has dedicated committees and various functional teams to ensure safety and implementation of our safety standards. Safety, Health and Sustainability ('SHS') committee of Board reviews the Company's safety performance every quarter. Plant level sub-committees for safety are formed, who functionally, report to corporate level sub-committees. The reviews happen at multi levels - factory level by Factory Implementation committee, plant level Apex committee or sub-committee, the SHS council and finally by the SHS committee. For non plant and services areas, focussed monthly reviews happen at regional offices and with Customer Service teams. Similar mechanism is also in place at workshop, warehouses and even at office locations.

Training and awareness across organisation continues to be considered as a key element of Safety Strategy. Aspects such as Safety Management Fundamentals, Incident Investigations, Contractor Safety Management, Actions Employees Can Take ('AECT') etc. are considered in training programmes for key leaders, 500+ internal trainers, new joinees in induction progammes as also refreshers to existing employees.

The Company continued Campaign **'i-drive safe'** – an initiative on building a safe driving culture amongst its employee and associates and have trained them in Defensive Driving. Road Safety Month campaign was observed in February 2019 with the theme **'Road Safety is Life Safety'** which included Road Safety Celebrations conducted in all location including all Plants, Offices, Dealerships, Warehouses and Vendors.

SUSTAINABILITY

The manufacturing plants across the Country are certified to ISO 14001:2015 - Environment Management Systems and OHSAS 18001 – Occupational Health & Safety Management System. All 7 plants are certified for Food Safety Management System ISO 22000:2005. The CV manufacturing plants of the Company across India are certified to ISO 50001 - Energy Management System. Guided by its Environmental Policy, Climate Change Policy and Environmental Procurement Policy, the Company is focused on minimising the environmental impact of its products, processes and services throughout the life-cycle. Manufacturing Plants track energy and environmental performance in a periodic and structured manner at Head-Operations level. The Company actively benchmarks its energy and environmental performance between our own Plants as well as peers and adopts best practices across Plant locations for maximum impact. All the Company's sites have obtained CII-GreenCo Rating, and 2 Plants have achieved Platinum rating in FY 2018-19.

The Company continued to drive a number of initiatives to reduce its environmental footprint in FY 2018-19. Our GreenHouse Gas

(GHG) mitigation approach includes driving Energy Conservation in manufacturing operations and generation / procurement of renewable energy. The Company consumed 94.2 million units of renewable electricity in its operations (16.1 % of total power consumption), compared to 99.38 million units in FY 2017-18 (20.76% of total power consumption). The proportion of renewable power in previous financial year was greater due to allocation of wind power arrears. RE capacity was enhanced by 2MWp Roof-top Solar PV Project at Lucknow and Pimpri Pune Plants and 0.5MW at Chinchwad Pune in FY 2018-19, which will help offset GHG emissions in the FY 2019-20. Taking this further, the Company has signed a Power Purchase Agreement ('PPA') with Tata Power Renewable Energy Ltd. ('TPREL') for setting up an additional 7 MWp capacity of roof and ground mounted solar photovoltaic ('PV') installations across Jamshedpur, Pantnagar and Dharwad Plants.

The Company monitors water sourcing practices at its manufacturing Plants and continued to work on lowering water consumption through water conservation in operations, re-cycling treated effluent for re-use in process and harvesting rainwater. A total of 9,77,656 m3 of water was conserved through these efforts in FY 2018-19, which is 13.8% of total water consumption as compared to 17.3% in FY 2017-18.

Hazardous wastes are disposed in accordance with authorizations issued by the Authorities in the States we operate. These include destruction of hazardous waste at cost by landfilling and incineration at Approved Common Treatment Storage and Disposal Facilities; energy and material recovery from hazardous wastes through co-processing in cement plants; and material conversion through approved re-cyclers for hazardous wastes such as spent thinner, paint sludge and sealant.

The Company commenced an initiative across Plants in FY 2018-19 called "Value from Hazardous Waste", aimed at diverting hazardous waste from landfill / incineration at approved sites and instead derive value from the same. This initiative aims to ultimately achieve 'Zero Waste to Landfill' status from manufacturing operations. The quantum of hazardous waste diverted from landfill / incineration was higher by 15.5% over FY 2017-18. However, due to higher waste generation on the back of higher volumes, hazardous waste sent for disposal to Common Treatment Storage and Disposal Facilities also increased by 41.2%.

The Company has also initiated actions to minimise the consumption of flexible plastic packaging in its operations. While plastic packaging used for dispatch of auto parts between Plants and to Warehouses has been significantly reduced, work is on-going on plastic packaging used by our Suppliers. This is being done by elimination of plastic packaging where feasible and converting expendable (single-use) plastic packaging to returnable (multiple-use) packaging.

On Sustainability, we continued implementation of sustainable supply chain initiatives during FY 2018-19. 115 suppliers have been trained and provided handholding to improve sustainability performance and assessed towards sustainability expectations. Circular economy, natural capital evaluation of key dependencies, design for environment, biodiversity assessment, life cycle assessment of products, climate adaptation study were some of the other initiatives the Company has taken in sustaining its business and planet.

JLR continues to drive health and safety through Destination Zero – A Journey to Zero Harm. The ambition is reflected in the JLR commitment with the key statement being "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 concept of Destination Zero Harm enables the consistent message on safety to continue to be highly visible in the business.

The development of focused plans has ensured that each functional area, aligned at Board level, has a specific 'Destination Zero' Harm Plan. These have assisted each functional area to tailor their own plan of activities to lead improved safety and wellbeing within their own area of responsibility, sponsored from the most senior level functionally.

To support the wider ambition of zero harm as well as focusing on incidents, JLR also continued to mature the approach to wellbeing activities with a focus on mental health and the continuation of programmes designed to support open discussions on matters of mental health, as well as other support interventions to assist in improved wellbeing, both in mental and physical health.

Performance on Lost Time Injuries ('LTI') remained relatively stable, especially within manufacturing. Many locations within the sites celebrated sustained zero lost time injuries. The performance on safety was assisted in part through various activities taken during the year, such as improving quality of safety behavioural observations, introduction of revised internal audit programme called SHARP, effective implementation of existing safety management programs, safety and wellbeing weeks, robust safety training, leadership training and driving assessments etc.

The business has gone through OHSAS 18001 - surveillance visits in 2018-19, within all the UK locations and maintained its accreditation to this standard through a series of external assessments. It has now started the cycle of assessments to migrate to the new International Standard ISO 45001 with accreditation to ISO 45001 expected at the end of the assessment period in 2019-20.

TDCV's Safety Index continued to improve from 1.24 to 0.52 in FY 2018-19. TDCV has implemented reinforced High-risk Control Program [LockOut Energy Control ('LOEC'), Pedestrian and In-Plant Vehicle ('PIV') and Confined Space entry] and operated the standing committee (PIV Committees and LOEC Committee) from 2018. In addition, TDCV has assigned emergency medical technicians ('EMTs') to designated places and conducted training sessions for all the employees to ensure a prompt response to any emergency situations within the company.

CORPORATE SOCIAL RESPONSIBILITY

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 in the format prescribed in the Companies (CSR Policy) Rules, 2014 are set out in **Annexure - 2** of this Report. The Policy is available on Company's website at URL: https://investors.tatamotors.com/pdf/csr-policy.pdf.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNING AND OUTGO

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 herewith as **Annexure - 3**.

EXTRACT OF ANNUAL RETURN

Pursuant to Sections 92 & 134(3) of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, the extract of Annual Return in Form MGT-9 is provided in **Annexure -4** to this Report and is also available on the Company's website URL: https://www.tatamotors.com/investors/annual-return/.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Re-appointment

In accordance with provisions of the Act and the Articles of Association of the Company, Mr N Chandrasekaran, Non-Executive Chairman (DIN:00121863) is liable to retire by rotation and is eligible for re-appointment.

The disclosures required pursuant to Regulation 36 of the SEBI Listing Regulations and Clause 1.2.5 of the Secretarial Standard are given in the Notice of AGM, forming part of the Annual Report.

Independent Directors

In terms of Section 149 of the Act and the SEBI Listing Regulations Mr Nasser Munjee, Mr Vinesh Kumar Jairath, Ms Falguni Nayar, Mr Om Prakash Bhatt and Ms Hanne Sorensen are the Independent Directors of the Company as on date.

All Independent Directors of the Company have given declarations under Section 149(7) of the Act, that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations. In terms of Regulations 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

Mr Nasser Munjee, Mr Vinesh Kumar Jairath and Ms Falguni Nayar were appointed as Independent Directors at the 69th AGM of the Company held on July 31, 2014 for period of 5 years and are holding office till July 30, 2019. The Board hereby places on record its appreciation for their valuable contribution and guidance during their tenure as Independent Director.

Key Managerial Personnel

In terms of Section 203 of the Act, the Key Managerial Personnel (KMPs) of the Company during FY 2018-19 are:

- Mr Guenter Butschek, Chief Executive Officer and Managing Director
- Mr Satish Borwankar, Executive Director and Chief Operating Officer
- Mr Pathamadai Balachandran Balaji, Group Chief Financial Officer
- Mr Hoshang Sethna, Company Secretary

The tenure of Mr Satish Borwankar Executive Director and Chief Operating Officer of the Company ends on July 15, 2019. Mr Borwankar started his career with the Company in 1974 as a Graduate Engineer Trainee and has served in various operating functions like manufacturing, quality, vendor development and strategic sourcing, rising through the ranks to become its Executive Director and Chief Operating Officer. The Board of Directors hereby places on record its appreciation for the invaluable contributions made by Mr Borwankar during his tenure.

CORPORATE GOVERNANCE

At the Company, we ensure that we evolve and follow the corporate governance guidelines and best practices sincerely, to boost long-term shareholder value and to respect minority rights. The Company considers it an inherent responsibility to disclose timely and accurate information regarding its operations and performance, as well as the leadership and governance of the Company.

A separate section on Corporate Governance 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, giving information pertaining to the Board and its Committees, transfers to IEPF authority etc. form part of this Report.

MEETINGS OF THE BOARD

During the year, the Board of Directors met 7 times. For details, please refer to the Corporate Governance Report, which forms part of this Annual Report.

COMMITTEES OF THE BOARD

The Committees of the Board focus on certain specific areas and make informed decisions in line with the delegated authority.

The following Committees constituted by the Board function according to their respective roles and defined scope:

- Audit Committee
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee

- Stakeholders, Relationship Committee
- Risk Management Committee
- Safety Health and Sustainability Committee

Details of composition, terms of reference and number of meetings held for respective committees are given in the Corporate Governance Report, which forms a part of this Report. Further, during the year under review, all recommendations made by the Audit Committee have been accepted by the Board.

BOARD EVALUATION

The annual evaluation process of the Board of Directors, individual Directors and Committees was conducted in accordance with the provision of the Act and the SEBI Listing Regulations.

The Board evaluated its performance after seeking inputs from all the directors on the basis of criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc. The performance of the Committees was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc. The above criteria are as provided in the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India.

The Chairman of the Board had one-on-one meetings with the Independent Directors and the Chairman of NRC had one-on-one meetings with the Executive and Non-Executive, Non-Independent Directors. These meetings were intended to obtain Directors' inputs on effectiveness of the Board/Committee processes.

The Board and the NRC reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

In a separate meeting of independent directors, performance of Non-Independent Directors and the Board as a whole was evaluated. Additionally, they also evaluated the Chairman of the Board, taking into account the views of Executive and Non-Executive Directors in the aforesaid meeting. The above evaluations were then discussed in the Board meeting and performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

All Board members of the Company are afforded every opportunity to familiarize themselves with the Company, its management, its operations and above all, the Industry perspective and issues. They are made to interact with senior management personnel and proactively provided with relevant news, views and updates on the Company and sector. All the information/documents sought by them is/are also shared with them for enabling a good understanding of the Company, its various operations and the industry of which it is a part.

The details of the Familiarisation Programme for 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 available on the Company's website URL: https://investors.tatamotors.com/pdf/familiarisation-programme-independent-directors.pdf.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Company's policy on directors' appointment and remuneration and other matters provided in Section 178(3) of the Act (salient features) has been briefly disclosed hereunder and in the Corporate Governance Report, which is a part of this Report.

Selection and procedure for nomination and appointment of Directors

The Nomination and Remuneration Committee ('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 NRC reviews and vets the profiles of potential candidates vis-à-vis the required competencies, undertakes due diligence and meeting potential candidates, prior to making recommendations of their nomination to the Board.

Criteria for determining qualifications, positive attributes and independence of a Director

In terms of the provisions of Section 178(3) of the Act, and Regulation 19 of the SEBI Listing Regulations, the NRC has formulated the criteria for determining qualifications, positive attributes and independence of Directors, the key features of which are as follows:

- Qualifications – The Board nomination process encourages diversity of thought, experience, knowledge, age and gender. It also ensures that the Board has an appropriate blend of functional and industry expertise.
- Positive Attributes - Apart from the duties of Directors as prescribed in the Act the Directors are expected to demonstrate high standards of ethical behavior, communication skills and independent judgment. The Directors are also expected to abide by the respective Code of Conduct as applicable to them.
- Independence - A Director will be considered independent if he / she meets the criteria laid down in Section 149(6) of the Act, the Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations.

The Directors affirm that the remuneration paid to Directors, KMPs and employees is as per the Remuneration Policy of the Company.

The said policy is also available on the Company's website URL: https://investors.tatamotors.com/pdf/directors-appointment-remuneration.pdf

VIGIL MECHANISM

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour. In line with the Tata Code of Conduct ('TCOC'), any actual or potential violation, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The role of the employees in pointing out such violations of the TCOC cannot be undermined.

Pursuant to Section 177(9) of the Act and Regulation 4(2)(d)(iv) of the SEBI Listing Regulations, a Whistleblower Policy and Vigil Mechanism was established for directors, employees and stakeholders to report to the management instances of unethical behaviour, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy. The Vigil Mechanism provides a mechanism for employees of the Company to approach the Chief Ethics Counsellor ('CEC')/Chairman of the Audit Committee of the Company for redressal. The Company has revised the Whistleblower Policy in accordance with amendments made to SEBI (Prohibition of Insider Trading) Regulations, 2015.

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 at URL: https://investors.tatamotors.com/pdf/whistle-blower-policy.pdf.

AUDIT

Statutory Audit

M/s B S R & Co. LLP, Chartered Accountants (ICAI Firm No. 101248W/W–100022), the Statutory Auditors of the Company, hold office until the conclusion of Seventy Seventh AGM to be held in the year 2022. Pursuant to Section 141 of the Act, the Auditors have represented that they are not disqualified and continue to be eligible to act as the Auditor of the Company.

The Report of the Statutory Auditor forming part of the Annual Report, does not contain any qualification, reservation, adverse remark or disclaimer. The observations made in the Auditor's Report are self-explanatory and therefore do not call for any further comments.

The Statutory Auditor of the Company has not reported any fraud as specified under the second proviso to Section 143(12) of the Act.

Branch Audit

Members' approval is being sought *vide* item No. 5 of the Notice, for authorizing the Board of Directors to appoint Branch Auditors for the purpose of auditing the accounts maintained at the Branch Offices of the Company abroad.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Director appointed M/s Parikh & Associates, a firm of Company Secretaries in Practice to conduct the Secretarial Audit of the Company for year ended March 31, 2019. The Report of the Secretarial Audit is annexed herewith as **Annexure - 5.** The said Secretarial Audit Report does not contain any qualification, reservations, adverse remarks and 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. The Board of Directors of the Company has on the recommendation of the Audit Committee, approved the appointment of M/s Mani & Co., a firm of Cost Accountants in Practice (Registration No.000004) as the Cost Auditors of the Company to conduct cost audits for relevant products prescribed under the Companies (Cost Records and Audit) Rules, 2014 for the year ending March 31, 2020. The Board on recommendations of the Audit Committee have approved the remuneration payable to the Cost Auditor subject to ratification of their remuneration by the Members at the forthcoming AGM.

M/s Mani & Co. have, under Section 139(1) of the Act and the Rules framed thereunder furnished a certificate of their eligibility and consent for appointment.

The cost accounts and records of the Company are duly prepared and maintained as required under Section 148(1) of Act.

OTHER DISCLOSURES

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All contracts/ arrangements/ transactions entered by the Company during the FY 2018-19 with related parties were on an arm's length basis and in the ordinary course of business. There were no material related party transactions (RPTs) undertaken by the Company during the year that require shareholders' approval under Regulation 23(4) of the SEBI Listing Regulations or Section 188 of the Act. The approval of the Audit Committee was sought for all RPTs. All the transactions were in compliance with the applicable provisions of the Act and SEBI Listing Regulations.

Given that the Company does not have any RPTs to report pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 in Form AOC-2, the same is not provided. The details of RPTs during FY 2018-19, including transaction with person or entity belonging to the promoter/ promoter group which hold(s) 10% or more shareholding in the Company are provided in the accompanying financial statements.

During the FY 2018-19, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company other than sitting fees, commission and reimbursement of expenses, as applicable.

The Policy on Related Party Transactions was amended during the year in line with amendment to the Act and SEBI Listing Regulations. The Revised Policy is available on the Company's website URL: https://investors.tatamotors.com/pdf/rpt-policy.pdf

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The details of Loans and Investments made during FY 2018-19 are given below:

(₹ in crores)

Name of Companies	Nature of Transactions	Loans	Investment
JT Special Vehicle Private Limited	Loan	3.75	-
TAL Manufacturing Solutions Limited	Acquisition of Non-Aerospace Business	-	0.1
TMF Holdings Limited	Call option exercised for Compulsorily convertible preference shares: Series A	-	130
TMF Holdings Limited	Equity Infusion	-	600
Tata Precision Industries Singapore	Loan	0.5	-
Trilix S.R.L	Acquisition of remaining 20% stake	-	7.97

During FY 2018-19, the Company has not given guarantee to any of its subsidiaries, joint ventures and associate companies.

SECRETARIAL STANDARDS

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

DIVIDEND DISTRIBUTION POLICY

Pursuant to Regulation 43A of SEBI Listing Regulations, the Board of Directors of the Company have formulated a Dividend Distribution Policy ('the policy'). The Policy was amended by the Board to make it more dynamic yet simple.

The amended policy is annexed to this Report as **Annexure - 6** and is also available on the Company's website URL: https://investors.tatamotors.com/pdf/dividend-distribution-policy.pdf

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.

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, secretarial auditors and external agencies, 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 FY 2018-19.

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

(a) in the preparation of the accounts for the financial year ended March 31, 2019, the applicable accounting standards have been followed and that there are no material departures;

(b) we 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) 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) the annual accounts have been prepared on a going concern basis;

(e) proper internal financial controls were laid down and that such internal financial controls are adequate and were operating effectively*; and

(f) proper systems were devised 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.*

ACKNOWLEDGEMENTS

The Directors wish to convey their appreciation to all of the Company's employees for their contribution towards the Company's performance. The Directors would also like to thank the shareholders, employee unions, customers, dealers, suppliers, bankers, Governments and all other business associates for their continuous support to the Company and their confidence in its management.

On behalf of the Board of Directors

N CHANDRASEKARAN
Chairman
(DIN: 00121863)

Mumbai, May 20, 2019

ANNEXURE-1

Details of Remuneration of Directors, Employees and comparatives

[Pursuant to Section 197 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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 FY 2019:**

Sr No.	Names of Directors	Designation	Ratio of remuneration to median remuneration	% increase in the remuneration
I	**Non-Executive Directors**			
1	Mr N Chandrasekaran(1)	Chairman- NED	--	--
2	Mr N Munjee	Independent Director	12.77	--(3)
3	Mr V K Jairath	Independent Director	12.59	--(3)
4	Ms Falguni Nayar	Independent Director	10.58	--(3)
5	Dr Ralf Speth(2)	Non-Executive Director	--	--
6	Mr Om Prakash Bhatt	Independent Director	12.85	--(3)
7	Ms Hanne Sorensen	Independent Director	10.29	--(3)
II	**Whole-time Directors**			
8	Mr Guenter Butschek	CEO and Managing	351.22	1.57
9	Mr Satish Borwankar	Executive Director and Chief Operating Officer	32.79	11.55
III	**Key Managerial Personnel**			
1	Mr P B Balaji	Chief Financial Officer	108.49	--(4)
2	Mr Hoshang Sethna	Company Secretary	19.82	17.50

Notes

(1) As a policy, Mr N Chandrasekaran, Chairman has abstained from receiving Commission from the Company and hence not being stated.

(2) Dr Ralf Speth is not paid any commission or sitting fees in view of his appointment as CEO and Director of Jaguar Land Rover Automotive PLC.

(3) Not comparable as no commission was declared for the FY 2017-18.

(4) Not comparable as remuneration for previous year was for part of the year.

b. **A break-up of median remuneration for employees is given below:**

Employee Group	Median Remuneration (₹ in lakhs)	Increase in the median remuneration (%)
White Collar	11.70	13.04
Blue Collar	6.41	11.48

The Median Remuneration of employees for the FY 2019 is ₹ 7.64 lakhs

2. **The number of permanent employees on the rolls of Company as at March 31, 2019:** 27,572

3. **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 FY 2019 (in %)
All permanent (Blue Collar and White Collar permanent)	**6.00**
White Collar	10.00
Blue collar	4.48
Executive Directors/Managerial Remuneration	
Mr Guenter Butschek	1.57
Mr Satish Borwankar	11.55

Note :

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.

On behalf of the Board of Directors

N CHANDRASEKARAN
Chairman
(DIN: 00121863)

Mumbai, May 20, 2019

ANNEXURE-2

Annual Report on CSR Activities

[Pursuant to Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility policy) Rules, 2014]

1. **A brief outline of the Company's CSR policy, including an overview of projects or programmes proposed to be undertaking 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/about-us/policies.php

   (ii) **CSR Projects:** 1. *Aarogya* (Health): Addressing child malnutrition; health awareness for females; preventive & curative health services, drinking water projects; 2. *Vidyadhanam* (Education): Scholarships; Special coaching classes for secondary school students; IIT-JEE & competitive exams coaching, school infrastructure improvement; co-curricular activities; Financial aid to engg. students, 3. *Kaushalya* (Employability): Divers training – novice and refresher; ITI partnership & 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;

2. **Composition of CSR Committee:** The CSR Committee of the Board of Tata Motors comprises of (i) Mr Om Prakash Bhatt, Non-Executive, Independent Director [Chairman of the Committee]; (ii) Ms. Falguni S. Nayar, Non-Executive, Independent Director [Member of the Committee] (iii) Mr Guenter Butschek, CEO & Managing Director [Member of the Committee] and (iv) Mr. Satish B Borwankar, Executive Director and Chief Operating Office [Member of the Committee].

3. **Average Net Profit of the Company for last three financial years:** Nil: Loss (₹1496.61 crores)

4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):** Not applicable in view of the losses.

5. **Details of CSR Spend during the financial year:**

   ₹ 22.21 crores was spent towards various schemes of CSR as prescribed under Section 135 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:** For details, please refer 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. **Responsibility Statement of CSR Committee of Board:** The CSR Committee of the Company's Board states that the implementation and monitoring of the CSR Policy, is in compliance with the 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.

Guenter Butschek	**Om Prakash Bhatt**
CEO & Managing Director	Non-Executive, Independent Director
	(Chairman CSR Committee)
(DIN 07427375)	(DIN 00548091)

Mumbai, May 20, 2019

ANNEXURE – A

Sr. 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	Amount spent on the projects or programs		Cumulative spend upto the reporting period	Amount spent: Direct/ through implementing agency*
					Direct	Overheads*		
								(₹ in crores)
1	Skill Development and vocational skills in Automotive and Non-Automotive Sector	Employability Enhancing Skill Development	Karnataka - Bangalore Karnataka - Dharwad Maharashtra - Mumbai Maharashtra - Mumbai, Thane Maharashtra- Navi Mumbai Maharashtra-Pune Gujarat - Ahmedabad Jharkhand- East Singhbhum Uttar Pradesh - Bara Banki, Lucknow Uttarakhand Udham Singh Nagar	5.40	5.39	0.27	5.66	Direct = 0.17 Implementation Agency = 5.14
2	Promoting primary and secondary education in Rural and Socially/ Economically Backward communities	Promoting Education	Karnataka-Bangalore Karnataka-Dharwad Maharashtra-Mumbai Maharashtra-Mumbai, Thane Maharashtra-Navi Mumbai Maharashtra- Pune Gujarat-Ahmedabad Jharkhand- East Singhbhum Uttar Pradesh- BaraBanki, Lucknow Uttarakhand-Udham Singh Nagar	8.54	8.27	0.41	8.68	Direct = 0.00 Implementation Agency = 8.00
3	Preventive and curative health services in Communities	Eradicating Hunger, Promoting preventive healthcare, Malnutrition, Promoting Preventive healthcare and sanitation and safe drinking water	Maharashtra- MumbaiMaharashtra-PalgharMaharashtra- PuneGujarat-AhmedabadJharkhand- East SinghbhumUttar Pradesh- Bara Banki,LucknowUttarakhand- Udham Singh Nagar	3.22	3.99	0.20	4.19	Direct = 0.00 Implementation Agency = 4.12
4	Ensuring environmental sustainability through awareness and protection of natural habitats	Ensuring environmental sustainability	Maharashtra- MumbaiMaharashtra-PalgharMaharashtra- PuneGujarat-AhmedabadJharkhand- East SinghbhumUttar Pradesh-BaraBanki,LucknowUttarakhand-Udham Singh Nagar	1.32	1.18	0.06	1.24	Direct = 0.00 Implementation Agency = 1.25
5	Rural Development	Rural development projects	Maharashtra-Mumbai, Maharashtra-Palghar	1.65	1.51	0.15	1.66	Direct = 0.00 Implementation Agency = 1.14
6	Drinking water project under SMDF	Safe Drinking water	Karnataka- Bangalore, Dharwad; Maharashtra- Mumbai,Thane, Palghar, Pune- Navi Mumbai; Gujarat- Ahmedabad; Jharkhand-East SinghbhumUttar Pradesh- Bara Banki,LucknowUttarakhand- Udham Singh Nagar	0.00	0.65	0.00	0.65	
7	Administrative Overheads And Capacity Building Cost			0.20	0.13	0.00	0.13	
	Total			**20.33**	**21.12**	**1.09**	**22.21**	

Note:
The CSR spends amount excludes ₹ 2.99 crore donated to Tata Community Initiative Trust (TCIT) for repair of infrastructure which was affected during the flood in Kerala (August 2018)

*Details of implementing agency

1. **Employability :** AB FOUNDATION FOR SKILLS AND SUSTAINABILITY, Ador Welding Academy Pvt. Ltd., Ambika Motor Drving School, Avashya Foundation, BAIF Development Research Foundation, Balasore ITI, CBDRDSETI, Centum Foundation, DB Guwahati, DB Skills And Livelihood Pvt Ltd, Edujobs Academy Pvt Ltd, GANATAR, Gram Tarang Employability Training Services Pvt Ltd, Gram Vikas Kendra, GTET Balangir, GTET Parlakhimidi, Hubert Ebner India Pvt Ltd, IDTR, IIIM Bihar, IIIM Tripura, IIIM WB, Indian Academy for Self Employed Women (IASEW), Indus Integrated Information Management Limited, Institute of Driving Training and Research, Institute of Social Development, ITI Nandnagari, JSS Shri Manjunatheshwara Pvt ITI Vidyagiri Dharwad, LAURUS EDUTECH LIFE SKILLS PVT LTD, Laurus Selam, Manikbag Automobile Pvt Ltd, MITCON Foundation, Mukund Service station Pvt. Ltd., Navjyoti Education Society, PACE Center Chembur, Paryawaran Evam Jan Kalyan Samiti(PEJKS), Pipal Tree Rangareddy, Prasad Chikitsa, Pratham Education Foundation, Ramakrishna Mission Belur, Ramkrishna Mission Sakwar, Saath Charitable Trust, Samaj Vikas Kendra, Sambhav Foundation, SANAND EDUCATION TRUST, Shashwat, Skill For Progress, SUVIDHA, Swaroopwardhinee, Tangent Tech Solutions, Tata Strive, TTC Fudi, Vedanta Foundation, Vedanta Foundation (Motor Driving School), Vedanta Foundation Motor Driving School, Vedanta Jalna, Vedanta Patna, Vedanta Reengus, Vikas Samities, VRUKSHA, Yashaswi Academy For Skills

2. **Education :** Agastya International Foundation, Avanti Fellows, Children's Movement for Civic Awareness - CMCA , College of Engineering Pune, DGB Infosystem, Foundation for Academic Excellence and Access (FAEA), GANATAR, Global Education Trust, Gram Vikas Kendra, IIT Bombay Alumni Association - IITBAA, Indian Institute of Management Bangalore, Indian Institute Of Science, Indian Institute of Technology - Gandhinagar, IndiaNow Foundation, Institute of Driving Training and Research, Institute of Social Development, Jeevantirth, Moinee Foundation, Moinee Foundation_Pune, Nav Jagrat Manav Samaj, Navneet Foundation, Paryawaran Evam Jan Kalyan Samiti (PEJKS), Prayas Organisation for Sustainable Development, Samaj Vikas Kendra, Samata Shikshan Sanstha, Seva Sahyog Foundation, Shiksha Prasar Kendra, Society for Human Environmental Development (SHED), SRI SARADA MATH, Suprabhat Mahila Mandal, Swami Vivekananda Youth Movement, Swaroopwardhinee, Tangent Tech Solutions, Tata Institute of Social Sciences, The South Indian's Organization, Urmee Charitable Trust, VASUNDHARA PUBLIC CHARITABLE TRUST, Vidya Poshak, Vikas Samities

3. **Health :** Family Planning Association of India Dharwad Branch, GANATAR, Gram Vikas Kendra, Impact India Foundation, Institute of Social Development, Jan Parivar Kalyan Sansthan, Lokmanya Medical Research Centre, LTH SILVER JUBILEE RESEARCH FOUNDATION, Manav Seva Education Trust , NAMASTE LIFE, Nav Jagrat Manav Samaj, Parivar Kalyan Sansthan, Prasad Chikitsa, Ramkrishna Mission Sakwar, Sneh Foundation, Snehdeep Jankalyan Foundation, Tangent Tech Solutions, Unik Medicare Solution, Vikas Samities

4. **Environment :** BAIF Institute for Sustainable Livelihood and Development, Bansilal Ramntath Agarwal Charitable Trust, BNHS (Bombay Natural History Society), Gram Vikas Kendra, Green Thumb, Institute of Social Development, Manav Seva Education Trust, Prasad Chikitsa, Samaj Vikas Kendra, Shri Nityanand Education Trust, SUVIDHA, Terre Policy Center, Wildlife Research and Conservation Society

5. **Rural Development :** BSILD

ANNEXURE-3

Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

[Pursuant to Section 134 (3) (m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014]

A. CONSERVATION OF ENERGY

The Company has always been conscious of the need to conserve energy in its Manufacturing Plants which leads to optimized consumption of non-renewable fossil fuels, energy productivity, climate change mitigation and reduction in operational costs. The Company is also signatory to RE100 - a collaborative, global initiative of influential businesses committed to 100% renewable electricity, and is working towards massively increasing the demand for RE deliverables.

(i) Steps taken or impact on conservation of energy:

Energy Conservation (ENCON) projects have been implemented at all Plants and Offices of the Company in a planned and budgeted manner. Some of the major ENCON Projects in FY 2019 include:

- Jamshedpur Plant: Use of Glow Plug device in place of LPG in Heat Treatment, Optimising HT furnace operation for crown wheel processing, Optimizing FDV (Forced Draft Ventilation) unit operation running in VFD (variable frequency drive) modes, Reduction in propane consumption in Long Member PT-CED Ovens by installation of Flux Maxiox (fuel saving device) and optimizing shell temperature of Ovens through regular energy audits.
- Pimpri Plant: Converting 8500 Nos. of 36W fluorescent tubes to 18WLED tubes, Optimized equipment running by proper shift management.
- Chinchwad Plant: Replacement of 500 Nos. of 400W high bay lamps with 300 Nos. of 120W LED fixtures, Separation of compressed air supply to Grey Iron and Aluminium Foundry to reduce energy consumed by Compressors.
- Maval Foundry: Yield Improvement projects on Moulding Line, Reduced heating time through integral heater core box design for all new core boxes.
- Lucknow Plant: Reduction in compressed air consumption and AC power consumption at Plant level.
- Pantnagar Plant: Reduction in compressed air consumption at Plant level, Installation of VFDs on 75KW exhaust blowers of Paint Booths, Start-up time reduction in ASU Burners in Surfacer and Base Coat booth, Streamlined production planning for metallic color batch painting.
- Dharwad Plant: Fuel conservation by improvements in start-up of ACC oven.
- Chikhali Plant: Optimization of line running in Press & Weld Shop as per production plan.
- Sanand Plant: Optimising running hours of ASU Chillers, VFD for ED circulation pumps, Magnetic Fuel Saver, Arresting heat leakages in all Paint Baking Ovens.

  These ENCON efforts in fiscal 2019 have resulted into - energy savings of 1,07,415 GJ (76,185 GJ power + 31,230 GJ fuel), avoided emission of 20,218 tCO_2e and cost savings of INR 1,834 lakhs.

(ii) Steps taken for utilizing alternate sources of energy:

- The Company has set up Renewable Energy generation capacity (solar and wind) which includes:
  - 21.95 MW Captive Wind Power Plant (off-site) at Supa and Satara in Maharashtra;
  - 3.8 MW Roof-top Solar PV installation at Pimpri & Chikhali (Pune);
  - 2 MW Roof-top Solar PV installation at Sanand;
  - 2 MW Roof-top Solar PV installation at Lucknow;
  - 18.5 kWp Solar PV installation at Pantnagar; &
  - 7.2 kW hybrid-wind and solar installation at Dharwad
- In FY 2019, the in-house RE capacity was enhanced by 2MWp Roof-top Solar PV installations each at Lucknow and Pimpri Plants and by 0.5 MW at Chinchwad, Pune, which will help offset GHG emissions in the coming FY'19-20. The Company sources off-site wind power at its Pune, Sanand and Dharwad Works through Power Purchase Agreements (PPA) with Third Party Wind Power Generators and will continue to source renewable power from the grid in line with regulatory policies / frameworks and tariffs in the States of operations. Taking this further, the Company has signed a Power Purchase Agreement (PPA) with M/s Tata Power Renewable Energy Ltd. (TPREL) for setting up an additional 7 MWp capacity of roof and ground mounted solar photovoltaic (PV) installations across Jamshedpur, Pantnagar and Dharwad Plants.
- In FY 2019 the Company generated / sourced 94.30 million kWh of renewable electricity for its manufacturing operations, contributing to avoidance of 77,333 tCO_2e and financial saving of ₹39.12 Crores.

(iii) Capital investment on energy conservation equipment:

In FY 2019, the Company has invested ₹333.22 lakhs in various energy conservation projects.

Awards / Recognition received during the year is as below,

- Lucknow Plant won the "Uttar Pradesh State Energy Conservation Award 2018" (under Industries General Category having connected load 1MW and above), - a State level competition conducted by Uttar Pradesh New and Renewable Energy Development Agency (UPNEDA).
- CV Pune won the "Renewable Energy Excellence End User Award 2018" at Renewable Energy India Awards 2018 - Asia's largest Renewable Energy Expo organized by UBM India.
- CV Pantnagar Plant won the "Golden Peacock Award for Energy Efficiency 2018" organized by Institute of Directors.
- CV Pune and Pantnagar Plants recognized as "Excellent Energy Efficient Unit" at the CII National Award for Excellence in Energy Management 2018. CV Pune and CV Pantnagar Plants were also among only 3 units awarded "National Energy Leader" in the 'Automobile & Engineering' Sector.
- Jamshedpur Plant recognized as "Energy Efficient Unit" at the CII National Award for Excellence in Energy Management 2018.
- Jamshedpur Plant received 4.5/5 Star rating at the CII Energy Conclave-2018 organized by CII –Eastern Region.

- Pantnagar Plant was certified 'PLATINUM' under CII's "GreenCo Rating" system in 2018. Pantnagar Plant was originally rated 'GOLD' in 2015.
- Sanand Plant was certified 'PLATINUM' under CII's "GreenCo Rating" system in 2018.

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

(i) Efforts made towards Technology Absorption, Adaptation and Innovation

The Company used 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 present, 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. The main endeavor is to continuously keep scanning for innovative projects in the third and second horizon and to integrate the promising ones to main stream projects in the first horizon.

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 and College of Engineering Pune to undertake collaborative research on live projects and to create a technological partnership.

For example, some of the forward-looking technology programs that the Company is concentrating on are:

- Continuous & increased focus for fuel efficiency improvements across engine platforms through parasitic loss reduction, electrification of accessories, etc.
- Guided diagnostics coupled with connectivity solutions across identified engine/vehicle platforms
- Participation in a consortium led by a US research firm, for thermal efficiency improvement of diesel engines

Sustainable mobility solutions are the focal point of the global automotive industry. Strict emission norms, crash safety requirements and congestion is resulting in mobility transformation. The challenges faced by the Indian automotive industry remain the same, pressure from regulation and customer affordability. The Company aims to deliver well engineered, safe, advanced cars to the market. The company's future technology pipeline focuses on four key pillars namely Smart Autonomous & Connected vehicle, Clean Vehicle, Capable Vehicle and Desirable vehicle. To kindle innovation, Tata Motors is setting up lean and agile innovation hubs. These hubs which will operate like startups with focus on testing of solutions and go-to-market strategies. The first of these centers was established in Palo Alto, California.

Key areas of technology engagement in line with global and Indian trends:

- Advanced HMI technologies for improved user experience
- Advanced occupant safety and driving convenience adapted to Indian driving conditions
- Advanced connectivity architecture to support future mobility driven features
- Advanced vehicle efficiency through light-weighting of body and chassis structures, higher efficiency aggregates

Tata Motors is participating in the Govt of India initiated Ucchatar Avishkar Yojana (UAY) project with IIT Kharagpur and Indian Institute of Science (IISC), Bangalore through which indigenous technology for battery packs, traction motors and engineering solutions for system integration is being developed. TML is also collaborating with academic institutions like IISc Bangalore and IIT Bombay for indigenous development of power electronics converters, fuel cell accessories, control algorithm for battery management system and heat exchanger for fuel cell applications.

Tata Motors believes in bringing academia and industry together for advancements in automotive research. Recent research conducted with Birla Institute of Technology & Science, Pilani, Vellore Institute of Technology- Chennai, Vishwakarma Institute of Technology, Pune & other leading technical institutes include:

- Digital validation development of full vehicle multi-body dynamic model for engine mounting system to validate attributes in the lab
- Development of full vehicle multi-body dynamic model for simulation of PAT targets for engine mounting system
- Brake disc temperature rise simulation for multi-stop applications
- Tire component target cascading simulation for vehicle ride and handling (ongoing)
- Engine vibration frequency calculation and simulation in ADAMS for improved NVH
- A new approach for powertrain multi-attribute target development & balancing for vehicle integration
- Mathematical model of powertrain for the passenger vehicle with Front Wheel Drive (FWD) is in development to address torsional vibrations
- Model development and analysis of effect of various steering, suspension and tire parameters on steering dynamic behavior
- Effect of suspension bush stiffness on vehicle K&C Attributes
- Vehicle SPMM & Handling Attribute Simulation
- Methodology Development for Brake Squeal Simulation using Abaqus FEA Software and Appropriate Squeal Reduction Strategy.
- Development of simulation methodology for predicting tire durability.
- Methodology development of engine mount target cascading and design optimization to meet NVH PAT.

(ii) Benefits derived as a result of the above efforts

The Company continues to strengthen its capabilities across the technology domains to meet emerging and future market needs. By careful selection of advanced engineering and future technology portfolio, the Company intends to capitalize and bookshelf the developed technology for incorporation into future products for making them more exciting and more attractive to the end customers.

The Company also endeavors 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.

In passenger vehicles, the Company's continued efforts have translated into successful product launches and concept unveils. Earlier launched Tata Nexon is already the winner of several awards. It bagged the honor of becoming 1st engineered & made in India Car with 5-Star Global NCAP safety crash test rating scoring 5 stars for Adult Occupant Protection and 3 stars for Child Occupant Protection. This is a huge landmark in Indian car safety.

With the recently launched Tata Harrier, the Company entered the premium mid-size SUV segment. In a week of its launch, the Tata Harrier bagged the award for 'Most Awaited Car of the Year 2019', at the Exhibit Auto Tech Awards. Tata Motors also added to its passenger vehicle family the Tata NRG with SUV inspired styling in the entry-level cross-hatch segment.

In commercial vehicles, an updated version of the original segment defining SCV Tata Ace was launched as Tata Ace Gold offering enhanced ergonomics, safety and comfort. In the Intermediate Light Commercial Vehicle Category, the Next Gen range of Ultra World trucks were launched early last fiscal.

Continued efforts have ensured that Tata Motors bagged the prestigious Autocar "2019 Manufacturer of the year", under challenging market circumstances.

(iii) a) Major technology absorption initiative undertaken:

Sr. No.	Technology for	Status
1	Focus on simulation capabilities through various software, Hardware-in-Loop (HiL) to reduce development timelines	Development in progress
2	Connected car Technology and Cyber Security	Deploying to product
3	Advanced driver assistance with 360 degree sense, blind spot detection, surround view	Proof of Concept Ready
4	Safety plus systems for collision detection, mitigation, longitudinal drive ability control, and driver monitoring	Development in progress
5	Domain controllers for cockpit electronics with reconfigurable HMI	Proof of Concept Ready
6	Low cost Electronic Parking Brake	Deploying to product
7	Light Weighting of BIW and Chassis Structures	Proof of Concept Ready
8	Express cooling systems in vehicle using coanda vents, electronically variable – displacement compressor and in-cabin heating optimization	Proof of Concept Ready
9	Low cost LED lighting	Development in progress
10	Configurable seating offering enhanced safety and comfort with light-weighting	Development in progress
11	Fuel cell vehicle based on small commercial vehicle	Demonstration is in progress
12	Hydrogen recirculation blower system for Fuel cell system	Deployed on vehicle and testing is process
13	Battery management system for EV bus/car and car hybrids	Development in progress
14	In-house patented hybrid powertrain	Development in progress
15	Development of DC-DC converter for fuel cell vehicles and on board charges	Development in progress
16	Traction motor control algorithm development for xEVs	Testing is in progress
17	Battery packs for electric and hybrid vehicles	Development in progress
18	Fuel Cell/Battery EV controller for fuel cell / Battery Electric vehicles	Development in progress
19	Automotive fuel cell Stack	Development in progress
20	Traction motor controller hardware	Testing is in progress
21	Design and development Induction Traction motors based	Testing is in progress
22	Demonstration of parallel PHEV technology (Alternate Fuel)	Development in progress
23	Advanced Driver Assistance Safety Systems LDWS, AEBS	Testing in Progress
24	Automatic transmission on SUV platform	Implemented
25	Reduced Cost of Ownership through development of fuel filter with pressure switch on Nexon	Implemented
26	Hill Assist system (Patent filed) for pick-up trucks	Developed
27	Inching autonomous driving in passenger car gasoline vehicles	Development in progress
28	Brake blending systems for improving regenerative brake energy capture in electric and hybrid vehicles	PoC completed
29	Exhaust energy recovery through Vapour-ejector refrigeration systems	Project Closed
30	Electric Trolley Bus system	Project On Hold
31	Ultra capacitor based energy storage system for hybrid vehicles	Developed
32	Induction motor with copper rotor	Developed
33	Moflex MMS Structural Technology	Deploying to product

(iii) b) Major Technology Imports includes (preceding 3 financial years):

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 analyser and knock sensors	2015-16	Implemented
4	Miniature shakers [from USA]—needed for Accurate Transfer Path Analysis of vibrations of engine To vehicle-body	2016-17	Implemented
5	Master air flow calibration rig	2016-17	Implemented
6	Climatic chamber with gasoline emission facility	2016-17	Implemented
7	Upgrade of test facilities for BS-6 compliance including particle number counter, ammonia analyzer, urea measurement system	2017-18	Implemented
8	Diesel Particulate Filter oven and weighing balance	2017-18	Implemented
9	A single channel Digital Signal Processer from M/s Silentium, Israel as a low cost Active Noise cancellation	2017-18	Implemented
10	New Chassis Dynamometer & upgradation of existing chassis dynamometer for BS-6 & beyond regulatory requirement and first of its kind multi-storey vehicle soaking facility	2018-19	Implemented
11	Software features such as cruise control, vehicle acceleration management, load based speed control & gear down protection in M&HCV trucks	2018-19	Implemented
12	Capability & capacity enhancement in ERC Engines for BS-6 Phase-1 and Phase-2 requirements	2018-19	Development in progress

(iv) Specific areas in which R & D is undertaken

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 product 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.

As one of India's largest R&D spenders, the Company focuses on connected, electric, shared and safe mobility and is aligned with local and global trends. To enhance in-cab experience, an in-built air freshening system has been developed. A new generation of infotainment products are being developed, that includes the next generation ConnectNext platform. It adapts Android Auto and Apple Carplay following with Android automotive operating systems that brings consumer world into the car infotainment system. We continually strive to offer our customers best – in class experience and take feedback from JD power surveys.

Tata Motors along with its subsidiary, TMETC has developed a fully autonomous car as part of the UK Auto drive project. This research initiative ensures that Tata Motors remains among the forefront of autonomous driving technology. To offer consumers a safer, smarter and convenient future.

Further to the above technologies, the Company is exploring Emergency Call, a solution that will contact emergency services in the event of an accident. The system will share GPS location to ensure time critical assistance. Tata Motors constantly strives to renew customer experience, hence focusing on solutions such as innovative seating configurations, express cooling, electronic parking brakes are few of the areas under focus.

Some of the forward-looking R&D programs that the Company is concentrating on are:

- Robust control system for hybrid and electric buses and electric cars
- Electrification of vehicle accessories for electric buses
- Development of indigenous Li-Ion battery packs for hybrid and electric buses and electric cars
- Indigenous development of fuel cell systems and accessories
- Development of high efficiency motors and inverters
- Development of electrically driven thermostat, fan, oil pump, turbocharger on various engine platforms which improve fuel economy and overall performance of vehicle
- Increased drain intervals for oil for axle and gear box inline with implemented for engines

Benefits derived as a result of the above R&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 on technology front strengthening the Company's position in commercial vehicles and would contribute in repositioning and transforming passenger vehicles to compete at a global level.

The Company's 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 Regional Development Authority (MMRDA), the largest order for hybrid buses in India till date. Once the hybrid buses start running in Mumbai, the Company expects further orders from other cities.

Through focused in-house development of technology, the Company is able to offer new technology products at more affordable prices compared to global equivalent products. For example, we won tenders for Electric buses and Electric cars from Govt of India on a global basis in which our products were offered at the lowest cost. The indigenously developed fuel cell buses would be far cheaper than the fuel cell buses available from a handful of global bus manufacturers, if put to production. The strength of the Company's approach to R&D in alternate powertrain is that the aggregates are globally sourced, but the overall system integration is done in-house to ensure that the final product serves the customer needs optimally and at lower price points. The Company is also putting efforts in indigenization of EV aggregates and fuel cell aggregates.

Targeting the booming Indian e-commerce sector, the Company has developed trucking solutions, including vehicles with customised payloads and deck lengths and vehicles equipped with advanced features such as OTP lock, CCTV cameras, load sensors, telematics system. The Company showcased 13 fully built, ready-to-use vehicles at 'The e-Commerce Expo 2019' in Mumbai. Reiterating its commitment to the Swachh Bharat Mission, Tata Motors showcased its Integrated Waste Management Customised Solutions at the MUNICIPALIKA 2018 event from September 19-21, 2018 at the Bombay Exhibition Center.

During FY 2019, we filed 86 patent applications and 113 design applications. In respect of applications filed in earlier years, 104 patents have been granted and 37 designs registered. Both filing and grant details include national and international jurisdictions.

Future Plan of Action

We plan to continue our endeavor in the research and development space to develop vehicles with reduced cost, time to market and shorter product life cycles. One of the main initiatives in this direction would be a platform approach to create bills of material and bills of process that have a high degree of commonality to reduce complexity and enhance ability to scale. The Company aims for timely and successful conclusion of technology projects so as to begin their induction into mainstream products, which will lead to a promising future. Our Focus is going to be building technology, capability, scale & capacities in R&D to able to ride the emerging trends. We are now focusing more on accelerated testing and validation and are using a lot of digital tools for the simulation process. The Company has charted a massive jump from 181st rank last year to 2nd rank in India's Most Attractive Brands 2018. Tata

Motors has been able to stay ahead of the curve and create superior offerings for the customer. Our keen eye for digitisation, connectivity, automation and advanced regulations' compliance is helping us deliver exciting innovations to our customers worldwide. On current product portfolio, the enhancements are offered through an approach of modular architecture strategy, enhanced Powertrain solutions, light weighting, system efficiency improvement strategies etc.

Innovation at the Engineering Research Center (ERC)

At Tata Motors while using different initiatives to strengthen the creative potential of our Business units and R&D team in ERC, we also work with the external Eco-system of suppliers, technology companies and startups to leverage their know how, creativity and out of the box thinking. Internally we have introduced formats like Innoverse and Imagineering, where ideas are crowdsourced and developed in proof of concepts through an accelerated development and maturation process, to Ideathon, on the lines of a hackathon.

These focus both on the traditional technologies as well as the emerging ones that allow us to deliver on the 4 disruption vectors impacting the automotive industry namely CESS (Connected, Electrified, Shared and Safe). These developments then find their way into product programs in a structured manner, of moving from limited proof of concepts to a fully engineered and deployable outcome.

Externally we have launched the TACNet program – Tata Motors Automobility Collaboration Network https://tacnet.tatamotors.com to connect and engage with technology companies and start-up community. Through this platform we post business challenges for which we are seeking solutions, as well as invite companies with innovative futuristic solutions to reach out to us for collaborative working.

a. Mobility Services

Building on the work started over the last couple of years, Tata Motors is looking at addressing the emerging and evolving needs of the markets and customers it serves through augmented products, service model offerings and mobility solutions. This not only allows us to serve our existing customers better, but also bring new customers to the Brand whose needs were not being catered to with our current offerings. Inline with the Vision statement, Mobility solutions across People and Goods movement will form a key part of our strategy and market offering. This will be done selectively through both investments as well as collaborations as an engagement model and explore through multiple on ground pilots before scaling the successful ones.

The Company will continue to invest in R&D as well as collaborative projects which will enhance the competitiveness of it's future products and will also start active research in upcoming areas of automotive technology like autonomous driving, connected cars, and others.

Tata Motors plans to focus in the following areas to meet future product portfolio needs.

- Telematics and connected solutions entering into smart city era powered by 5G
- Enhancing user experience with natural voice recognition and smart access systems
- Improving vehicle efficiency and alternate propulsion systems through light-weight structures
- Advanced driver assistance systems that increase occupant safety and convenience

b. Digital Product Development Systems Initiatives

Front loading of product creation, validation & testing and seamless information dissemination are major contributors to 'Time to Market' and 'World Class Quality' initiatives to improve product development process.

Significant improvements in key processes for product design and manufacturing planning domain through modification of existing processes identifying few manual processes and converting into digital domain for better quality and agility.

- Connected Vehicle platform (CVP) core strategy has been finalized for standardizing and modularizing on-vehicle electronics, enhanced reuse to achieve economies of scale, leveraging synergy at dealership and service network and IoT based technology development.
- Modular BOM approach initiated in design and manufacturing domain to increase flexibility and minimize complexities.
- Implementation of online systems for improving tracking, signoffs, reporting and analysis by digitalization of 60 business processes based on homegrown pFirst platform. Major systems implemented in areas of VA/VE, WCQ, Program Management and budget tracking across functions.
- 40 new knowledge based engineering applications were designed and implemented across various product design and safety domains such as, Rear Parking Assist System Analysis (RPAS), Digital Validation of initial CAS surface carried out for its exterior projections to reduce bodily injury risk to a person in the event of a collision.
- More than 150 new productivity enhancement tools were developed and implemented across various product design and validation domains which assists our large number of engineers to increase productivity significantly through identified levers such as enhanced quality checks for design, drawing automation and process automation.
- For reducing number of parts and to increase reuse of parts across platforms, 3D feature based part search tool is integrated into parts creation and release process. Process is enhanced by providing information of other enterprise data and augmented with analytics for speedy decision.
- Critical manufacturing processes were validated digitally during BS-VI development with simulation including ergonomic analysis to detect potential problems in early stages of planning. MOST time analysis is being done extensively for MOP (Measure of Performance) improvement on the shop floor.
- Automotive Body Fastener design process is enriched by implementing in-house developed body fastener authoring tool for BIW designers.
- Next Generation Smart Assembly Management framework was designed and developed by using Smart User Defined Function/ Feature (UDF) and Smart Constraints for CVBU UDF based assembly design methodology. 6 UDF based Smart Assembly

application were delivered for Air brake systems and fuel system design groups.

- Product design quality and manufacturing quality is enhanced by implementing Dimensional Variation Analysis (DVA) by simulating product design and manufacturing process.
- To make information available to right stakeholders at right time, latest technology of BOTs based apps are deployed for multiple functions helping them verify data and take informed decisions.
- Deep Learning artificial intelligence (AI) based algorithms and apps are introduced into design process to reduce physical testing cycles by building predictive models helping in closing the gap between physical & digital simulations.
- High Performance Computing (HPC) infrastructure is augmented by adding 2 new HPC systems. CAE simulation using General Purpose Graphics Processing Unit (GPGPU) computation technology.
- Deployment of satellite servers across all plant locations, architected with high redundancy with almost zero downtime for applications deployed on a large number of virtual servers delivering high performance compliant to security standards of ISO27001.
- Implemented SIEM (Security Information and Event Management) Application, which collects, stores and analyses logs from different sources including servers, network devices and security devices, centrally monitoring security threats in real time for quick attack detection and response with holistic security reporting and compliance management.

C. FOREIGN EXCHANGE EARNINGS & OUTGO

Activities relating to exports

The Company exported 53,140 vehicles comprising 51,119 CVs and 2,021 PVs. Export initiatives and highlights include:

Commercial Vehicles

- The Company participated in key Global motor shows and conclaves such as the Bhutan Construction Expo, Fexpocruz (Bolivia), Bangkok Motor Show, Dhaka Automotive Show, Malaysia, Philippines, Thailand Defence Expo.
- Ultra was launched in Malaysia, LPT 1212 in Bangladesh, CR range of intermediate and light commercial vehicles were launched in Bhutan. Signa series was launched in Bangladesh & Mozambique, Prima 3338 range of tippers in Indonesia, Super Ace mint E4 in Philippines and Vietnam, Ace Mega XL in SAARC and SE African markets, Magna in Bangladesh & Tanzania, Elanza in Oman and E4 models in Sri Lanka.
- CVIB conducted 'Global Service Campaign' in more than 40 countries in 3rd week of November, 2018 as a part of the enhancing the Customer Connect. The service campaign saw more than 50,000 vehicles serviced during the campaign.
- Bagged several prestigious orders, including order for 200 units from Myanmar Armed Forces, 400 units from AFTU Senegal, 450 Buses from ILOC Ivory Coast, etc.
- TATA Motors successfully delivered 200 units of LPTA 715 4x4 Troop Carrier to Myanmar Armed Forces.
- The 5th edition of the Company One World - International CV Distributor meet was held in Dubai from 25th to 23rd February, 2019. This year's event saw attendance by the Company Senior Management and over 200 guests from across 35 countries.

Passenger Vehicles

- Launch of new models in Nepal and Bangladesh helped the Company to the No. 4 and No. 3 rankings in the respective markets
- In Nepal, the Tata Motors' brand is at position 'Four' after competing with 26 Passenger Vehicle brands, with 11.8% market share. Tigor remains the No. 1 Sedan in Nepal with 22.2% Share, Sumo the No. 1 MUV with 47.1% Share. TML also has a No. 1 Share in Ambulance with 81.5% Share. Nexon is No. 2 in CUV with share of 31% in Nepal.
- In Bangladesh, the Company secured 'Market Leader Position' in cars segment with 23.7% Share. Tata Motors made the first ever supply to Bangladesh Army with 18 units of Hexa
- The Company participated in the prestigious Geneva Motor Show in Switzerland for the 22nd successive year where the Tata Altroz electric hatch, H2X concept, Buzzard Geneva Edition, Buzzard sport and Altroz premium urban car were displayed. The Company also participated in Nepal Automobile Dealers' Association (NADA) Auto Show and the Dhaka Automobile show where we achieved sales of 125 vehicles against 54 in FY2018.
- The Company participated in Rainstorm Emergency Relief activity carried out by SIPRADI CSR wing in Support with Tata Trust & Tata Motors. 65 families got relief package in this activity

Development of export markets

ASEAN and NW Africa are the Company's focus regions for future growth. Indonesia, Vietnam, Philippines and Malaysia are steadily picking up with the Tata Motors' brand becoming more visible in these markets. Our shipments to NW Africa increased by 31% in FY 2019 as compared to FY 2018, making it the fastest growing region. Vehicle assembly, in Vietnam saw steady growth of numbers. We also started assembly for Super Ace and Ultra in Malaysia in FY 2019.

The Company has been expanding its relevance in markets it is present in, with the introduction of new products such as Tata Prima, Ultra, Signa trucks and Buses in key markets to further grow volumes. The Company re-established its presence in the markets of Tanzania and Bhutan

Export Plans

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

Foreign Exchange Earnings and Outgo in FY 2019	(₹ in crores)
Earning in foreign currency	6,508.00
Expenditure in foreign currency (including dividend remittance)	3,958.66

On behalf of the Board of Directors

N CHANDRASEKARAN
Chairman
(DIN: 00121863)

Mumbai, May 20, 2019

ANNEXURE–4
Form No. MGT – 9
Extract of Annual Return
as on the financial year ended on 31st March, 2019
[Pursuant to Section 92(3) of the Companies Act, 2013 (the Act) and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i) CIN:- L28920MH1945PLC004520

ii) Registration Date:- 1st September, 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:-
Address: Bombay House, 24 Homi Mody Street,
Mumbai 400 001
Tel: 022-6665 8282
Email: inv_rel@tatamotors.com
Website: www.tatamotors.com

vi) Whether listed company:- Yes

vii) Name, Address and contact details of Registrar and Transfer Agent, if any:-
TSR Darashaw Consultants Pvt. Limited
6-10 Haji Moosa Patrawala
Industrial Estate, Near Famous Studio,
20, E Moses Road, Mahalaxmi (W), Mumbai 400 001
Tel: 022-6656 8484; Fax: 022-66568494
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 Sharstri Road, Bhanpud (W), Mumbai 400 078
Email: tatamotors.rights@linkintime.co.in;
Website: www.linkintime.com

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:-

Sr. No	Name and Description of main product/services	NIC Code of the Product / service	% to total turnover of the company
1	Manufacturing of Motor Vehicles	2910	89.58%

III. PARTICULARS OF HOLDING, SUBSIDIARIES AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)

Sr. No	Name and address of Company	CIN/GNL	Percentage of shares held
	Subsidiaries [pursuant to Section 2(87) of the Act]		
1	Concorde Motors (India) Limited 3rd Floor, Nanavati Mahalaya, 18 Homi Mody Street, Hutatma Chowk, Mumbai 400 001	U24110MH1972PLC015561	100
2	Tata Motors European Technical Centre PLC 18, Grosvenor Place, London, SW1X7HS	05551225	100
3	Tata Motors Insurance Broking and Advisory Services Limited 3rd Floor, Nanavati Mahalaya, 18 Homi Mody Street, Hutatma Chowk, Mumbai 400 001	U50300MH1997PLC149349	100
4	TML Holdings Pte Ltd 9 Battery Road, #15-01, Straits Trading Building, Singapore 049910	200802595C	100
5	TML Distribution Company Limited 3rd Floor, Nanavati Mahalaya, 18 Homi Mody Street, Hutatma Chowk, Mumbai 400 001	U63000MH2008PLC180593	100
6	Tata Hispano Motors Carrocera S.A. Carretera de Castellon, Km.230,5 (poligono Empresarium) Zaragoza, Spain	A50089119	100
7	Tata Hispano Motors Carrocerries Maghreb SA Zone Industrial - Berrechid, Rue Al Adrisa, Berrechid -26100, Morocco	1004723	100
8	TMF Holdings Limited 10th floor, 106 A and B, Maker Chambers III, Nariman Point, Mumbai 400 021	U65923MH2006PLC162503	100
9	Trilix S.r.l Via Teano 3, 10042 Nichelino, Torino, Italy	1044707	100
10	Tata Precision Industries Pte Ltd 1 Robinson Road, #19-01, AIA Towers, Singapore 048 542	197100574C	78.39
11	Tata Technologies Limited Plot No. 25, Pune Infotechpark, MIDC Taluka - Mulshi Hinjawadi, Pune - 27	U72200PN1994PLC013313	72.28
12	Tata Marcopolo Motors Limited Bombay House, 24, Homi Mody Street, Mumbai-400001	U34101MH2006PLC164771	51

Sr. No	Name and address of Company	CIN/GNL	Percentage of shares held
13	Tata Daewoo Commercial Vehicle Company Limited 172 Dongjangsan-ro, Gunsan-si, Joellabuk-do, 54006, Korea	401-81-22865	100
14	Tata Motors (Thailand) Ltd 199 Column Tower 20th Floor, Ratchadapisek Road, Klongtoey, Bangkok 10110 Thailand	0105550023406	95.87
15	Tata Motors (SA)(Proprietary) Ltd 39 Ferguson Road, Illova 2196	2007/034689/07	60
16	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, Republic of Indonesia	Tax Reg no. 03.188.148.5-013.000	100
17	Jaguar Land Rover Automotive Plc Abbey Road, Whitley, Coventry, CV3 4LF - England UK	6477691	100
18	TMNL Motor Services Nigeria Limited C/o Tata Africa Services (Nigeria) Limited, Plot C89, Amuwo Odofin Industrial Layout, Lagos, Nigeria	1284940	100
19	Tata Technologies Pte Limited 8 Shenton Way, #19-05 AXA Tower, Singapore 068811	198100504W	72.28
20	Tata Motors Finance Solutions Limited C/o Tata Motors Finance Ltd., 10th floor, 106 A & B, Maker Chambers III, Nariman Point, Mumbai 400 021	U65910MH1992PLC187184	100
21	Tata Motors Finance Limited C/o Tata Motors Finance Limited, 10th F 106 A & B, Makers Chambers III, Nariman Point Mumbai 400 021	U45200MH1989PLC050444	100
22	Tata Daewoo Commercial Vehicle Sales and Distribution Company Limited 4th floor, 272 Yeongdeung-ro, Yeongdeungpo-gu, Seoul 150 033, Korea	104-86-27436	100
23	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	Tax Reg no. 03.286.323.5-013.000	100
24	Jaguar Land Rover Holdings Limited Abbey Road, Whitley, Coventry, CV3 4LF, England, UK	4019301	100
25	Tata Technologies (Thailand) Limited 889 Thai CC Tower, Room 108-9, 10th Floor, South Sathorn Road, Kwhaeng Yannawa, Khet Sathorn, Bangkok Metropolis 10120	10554812171	72.28
26	Tata Manufacturing Technologies (Shanghai) Co. Ltd 11F,Aurora plaza,99 Fucheng Rd,Room 1131, Shangai 200120, China	310000400732137	72.28
27	INCAT International Plc 2 Temple Back East, Temple Quay, Bristol BS1 6EG	02377350	72.28
28	Jaguar Land Rover Limited Abbey Road, Whitley, Coventry, CV3 4LF - England UK	1672070	100
29	Jaguar Land Rover (China) Investment Company Limited Room 713, 7F No. 6 Jirong Road (Area C1, Plot 001), Shanghai, China Free Trade Zone	310115400245293	100
30	Limited Liability Company "Jaguar Land Rover" (Russia) 28B, Building 2, Mezhdunarodnoe Shosse 141411, Moscow, Russian Federation	1085047006549	100
31	INCAT GmbH Breitwiesenstrasse 19, 70565 Stuttgart, Germany	HRB 18622	72.28
32	Tata Technologies Europe Limited 2 Temple Back East, Temple Quay, Bristol BS1 6EG	02016440	72.28
33	JLR Nominee Company Limited Abbey Road, Whitley, Coventry, CV3 4LF - England UK	1672065	100
34	Jaguar Cars South Africa (Pty) Limited Simon Vermooten Road, Silverton, Pretoria 0184, South Africa	2000/026853/07	100
35	Jaguar Cars Limited Abbey Road, Whitley, Coventry, CV3 4LF - England UK	1672067	100
36	Land Rover Exports Limited Abbey Road, Whitley, Coventry, CV3 4LF - England UK	1596703	100
37	Land Rover Ireland Limited C/o LK Shields Solicitors, 39/40 Upper Mount Street Dublin 2, Ireland	318198	100
38	The Diamler Motor Company Limited Abbey Road, Whitley, Coventry, CV3 4LF - England UK	112569	100
39	Diamler Transport Vehicles Limited Abbey Road, Whitley, Coventry, CV3 4LF - England UK	322903	100
40	S.S Cars Limited Abbey Road, Whitley, Coventry, CV3 4LF - England UK	333482	100

Sr. No	Name and address of Company	CIN/GNL	Percentage of shares held
41	The Lanchester Motor Company Limited Abbey Road, Whitley, Coventry, CV3 4LF - England UK	551579	100
42	Jaguar Land Rover Pension Trustees Limited Abbey Road, Whitley, Coventry, CV3 4LF - England UK	4102133	100
43	Spark 44 (JV) Limited Abbey Road, Whitley, Coventry, CV3 4LF - England UK	07535151	50.5
44	Jaguar Land Rover Austria GmbH Fuerbergstrasse 51, Salzburg, A5020, Austria	FN84604v	100
45	Jaguar Land Rover Japan Limited 3-13 Toranomon 4-chome, Minato-ku, Tokyo, Japan45	0104-01-075166	100
46	Jaguar Land Rover Deutschland GmbH Am Kronberger Hang 2a, 65824 Schwalbach/Ts, Germany	HRB2408	100
47	Jaguar Land Rover Classic Deutschland GmbH (Incoporated w.e.f. August 10, 2018) Geschaftsanschrift: Ringstrabe 38, 45219, Essen, Germany	HRB 29323	100
48	Jaguar Land Rover North America LLC 555 MacArthur Blvd., Mahwah, New Jersey 07430, USA	2075961	100
49	Jaguar Land Rover Nederland BV PO Box 40, 4153 ZG Bessd Stationsweg 8, Netherlands	23074977	100
50	Jaguar Land Rover Portugal - Veiculose Pecas, Lda Edificio Escritorios do Tejo, Rua do Polo Sul, Lote 1.10.1.1 – 3. B-3, Parish of Santa Maria dos Olivais, Municipality of Lisboa, Portugal	504998803	100
51	Jaguar Land Rover Australia Pty Ltd 65 Epping Road, North Ryde, New South Wales, 2113, Australia	4352238	100
52	Jaguar Land Rover Italia SpA Via Alessandro Marchetti, 105 - 00148, Roma, Italy	6070621005	100
53	Jaguar Land Rover Korea Company Limited 25F West Mirae Asset Center 1, Building, 67 Suha-dong, Jung-gu, Seoul 100-210, Korea	110111-3977373	100
54	Jaguar Land Rover Canada ULC 75 Courtneypark Drive West, Unit 3, Mississauga, ON L5W 0E3, Canada	2013828088	100
55	Jaguar Land Rover France, SAS 34 Rue de la Croix de Fer 78105 Saint Germain en Laye Cedex, France	509016804	100
56	Jaguar Land Rover India Limited Nanavati Mahalaya, 18 Homi Mody Street, Hutatma Chowk, Mumbai 400 001	U34200MH2012FLC237194	100
57	Jaguar e Land Rover Brasil Industria e Comercio de Veiculos LTDA Avenida Ibirapuera 2.332, Torre I -10ºandar- Moema 04028-002, São Paulo-SP-Brazil	35.222.373.953	100
58	Jaguar Land Rover (South Africa) Holdings Limited Abbey Road, Whitley, Coventry, CV3 4LF - England UK	7760130	100
59	Jaguar Land Rover Espana SL Torre Picasso, Plaza Pablo Ruiz Picasso, 1 – Planta 42, 23020 Madrid, SPAIN	B-82526757	100
60	Jaguar Land Rover Belux N.V. Generaal Lemanstraat 47, 2018 Antwerpen, Belgium	0456.612.553	100
61	Jaguar Land Rover Slovakia s.r.o Vysoka 2B, 811 06, Bratislava, Slovakia	48302392	99.99
62	Jaguar Land Rover Singapore Pte Ltd Level 30, Singapore Land Rover, Raffles Place, 048623, Singapore	201541482M	100
63	Jaguar Racing Limited Abbey Road, Whitley, Coventry, CV3 4LF - England UK	9983877	100
64	InMotion Ventures Limited Abbey Road, Whitley, Coventry, CV3 4LF - England UK	10070632	100
65	Jaguar Land Rover Colombia S.A.S CL 677735 OFE 1204 BOGOTAN CUDNDINAMARKA 13192900	Tax Id no. 901.000.833-7	100
66	Jaguar Land Rover Ireland (Services) Limited C/o LK Sheilds Solicitors 39/40 Upper Mount Street Dublin 2 Ireland	608696	100
67	Jaguar Land Rover Taiwan Company Limited 12F, No. 40, Sec.1, Chengde Road, Datong Dist., Taipei City 103, Taiwan (R.O.C)	55768890	100
68	Jaguar Land Rover Servicios Mexcio S.A. de C.V. Javier Barros, Sierra, 540 Piso 7 703 Santa Fe Alvaro Obregon Distrito Federal 01210	SGM101223SU6	100
69	Jaguar Land Rover Mexico S.A.P.I de CV Javier Barros, Sierra, 540 Piso 7 703 Santa Fe Alvaro Obregon Distrito Federal 01211	JLR080418T9A	100

Sr. No	Name and address of Company	CIN/GNL	Percentage of shares held
70	Jaguar Land Rover Hungary KFT (Incorporated w.e.f. July 30, 2018) Regus Capital Square, Vaci ut 76, 1133, Budapest	01-09-327763	100
71	Jaguar Land Rover Classic USA LLC (Incorporated w.e.f. June 1, 2018) 251 Little Falls Drive, Wilmington, Delaware, 19808	US11	100
72	Shanghai Jaguar Land Rover Automotive Services Company Limited Room E16, Floor 2, 477, Fute West 1st Road, Shanghai Free Trade Zone, PRC	310115400006268	100
73	Tata Technologies Inc 41050, W Eleven Mile Road, Novi, Michigan 48375, USA	476-730+C9	72.34
74	Escenda Engineering AB C/o S Wedin, Helenedalsvagen 14, 431 36 Molndal	556798-1286	72.28
75	Spark 44 (Pty) Ltd (Sydney, Australia) Level 5, 65 Berry Street, North Sydney , NSW 2060	56602084346	50.5
76	Spark 44 GmbH (Frankfurt, Germany) Querstr. 7, 60322 Frankfurt am Main	HRB90999	50.5
77	Spark 44 LLC (LA & NYC, USA) 5870 W. Jefferson Blvd, Studio H,Los Angeles, CA 90016, USA	27-4287883	50.5
78	Spark 44 Limited (Shanghai, China) Units 6401,6402,6501,6502, No.436 Ju Men Road, Huangpu District, Shanghai 200023, China	91310000088514160B	50.5
79	Spark 44 DMCC (Dubai, UAE) Unit No: 1401 & 1404, Swiss Tower, Plot No: JLT-PH2-Y3A Jumeirah Lakes Towers, Dubai, UAE	DMCC34726	50.5
80	Spark 44 Demand Creation Partners Private Limited (Mumbai, India) Block A, Level 1, Shiv Sagar Estate, Dr. Annie Besent Road, Worli,Mumbai – 400018	U74999MH2015FTC269125	50.5
81	Spark 44 Limited (London & Birmingham, UK) White Collar Factory, 1 Old Street Yard, London, England, EC1Y 8AF	7535381	50.5
82	Spark 44 Pte Ltd (Singapore) 138 Market Street #36-01/02 CapitaGreen, Singapore 048946	201523182E	50.5
83	Spark 44 Communications SL (Madrid, Spain) Prim 19, 4th floor, 28004 Madrid	ESB8730486	50.5
84	Spark 44 S.r.l (Rome, Italy) via Marcella, 4/6- 00153 Rome	11353340018	50.5
85	Spark 44 Limited (Seoul, South Korea) F12, 11 Cheonggyecheon-ro, Jongno-gu, Seoul - 03187, Korea	110114-0162252	50.5
86	Spark 44 K.K. (Tokyo, Japan) 2-23-1-806, Akasaka, Minato-ku, Tokyo, 153-0042	5011101074299	50.5
87	Spark 44 Canada Inc (Toronto) 1059 Spadina Road, Toronto, ON M5N 2M7, Canada	2467809	50.5
88	Spark 44 Pty. Limtied (South Africa) 21 Forssman Close, Barbeque Downs, Kyalami	2015/300314/07	50.5
89	Spark 44 Colombia S.A.S (Colombia) (Incorporated w.e.f. May 10, 2018) Cl 72 # 10 07 oficina 401, Bogota , Colombia	901.179.478-4	50.5
90	Spark 44 Taiwan Limited (Taiwan) (Incorporated w.e.f. May 7, 2018) 18F., No.460, Sec. 4, Xinyi Rd., Xinyi Dist., Taipei City 110, Taiwan (R.O.C.)	50768370	50.5
91	Jaguar Land Rover (South Africa) (Pty) Limited Simon Vermooten Road, Silverton, Pretoria 0184, South Africa	2001/027269/07	100
92	InMotion Ventures 1 Limited Abbey Road, Whitley, Coventry, CV3 4LF - England UK	10442527	100
93	InMotion Ventures 2 Limited Abbey Road, Whitley, Coventry, CV3 4LF - England UK	10444740	100
94	InMotion Ventures 3 Limited Abbey Road, Whitley, Coventry, CV3 4LF - England UK	10445040	100
95	InMotion Venrures 4 Limited (Incorporated w.e.f. January 4, 2019) Abbey Road, Whitley, Coventry, CV3 4LF - England UK	11749648	100
96	Tata Technologies SRL Romania Brasov Office: Str Branduselor, No 84 Brasov, 500397, Romania	B1766921	72.31
97	Tata Technologies de Mexico, S.A. de C.V. Blvd. Independencia #1600 Ote., Local C-46 C.P. 27100 Torreon, Coahuila, Mexico	Tax Regn No: TTM-990127-V84- 990127	72.34

Sr. No	Name and address of Company	CIN/GNL	Percentage of shares held
98	Cambric GmbH Service Kontor, Universitat Geb A1 1, D-66123 Saarbrucken, Stuhlsatzenhausweg 69, Raum 130, 66123 Saarbrücken	HRB 14269	72.34
99	Cambric Limited H & J Corporate Services, Ltd., Ocean Centre, Montagu Foreshore, East Bay Street, P.O. Box SS-19084, Nassau, Bahamas	57500	72.31
100	TAL Manufacturing Solutions Limited (Ceased to be a subsidiary w.e.f. March 29, 2019) PDO Building, Tata Motors Campus, Chinchwad, Pune - 411033	U29100PN2000PLC130290	100
101	TML Drivelines Limited (Mergered with the Company w.e.f. April 30, 2018) C/o Tata Motors Limited, 3rd Floor, Nanavati Mahalaya, 18 Homi Mody Street, Hutatma Chowk, Mumbai – 400001	U34100MH2000PLC124874	100
102	The Jaguar Collection Limited (Dissolved w.e.f. June 19, 2018) Abbey Road, Whitley, Coventry, CV3 4LF - England UK	2018432	100
	Associates Subsidiaries [pursuant to Section 2(6) of the Act]		
103	Automobile Corporation of Goa Limited Plant I, Honda Sattari, Goa 403530	L35911GA1980PLC000400	47.19%
104	Nita Company Limited 1703, Sky Bhaban, 195, Motljheel C/A, Dhaka - 1000, Bangladesh	NA	40.00%
105	Tata Hitachi Construction Machinery Company Private Limited Jubilee Building, 45, Museum Road, Bangalore, Karnataka - 560025	U85110KA1998PTC024588	39.99%
106	Tata Precision Industries (India) Limited Industrial Area No. 2, A B Road, Dewas, Madhya Pradesh - 455001	U29120MP1995PLC009773	39.19%
107	Tata AutoComp Systems Limited TACO House, Plot No- 20/B FPN085, V.G. Damle Path Off Law College Road, Erandwane Pune 411004	U34100PN1995PLC158999	26.00%
108	Jaguar Cars Finance Limited Bishopsgate, London EC2M 3UR	1731924	49.90%
109	Cloud Car Inc 2771, Centervilla Road, Suite-400, Wilmington, Country of New Castle, Delaware, 19808, USA	5052102	26.30%
110	Synaptiv Limited Kirakland Avenue, Ilford, Essex, England, IG50th	10592914	37.50%
111	DriveClubService Pte Ltd 22 Sin Ming Lane, #06-76, Midview City, Singapore 573969	201707581H	25.07%
112	Loginomic Tech Solutions Private Limited (Acquired w.e.f. July 10, 2018) # 39, Sai Prema, Krishnanagar Industrial Layout, Hosur Road, Bangalore 560029	U74900KA2015 PTC080558	26%
	Joint Operations Subsidiaries [pursuant to Section 2(6) of the Act]		
113	Tata Cummins Private Limited Telco Township, Jamshedpur 831004	U34101JH1993PTC005546	50.00%
114	Fiat India Automobiles Private Limited Plot No B-19, M. I. D. C. Ranjangaon Industrial Area, Ranjangaon, Taluka Shirur, Pune 412210	U28900PN1997PTC130940	50.00%
	Joint Ventures Subsidiaries [pursuant to Section 2(6) of the Act]		
115	Chery Jaguar Land Rover Automotive Company Limited No. 1, Lu Hu Road, Changshu Economic and Technical Development Zone, Suzhou City, Jiangsu Provice, China	91320581717885280B	50.00%
116	Chery Jaguar Land Rover Auto Sales Company Limited 6F, Binjiang International Plaza, No.88, Tonggang Road, Changshu Economic and Technical Development Zone, Suzhou City, Jiangsu Provice, China	7535151	50.00%
117	JT Special Vehicles Private Limited Post Box No. 1840, No. 2, Ondipudur Road Singanallur, Coimbatore 641005	U34102TZ2016PTC027770	50.00%
118	Tata HAL Technologies Limited Unit 901-902, A Block, 8th Floor Laurel Building, Bagmane Tech Park, CV Raman Nagar, Bangalore 560093	U93000KA2008PLC046588	36.14%

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. 01.04.2018				No. of Shares held at the end of the year i.e. 31.03.2019				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Promoters (including Promoter Group									
(1)	Indian									
(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	1,05,06,44,727	0	1,05,06,44,727	30.94	1,10,84,19,398	0	1,10,84,19,398	32.64	1.70
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (Trust)	1,06,720	0	1,06,720	0.00	0	0	0	0.00	0.00
	Sub-Total (A) (1)	**1,05,07,51,447**	**0**	**1,05,07,51,447**	**30.94**	**1,10,84,19,398**	**0**	**1,10,84,19,398**	**32.64**	**1.70**
(2)	Foreign									
(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
Sub-Total (A) (2)										
Total Shareholding of Promoter and Promoter Group (A)		**1,05,07,51,447**	**0**	**1,05,07,51,447**	**30.94**	**1,10,84,19,398**	**0**	**1,10,84,19,398**	**32.64**	**1.70**
(B)	Public Shareholding									
(1)	Institutions									
(a)	Mutual Funds / UTI	37,91,05,423	72,340	37,91,77,763	11.17	43,33,51,746	71,340	43,34,23,086	12.76	1.60
(b)	Financial Institutions / Banks	1,03,38,275	2,48,930	1,05,87,205	0.31	1,20,41,015	2,48,530	1,22,89,545	0.36	0.05
(c)	Central Government / State Governments(s)	67,42,762	20,13,905	87,56,667	0.26	81,19,445	20,13,905	1,01,33,350	0.30	0.04
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Alternate Investment Funds	37,72,751	0	37,72,751	0.11	20,92,257	0	20,92,257	0.06	-0.05
(f)	Insurance Companies	29,32,35,196	800	29,32,35,996	8.64	22,83,10,927	800	22,83,11,727	6.72	-1.91
(g)	Foreign Institutional Investors	33,44,136	23,940	33,68,076	0.10	6,96,956	23,940	7,20,896	0.02	-0.08
(h)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(j)	Any Other (specify)									
(j-i)	Foreign Portfolio Investors (Corporate)	82,06,46,479	0	82,06,46,479	24.17	72,39,04,343	0	72,39,04,343	21.32	-2.85
(j-ii)	Foreign Bodies - DR	62,15,251	0	62,15,251	0.18	76,13,577	0	76,13,577	0.22	0.04
(j-iii)	Foreign Nationals - DR	2,86,661	0	2,86,661	0.01	991	0	991	0.00	-0.01
(j-iv)	Foreign Institutional Investors - DR	73,015	0	73,015	0.00	0	0	0	0.00	0.00
(j-v)	LLP -DR	750	0	750	0.00	0	0	0	0.00	0.00
Sub-Total (B) (1)		**1,52,37,60,699**	**23,59,915**	**1,52,61,20,614**	**44.94**	**1,41,61,31,257**	**23,58,515**	**1,41,84,89,772**	**41.77**	**-3.17**

Category of Shareholders		No. of Shares held at the beginning of the year i.e. 01.04.2018				No. of Shares held at the end of the year i.e. 31.03.2019				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2)	Non-Institutions									
(a)	Bodies Corporate	3,74,17,129	4,77,150	3,78,94,279	1.12	3,68,90,458	4,34,860	3,73,25,318	1.10	-0.02
(b)	Individuals -				0.00				0.00	
i	Individual shareholders holding nominal share capital upto ₹ 1 lakh	24,43,39,196	2,01,51,115	26,44,90,311	7.79	37,29,40,148	1,71,84,477	39,01,24,625	11.49	3.70
ii	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1,73,82,047	4,10,975	1,77,93,022	0.52	2,76,07,018	3,34,975	2,79,41,993	0.82	0.30
(c)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Any Other									
(d-i)	NBFCs registered with RBI	1,26,674	0	1,26,674	0.00	1,99,577	0	1,99,577	0.01	0.00
(d-ii)	Non Resident Indians	1,73,39,947	23,78,480	1,97,18,427	0.58	2,66,42,642	22,18,425	2,88,61,067	0.85	0.27
(d-iii)	Clearing Member	1,25,24,514	0	1,25,24,514	0.37	3,08,26,693	0	3,08,26,693	0.91	0.54
(d-iv)	Trust	2,56,93,501	1,750	2,56,95,251	0.76	2,58,64,121	1,750	2,58,65,871	0.76	0.01
(d-v)	OCBs/Foreign Cos	1,52,061	0	1,52,061	0.00	1,24,495	0	1,24,495	0.00	-0.00
(d-vi)	Foreign Corporate Bodies (including FDI)	0	0	0	0.00	0	0	0	0.00	0.00
(d-vii)	IEPF Suspense A/C	35,59,715	0	35,59,715	0.10	39,75,896	0	39,75,896	0.12	0.01
Sub-total (B) (2)		**35,85,34,784**	**2,34,19,470**	**38,19,54,254**	**11.25**	**52,50,71,048**	**2,01,74,487**	**54,52,45,535**	**16.06**	**4.81**
Total Public Shareholding (B) = (B)(1)+(B)(2)		**1,88,22,95,483**	**2,57,79,385**	**1,90,80,74,868**	**56.19**	**1,94,12,02,305**	**2,25,33,002**	**1,96,37,35,307**	**57.83**	**1.64**
TOTAL (A)+(B)		**2,93,30,46,930**	**2,57,79,385**	**2,95,88,26,315**	**87.13**	**3,04,96,21,703**	**2,25,33,002**	**3,07,21,54,705**	**90.47**	**3.34**
(C)	Shares held by Custodians and against which Depository Receipts have been issued									
(1)	Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
(2)	Public	43,70,04,000	20,750	43,70,24,750	12.87	32,36,76,110	20,250	32,36,96,360	9.53	-3.34
GRAND TOTAL (A)+(B)+(C)		**3,37,00,50,930**	**2,58,00,135**	**3,39,58,51,065**	**100.00**	**3,37,32,97,813**	**2,25,53,252**	**3,39,58,51,065**	**100.00**	**0.00**

ii) Shareholding of Promoters (including Promoter Group)

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2018			Shareholding at the end of the year 31.03.2019			% 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 Private Limited	96,13,81,852	28.31	1.63	1,01,91,56,523	30.01	1.52	1.70
2	Tata Industries Limited	7,22,03,630	2.13	0.00	7,22,03,630	2.13	0.00	0.00
3	Tata Investment Corporation Ltd	1,10,00,000	0.32	0.00	1,10,00,000	0.32	0.00	0.00
4	Ewart Investments Limited	35,25,187	0.10	0.00	35,25,187	0.10	0.00	0.00
5	Tata Chemicals Limited	19,66,294	0.06	0.00	19,66,294	0.06	0.00	0.00
6	Af-Taab Investment Company Ltd	4,08,181	0.01	0.00	4,08,181	0.01	0.00	0.00
7	Tata Steel Limited	1,00,000	0.00	0.00	1,00,000	0.00	0.00	0.00
8	Simto Investment Company Ltd	59,583	0.00	0.00	59,583	0.00	0.00	0.00
9	J R D Tata Trust	1,05,280	0.00	0.00	0	0.00	0.00	-0.00
10	Lady Tata Memorial Trust	1,440	0.00	0.00	0	0.00	0.00	-0.00
11	Sir Ratan Tata Trust	0	0.00	0.00	0	0.00	0.00	0.00
12	Sir Dorabji Tata Trust	0	0.00	0.00	0	0.00	0.00	0.00
		1,05,07,51,447	**30.94**	**1.63**	**1,10,84,19,398**	**32.64**	**1.52**	**1.70**

Note :
Entities listed from Sr. No. 2 to 12 above form part of the Promoter Group

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iii) Change in Promoter's Shareholding (please specify, if there is no change)

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year as on 01.04.2018		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 Private Limited	96,13,81,852	28.31					96,13,81,852	28.31
				17.08.2018	Purchase of Shares	35,00,000	0.10	96,48,81,852	28.41
				24.08.2018	Purchase of Shares	2,26,00,000	0.67	98,74,81,852	29.08
				15.02.2019	Purchase of Shares	76,07,022	0.22	99,50,88,874	29.30
				22.02.2019	Purchase of Shares	98,77,753	0.29	1,00,49,66,627	29.59
				01.03.2019	Purchase of Shares	1,41,89,896	0.42	10,191,56,523	30.01
				31.03.2019	**At the end of the year**			**1,01,91,56,523**	**30.01**
2	J R D Tata Trust	1,05,280	0.00					1,05,280	0.00
				01.06.2018	Sale of Shares	-1,05,280	0.00	0	0.00
				31.03.2019	**At the end of the year**			**0**	**0.00**
3	Lady Tata Memorial Trust	1,440	0.00					1,440	0.00
				01.06.2018	Sale of Shares	-1,440	0.00	0	0.00
				31.03.2019	**At the end of the year**			**0**	**0.00**

Notes :

- Entities listed at Sr. No. 2 and 3 above form part of the Promoter Group
- Except for the above there is no change in the holding of Tata Industries Limited, Tata Investment Corporation Limited, Ewart Investment Limited, Tata Chemicals Limited, Af-Taab Investment Company Limited, Tata Steel Limited, Simto Investment Company Limited, Sir Ratan Tata Trust and Sir Dorabji Tata Trust during this FY 2018-19

iv) Shareholding Pattern of Top 10 Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	Name of the Shareholder	Shareholding		Cumulative Shareholding during the year	
		No of Shares	% of total Shares of the Company	No of Shares	% of total Shares of the Company
1	Life Insurance Corporation of India				
	At the beginning of the year	14,92,95,627	4.40	14,92,95,627	4.40
	Bought during the year	-	-	14,92,95,627	4.40
	Sold during the year	19,22,134	(0.06)	14,73,73,493	4.34
	At the end of the year	14,73,73,493	4.40	14,73,73,493	4.40
2	Government of Singapore				
	At the beginning of the year	8,49,97,140	2.50	8,49,97,140	2.50
	Bought during the year	3,09,81,117	0.91	11,59,78,257	3.41
	Sold during the year	79,21,118	(0.23)	10,80,57,139	3.18
	At the end of the year	10,80,57,139	3.18	10,80,57,139	3.18
3	Reliance Capital Trustee Co. Ltd A/C Reliance Equity Opportunities Fund				
	At the beginning of the year	4,86,03,527	1.43	4,86,03,527	1.43
	Bought during the year	9,13,54,253	2.69	13,99,57,780	4.12
	Sold during the year	3,68,49,216	(1.09)	10,31,08,564	3.04
	At the end of the year	10,31,08,564	3.04	10,31,08,564	3.04

Sr. No.	Name of the Shareholder	Shareholding		Cumulative Shareholding during the year	
		No of Shares	% of total Shares of the Company	No of Shares	% of total Shares of the Company
4	ICICI Prudential Value Discovery Fund				
	At the beginning of the year	7,39,21,224	2.18	7,39,21,224	2.18
	Bought during the year	5,77,66,853	1.70	13,16,88,077	3.88
	Sold during the year	4,24,20,208	(1.25)	8,92,67,869	2.63
	At the end of the year	8,92,67,869	2.63	8,92,67,869	2.63
5	Franklin Templeton Mutual Fund A/C Franklin India Prima Plus				
	At the beginning of the year	5,99,59,475	1.77	5,99,59,475	1.77
	Bought during the year	2,79,52,407	0.82	8,79,11,882	2.59
	Sold during the year	11,99,260	(0.04)	8,67,12,622	2.55
	At the end of the year	8,67,12,622	2.55	8,67,12,622	2.55
6	SBI-ETF Nifty 50				
	At the beginning of the year	3,40,94,397	1.00	3,40,94,397	1.00
	Bought during the year	2,72,31,524	0.80	6,13,25,921	1.8
	Sold during the year	87,92,834	(0.26)	5,25,33,087	1.55
	At the end of the year	5,25,33,087	1.55	5,25,33,087	1.55
7	Franklin Templeton Investment Funds				
	At the beginning of the year	4,29,30,633	1.26	4,29,30,633	1.26
	Bought during the year	46,42,053	0.14	4,75,72,686	1.50
	Sold during the year	1,99,436	(0.01)	4,73,73,250	1.40
	At the end of the year	4,73,73,250	1.4	4,73,73,250	1.40
8	UTI Nifty Index Fund				
	At the beginning of the year	3,21,46,194	0.95	3,21,46,194	0.95
	Bought during the year	97,78,415	0.29	4,19,24,609	1.24
	Sold during the year	59,71,175	(0.18)	3,59,53,434	1.06
	At the end of the year	3,59,53,434	1.06	3,59,53,434	1.06
9	Government Pension Fund Global#				
	At the beginning of the year	3,16,64,529	0.93	3,16,64,529	0.93
	Bought during the year	1,48,86,466	0.44	4,65,50,995	1.37
	Sold during the year	1,34,28,193	(0.40)	3,31,22,802	0.98
	At the end of the year	3,31,22,802	0.98	3,31,22,802	0.98
10	HDFC Trustee Company Limited - HDFC Prudence Fund				
	At the beginning of the year	4,99,26,659	1.47	4,99,26,659	1.47
	Bought during the year	1,36,48,985	0.40	6,35,75,644	1.87
	Sold during the year	3,17,21,623	(0.93)	3,18,54,021	0.94
	At the end of the year	3,18,54,021	0.94	3,18,54,021	0.94
11	ICICI Prudential Life Insurance Company Ltd*				
	At the beginning of the year	5,22,06,965	1.54	5,22,06,965	1.54
	Bought during the year	1,58,31,229	0.47	6,80,38,194	2.01
	Sold during the year	5,53,22,541	(1.63)	1,27,15,653	0.37
	At the end of the year	1,27,15,653	0.37	1,27,15,653	0.37

* *Ceased to be in the list of Top 10 as on 31.03.2019. The same is reflected above since the shareholder was one of the Top 10 shareholder as on 01.04.2018*

\# *Not in th list of Top 10 shareholders as on 01.04.2018. The same is reflected above since it is one of the Top 10 shareholder as on 31.03.2019*

Note :
Shareholding of Top 10 is consolidated based on Permanent Account Number of the shareholder. The date wise increase or decrease in shareholding of the Top 10 shareholders giving break-up of Ordinary and 'A' Ordinary shares bought and sold is available on the website of the Company www.tatamotors.com

v) **Shareholding of Directors and Key Managerial Personnel :**

Sr. No	Name of the Shareholder	Shareholding at the beginning of the year as on 01.04.2018		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	Mr Satish Bowankar, Executive Director & COO	500	-					500	-
					No change	-	-	500	-
				31.03.2019	**At end of the year**	**-**	**-**	**500**	**-**
2	Mr P B Balaji, Group CFO	20,000	-					20,000	-
					No change	-	-	20,000	-
				31.03.2019	**At end of the year**	-	-	**20,000**	**-**
3	Mr Hoshang Sethna, Company Secretary	2,953 (AOS) 813	-					2,953 (AOS) 813	-
					No change	-	-	2,953 (AOS) 813	-
				31.03.2019	**At end of the year**	-	-	**2,953 (AOS) 813**	**-**

^ *Ordinary shares unless explicitly stated as AOS for 'A' Ordinary Shares*

Notes :

- Other than the above, none of the Directors and KMPs hold any shares. There has been no change in the holdings of Directors and KMPs.
- Mr Balaji and Mr Sethna have been granted 2,28,600 and 28,500 options, respectively during the year which would vest at the end of 3rd, 4th & 5th year with an option to exercise at a price of ₹345 per share as per the terms of its issue.

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
Indebtedness at the beginning of the financial year				
i) Principal Amount	2,253.61	15,240.12	-	17,493.73
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	51.96	442.67	-	494.63
Total (i+ii+iii)	**2,305.57**	**15,682.79**	**-**	**17,988.36**
Change in Indebtedness during the financial year				
• Addition	9,747.76	18,634.39	-	28,382.15
• Reduction	(9,568.66)	(18,434.32)	-	(28,002.98)
Net Change	**179.10**	**200.08**	**-**	**379.18**
Indebtedness at the end of the financial year				
i) Principal Amount	2,432.70	15,440.20	-	17,872.90
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1.63	369.93	-	371.56
Total (i+ii+iii)	**2,434.33**	**15,810.13**	**-**	**18,244.46**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Directors, Whole-time Directors and/or Manager

Sr. No	Particulars of Remuneration	Mr Guenter Butschek (MD & CEO)	Mr Satish Borwankar (ED & COO)	Amount in (₹)
1	**Gross Salary**			
	a) Salary u/s 17(1) of the Income Tax Act, 1961 (IT Act)#	15,53,00,264	1,56,16,221	17,09,16,485
	b) Value of perquisites u/s 17(2) of the IT Act#	1,20,97,371	15,35,158	1,36,32,529
	c) Profits in lieu of salary u/s 173(3) of the IT Act	-	-	-
2	**Stock Options**	-	-	-
3	**Sweat Equity**	-	-	-
4	**Commission^**	-	-	-
	a) as % of profit	-	-	-
	b) others, specify (Performance based)	-	66,60,000	66,60,000
5	**Other, please specify**			
	*Performance bonus + longterm incentive plan	9,22,71,960	-	9,22,71,960
	Retirement benefits	32,02,494	17,98,200	50,00,694
	Total (A)	**26,28,72,089**	**2,56,09,579**	**28,84,81,668**
	Ceiling as per the Act,			**39,61,18,938**

**Performance Bonus of €5,94,000 (conversion rate : ₹ 77.67 as on March 31, 2019) will be paid during FY 2019-20. The above also includes Long Term Incentives as per plan of €5,94,000 which would accrue based on company performance as decided by NRC.*

 # The above remuneration is as per Income Tax Act, 1961. Further, these amounts are paid to the Managing Director and Whole-time Director during the year.

^Commission relates to FY2018-19, it will be paid during FY2019-2020

B. Remuneration to other directors

Sr. No	Particulars of Remuneration	Name of Directors					Amount in (₹)
1	**Independent Directors**	**N Munjee**	**V K Jairath**	**F Nayar**	**O P Bhatt**	**H Sorensen**	
	a) Fee for attending board/ committee meetings	12,60,000	11,20,000	10,80,000	13,20,000	8,60,000	56,40,000
	b) Commission*	85,00,000	85,00,000	70,00,000	85,00,000	70,00,000	3,95,00,000
	c) Others, please specify	-	-	-	-	-	-
	Total (1)	**97,60,000**	**96,20,000**	**80,80,000**	**98,20,000**	**78,60,000**	**4,51,40,000**
2	**Other Non-Executive Directors#**	**N Chandrasekaran**	**R Speth**				
	a) Fee for attending board/ committee meetings	6,00,000	-				6,00,000
	b) Commission	-	-				-
	c) Others, please specify	-	-				-
	Total (2)	**6,00,000**	**-**				**6,00,000**
	Total B = (1+2)						**4,57,40,000**
	Total Managerial Remuneration						**3,95,00,000**
	Ceiling as per the Act						**3,96,11,893**

**Commission relates to FY2018-19, it will be paid during FY2019-20*

#As a policy, Mr N Chandrasekaran, Chairman has abstained from receiving Commission from the Company and hence not being stated. Dr Ralf Speth is not paid any commission or sitting fees in view of his appointment as CEO and Director of Jaguar Land Rover Automotive PLC.

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

Sr. No	Particulars of Remuneration	Key Managerial Personnel		Amount in (₹)
		P B Balaji Group Chief Financial Officer	Hoshang Sethna Company Secretary	
1	**Gross Salary**			
	a) Salary as per provisions contained in Section 17(1) of the Income tax Act, 1961 (IT Act)#	7,99,85,153	1,49,61,531	9,49,46,684
	b) Value of perquisites u/s 17(2) of the IT Act#	45,850	92,870	1,38,720
	c) Profits in lieu of salary u/s 173(3) of the IT Act	-	-	-
2	**Stock Options***	-	-	-
3	**Sweat Equity**	-	-	-
4	**Commission**	-	-	-
	a) as % of profit	-	-	-
	b) others, specify	-	-	-
5	**Other, please specify (Retirement benefits)**	26,13,656	6,38,997	32,52,653
	Total	8,26,44,659	1,56,93,398	9,83,38,057

 # The above remuneration is as per Income Tax Act, 1961 includes performance pay for FY18 paid in FY19

** Mr Balaji and Mr Sethna have been granted 2,28,600 and 28,500 options, respectively during the year which would vest at the end of 3rd, 4th & 5th year with an option to exercise at a price of ₹345 per share as per the terms of its issue.*

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

There were no penalties/punishment/compounding of offences for the breach of any sections of the 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

N CHANDRASEKARAN
Chairman
DIN - 00121863

Mumbai, May 20, 2019

ANNEXURE–5

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

(Pursuant to section 204 (1) of the Companies Act, 2013 and Rule No. 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, 2019, 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, 2019 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 thereunder 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, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(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; The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (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 Securities and Exchange Board of India (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. The Securities and Exchange Board of India have vide Order dated March 6, 2018 issued directions for the Company to conduct an internal inquiry within 3 months into the leakage of information relating to its financial results for the quarter ended December 2015, take appropriate actions against those responsible and to submit its report within 7 days thereafter. Accordingly, the Company has on June 12, 2018 submitted its final response to SEBI.

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 subject to what is stated above. 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 for meetings other than those held at shorter notice for which necessary consents have been sought at the meeting, 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.

We further report that during the audit period the Company had following events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

a. TML Drivelines Limited, wholly owned subsidiary of the Company merged with the Company vide NCLT Order dated April 5, 2018, the appointed date being April 1, 2017.

b. The Company redeemed unsecured listed Non-Convertible Debentures aggregating Rs 1090 crores and Secured listed Non-Convertible Debentures aggregating Rs 500 Crores during the year and has complied with the applicable laws.

c. The Company vide tender offer redeemed senior notes aggregating US$ 237,468,000 out of notes aggregating US$ 500,000,000 due in 2020.

d. The Company at the 73rd Annual General Meeting held on August 3, 2018 approved a scheme for grant of employee stock options, for vesting into not exceeding 1,38,00,000 (One Crore Thirty Eight Lakh) Ordinary Shares of the nominal face value of ₹ 2 (Rupees Two Only) per Ordinary Share to the Eligible Employees of the Company on the terms and conditions stated in the Scheme In terms of the said scheme, the Nomination and Remuneration Committee at its meetings held on September 6, 2018 and March 28, 2019, approved the grant of 49,95,690 and 28,16,737 stock options respectively.

e. The Company has filed a scheme of arrangement for sale of its Defense business to Tata Advanced Systems Limited with NCLT, Mumbai on January 22, 2019 after receipt of necessary stock exchange approvals. NCLT vide its order dated May 6, 2019 have directed the company to convene a shareholders' meeting.

f. The Company in March 2019 acquired the Non aerospace business from TAL Manufacturing Solutions Limited (TAL) its wholly owned subsidiary and divested its entire holding in TAL to Tata Advanced Systems Limited.

For Parikh & Associates
Company Secretaries

P. N. Parikh
Partner
FCS No: 327 CP No: 1228

Place: Mumbai
Date : May 17, 2019

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 17, 2019

ANNEXURE-6

DIVIDEND DISTRIBUTION POLICY

[Pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

1. **Scope and Objective**

   This Policy seeks to lay down a broad framework for the distribution of dividend by the Company whilst appropriately balancing the need of the Company to retain resources for the Company's growth & sustainability. Through this policy, the Company also endeavors to maintain fairness and consistency while considering distributing dividend to the shareholders.

   The Policy sets out the circumstances and different factors for consideration by the Board at the time of taking a decision on distribution or retention of profits, in the interest of providing transparency to the shareholders.

   The Policy is not an alternative to the decision of the Board for recommending dividend, which is made every year after taking into consideration all the relevant circumstances enumerated hereunder or other factors as may be considered relevant by the Board.

   The Policy is being recommended for adoption by the Board of Directors of all the companies in the Tata Motors Group i.e. by all its subsidiaries and to the extent possible, the joint ventures after discussions with its partners.

2. **Statutory Requirements**

   The declaration and distribution of dividend shall, at all times, be in accordance with the provisions of the Companies Act, 2013, read with applicable rules framed thereunder, as may be in force for the time being ("Act") in particular Sections 2(35), 24, 51, 134(3)(k), 123, 124, 125, 126 and 127 of the Act and the Companies (Declaration and Payment of Dividend) Rules, 2014, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), such other applicable provisions of law and the Articles of Association of the Company as amended.

3. **Parameters to be considered while recommending/declaring dividend**

   The Board while declaring or recommending dividend to the shareholders, will consider following financial/ internal and external factors:

   <u>Financial/Internal Factors:</u>

   - Profits earned and available for distribution during the financial year
   - Accumulated reserves, including retained earnings
   - Mandatory transfer of Profits earned to specific reserves, such as Debenture Redemption Reserve, etc.
   - Past dividend trends – rate of dividend, EPS and payout ratio, etc.
   - Earning Stability
   - Future Capital Expenditure requirement of the Company
   - Growth plans, both organic and inorganic
   - Capital restructuring, debt reduction, capitalisation of shares
   - Crystallization of contingent liabilities of the Company
   - Profit earned under the Consolidated Financial Statement
   - Cash Flows
   - Current and projected Cash Balance and Company's working capital requirements.
   - Covenants in loan agreements, Debt servicing obligations and Debt maturity profile.

   <u>External Factors:</u>

   - Economic environment, both domestic and global.
   - Unfavorable market conditions
   - Changes in Government policies and regulatory provisions
   - Cost of raising funds from alternate sources
   - Inflation rates
   - Sense of shareholders' expectations
   - Cost of external financing

4. **Circumstances under which shareholders of the Company may or may not expect dividend**

   The decision regarding dividend payout is a crucial decision as it determines the amount of profit to be distributed among shareholders and amount of profit to be retained in business. Hence, the shareholders of the Company <u>*may expect dividend*</u> only if the Company is having surplus funds after providing for all the expenses, depreciation, etc., and after complying with the statutory requirements under the Applicable Laws.

   The shareholders of the Company <u>*may not expect dividend*</u> in the following circumstances, subject to the discretion of the Board of Directors:

   - the Company has inadequacy of profits or incurs losses for the Financial Year;
   - the Company undertakes /proposes to undertake a significant expansion project requiring higher allocation of capital;
   - the Company undertakes /proposes to undertake any acquisitions or joint arrangements requiring significant allocation of capital.
   - the Company has significantly higher working capital requirement affecting free cash flow.
   - the Company proposes to utilize surplus cash for buy-back of securities;
   - the Company is prohibited to recommend/declare dividend by any regulatory body.

The Board may also not recommend a dividend on considering any compelling factors/parameters mentioned in point 3 above.

5. **Policy as to how the retained earnings will be utilized**

The Board may retain its earnings in order to make better use of the available funds and increase the value of the stakeholders in the long run. The decision of utilization of the retained earnings of the Company shall be based on the following factors:

- Long term strategic plans
- Augmentation/ Increase in production capacity
- Market expansion plan
- Product expansion plan
- Modernization plan
- Diversification of business
- Replacement of capital assets
- Balancing the Capital Structure by de-leveraging the Company
- Payment of Dividend or issue of Bonus Shares
- Other such criteria as the Board may deem fit from time to time.

6. **Quantum and manner of dividend payout**

Subject to the circumstances and scenarios mentioned above, the Company shall endeavor to maintain a total dividend pay-out ratio in the range of 25% to 40% of the annual standalone profits after tax (PAT) of the Company. Under the applicable provisions of the Act, the Company's ability to declare and pay dividends is based on the standalone Financial Statements only. In future should the regulations be amended permitting the Company to pay dividend based on its Consolidated Profits, the Board would consider such a payout ratio on its Consolidated Profits. Till such time, The Company will endeavor to have a policy on dividend distribution with a similar payout ratio across its subsidiaries and to the extent possible, in its joint ventures after discussions with its partners.

The Company may declare dividends for a year, usually payable for a financial year at the time when the Board considers and recommends the Annual Financial Statements, which is called final dividend. The Board of Directors shall have the power to recommend final dividend to the shareholders for their approval in the Annual General Meeting of the Company.

The Board of Directors may also declare interim dividend during the financial year, between two Annual General Meetings as and when they consider it fit.

7. **Specific clause with regard to dividend on shares with differential voting rights**

The payment of dividend shall be based on the respective rights attached to each class of shares as per their terms of issue.

The Company has two classes of shares - Ordinary shares and 'A' Ordinary shares (shares with differential rights as to voting and dividend). As per the Company's Articles of Association and terms of issue of 'A' Ordinary Shares, the holders of 'A' Ordinary shares shall be entitled to receive dividend for each financial year at five percentage points more than the aggregate rate of dividend, declared if any, on Ordinary shares for that financial year.

8. **Disclosures**

The Policy shall be disclosed in the Annual report and on the website of the Company i.e. at www.tatamotors.com.

9. **Policy review and amendments**

The Policy will be reviewed periodically by the Board. This revised policy has been adopted by the Board of Directors of the Company at its meeting held on May 20, 2019, being the effective date of this Policy.

10. **Disclaimer**

a) The Policy does not constitute a commitment regarding the future dividends of the Company, but only represents a general guidance regarding dividend policy. The statement of the Policy does not in any way restrict the right of the Board to use its discretion in the recommendation of the Dividend to be distributed in the year and the Board reserves the right to depart from the policy as and when circumstances so warrant.

b) Given the aforementioned uncertainties, prospective or present investors are cautioned not to place undue reliance on any of the forward- looking statements in the Policy.

Management Discussion and Analysis

ECONOMY OVERVIEW

INDIA

The Indian economy started the FY 2018-19 with a healthy 8.2% growth in the first quarter on the back of domestic resilience. Growth eased to 7.3% in the subsequent quarter due to rising global volatility, largely from financial volatility, normalized monetary policy in advanced economies, externalities from trade disputes, and investment rerouting. Further, the Indian rupee suffered because of the crude price shock, and conditions exacerbated as recovery in some advanced economies caused faster investment outflows.

Real GDP growth of India is 7.2% in FY 2018-19 compared to 6.7% in FY 2017-18. However, Q3 of FY 2018-19 saw a growth of 6.6%, slowest in five quarters. With the Indian economy projected to slow further in the fourth quarter, the Reserve Bank of India focus shifted from inflationary concerns to sustaining the growth momentum. Data released by the Society of Indian Automobile manufacturers signaled a slowdown in urban demand as car sales grew 2.7% in FY 2018-19, signaling near term softness due to some liquidity stress and slowing rural growth. Despite these challenges, the Indian economy remains one of the fastest growing and possibly the least affected by global turmoil supported in part by India's strong macroeconomic fundamentals and policy changes (including amendments to the policy/code related to insolvency and bankruptcy, bank recapitalization, and foreign direct investment).

Currently, India is the fastest-growing trillion-dollar economy in the world and is expected to reach US$ 6 trillion by Fiscal 2027 and achieve upper-middle income status on the back of digitization, globalization, favourable demographics, and reforms. India is expected to be third largest consumer economy as its consumption is expected to triple to US$4 trillion by 2025. The World Bank expects, India's GDP growth to accelerate moderately to 7.5% in Fiscal 2020, driven by continued investment, improved export performance, and resilient consumption. India is likely to become the world's second-largest economy by 2030, next only to China.

WORLD

Global growth is moderating as the recovery in trade and manufacturing activity is losing its steam. Despite ongoing negotiations, trade tensions among major economies remain elevated. A strengthening U.S dollar, heightened financial market volatility, and rising risk premiums have intensified capital outflow and currency pressures in some large Emerging Market and Developing Economies (EMDEs), with some vulnerable countries experiencing substantial financial stress. Growth in the United States has remained solid, bolstered by fiscal stimulus. In contrast, activity in the Euro Area has been somewhat weaker than previously expected, owing to slowing net exports. While growth in advanced economies is estimated to have slightly decelerated to 2.2% last year, it is still above potential and in line with previous forecasts. U.S. growth in 2018 has picked up to 2.9%, up 0.2% point from previous projections, mostly reflecting stronger-than-expected domestic demand.

During 2018, commodities continued to remain volatile and have rebounded in the first quarter of 2019 due to rising trade tensions and geo-political risks. Having fallen or having remained subdued in the last quarter of 2018, most non-energy prices had recovered their losses by first quarter of 2019, with particularly strong rebounds in metal and minerals. This recovery in metal prices reflected improving growth prospects for China, which accounts for half of the global consumption, as well as a series of supply bottlenecks and concerns: the Vale dam accident in Brasil (iron ore, nickel); heavy floods in Chile (copper); smelter restrictions in response to environmental concerns in China (lead zinc); and export restrictions in Indonesia (tin)

The Euro Area growth slowed notably in 2018 to an estimated 1.9%. In particular, exports have softened, reflecting the appreciation of the Euro and slowing external demand. While unemployment has declined, inflation remains stubbornly low. Core inflation remained at around 1%, while long-term inflation expectations continue to hover around 1.6%, as in the past three years.

China registered a growth of 6.5% in 2018. A rebound in private fixed investment helped offset a decline in public infrastructure and other state spending. However, industrial production and export growth have decelerated, reflecting easing global manufacturing activity. Import growth continued to outpace export growth, contributing to a shrinking current account surplus. Net capital outflows have resumed, and international reserves have been edging down. Stock prices and the RMB have experienced continued downward pressures, and sovereign bond spreads have risen amid ongoing trade tensions and concerns about the growth outlook. New regulations on commercial bank exposures to shadow financing, together with stricter provisions for off-budget borrowing by local governments, have slowed credit growth to the non-financial sector. However, in mid and late 2018, the authorities reiterated their intention to pursue looser macroeconomic policies to counter the potential economic impact of trade disputes with the United States. Prices of newly constructed residential buildings have rebounded, including in Tier 1 cities, following several years of correction. Consumer price inflation has generally moved up since mid-2018, partly reflecting currency depreciation and higher energy and food prices in most of last year, but it remains below target.

Japan's economy also saw annualized growth of 0.8% due to bad weather and natural disasters. The labour market has been robust, with the unemployment rate at 2.4%, rising earnings, and the participation rate standing above 79%—up 1.5%, since the beginning of last year. Rising labour force inputs, however, have been offset by weak productivity. The Bank of Japan continues to provide stimulus by keeping long-term rates near zero and adding to its balance sheet. It now holds about 40% of government debt.

The GDP rate of Russia slowed down to 0.8% in 2018. At a growth rate of 1.2%, South Africa's economic expansion would still be above the 0.8% level at which the economy expanded in 2018. The Middle East economy growth looks uncertain with the cut in oil production in compliance with OPEC+ deal and geopolitical risks will continue to cap the growth.

The global automobile industry is on the brink of major transformation. Technology is driving this shift, shaped by demographic, regulatory and environmental pressures. By 2025, the vehicle will grow smarter and more efficient, with high efficiency engines, lighter materials and autonomous driving systems. The industry will evolve, with new competition from tech companies, and suppliers capable of producing high-tech parts at low prices. The recent studies show that a dramatic shift of production and sales to the Asian markets will take place, and as a result, three lac jobs in Europe is expected to be at risk. Mobility ecosystems in major urban areas will lead to demotorization. Electric vehicles is expected to account for about 10% of new vehicle sales by 2025. Hybrids will reach a 40% share.

Global Commercial vehicle market is expected to reach $2.27 trillion by 2025. The market is projected to expand at a CAGR of 7.1% during the forecast period. Increased urbanization, coupled with rising spending on infrastructure development in emerging economies such as China, India, and Turkey, are expected to drive the market over the forecast period. In addition, increasing penetration of electric commercial vehicles is also anticipated to contribute toward market expansion over the coming years. Adoption of electric vehicles (EVs) is primarily driven by need to meet emission reduction standards and regulations enforced by government bodies worldwide. Commercial vehicle telematics is another trend that is gaining traction and is anticipated to have a positive impact on the market over the forecast period.

Global Car and Sports Utility Vehicles sales in 2019 is expected to fall slightly as the world economy stumbles. (Source : Global Economic Prospects, World Bank)

Automotive Operations

Automotive operations is the Company's most significant segment, which include:

- o activities relating to the development, design, manufacture, assembly and sale of vehicles as well as related spare parts and accessories;
- o distribution and service of vehicles; and
- o financing of the Company's vehicles in certain markets.

The Company's consolidated total sales (including international business sales and Jaguar Land Rover sales, excluding China joint venture) for FY 2018-19 and FY 2017-18 are set forth in the table below:

	FY 2018-19		FY 2017-18	
	Units	%	Units	%
Passenger cars	2,86,730	22.5%	2,91,299	23.9%
Utility vehicles	4,60,056	36.1%	4,73,273	38.7%
Light Commercial Vehicles	3,34,005	26.2%	2,85,857	23.4%
Medium and Heavy Commercial Vehicles	1,93,281	15.2%	1,70,695	14.0%
Total	**12,74,072**	**100.0%**	**12,21,124**	**100.0%**

The Company sold 12,74,072 units and 12,21,124 units in FY 2018-19 and FY 2017-18, respectively (excluding wholesales from the China joint venture), consisting of 7,61,786 units of Tata and other brand vehicles and 5,12,286 units of Jaguar Land Rover vehicles for FY 2018-19. In terms of units sold, the Company's largest market is India, where the Company sold 6,93,756 units and 6,16,801 units during FY 2018-19 and FY 2017-18, respectively (constituting 54.5% and 50.5% of total sales in FY 2018-19 and FY 2017-18, respectively), followed by North America, where the Company sold 1,33,237 units and 1,36,447 units in FY 2018-19 and FY 2017-18, respectively (constituting 10.5% and 11.2% of total sales in FY 2018-19 and FY 2017-18, respectively). The automotive operations segment is further divided into

(i) Tata and other brand vehicles - commercial vehicles;

(ii) Tata and other brand vehicles – passenger vehicles;

(iii) Jaguar Land Rover; and

(iv) Vehicle Financing

Tata and other brand vehicles

India is the primary market for Tata and other brand vehicles (including vehicle financing). During FY 2018-19, 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 following table sets forth the Company consolidated total sales of Tata and other brand vehicles:

	FY 2018-19		FY 2017-18	
	Units	%	Units	%
Passenger cars	1,30,887	17.2%	1,40,815	20.8%
Utility vehicles	1,03,613	13.6%	78,459	11.6%
Light Commercial Vehicles	3,34,005	43.8%	2,85,857	42.3%
Medium and Heavy Commercial Vehicles	1,93,281	25.4%	1,70,695	25.3%
Total	**7,61,786**	**100.0%**	**6,75,826**	**100.0%**

The Company's overall sales of Tata and other brand vehicles increased by 12.7% to 7,61,786 units in FY 2018-19 from 6,75,826 units in FY 2017-18. Of the 7,61,786 units sold overall in FY 2018-19, the Company sold 6,93,756 units of Tata and other brand vehicles in India, while 68,030 units were sold outside of India, compared to 6,16,801 units and 59,025 units, respectively in FY 2017-18.

The above volumes includes Fiat branded vehicles of 23,237 in FY 2018-19, as compared to 29,807 in FY 2017-18.

Vehicle Sales in India

Automobile sales in India rose by 5.9% in FY 2018-19. 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.

	Industry Sales			Company Sales			Market Share	
	FY 2018-19	FY 2017-18	Growth	FY 2018-19	FY 2017-18	Growth	FY 2018-19	FY 2017-18
	Units		%	Units		%	%	
Commercial Vehicles[1]	10,38,834	8,87,316	17.1%	4,68,788	3,99,821	17.2%	45.1%	45.1%
Passenger Vehicles[2]	33,46,374	32,55,010	2.8%	2,10,500	1,84,743	13.9%	6.3%	5.7%
Total	**43,85,208**	**41,42,326**	**5.9%**	**6,79,288**	**5,84,564**	**16.2%**	**15.5%**	**14.1%**

Source:

Society of Indian Automobile Manufacturers report and Company Analysis

[1] Commercial vehicles include V2 van sales.

[2] Passenger vehicles does not include Jaguar Land Rover-branded cars.

The Company's share of the Indian automotive vehicle market for commercial and passenger vehicles together increased from 14.1% in FY2017-18 to 15.5% in FY2018-19. Company maintained its leadership position in the commercial vehicle category in the industry, which was characterized by increased competition during the year. The passenger vehicle market also continued to be subject to intense competition. The commercial vehicle industry started on a very strong note which continues in the first half of FY2018-19. The increased axle load norms, liquidity crunch and other factors dampened the demand in the second half. The passenger vehicle industry performance was also affected by availability of retail finance, higher interest rates and insurance costs.

Passenger Vehicles in India

Industry-wide sales of passenger vehicles in India increased by 2.8% in FY 2018-19, compared to a 7.3% growth in FY 2017-18, Whilst market situation remained challenging throughout the year, the Company outperformed the industry with a growth of 13.9% for FY2018-19. The Company's passenger vehicles category consists of: (i) passenger cars and (ii) utility vehicles.

The following table sets forth the Company's passenger vehicle sales, industry sales and relative market share in passenger vehicle sales in India.

	Industry Sales			Company Sales			Market Share	
	FY 2018-19	FY 2017-18	Growth	FY 2018-19	FY 2017-18	Growth	FY 2018-19	FY 2017-18
	Units		%	Units		%	%	%
Passenger Cars	22,18,197	21,73,380	2.1%	1,31,035	1,34,860	(2.8%)	5.9%	6.2%
UV & Vans[1]	11,28,177	10,81,630	4.3%	79,465	49,883	59.3%	7.0%	4.6%
Total[2]	**33,46,374**	**32,55,010**	**2.8%**	**2,10,500**	**1,84,743**	**13.9%**	**6.3%**	**5.7%**

Source: Society of Indian Automobile Manufacturers report and Company Analysis

[1]Excludes V2 van sales. [2]Total industry numbers includes sale in other segments.

The Company sold 1,31,035 units in the passenger car category in FY 2018-19, representing a decrease of 2.8% compared to 1,34,860 units in FY 2017-18.

In the utility vehicles category, the Company sold 79,465 units in FY 2018-19, representing an increase of 59.3% from 49,883 units in FY 2017-18. Tata Nexon, which was launched in FY 2017-18 has helped the Company increasing its market share in UV segment to 7.0% in FY2018-19 as compared to 4.6% in FY2017-18. In January 2019, the Company launched, Harrier – SUV, the first model from Omega architecture and sold 4,363 units.

Commercial Vehicles in India

Industry sales of commercial vehicles increased by 17.1% to 10,38,834 units in FY 2018-19 from 8,87,316 units in FY 2017-18. Industry sales in the medium and heavy commercial vehicle segment has grown by 10.9% at 2,74,750 units in FY 2018-19, as compared to 2,47,659 in FY 2017-18. The M&HCV industry has shown signs of recovery since July 2017. The implementation of GST, restrictions on overloading and infrastructure growth supported by the Government has boosted the demand. Industry sales of ILCV reported an increase of 21.7% to 1,25,471 units in FY 2018-19, from 1,03,131 units in FY 2017-18. Industry sales of SCV & Pickups reported an increase of 22.4% to 5,15,491 units in FY 2018-19, from 4,21,084 units in FY 2017-18. The ILCV & SCV industry growth is mainly due to high investments in e-commerce segments which is driving demand for last mile transportation requirements, growth in replacement demand, improved financing and recovery in rural demand. Industry sales of CV Passenger reported an increase of 6.7% to 1,23,122 units in FY 2018-19, from 1,15,442 units in FY 2017-18.

The following table sets forth the Company's commercial vehicle sales, industry sales and relative market share in commercial vehicle sales in India.

	Industry Sales	Company Sales			Market Share			
	FY 2018-19	FY 2017-18	Growth	FY 2018-19	FY 2017-18	Growth	FY 2018-19	FY 2017-18
	Units	%	Units	%	%		%	
M&HCV	2,74,750	2,47,659	10.9%	1,51,004	1,34,455	12.3%	55.0%	54.3%
ILCV[1]	1,25,471	1,03,131	21.7%	57,015	46,343	23.0%	45.4%	44.9%
SCV & Pickups	5,15,491	4,21,084	22.4%	2,06,655	1,66,746	23.9%	40.1%	39.6%
CV Passenger	1,23,122	1,15,442	6.7%	54,114	52,277	3.5%	44.0%	45.3%
Total	10,38,834	8,87,316	17.1%	4,68,788	3,99,821	17.2%	45.1%	45.1%

Source:

Society of Indian Automobile Manufacturers report and Company Analysis

[1]LCVs include V2 van sales

[2]Total industry numbers includes sale in other segments.

The sales of the Company's commercial vehicles in India grew by 17.2% to 4,68,788 units in FY 2018-19 from 3,99,821 units in FY 2017-18. The Company's sales in the M&HCV category increased by 12.3% to 1,51,004 units in FY 2018-19, as compared to sales of 134,455 units in FY 2017-18. The Company's sales in the ILCV segment increased by 23.0% to 57,015 units in FY 2018-19, from 46,343 units in FY 2017-18. The sales in SCV & Pickups segment increased by 23.9% to 2,06,655 units in FY 2018-19 from 1,66,746 units in FY 2017-18.The CV Passenger segment grew by 3.5% to 54,114 units in FY 2018-19 from 52,277 units in FY 2017-18.

Tata and other brand vehicles — Exports

International business has consistently expanded since its inception in 1961. The Company have a global presence in more than 46 countries, including all South Asian Association for Regional Cooperation countries, South Africa, Africa, Middle East, Southeast Asia and Ukraine. The Company markets a range of products including M&HCV trucks, LCV trucks, buses, pickups and small commercial vehicles.

The Company's exports (on standalone basis) grew marginally by 1.4% to 53,140 units in FY 2018-19 as compared to 52,404 units in FY 2017-18. Commercial vehicles exports were 51,119 units in FY 2018-19, as compared to 50,106 units in FY 2017-18. The new regulations and political uncertainty in Sri Lanka and slump in Middle East, resulted in significant drop in the market, affecting the Company's sales. However, the Company's market share in both these markets improved for the commercial vehicles. The Company bagged several prestigious orders in FY 2018-19. Passenger vehicles exports stood at 2,021 units in FY 2018-19, compared to 2,298 units in FY 2017-18. Two large markets remain non-operational - Sri Lanka due to high import duties, tight retail financing and South Africa due to the closure of the distribution channel. Tata Motors made the first ever supply to Bangladesh Army with 18 Units of Hexa.

In FY 2018-19, Tata Daewoo Commercial Vehicle Co. Ltd or TDCV's vehicles sales were 6,672 units compared to 8,870 units in FY 2017-18, a drop of 24.8%.The domestic sales at 4,371 units in FY 2018-19, reduced by 36.3% as compared to 6,859 units in FY 2017-18, primarily due to lower industry volumes and aggressive discounting and marketing strategies of importers. The combined market share was 21.1% in FY 2018-19 as compared to 26.5% in FY 2017-18. The export market scenario continued to remain challenging in FY 2018-19, with factors like local currency depreciation against the US Dollar, continuing statutory regulations to reduce imports, the slowdown in Chinese economy impacting commodity exporting countries and increased dealer inventory and impact of US sanction on Iran. However, TDCV could increase its export sales to 2,301 units, 14.4% higher compared to 2,011 units in FY 2017-18. TDCV is working on an aggressive turnaround plan to get back to sustainable profitable growth in the coming years.

Tata and other brand vehicles — Sales and Distribution

The Company's sales and distribution network in India as at March 2019 comprised approximately over 6,600 touch points for sales and service for its passenger and commercial vehicle business. The Company's subsidiary, TML Distribution Company Limited, or TDCL, acts as a dedicated distribution and logistics management Company to support the sales and distribution operations of its vehicles in India. The Company believes this has improved the efficiency of its selling and distribution operations and processes. The Company uses a network of service centers on highways and a toll-free customer assistance center to provide 24-hour roadside assistance, including replacement of parts, to vehicle owners.

TDCL provides distribution and logistics support for vehicles manufactured at the Company's facilities and has set up stocking points at some of Company's plants and at different places throughout India. TDCL helps us improve planning, inventory management, transport management and timing of delivery. The Company has customer relations management system, or CRM, at all of its dealerships and offices across the country, which supports users both at its Company and among its distributors in India and abroad.

The Company markets its commercial and passenger vehicles in several countries in Africa, the Middle East, South East Asia, South Asia, Australia, Latin America, 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 and 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.

Tata and other brand vehicles – Vehicle Financing

Through the Company's wholly owned subsidiary TMF Holdings Ltd and its step down subsidiaries Tata Motors Finance Ltd (TMFL) and Tata Motors Finance Solutions Ltd (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. TMF group disbursed ₹21,993 crores and ₹15,406 crores in vehicle financing during FY 2018-19 and FY 2017-18, respectively. During FY 2018-19 and FY 2017-18, approximately 26% and 25%, respectively, of the Company's vehicle unit sales in India were made by the dealers through financing arrangements with Company's captive financing subsidiary. As at March 31, 2019 and 2018, the Company's customer finance receivable portfolio comprised 5,77,399 and 488,456 contracts, respectively. The Company follow specified internal procedures, including quantitative guidelines, for selection of its finance customers and assist in managing default and repayment risk in the Company's portfolio. The Company originate all of the contracts through its authorized dealers and direct marketing agents with whom the Company have agreements. All the Company's marketing, sales and collection activities are undertaken through dealers or by TMF group.

TMFL securitize or sell its finance receivables on the basis of the evaluation of market conditions and funding requirements. The constitution of these pools is based on criteria that are decided by credit rating agencies and/or based on the advice that we receive regarding the marketability of a pool. TMFL undertake these securitizations of its receivables due from purchasers by means of private placement.

TMFL act as collection agents on behalf of the investors, representatives, special purpose vehicles or banks, in whose favor the receivables have been assigned, for the purpose of collecting receivables from the purchasers on the terms and conditions contained in the applicable deeds of securitization, in respect of which pass-through certificates are issued to investors in case of special purpose vehicles, or SPVs. TMFL also secure the payments to be made by the purchasers of amounts constituting the receivables under the loan agreements to the extent specified by rating agencies by any one or all of the following methods:

- furnishing collateral to the investors, in respect of the obligations of the purchasers and the undertakings to be provided by TMFL;
- furnishing, in favor of the investors, 14.39% of the future principal in the receivables as collateral, for securitizations done through FY 2018-19, either by way of a fixed deposit or bank guarantee or subordinate tranche to secure the obligations of the purchasers and our obligations as the collection agent, based on the quality of receivables and rating assigned to the individual pool of receivables by the rating agency(ies); and
- by way of over-collateralization or by investing in subordinate pass-through certificates to secure the obligations of the purchasers.

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 either have 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

Total wholesales of Jaguar Land Rover vehicles (excluding Chery Jaguar Land Rover and JLR CKD operations) with a breakdown between Jaguar and Land Rover brand vehicles, in FY 2018-19 and FY 2017-18 are set forth in the table below:

	FY 2018-19		FY 2017-18	
	Units	%	Units	%
Jaguar	1,53,757	30.3%	1,50,484	27.6%
Land Rover	3,54,138	69.7%	3,94,814	72.4%
Total	5,07,895	100.0%	5,45,298	100.0%

In FY 2018-19, Jaguar Land Rover wholesale volumes (excluding sales from Chery Jaguar Land Rover) were 5,07,895 units, down 6.9%, compared to FY 2017-18, primarily reflecting weak market conditions in China as well as production downtime to reduce inventory, partially offset by growth in UK sales volumes. The introduction of new and refreshed models led by the Jaguar E-PACE, award winning I-PACE, Range Rover Velar and the refreshed Range Rover and Range Rover Sport were offset by lower sales of more established models, mainly in China, and the run-out of the first generation Range Rover Evoque in the third quarter ahead of with the launch of the new Evoque now available. Wholesale volumes (excluding sales from Chery Jaguar Land Rover) were up in the UK (4.1%), but down in other regions including North America (2.4%), Overseas markets (5.5%), Europe (6.1%) and China (38.8%).

Jaguar wholesale volumes were 1,53,757 units, up 2.2% compared to FY 2017-18, as the introduction of the E-Pace and award winning all electric I-PACE, were partially offset by lower sales volume other more established models, primarily F-PACE and XE.

Land Rover wholesale volumes were 3,54,138 units, down 10.3% compared to the previous year, as sales of the refreshed Range Rover and Range Rover Sport (including hybrid models) as well as a full year of Range Rover Velar sales were offset by lower volumes of more established models, mainly in China, and the run out of the first generation Range Rover Evoque in the 3rd quarter ahead with the launch of the new Evoque now available.

The wholesale volumes of Chery Jaguar Land Rover (China joint venture) were 57,428 units in FY 2018-19, down 34.9% compared to the 88,212 units in FY 2017-18, primarily reflecting the challenging market conditions in China. By model, the introduction of the Jaguar E-Pace and a full year of long wheel-base XEL sales were offset by lower sales of the more established Land Rover Discover Sport, Range Rover Evoque and long wheel-base Jaguar XFL.

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

Retail volumes (including retail sales from the China Joint Venture) in FY 2018-19 declined by 5.8% to 5,78,915 units from 6,14,309 units in FY 2017-18 as the introduction of new and refreshed models led by the Jaguar E-PACE, award winning I-PACE, Range Rover Velar and the refreshed Range Rover and Range Rover Sport were offset by lower sales of more established models, mainly in China, and the run-out of the first generation Range Rover Evoque in the third quarter ahead of with the launch of the new Evoque now available.

United Kingdom

Industry vehicle sales fell 3.7% in FY 2018-19 in the United Kingdom as diesel (sales down 25.9% year on year) and Brexit uncertainty continued, with the Brexit deadline extended to the end of October but uncertainty remaining over any potential deal. Jaguar Land Rover retail volumes increased by 8.4% to 1,17,915 units in FY 2018-19 compared to 1,08,759 units in FY 2017-18. By brand, Jaguar retails were 38,515 vehicles in FY 2018-19, up 20.1% compared to 32,078 vehicles in FY 2017-18, and Land Rover retails were 79,400, up 3.5% compared to 76,681 last year.

North America

Economic performance in North America remained generally favourable in FY 2018-19 with solid GDP but industry vehicle sales were slightly lower (0.5%) year on year. Jaguar Land Rover retails increased significantly, up 8.1% year on year, to 1,39,778 units in FY 2018-19 compared to 1,29,319 units in FY 2017-18. By brand, Jaguar retails were 36,768 vehicles in FY 2018-19, down 10.0% compared to 40,855 vehicles in FY 2017-18, offset by Land Rover retails, which were 1,03,010, up 16.4% compared to 88,464 last year.

Europe

GDP growth in Europe was mixed in FY 2018-19 and slowed by the end of the year as economic growth in Germany slowed, and Italy entered recession. Industry volumes in Europe were down 0.9% and Jaguar Land Rover retail sales fell 4.5% year on year to 1,27,566 vehicles in FY 2018-19 from 1,33,592 in FY 2017-18, primarily as a result of continuing diesel uncertainty, Brexit and the change to more stringent World Harmonized Light Vehicle Testing Procedure (WLTP) emissions testing regime. By brand, Jaguar retails were 49,474 vehicles in FY 2018-19, up 36.5% compared to 36,248 vehicles in FY 2017-18, and Land Rover retails were 78,092, down 19.8% compared to 97,344 last year.

China

Economic growth continued to slow in China during FY 2018-19 as weaker market conditions and trade tension with the US continued. As a result, and compounded by uncertainty driven by import duties in July, industry vehicle sales declined by 8.3% year on year and Jaguar Land Rover retail volumes (including sales from the China Joint Venture) decreased by 34.1% to 98,922 units in FY 2018-19 from 1,50,116 units in FY 2017-18. By brand, Jaguar retails were 32,797 vehicles in FY 2018-19, down 26.6% compared to 44,705 vehicles in FY 2017-18, and Land Rover retails were 66,125, down 37.3% compared to 1,05,411 last year.

Other Overseas markets

Jaguar Land Rover's retail volumes in other overseas markets increased by 2.4% to 94,734 vehicles in FY 2018-19 compared to 92,523 units in the prior year. By brand, Jaguar retails were 22,644 vehicles in FY 2018-19, up 9.5% compared to 20,674 vehicles in FY 2017-18, and Land Rover retails were 72,090, up 0.3% compared to 71,849 last year.

Jaguar Land Rover's Sales & Distribution

As at March 31, 2019, Jaguar Land Rover distribute its vehicles in 120 markets for Jaguar and 128 markets for Land Rover globally. Sales locations for vehicles are operated as independent franchises. Jaguar Land Rover are represented in its key markets through its National Sales Company's ("NSC's") as well as thirdparty importers. Jaguar and Land Rover have regional offices in certain select countries that 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: through its dealerships for retail sales; 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, 2019, Jaguar Land Rover global sales and distribution network comprised 23 NSCs, 77 importers, 2 export partners and 2,684 franchise sales dealers, of which 1,299 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 they are. Jaguar vehicles compete primarily against other European brands such as Audi, Porsche, BMW and Mercedes Benz as well as Tesla. Land Rover and Range Rover vehicles compete largely against SUVs from companies such as Audi, BMW, Infiniti, Lexus, Mercedes Benz, Porsche, Volvo and Volkswagen.

Jaguar Land Rover — Seasonality

Jaguar Land Rover volumes are impacted by the biannual change in agerelated registration plates of vehicles in the United Kingdom, where new agerelated 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 the 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 Lunar 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 ₹3,626.07 crores in FY 2018-19, an increase of 11.5% from ₹3,252.36 crores in FY 2017-18. Revenues from other operations represented 1.2% and 1.1% of total revenues, before inter-segment eliminations, in FY 2018-19 and FY 2017-18.

OPPORTUNITIES:

In the Budget 2019, the Government of India has allocated ₹83k crore to highways among various infra-based sectors. Apart from National Highways, Centre upgraded fiscal spending on rural roads at ₹19k crore under Pradhan Mantri Gram Sadak Yojana (PMGSY). Focus on road building under National Highway Authority of India and PMGSY will spur demand for commercial vehicles and tractors, respectively.

The Automotive Mission Plan 2016-26 aims at 12% share of automotive industry in GDP, along with implementation of BS6 vehicles by 2023 for four wheelers. Budget 2019 saw for the first time, government's intent to have electric mobility by 2030. The Faster Adoption And Manufacturing of (Hybrid) & Electric (FAME) Vehicles in India lays down the roadmap to support the development of electric and hybrid vehicles market and its manufacturing eco-system with a view to achieve self-sustenance as early as 2020. Technology development, demand creation, pilot projects and charging infrastructure are the focus areas of the scheme.

Jaguar Land Rover has a strong product range that compete in various segments, including the increased electrification of the product portfolio. New and refreshed products, including the Range Rover Velar (on sale since July 2017), the Jaguar E-PACE (on sale since November 2017) and the all-electric Jaguar I-PACE (on sale since June 2018) as well as the refreshed Range Rover and Range Rover Sport (including hybrid models), the recently announced new Defender and other new and refreshed products, ensures that Jaguar Land Rover can compete in the premium segments with class-leading products.

FINANCIAL PERFORMANCE ON A CONSOLIDATED BASIS

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

The Company has adopted Ind AS 115 with a modified retrospective approach. The Company makes transport arrangements for delivering its vehicles to the dealers. The gross consideration received in respect of these arrangements was recognized and presented with revenue in the statement of profit and loss. The costs associated with these arrangements were presented within freight cost in the statement of profit and loss. In accordance with Ind AS 115, the Company has determined that it is an agent in providing these services, and therefore the gross consideration received, net off cost associated with respect to these arrangements is presented within revenue effective April 1, 2018. Certain payouts made to dealers such as infrastructure support payments are to be treated as variable components of consideration and are therefore in accordance with Ind AS 115, recognized as revenue deductions in future. These changes in presentation in the income statement has resulted in decrease in both revenues and expenses by ₹3,809.03 crores for the year ended March 31, 2019.

Overview

The Company income from operations including finance revenues increased by 3.3% to ₹3,01,938.40 crores in FY 2018-19 from ₹2,92,340.64 crores in FY 2017-18. The increase is mainly attributable to better sales volumes of the Company's India business and favourable currency translation from GB£ to INR of ₹14,516.58 crores, offset by lower sales of Jaguar Land Rover.

The Company has pursued a strategy of increasing exports of Tata and other brand vehicles to new and existing markets. Tata Technologies Ltd (TTL), subsidiary of the Company, witnessed increase in revenue due to favourable currency movement, which helped in growth of revenue in the UK, Europe and North America. The growth in Asia Pacific revenue of TTL was primarily driven by strong revenue growth in India and China in key accounts and growth in educational product sales. However, due to lower sales of JLR and increased growth in revenue in India in FY 2018-19, the proportion of the Company's net sales earned from markets outside of India decreased to 77.4% in FY 2018-19 from 79.9% in FY 2017-18. Further, in FY 2018-19, the revenue of the Company's subsidiary in South Korea, TDCV, has been lower due to lower industry volumes and aggressive discounting and marketing strategy of importers. 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	FY 2018-19		FY 2017-18	
	(₹ in crores)	%	(₹ in crores)	%
India	68,087.44	22.6%	58,659.18	20.1%
China	30,414.75	10.1%	42,635.26	14.6%
UK	49,113.81	16.3%	50,456.60	17.3%
United States	52,472.91	17.4%	44,991.88	15.4%
Rest of Europe*	49,814.17	16.4%	46,393.27	15.9%
Rest of World*	52,035.32	17.2%	49,204.45	16.7%
Total	3,01,938.40		2,92,340.64	

Earnings before other income, interest and tax, were ₹3,774.03 crores in FY 2018-19 compared to ₹11,787.51 crores in FY 2017-18. The decrease was primarily driven by the performance of Jaguar Land Rover business, including higher depreciation and amortization, fixed marketing expenses/selling costs. The Company's net loss (attributable to shareholders of the Company) was ₹28,826.23 crores in FY 2018-19 as compared to a profit of ₹8,988.91 crores in FY 2017-18. In FY 2018-19, the Company has taken an impairment charge of £3,105 million (₹27,837.91 crores). The Company assessed the recoverable amount of the Jaguar Land Rover business, which represent a single cash-generating unit (CGU), as the higher of Fair Value Less Cost of Disposal ('FVLCD') and Value in Use ('VIU') of the relevant assets of the CGU, due to weaker sales and profitability, change in market conditions especially in China, technology disruptions.

The Company's operations is divided into automotive operations and other operations as described further below.

A core initiative of the Company was the implementation of the Organization Effectiveness (OE) program, a strategic program designed to overhaul and transform the Company.

Pursuant to the changes implemented as a result of the OE program, the Company has drawn separate strategies for commercial vehicles, passenger vehicles and financing business from FY 2018-19. Consequent to these changes, commencing FY 2018-19, the reportable segments is as follows:

I. **Automotive:** The Automotive segment consist of four reportable sub-segments: Tata Commercial Vehicles, Tata Passenger Vehicles, Jaguar Land Rover and Vehicle Financing.

II. **Others:** Others consist of IT services and machine tools and factory automation solutions.

Tata Commercial vehicles include commercial vehicles manufactured under Tata and Daewoo brands. Tata passenger vehicles include passenger vehicles manufactured under Tata and Fiat brands and excludes vehicles manufactured under Jaguar Land Rover brands. Vehicle Financing which is Tata Motors Finance include financing of Tata and Jaguar Land Rover new vehicles, pre-owned vehicles including other OEMs brands and corporate lending to the Company's channel partners.

The Company believe that this reorganization will improve speed, agility and simplicity within our business units, and enable strong functional leadership, improved decision-making, quicker responses to changing market conditions and clear accountability.

The table below sets forth the breakdown in revenues between the Company automotive operations and other operations in FY 2018-19 and FY 2017-18 and the percentage change from period to period.

	FY 2018-19	FY 2017-18	Change
	(₹ in crores)		%
Automotive operations	2,99,655.61	2,90,384.64	3.2
Others	3,626.07	3,252.36	11.5
Inter-segment elimination	(1,343.28)	(1,296.36)	3.6
Total	3,01,938.40	2,92,340.64	3.3

Automotive operations

Automotive operations are the Company most significant segment, accounting for 99.2% and 99.3% of the Company's total revenues in FY 2018-19 and FY 2017-18 respectively. In FY 2018-19, revenue from automotive operations before inter-segment eliminations was ₹2,99,655.61 crores as compared to ₹2,90,384.64 crores in FY 2017-18, an increase of 3.2%.

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).

	FY 2018-19	FY 2017-18	Change %
Total revenue (₹ in crores)	2,99,655.61	2,90,384.64	3.2
Earning before other income, interest and tax (₹ in crores)	3,388.77	11,512.38	(70.6)
Earning before other income, interest and tax (% to total revenue)	1.1%	4.0%	

The Company's automotive operations segment is further divided into Tata and other brand vehicles, Vehicle financing and Jaguar

Land Rover. In FY 2018-19, Jaguar Land Rover contributed 75% of the Company's total automotive revenue compared to 77% in FY 2017-18 and the remaining 25% was contributed by Tata and other brand vehicles and Financing in FY 2018-19 compared to 23% in FY 2017-18.

The Company's revenue from Tata and other brand vehicles (including vehicle financing) and Jaguar Land Rover in FY 2018-19 and FY 2017-18 and the percentage change from period to period (before intra-segment eliminations) is set forth in the table below.

	FY 2018-19	FY 2017-18	Change
	(₹ in crores)		%
Tata and other brand vehicles including vehicle financing	76,417.68	65,685.50	16.3
Jaguar Land Rover	2,23,513.58	2,24,831.05	(0.6)
Intra-segment elimination	(275.65)	(131.91)	(109.0)
Total	**2,99,655.61**	**2,90,384.64**	**3.2**

The Tata and other brand vehicles including vehicle financing consists of following categories:

	FY 2018-19	FY 2017-18	Change
	(₹ in crores)		%
Commercial Vehicle	58,137.10	49,373.55	17.7
Passenger Vehicle	14,469.80	13,342.04	8.5
Unallocable	110.60	169.69	(34.8)
Vehicle Finance	3,700.18	2,800.22	32.1
Total	**76,417.68**	**65,685.50**	**16.3**

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).

	FY 2018-19	FY 2017-18	Change (%)
Total revenue (₹ in crores)	3,626.07	3,252.36	11.5%
Earning before other income, interest and tax (₹ in crores)	505.44	422.32	19.7%
Earning before other income, interest and tax (% to total revenue)	13.9%	13.0%	

The other operations business segment includes information technology, machine tools and factory automation solutions. In FY 2018-19, revenue from other operations before inter-segment eliminations was ₹3,626.07 crores compared to ₹3,252.36 crores in FY 2017-18. Results for the other operations business segment before other income, finance cost, tax and exceptional items (before inter-segment eliminations) were ₹505.44 crores in FY 2018-19 as compared to ₹422.32 crores for FY 2017-18.

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:

	FY 2018-19	FY 2017-18
	(%)	(%)
Revenue from operations (net of excise duty)	100.0	100.0
Expenditure:		
Cost of material consumed (including change in stock)	65	63.6
Excise Duty (refer below explanation)	-	0.3
Employee Cost	11	10.4
Product development/Engineering	1.4	1.2
Other expenses (net)	20.6	20.6
Amount transferred to capital and other accounts	(6.5)	(6.4)
Total Expenditure	91.5	89.7
Profit before other income, Depreciation and amortization, Finance costs, Foreign exchange (gain)/loss, exceptional item and tax	8.5	10.3
Other Income	1.0	1.4
Profit before Depreciation and Amortization, Finance costs, Foreign exchange (gain)/loss, exceptional item and tax	9.5	11.7
Depreciation and Amortization	7.9	7.4
Finance costs	1.9	1.6
Foreign exchange loss (net)	0.3	(0.4)
Exceptional Item (gain)/loss (net)	9.8	(0.7)
Profit/(loss) before tax	(10.4)	3.8
Tax expense / (credit)	(0.8)	1.5
Profit/(loss) after tax	(9.6)	2.3
Share of profits/(loss) of equity accounted investees (net)	0.1	0.8
Minority Interest	-	-
Profit/(loss) for the year	(9.5)	3.1

Cost of materials consumed (including change in stock)

	FY 2018-19	FY 2017-18
	(₹ in crores)	
Consumption of raw materials and components	1,82,254.45	1,73,371.19
Basis adjustment on hedge accounted derivatives	(1,245.37)	(1,378.60)
Purchase of product for sale	13,258.83	15,903.99
Change in inventories of finished goods, Work-in-progress and products for sale	2,053.28	(2,046.58)
Total	**1,96,321.19**	**1,85,850.00**

Cost of material consumed increased from 63.6% of total revenue (excluding income from vehicle financing) in FY 2017-18 to 65.0% in FY 2018-19. For Tata Motors Standalone (including Joint Operations), costs of materials consumed was 73.1% of net revenue in FY 2018-19 of total revenue as compared to 72.7% in FY 2017-18, representing an increase of 40 bps, which was mainly attributable to a change in product mix. For Jaguar Land Rover, costs of materials consumed was 63.8% of total revenue in FY 2018-19 compared to 61.9% in FY 2017-18, representing an increase of 190 bps, mainly driven by product mix.

Employee Costs were ₹33,243.87 crores in FY 2018-19 as compared to ₹30,300.09 crores in FY 2017-18, an increase of 9.7%. There was unfavourable translation impact of GB£ to INR of Jaguar Land Rover operation of ₹1,691.23 crores. At Jaguar Land Rover the increase in employee cost is by 3.5% to GB£2,822 million (₹25,903.78 crores) in FY 2018-19 as compared to GB£2,726 million (₹23,392.69 crores) in FY 2017-18, primarily reflects the average increase in the employee head count all across functions. For Tata Motors Standalone (including joint operations), the employee cost increased by 7.7% to ₹4,273.10 crores as compared to ₹3,966.73 crores in FY 2017-18, mainly due to annual increments, higher bonus and performance payment accruals and wage revisions. To manage, employee costs, in FY 2018-19, Jaguar Land Rover announced the voluntary redundancy program, resulting in a charge of ₹1,367.22 crores (considered in exceptional items).

Other Expenses includes all works operations, indirect manufacturing expenses, freight cost, fixed marketing costs and other administrative costs. These expenses have increased to ₹62,238.12 crores in FY 2018-19 from ₹60,184.21 crores in FY 2017-18. The breakdown is provided below:

	FY 2018-19	FY 2017-18	Change
		(₹ in crores)	
Processing charges	1,634.36	1,339.08	295.28
Consumption of stores and spare parts	2,444.15	2,210.56	233.59
Freight, transportation, port charges, etc.	7,804.47	10,742.12	(2,937.65)
Power and fuel	1,585.93	1,308.08	277.85
Warranty and product liability expenses	11,890.70	7,700.07	4,190.63
Publicity	8,729.63	8,968.59	(238.96)
Information technology/ computer expenses	2,340.45	2,143.18	197.27
Allowance for finance, trade and other receivables	534.43	57.87	476.56
Engineering expenses	5,275.58	5,278.84	(3.26)
MTM (gain)/loss on commodity derivatives	(84.75)	214.63	(299.38)
Works operation and other expenses	20,083.17	20,221.19	(138.02)
Other Expenses	62,238.12	60,184.21	2,053.91

The changes are mainly driven by volumes and the size of operations.

i. Processing charges were mainly incurred by Tata and other brand vehicles, which, due to higher volumes, led to higher expenditures.

ii. Freight, transportation, port charges etc. have decreased, for Jaguar Land Rover, predominantly due to decreased sales in certain geographies. As a percentage to total revenue, Freight, transportation and port charges etc. were at 2.6% in FY 2018-19, as compared to 3.7% in FY 2017-18. The decrease is also due to presentation change on adoption of Ind AS 115.

iii. Publicity expenses decreased by 2.7% mainly due to decrease in JLR and represented 2.9% of total revenues in FY 2018-19 and 3.1% in FY 2017-18. In addition to routine product and brand campaigns, the Company incurred expenses relating to new product introduction campaigns for the I-Pace, E-Pace, Velar and the all new Jaguar XF, the Harrier, Tiago/Tigor JTP range at Tata Motors.

iv. Warranty and product liability expenses represented 3.9% and 2.6% of the Company's revenues in FY 2018-19 and FY 2017-18, respectively. The warranty expenses at Jaguar Land Rover represented 4.2% of the revenue as compared to 2.7% last year, primarily due to new campaigns, whereas Tata Motors India operations these represent 1.5% and 1.3% of revenue for FY 2018-19 and FY 2017-18, respectively.

v. Works operation and other expenses have decreased to 6.7% of net revenue in FY 2018-19 from 6.9% in FY 2017-18.

vi. Engineering expenses at Jaguar Land Rover have been flat, reflecting the continued investment in the development of new vehicles. A significant portion of these costs are capitalized and shown under the line item "Amount transferred to capital and other accounts".

vii. The provision and write off of various debtors, vehicle loans and advances (net), has increased to ₹534.43 crores in FY 2018-19 as compared to ₹57.87 crores in FY 2017-18. Allowances for trade and other receivables for FY 2018-19 increased to ₹211.81 crores, as compared to ₹14.57 crores. In FY 2017-18, there was reversal of certain provisions for trade receivables due to favourable litigation award. Allowances for finance receivables has increased to ₹320.24 crores in FY 2018-19, as compared to ₹43.30 crores in FY 2017-18. The increase is due to higher finance receivables, due to increased volumes, lower calculations on percentage terms of finance receivables and there was a reversal of provision in FY 2017-18.

Amount transferred to capital and other accounts 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 5.8% to ₹19,659.59 crores in FY 2018-19 from ₹18,588.09 crores in FY 2017-18, 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 decreased by 25.1% to ₹2,965.31 crores in FY 2018-19 from ₹3,957.59 crores in FY 2017-18. Interest income increased to ₹786.46 crores in FY 2018-19, compared to ₹711.81 crores in FY 2017-18, whereas profit on sale of investment marginally decreased to ₹128.61 crores in FY 2018-19, compared to ₹129.26 crores in FY 2017-18. Fair value gain in investments has increased to ₹238.54 crores in FY 2018-19, as compared to ₹32.05 crores in FY 2017-18. During FY 2018-19, the fair value of the investment in Lyft has increased by GB£24.35 million (₹223.45 crores), due to IPO lisiting on the NASDAQ stock exchange.

Profit before Depreciation and Amortization, Finance costs, Foreign exchange (gain)/loss, exceptional item and tax is ₹28,535.55 crores in FY 2018-19, representing 9.5% of revenue in FY 2018-19 compared to ₹34,229.99 crores in FY 2017-18.

Depreciation and Amortization: During FY 2018-19, depreciation and amortization expenditures increased by 9.5% to ₹23,590.63 crores from ₹21,553.59 crores in FY 2017-18. The depreciation increase of 12.2% to ₹12,200.42 crores as compared to ₹10,874.34 crores in FY 2017-18 is mainly at Jaguar Land Rover due to new product launches and opening of new facilities (Slovakia). The amortization expenses have also increased by 6.7% to ₹11,390.21 crores in FY 2018-19 from ₹10,679.25 crores in FY 2017-18, and are attributable to new products introduced during the year, mainly at Jaguar Land Rover business.

Product development/engineering expenses The Company introduced the factor of "affordability" of investments w.e.f. April 1, 2018 for capitalization of product development costs. Accordingly, charge off increased by 19.6% to ₹4,224.57 crores in FY 2018-19 from ₹3,531.87 crores in FY 2017-18.

Finance Cost Increased by 23% to ₹5,758.60 crores in FY 2018-19 from ₹4,681.79 crores in FY 2017-18. The Increase was mainly attributable to higher interest rates and borrowings. The finance cost at JLR is higher from ₹724.65 crores to ₹1010.68 crores due to $1bn syndicated loan facility drawn down in October 2018.

Foreign exchange loss of ₹905.91 crores in FY 2018-19 as compared to gain of ₹1,185.28 crores in FY 2017-18. The loss was mainly due to depreciation of GBP and INR as compared to USD.

Exceptional items (gain)/loss

	FY 2018-19	FY 2017-18	Change
		(₹ in crores)	
Employee separation cost	1,371.45	3.68	1,367.77
Defined benefit pension plan amendment	147.93	(3,609.01)	3,756.94
Write off of Property, plant and equipment and capital work in progress	180.97	1,641.38	(1,460.41)
Provision for costs of closure of operation of a subsidiary	381.01	-	381.01
Provision for impairment in Jaguar Land Rover	27,837.91	-	27,837.91
Profit on sale of investment in a subsidiary Co.	(376.98)	-	(376.98)
Others	109.27	(11.19)	120.46
Total	**29,651.56**	**(1,975.14)**	**31,626.70**

a) In FY 2018-19, Jaguar Land Rover announced the voluntary redundancy program, resulting in a charge of ₹1,367.22 crores.

b) The debit of GB£16.5 million (₹147.93 crores) in FY 2018-19 as compared to credit of GB£437 million (₹3,609.01 crores) in FY 2017-18, related to the amendment of the Defined Benefit scheme of Jaguar Land Rover as past service costs.

c) In FY 2018-19, the Company has taken an impairment charge of £3,105 million (₹27,837.91 crores). The Company assessed the recoverable amount of the Jaguar Land Rover business, which represent a single cash-generating unit (CGU), as the higher of Fair Value Less Cost of Disposal ('FVLCD') and Value in Use ('VIU') of the relevant assets of the CGU, due to change in market conditions especially in China, technology disruptions and rising cost of debt.

d) On July 31, 2018, the Company decided to cease the current manufacturing operations of Tata Motors Thailand Ltd. The Company will address the Thailand market with a revamped product portfolio, suitable to the local market needs, delivered through a CBU distribution model. Accordingly, the relevant restructuring costs have been accounted in FY 2018-19.

e) In FY 2018-19, the Company has sold investment in TAL Manufacturing Solutions Limited to Tata Advanced Systems Ltd.

Earnings Before Interest Tax (EBIT) decreased to ₹3,643 crores in FY 2018-19, compared to ₹11,846 crores in FY 2017-18. EBIT is defined to include the revaluation of current assets and liabilities and realized foreign exchange and commodity hedges as well as profits from equity accounted investees but excludes the revaluation of foreign currency debt, mark to market (MTM) on foreign exchange and commodity hedges, other income and exceptional items.

Consolidated loss before tax ₹31,371.15 crores in FY 2018-19, compared to profit of ₹11,155.03 crores in FY 2017-18. The loss before tax is primarily driven by -

- The profitability at Jaguar Land Rover operations were lower due to product mix, higher manufacturing expenses and other operating costs including higher marketing expenses, higher depreciation and amortization expenses related to significant capital expenditure incurred in prior periods.
- Impairment charge of ₹27,837.91 crores for Jaguar Land Rover.

  Offset by
- Improvement in the Tata Motors Ltd Standalone business in India, mainly favourable model mix and better management of other operating costs.
- The increase in profits in FY 2017-18 was also due to exceptional gain of ₹3,609.01 crores of pension cost.

Tax Expense represents a net credit of ₹2,437.45 crores in FY 2018-19, as compared to net charge of ₹4,341.93 crores (effective tax rate of 32.3%) in FY 2017-18. Due to impairment charge at Jaguar Land Rover, there is a write down of previously recognized deferred tax asset of ₹2,698.15 crores. Further, for Tata Motors Ltdand certain subsidiaries, the Company has not recognized deferred tax assets due to uncertainty of future taxable profits.

Consolidated loss after tax of ₹28,826.23 crores in FY 2018-19 from profit of ₹8,988.91 crores in FY 2017-18, after considering the profits from associate companies and shares of minority investees. The losses was mainly attributable to Jaguar Land Rover business performance, including impairment charge.

Consolidated Balance Sheet

₹ in crores

		As at March 31,		Change	Translation of JLR	Net Change
		2019	2018			
ASSETS						
(a)	Property, plant and equipment and intangible assets	1,42,370	1,61,331	(18,961)	(2,215)	(16.746)
(b)	Goodwill	748	116	632	-	632
©	Investment in equity accounted investees	5,335	5,385	(50)	(84)	34
(d)	Financial assets	1,03,404	1,04,184	(780)	(1,010)	230
(e)	Deferred tax assets (net)	5,151	4,159	992	(91)	1,083
(f)	Current tax assets (net)	1,209	1,109	100	(2)	102
(g)	Other assets	9,801	10,344	(543)	(116)	(427)
(h)	Inventories	39,014	42,138	(3,124)	(640)	(2,484)
(i)	Assets classified as held-for-sale	162	2,585	(2,423)	-	(2,423)
	TOTAL ASSETS	3,07,195	3,31,351	(24,156)	(4.158)	(19,998)
LIABILITIES						
(a)	Financial liabilities:	1,98,463	1,88,941	9,522	(2,292)	11,814
(b)	Provisions	22,052	18,902	3,150	(377)	3,527
©	Deferred tax liabilities (net)	1,491	6,126	(4,635)	(18)	(4,617)
(d)	Other liabilities	23,469	18,800	4,669	(394)	5,063
(d)	Current tax liabilities (net)	1,018	1,559	(541)	(17)	(524)
(e)	Liabilities directly associated with Assets held-for-sale	-	1,070	(1,070)	-	(1,070)
	TOTAL LIABILITIES	2,46,492	2,35,398	11,094	(3,098)	14,192

Property, plant and equipment and other intangible assets

	As at March 31,		Change
	2019	2018	
	(₹ in crores)		
Property, plant and equipment (including capital work-in-progress)	81,158.03	90,010.78	(8,852.75)
Other intangible assets (including assets under development)	61,212.41	71,320.13	(10,107.72)
Total	**1,42,370.44**	**1,61,330.91**	**(18,960.47)**

There is decrease (net of depreciation and amortization) in the intangible and tangible assets in FY 2018-19. The decrease was due to impairment charge of ₹27,837.91 crores at Jaguar Land Rover. Further, the decrease was due to unfavourable currency translation impact from GB£ to INR of ₹2,215 crores. This was offset mainly at Jaguar Land Rover Slovakia plant, tooling and facilities for new products like E-Pace, Evoque, I-Pace etc. At Tata Motors Ltd, the additions were mainly in dies, tooling's, and product development cost for new products.

Investments in equity accounted investees were ₹5,334.88 crores as at March 31, 2019, as compared to ₹5,385.24 crores as at March 31, 2018.

Financial Assets (Current + Non-current)

Investments (Current + Non-current) were ₹ 10,435.84 crores as at March 31, 2019, as compared to ₹15,427.51 crores as at March 31, 2018. The details are as follows:

	As at March 31,		Change
	2019	2018	
	(₹ in crores)		
Mutual Funds	8,966.25	14,360.47	(5,394.22)
Quoted Equity shares	727.45	339.92	387.53
Unquoted Equity shares	562.18	609.08	(46.90)
Others	179.96	118.04	61.92
Total	**10,435.84**	**15,427.51**	**(4,991.67)**

The decrease in mutual fund investments was at Jaguar Land Rover and Tata Motors Limited. Increase in quoted equity shares is due to fair value gain.

Finance receivables (current + non-current) were ₹33,624.69 crores as at March 31, 2019, as compared to ₹23,881.18 crores as at March 31, 2018, an increase of 40.8%, primarily due to increased vehicle financing business. The Gross finance receivables were ₹34,457.74 crores as at March 31, 2019, as compared to ₹25,070.75 crores as at March 31, 2018.

Loans and Advances

	As at March 31,		Change
	2019	2018	
	(₹ in crores)		
Long term loans and advances	407.42	495.41	(87.99)
Short term loans and advances	1,268.70	1,451.14	(182.44)
Total	**1,676.12**	**1,946.55**	**(270.43)**

Loans and advances include advances to suppliers and contractors etc. which has decreased to ₹1,177.45 crores as at March 31, 2019 from ₹1,431.98 crores as at March 31, 2018.

Other Financial Assets

	As at March 31,		Change
	2019	2018	
	(₹ in crores)		
Other financial assets - non current	2,809.18	4,563.87	(1,754.69)
Other financial assets – current	3,213.56	3,857.64	(644.08)
Total	**6,022.74**	**8,421.51**	**(2,398.77)**

These included ₹2,146.68 crores of derivative financial instruments, mainly attributable to Jaguar Land Rover as at March 31, 2019 compared to ₹5,323.02 crores as at March 31, 2018, reflecting notional asset due to the valuation of derivative contracts. Recovery from suppliers has decreased to ₹1,927.28 crores as at March 31, 2019, as compared to ₹2,038.42 crores as at March 31, 2018. Further, there is deposit with financial institution of ₹500.00 crores as at March 31, 2019.

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 offset by a debit in the statement of profit and loss.

	As at March 31,		Change
	2019	2018	
	(₹ in crores)		
Deferred tax assets	5,151.11	4,158.70	992.41
Deferred tax liability	1,491.04	6,125.80	(4,634.76)

A deferred tax credit (net) of ₹4,662.68 crores was recorded in the income statement, mainly at JLR due to impairment charge during FY 2018-19 and ₹700.99 crores in other comprehensive income, which mainly includes post-retirement benefits and cash flow hedges in FY 2018-19.

Inventories as at March 31, 2019, were ₹39,013.73 crores as compared to ₹42,137.63 crores as at March 31, 2018, a decrease of 7.4%. Inventory at Tata and other brand vehicles (including vehicle financing) was ₹ 6,399.94 crores as at March 31, 2019 as compared to ₹7,318.87 crores as at March 31, 2018. Inventory at Jaguar Land Rover was ₹32,613.86 crores as at March 31, 2019, a decrease of 6.3%, as compared to ₹34,805.01 crores as at March 31, 2018. In terms of number of days of sales, finished goods represented inventory of 39 days in FY 2018-19 as compared to 40 days in FY 2017-18.

Trade Receivables (net of allowance for doubtful debts) were ₹18,996.17 crores as at March 31, 2019, representing a decrease of 4.5% compared to ₹19,893.30 crores as at March 31, 2018. Trade Receivables have increased at Tata and other brand vehicles (including vehicle financing) to ₹ 6,473.72 crores as at March 31, 2019 as compared to ₹5,492.78 crores as at March 31, 2018. The increase was mainly due to higher sales in FY 2018-19. Trade receivables at Jaguar Land Rover was ₹12,063.57 crores as at March 31, 2019, as compared to ₹14,374.03 crores as at March 31, 2018, due to lower receivables in UK. The allowances for doubtful debts were ₹970.10 crores as at March 31, 2019 compared to ₹1,261.67 crores as at March 31, 2018. In terms of number of day's sales, trade receivable represented 24 days in FY 2018-19 as compared to 21 days of 2018.

Cash and cash equivalents were ₹21,559.80 crores, as at March 31, 2019, compared to ₹14,716.75 crores as at March 31, 2018. The Company holds cash and bank balances in Indian rupees, GB£, Chinese Renminbi, etc.

Other bank balances were ₹11,089.02 crores, as at March 31, 2019, compared to ₹19,897.16 crores as at March 31, 2018. These include bank deposits maturing within one year of ₹10,574.21 crores as at March 31, 2019, compared to ₹19,361.58 crores as at March 31, 2018.

Current tax assets (net) (current + non-current) were ₹1,208.93 crores, as at March 31, 2019, compared to ₹1,108.81 crores as at March 31, 2018.

Other assets

	As at March 31,		Change
	2019	2018	
	(₹ in crores)		
Other assets - non current	2,938.73	2,681.25	257.48
Other assets – current	6,862.22	7,662.37	(800.15)
Total	**9,800.95**	**10,343.62**	**(542.67)**

These mainly includes prepaid expenses, including rentals on operating lease of ₹2,341.67 crores as at March 31, 2019, as compared to ₹2,584.66 crores as at March 31, 2018. Taxes recoverable, statutory deposits and dues from government were ₹6,153.85 crores as at March 31, 2019, as compared to ₹6,724.43 crores as at March 31, 2018.

Shareholders' fund was ₹60,179.56 crores and ₹95,427.91 crores as at March 31, 2019 and 2018, respectively, a decrease of 36.9% mainly due to losses in FY 2018-19 of ₹28,826.23 crores, due to performance and impairment charge for Jaguar Land Rover business.

Reserves decreased by 37.2% from ₹94,748.69 crores as at March 31, 2018 to ₹59,500.34 crores as at March 31, 2019. Though, the loss for FY 2018-19 was ₹28,826.23 crores, decrease in Reserves of ₹35,248.35 crores was primarily attributable to following reasons:

- Debits for remeasurement of employee benefit plans was ₹2,174.01 crores in FY 2018-19.
- Translation loss of ₹2,068.84 crores recognized in translation reserve on consolidation of subsidiaries further contributed to a decrease in reserves and surplus.
- Further decrease in hedging reserves by ₹2,191.36 crores, primarily due to mark-to-market gains on forwards and options in Jaguar Land Rover, primarily due to Strengthening in the US$-GB£ forward rates.

Borrowings

	As at March 31,		Change
	2019	2018	
	(₹ in crores)		
Long term borrowings	70,973.67	61,199.50	9,774.17
Short term borrowings	20,150.26	16,794.85	3,355.41
Current maturities of long term borrowings	15,051.41	10,956.12	4,095.29
Total	**106,175.34**	**88,950.47**	**17,224.87**

- Current maturities of long-term borrowings represent the amount of loan repayable within one year.
- The closing net automotive debt increased to ₹28,394 crores at March 31, 2019 from ₹13,889 crores as at March 31, 2018 mainly due to cumulative negative free cash flow primary at JLR.
- During FY 2018-19,

o the Company raised ₹1,500 crores through Buyer's line of credit from banks with a tenor ranging from 4 years to 5 years.

o Jaguar land rover Automotive plc, arranged and draw down on a USD1 billion (₹6,834 crores) syndicated loan of USD 200 million (₹1,367.63 crores) and USD 800 million (₹5,466.74 crores) maturing in October 2022 and January 2025 respectively.

o Jaguar land rover Automotive plc, issued a €500 million (₹3,898.95 crores) bond in September 2018 maturing in January 2026 with a coupon of 4.5%.

o Tata Motors Finance group had raised ₹2,066 crores by issuing NCD and through secured term loan amounting to ₹6,306 crores.

Other financial liabilities

	As at March 31,		Change
	2019	2018	
Other financial liabilities - non current	2,792.71	2,739.14	53.57
Other financial liabilities – current	32,855.65	31,267.49	1,588.16
Total	**35,648.36**	**34,006.63**	**1,641.73**

These included ₹7,404.97 crores of derivative financial instruments, mainly attributable to Jaguar Land Rover as at March 31, 2019 compared to ₹8,657.86 crores as at March 31, 2018, reflecting favorable foreign exchange movement between US$ and GB£. Further, liability for capital expenditure decreased to ₹7,046.74 crores as at March 31, 2019, as compared to ₹8,219.45 crores as at March 31, 2018. These decreases were offset by increase in current maturities of long-term borrowings to ₹15,051.41 crores as at March 31, 2019, as compared to ₹10,956.12 crores as at March 31, 2018.

Trade payables were ₹68,513.53 crores as at March 31, 2019, as compared to ₹72,038.41 crores as at March 31, 2018. The number of day's payable outstanding is 110 days in FY 2018-19 compared to 121 days in FY 2017-18. The Consolidated cash conversion cycle indicates the time, the Company takes to collect cash from sale of inventory. It is calculated as trade receivables (in days) plus inventory (in days) less trade payable (in days). The status as at March 31, 2019 and 2018, is as follows:

	As at March 31,	
	2019	2018
	(Number of days)	
Tata Motors Ltd Consolidated	(39)	(47)
Jaguar Land Rover Automotive Plc.	(55)	(51)

Acceptances were ₹3,177.14 crores as at March 31, 2019, as compared to ₹4,901.42 crores as at March 31, 2018.

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,		Change
	2019	2018	
	(₹ in crores)		
Long term provisions - non-current	11,854.85	10,948.44	906.41
Short term provisions – current	10,196.75	7,953.50	2,243.25
Total	**22,051.60**	**18,901.94**	**3,149.66**

i. Provision for warranty increased to ₹17,501.26 crores as at March 31, 2019, as compared to ₹15,935.10 crores as at March 31, 2018, an increase of ₹1,566.16 crores primarily at JLR.

ii. The provision for employee benefits obligations increased to ₹1,934.22 crores as at March 31, 2019, as compared to ₹844.64 crores as at March 31, 2018. The increase is due to provisions for employee separation cost at JLR of ₹954.40 crores.

iii. Provision for legal and product liability increased to ₹1,786.43 crores as at March 31, 2019, as compared to ₹1,319.87 crores as at March 31, 2018.

Other liabilities

	As at March 31, 2019	As at March 31, 2018	Change
	(₹ in crores)		
Other liabilities - non current	13,922.21	11,165.19	2,757.02
Other liabilities – current	9,546.46	7,634.55	1,911.91
Total	**23,468.67**	**18,799.74**	**4,668.93**

These mainly includes liabilities towards employee benefits obligations of ₹6,110.12 crores as at March 31, 2019, as compared to ₹4,100.76 crores as at March 31, 2018, increase mainly at Jaguar Land Rover. Contract liabilities were ₹9,250.47 crores as at March 31, 2019, as compared to ₹7,867.89 crores as at March 31, 2018. Statutory dues (VAT, Excise, Service Tax, Octroi etc.) were ₹3,913.94 crores as at March 31, 2019, as compared to ₹3,176.86 crores as at March 31, 2018. Government Grants increased to ₹3,278.37 crores as at March 31, 2019 as compared to ₹2,976.65 crores as at March 31, 2018.

Consolidated Cash Flow

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

	FY 2018-19	FY 2017-18	Change
	(₹ in crores)		
Cash from operating activity	**18,890.75**	**23,857.42**	**(4,966.67)**
Profit for the year	(28,724.20)	9,091.36	
Adjustments for cash flow from operations	57,486.63	24,220.92	
Changes in working capital	(7,212.25)	(6,433.70)	
Direct taxes paid	(2,659.43)	(3,021.16)	
Cash from investing activity	**(19,711.09)**	**(26,201.61)**	**6,490.52**
Payment for property, plant and equipment and other intangible assets (net)	(35,236.29)	(35,048.62)	
Net investments, short term deposit, margin money and loans given	14,532.42	6,359.13	
Dividend and interest received	992.78	2,487.88	
Net Cash from / (used in) Financing Activities	**8,830.37**	**2,011.71**	**6,818.66**
Dividend Paid (including paid to minority shareholders)	(94.74)	(95.96)	
Interest paid	(7,005.09)	(5,410.64)	
Net Borrowings (net of issue expenses)	15,930.20	7,518.31	
Net increase / (decrease) in cash and cash equivalent	**8,010.03**	**(332.48)**	**8,342.51**
Cash and cash equivalent, beginning of the year	14,716.75	13,986.76	
Effect of exchange fluctuation on cash flows	(1,410.92)	1,306.41	
Classified as held for sale	-	(243.94)	
Reversal of opening held for sale adjustment	243.94	-	
Cash and cash equivalent, end of the year	**21,559.80**	**14,716.75**	

a) Cash generated from operations before working capital changes was ₹28,762.43 crores in FY 2018-19, as compared to ₹33,312.28 crores in the previous year, representing a decrease in cash from generated from consolidated operations. After considering the impact of working capital changes including the net movement of vehicle financing portfolio, the net cash generated from operations was ₹18,890.75 crores in FY 2018-19, as compared to ₹23,857.42 crores in the previous year. The increase in finance receivables offset by decrease in trade receivables, inventories and other assets, amounting to ₹6,515.44 crores mainly due to increase in sales was coupled with decrease in trade and other payables and provisions amounting to ₹696.81 crores.

b) The net cash outflow from investing activity decreased to ₹19,711.09 crores in FY 2018-19 from ₹26,201.61 crores in FY 2017-18..

- Capital expenditure (net) was at ₹35,236.29 crores in FY 2018-19, compared to ₹35,048.62 crores, related mainly to capacity/ expansion of facilities, quality and reliability projects and product development projects.
- Net investments, short-term deposits, margin money and loans given was an inflow of ₹14,532.42 crores in FY 2018-19 as compared to inflow of ₹6,359.13 crores in FY 2017-18, mainly at Jaguar Land Rover.

c) The net change in financing activity was an inflow of ₹8,830.37 crores in FY 2018-19 as compared to ₹2,011.71 crores in FY 2017-18.

- In FY 2018-19, ₹12,755.97 crores were raised from long-term borrowings (net) as compared to ₹4,557.96 crores (net) in FY 2017-18 as described in further detail below
- Net increase in short-term borrowings of ₹3,174.23 crores in FY 2018-19 as compared to ₹2,960.35 crores in FY 2017-18, mainly at Tata and other brand vehicles (including vehicle financing).

d) There has been a net outflow in the Free cash flows of ₹16,345.54 crores due to lower growth and higher investments in Jaguar Land Rover.

As at March 31, 2019, the Company's borrowings (including short-term debt) were ₹1,06,175.34 crores, compared to ₹88,950.47 crores as at March 31, 2018..

KEY FINANCIAL RATIOS

The details of significant changes (25% or more) in the key financial ratios in FY 2019 compared to 2018 is as follows:

	FY 2018-19	FY 2017-18	Formula used	Reason for change
Debt Equity ratio (in times)	1.76	0.93	Total Debt / Shareholders Equity	The Consolidated debt has increased by 19% in FY 2018-19 compared to FY 2017-18. The Shareholders equity has been reduced due to impairment charge of GB£3,105 million taken in FY 2018-19 for Jaguar Land Rover.
Interest coverage ratio (in times)	0.66	2.52	EBIT as per segment / Interest expense	Due to higher Interest cost and lower sales at Jaguar Land Rover, the interest coverage ratio is low.
Net profit margin (%)	(10)	3	Net Profit / Revenue from operation	Due to subdued business performance at Jaguar Land Rover and impairment charge of GB£3,105 million in FY 2018-19, there has been a loss resulting in negative Net profit margin.

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 ₹32,648.82 crores as at March 31, 2019, as compared to ₹34,613.91 crores as at March 31, 2018. These enable the Company to cater to business needs in the event of changes in market conditions.

The Company's capital expenditures were ₹36,635.67 crores and ₹42,672.29 crores for FY 2018-19 and FY 2017-18, respectively, and it currently plans to invest approximately ₹450 billion in FY 2018-19 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 consolidated basis has free cash flow (a non-GAAP measure, measured at cash flow from operating activities, less payment for property, plant and equipment and intangible assets) negative in FY 2018-19, of ₹16,346 crores. The cash flow from financing arm is negative ₹7,177 crores. Net Automotive cash flow is negative ₹9,169 crores. The Company expects that with the improvement in macro-economic conditions and business performance, through other steps like raising funds, review of non-core investments, and through appropriate actions for raising additional long-term resources, the funding gap can 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, 2019: 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	B+	Ba2
Short-term borrowings	A1+	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 FY 2017-18 and 2019, through issue of various debt securities and loans as described below.

The Company successfully completed liability management exercise by part refinancing of US$500 million notes due for repayment on April 30, 2020. The Company raised ECB of US$237.468 million maturing in June 2025 which was used to repay the investors, who had surrendered their bonds through the tendering process.

During FY 2018-19, Tata Motors Limited raised unsecured term loans of ₹1500 crores from banks for ongoing capital spending requirements.

During FY 2018-19, JLR issued EUR500 million senior notes due in 2026 at a coupon of 4.50% per annum. JLR also raised US$1,000 million through syndicated loan. The proceeds were for general corporate purposes, including support for JLR's ongoing growth and capital spending requirements.

During FY 2018-19, TMFHL and its subsidiaries, Tata Motors Finance Limited and TMFSL, raised ₹2,066 crores (Face Value) by issuing NCDs. Bank borrowings through secured term loans continued to be a major source of funds for long-term borrowing and raised ₹6,306 crores during FY 2018-19. TMFL has also done securitization of ₹3,862 crores in FY 2018-19.

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 ₹10,000 crores from various banks in India as at March 31, 2019. 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 currently has a GB£1,935 million revolving credit facility with a syndicate of 30 banks, maturing in 2022. The revolving credit facility remained undrawn as at March 31, 2019.

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.

As at March 31, 2019, GB£262 million of cash was held by Jaguar Land Rover subsidiaries outside of the UK. 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 JLR do 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 to the Company and its subsidiaries. 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 as restricted payments from the Jaguar Land Rover group to the Company and its subsidiaries is limited to 50% of its cumulative consolidated net income (as defined in the relevant financing documentation) from January 2011. As at March 31, 2019, the estimated amount that is available for dividend payments, other distributions and restricted payments was approximately GB£4,315 million.

FINANCIAL PERFORMANCE ON A STANDALONE BASIS

The financial information discussed in this section is derived from the Company's Audited Standalone Financial Statements. These include the Company's proportionate share of income and expenditure in its two Joint Operations, namely Tata Cummins Pvt Ltd and Fiat India Automobiles Pvt Ltd.

	FY 2018-19 (%)	FY 2017-18 (%)
Income from operations (net of excise duty)	100	100
Expenditure:		
Cost of material consumed (including change in stock)	73.1	72.7
Excise Duty	--	1.4
Employee cost	6.2	6.8
Product development/Engineering expenses	0.8	0.8
Other expenses (net)	14.0	15.7
Amount capitalised	(1.6)	(1.5)
Profit before other income, depreciation and amortisation, finance costs, foreign exchange loss, exceptional items and tax	7.5	4.1
Other income	3.7	4.2
Profit before depreciation and amortisation, finance costs, foreign exchange loss, exceptional items and tax	11.2	8.3
Depreciation and amortisation	4.5	5.3
Finance costs	2.6	3.0
Foreign exchange (gain)/loss	0.3	0.0
Exceptional items – loss	0.3	1.6
Profit/(loss) before tax	3.5	(1.6)
Tax expenses	0.6	0.2
Profit/(loss) after tax	2.9	(1.8)

FY 2018-19 has been a good year for the Company, followed a period of high demand in the automotive sector in India.

Income from operations of the Company for FY 2018-19, stood at ₹69,202.76 crores as compared to ₹58,689.81 crores, an increase of 17.9%. Sale of vehicles stood at ₹61,357.95 crores as compared to ₹52,636.85 crores, an increase of 16.6%. Total number of vehicles sold were 732,428 units in FY 2018-19, as compared to 636,968 units in FY 2017-18, a growth of 15%. Sale of spare parts & miscellaneous products stood at ₹6,965.74 crores as compared to ₹5,231.19 crores, an increase of 33.2%.

FY 2018-19, was the first full year of benefits of the strategic Organization Effectiveness (OE) program, designed to overhaul and transform the organizational structure of the company. As a result of the OE program, the company has drawn separate strategies for commercial vehicles and passenger vehicles from FY 2018-19.

Consequent to these changes, from April 1, 2018, the operating segments of the Company are as follows as at March 31, 2019 and 2018:

(₹ in crores)

	FY 2018-19		FY 2017-18	
	Revenue	Earnings before Interest and Tax (EBIT)	Revenue	Earnings before Interest and Tax (EBIT)
Commercial vehicles	54,036.54	4,423.50	44,875.54	3,474.29
Passenger vehicles	15,052.30	(1,396.08)	13,644.58	(2,985.13)
Corporate/ Unallocable	113.92	(349.92)	169.69	(265.45)

Cost of materials consumed (including change in stock)

	FY 2018-19	FY 2017-18
	(₹ in crores)	
Consumption of raw materials and components	43,748.77	37,080.45
Purchase of product for sale	6,722.32	4,762.41
Change in inventories of finished goods, Work-in-progress and products for sale	144.69	842.05
Total	**50,615.78**	**42,684.91**

Cost of material consumed increased from 72.7% of total revenue to 73.1% in FY 2018-19, representing an increase of 40 bps, mainly due to product mix.

Excise duty Consequent to the introduction of Goods and Service Tax (GST) with effect from July 1, 2017, Central Excise, Value Added Tax (VAT) etc. have been replaced by GST. Excise duty for FY 2017-18 was ₹793.28 crores.

Employee Costs were ₹4,273.10 crores in FY 2018-19 as compared to ₹3,966.73 crores in FY 2017-18, an increase by 7.7%, mainly due to higher volumes, annual increments, higher bonus and performance payment provisions for FY 2018-19 and wage revisions at some plant locations. The number of employees in TML Standalone only were 27,572 as at March 31, 2019, as compared to 24,922 as at March 31, 2018. The Company has given share based payments to certain employees, resulting in a charge of ₹8.44 crores in FY 2018-19.

Other Expenses includes all works operations, indirect manufacturing expenses, freight cost, fixed marketing costs and other administrative costs. These expenses have increased by 4.8% to ₹9,680.46 crores in FY 2018-19 from ₹9,234.27 crores in FY 2017-18. The breakdown is provided below:

	FY 2018-19	FY 2017-18	Change
		(₹ in crores)	
Processing charges	1,567.89	1,240.88	327.01
Consumption of stores & spare parts	617.67	639.35	(21.68)
Freight, transportation, port charges, etc.	1,865.62	1,703.15	162.47
Power and fuel	598.62	545.12	53.50
Warranty expenses	999.47	766.18	233.29
Information technology/ computer expenses	714.17	711.95	2.22
Publicity	736.13	720.18	15.95
Allowances made/(reversed) for trade and other receivables	170.90	(109.19)	280.09
Assets scrapped/written off	230.28	995.47	(765.19)
Works operation and other expenses	2179.71	2,021.18	158.53
Other Expenses	9,680.46	9,234.27	446.19

The changes are mainly driven by volumes and the size of operations.

i. Freight, transportation, port charges etc., as a percentage to total revenue, were 2.7% in FY 2018-19, as compared to 2.9% in FY 2017-18. The increase in absolute amount is due to higher vehicle sales in FY 2018-19.

ii. Publicity expenses represented 1.1% of total revenues in FY 2018-19 and 1.2% in FY 2017-18. In addition to routine product and brand campaigns, the Company incurred expenses relating to new product introduction campaigns for the Harrier etc.

iii. Warranty expenses represented 1.4% and 1.3%, of the Company's revenues in FY 2018-19 and 2018, respectively. The increase was due to increased volumes of M&HCV. Further, the Company has increased product warranty period for certain vehicles from four years to six years effective from January 1, 2018.

iv. Information technology/computer expenses represented 1% and 1.2% of the Company's revenues in FY 2018-19 and 2018, respectively.

v. Allowances made for trade and other receivables of ₹170.90 crores in FY 2018-19, In FY 2018, there was a reversal due to favorable litigation orders.

vi. Assets written off were ₹230.28 crores in FY 2018-19, as compared to ₹995.47 crores in FY 2017-18.

vi. Works operation and other expenses have decreased to 3.1% of net revenue in FY 2018-19 from 3.4% in FY 2017-18. The Company has run certain impact projects thereby reducing its fixed costs. In absolute terms the expenses increased by ₹158.53 crores in FY 2018-19. The Company has subscribed to the Tata Brand Equity & Brand Promotion Agreement, for which the Company has to pay an annual subscription of 0.25% of the annual net income, subject to a ceiling of 5% of the annual profit before tax. In view of profits in FY 2018-19, there is an accrual for such fees..

Product development/engineering expenses The Company introduced the factor of "affordability" of investments w.e.f. April 1, 2018 for capitalization of product development costs. Accordingly, the amount written off increased by 20.4% to ₹571.76 crores in FY 2018-19 from ₹474.98 crores in FY 2017-18.

Amount transferred to capital and other account 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 27.8% to ₹1,093.11 crores in FY 2018-19 from ₹855.08 crores in FY 2017-18, mainly due to various product development projects undertaken by the Company for the introduction of new products, BS6 and the development of engine and products variants.

Other Income increased by 2.5% to ₹ 2,554.66 crores in FY 2018-19 from ₹2,492.48 crores in FY 2017-18. This includes interest income of ₹335.87 crores in FY 2018-19, compared to ₹397.71 crores in FY 2017-18. Dividend income increased to ₹1,526.25 crores in FY 2018-19 from ₹1,054.69 crores in FY 2017-18, whereas profit on sale of investment decreased to ₹69.27 crores in FY 2018-19, compared to ₹103.17 crores in FY 2017-18.

Profit before depreciation and amortization, finance costs, foreign exchange loss, exceptional items and tax is ₹7,709.43 crores in FY 2018-19, representing 11.1% of revenue, compared to ₹4,883.20 crores (8.3% of revenue) in FY 2017-18.

Depreciation and amortization: During FY 2018-19, expenditures decreased marginally to ₹3,098.64 crores from ₹3,101.89 crores in FY 2017-18. The depreciation has increased by 2.2% to ₹2,017.45 crores as compared to ₹1,973.94 in FY 2017-18. The amortization expenses have decreased by 4.1% to ₹1,081.19 crores in FY 2018-19 from ₹1,127.95 crores in FY 2017-18, and are mainly attributable to product development costs.

Finance Cost has increased by 2.8% to ₹1,793.57 crores in FY 2018-19 from ₹1,744.43 crores in FY 2017-18. The increase is attributable to higher interest rates.

Foreign exchange loss of ₹215.22 crores in FY 2018-19 as compared to loss of ₹17.14 crores in FY 2017-18. The loss was due to depreciation on INR as compared to US$.

Exceptional items

	FY 2019	FY 2018	Change
		(₹ in crores)	
Employee separation cost	4.23	3.68	0.55
Provision for impairment of investment in subsidiary companies	241.86	-	241.86
Impairment of capitalized fixed assets	180.66	962.98	(782.32)
Profit on sale of investment in subsidiary co.	(332.95)	-	(332.95)
Others	109.27	-	109.27
Total	**203.07**	**966.66**	**(763.59)**

i. Employee separation cost: The Company has given early retirement to certain employees resulting in expenses in FY 2018-19 and FY 2017-18.

ii. The Company has made provision of ₹241.86 crores during FY 2018-19 for certain of its investments in subsidiary companies, due to continued losses.

iii. In order to make the Company fit for future certain product development programs were reviewed and accordingly an impairment charge of ₹180.66 crores were taken during FY 2018-19, as compared to ₹962.98 crores in FY 2017-18.

iv. In FY 2018-19, the Company has sold investment in TAL Manufacturing Solutions Limited to Tata Advanced Systems Ltd.

iv. The Company has entered into an agreement for transfer of its Defence undertaking, which had a value of ₹209.27 crores as at December 31, 2017 to Tata Advanced Systems Ltd (transferee company), for an upfront consideration of ₹100 crores and a future consideration of 3% of the revenue generated from identified Specialized Defence Projects for upto 15 years from FY 2019-20 subject to a maximum of ₹1,750 crores. The future consideration of 3% of revenue depends on future revenue to be generated from the said projects by the transferee company. On account of the same, the Company has recognized a provision of ₹109.27 crores, which may get reversed in future once projects start getting executed from FY 2019-20 onwards.

Profit before tax was ₹2,398.93 crores in FY 2018-19, compared to a loss of ₹946.92 crores in FY 2017-18. In FY 2017-18, though the Company performed well in terms of sales and revenue and reducing the costs, the losses were due to certain one-time charges to make the Company "fit for future".

Tax Expense represents a net charge of ₹378.33 crores in FY 2018-19, as compared to ₹87.93 crores in FY 2017-18. The increase was mainly due to better performance of the Company including its Joint operations.

Profit after tax was ₹2,020.60 crores in FY 2018-19 as compared loss of ₹1,034.85 crores in FY 2017-18.

Standalone Balance Sheet

Property, plant and equipment and Other Intangible assets.

(₹ in crores)

	As at March 31,		Change
	2019	2018	
Property, plant and equipment (including capital work-in-progress)	20,463.57	19,563.97	899.60
Other intangible assets (including assets under development)	8,010.76	7,137.29	873.47
Total	**28,474.33**	**26,701.26**	**1,773.07**

There is increase (net of depreciation and amortization) in the intangible and tangible assets in FY 2018-19, mainly due to new product introduction.

Investments in subsidiaries, joint ventures and associates were ₹15,028.62 crores as at March 31, 2019, as compared to ₹14,632.51 crores as at March 31, 2018. During FY 2018-19, the Company made additional investments of ₹600 crores in Tata Motors Finance Holdings Ltd.

Investments (Current + Non-current) were ₹1,838.75 crores as at March 31, 2019, as compared to ₹2,131.06 crores as at March 31, 2018. The details are as follows:

(₹ in crores)

	As at March 31,		Change
	2019	2018	
Mutual Funds	1,174.46	1,517.03	(342.57)
Quoted Equity shares	271.08	303.84	(32.77)
Unquoted Equity shares	393.21	310.19	83.03
Total	**1,838.75**	**2,131.06**	**(292.31)**

There was decrease in mutual fund investments in FY 2018-19. Decrease in quoted equity shares were due to decrease in market value as at March 31, 2019. Increase in unquoted equity shares is due to unrealized fair value gains as at March 31, 2019.

Loans and Advances

(₹ in crores)

	As at March 31,		Change
	2019	2018	
Long term loans and advances	143.13	143.96	(0.83)
Short term loans and advances	200.08	140.27	59.81
Total	**343.21**	**284.23**	**58.98**

Loans and advances include advance to suppliers, contractors etc. Advance and other receivables increased to ₹129.55 crores as at March 31, 2019, as compared to ₹68.03 crores as at March 31, 2018.

Other Financial Assets

(₹ in crores)

	As at March 31,		Change
	2019	2018	
Other financial assets - non current	994.39	793.40	200.99
Other financial assets – current	1,279.68	646.31	633.37
Total	**2,274.07**	**1,439.71**	**834.36**

The above includes ₹997.03 crores as at March 31, 2019 on account of accrual of Government grants receivable as compared to ₹878.54 of FY 2017-18. Further, it also consists of ₹392.00 crores of derivative financial instruments, as at March 31, 2019 compared to ₹242.34 crores as at March 31, 2018, reflecting notional asset due to the valuation of derivative contracts. The increase is also due to deposits placed with financial institutions of ₹500.00 crores as at March 31, 2019.

Inventories as at March 31, 2019, were ₹4,662 crores as compared to ₹5,670.13 crores as at March 31, 2018, a decrease of 17.8%. In terms of number of days of sales, finished goods represented 11 inventory days in FY 2018-19 as compared to 15 days in FY 2017-18.

Trade Receivables (net of allowance for doubtful debts) were ₹3,250.64 crores as at March 31, 2019, representing a decrease of 6.6% compared to ₹3,479.81 crores as at March 31, 2018. The allowances for doubtful debts were ₹600.86 crores as at March 31, 2019 compared to ₹543.50 crores as at March 31, 2018. In terms of days of sales, trade receivables represent 18 days in FY 2018-19 as compared to 17 days in FY 2017-18.

Cash and cash equivalents were ₹487.40 crores, as at March 31, 2019, compared to ₹546.82 crores as at March 31, 2018.

Other bank balances were ₹819.21 crores, as at March 31, 2019, compared to ₹248.60 crores as at March 31, 2018. These include earmarked balances with banks of ₹169.21 crores as at March 31, 2019, compared to ₹248.53 crores as at March 31, 2018 & also includes Bank deposits of ₹650 crores, as at March 31, 2019.

Current tax assets (net) (current + non-current) were ₹715.30 crores, as at March 31, 2019, compared to ₹769.63 crores as at March 31, 2018.

Other assets

(₹ in crores)

	As at March 31,		Change
	2019	2018	
Other assets - non current	1,819.90	1,546.39	273.51
Other assets – current	934.87	1,439.73	(504.86)
Total	**2,754.77**	**2,986.12**	**(231.35)**

a) Taxes recoverable, statutory deposits and dues from government decreased to ₹1,561.81 crores as at March 31, 2019, as compared to ₹1,978.74 crores as at March 31, 2018.

The above was offset by:

b) Capital advances which increased to ₹374.95 crores as at March 31, 2019, as compared to ₹285.54 crores as at March 31, 2018.

c) Recoverable form insurance companies increased to ₹354.56 crores as at March 31, 2019 as compared to ₹212.96 crores as at March 31, 2018..

Shareholders' fund was ₹22,162.52 crores and ₹20,170.98 crores as at March 31, 2019 and 2018, respectively, an increase of 9.9%.

Reserves increased by 10.2% from ₹19,491.76 crores as at March 31, 2018 to ₹21,483.30 crores as at March 31, 2019, mainly due to profits for FY 2018-19.

Borrowings

(₹ in crores)

	As at March 31,		Change
	2019	2018	
Long term borrowings	13,919.81	13,155.91	763.90
Short term borrowings	3,617.72	3,099.87	517.85
Current maturities of long term borrowings	1,102.10	2,208.06	(1,105.96)
Total	18,639.63	18,463.84	175.79

Current maturities of long-term borrowings represent the amount of loan repayable within one year.

Other financial liabilities

(₹ in crores)

	As at March 31,		Change
	2019	2018	
Other financial liabilities - non current	180.80	211.28	(30.48)
Other financial liabilities – current	2,237.98	4,091.16	(1,853.18)
Total	2,418.78	4,302.44	(1,883.66)

Financial guarantee contracts is ₹NIL as at March 31, 2019, as compared to ₹977.26 crores as at March 31, 2018. Further, current maturities of long-term borrowings were ₹1,102.10 crores as at March 31, 2019 as compared to ₹2,208.06 crores as at March 31, 2018. Furthermore, interest accrued but not due on borrowings were ₹373.04 crores as at March 31, 2019 as compared to ₹500.06 crores as at March 31, 2018. These decreases were offset by increase in deposits and retention money to ₹397.06 crores as at March 31, 2019, as compared to ₹186.44 crores as at March 31, 2018.

Trade payables were ₹10,408.83 crores as at March 31, 2019, as compared to ₹9,411.05 crores as at March 31, 2018, mainly due to creditors for goods supplied and services received, liabilities for variable marketing expenses etc. The number of day's payable outstanding is 63 days in FY 2018-19 compared to 68 days in FY 2017-18. The cash conversion cycle as at March 31, 2019 is negative 21 days in FY 2018-19 as compared to negative 16 days in FY 2017-18.

Acceptances were ₹3,093.28 crores as at March 31, 2019, as compared to ₹4,814.58 crores as at March 31, 2018.

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:

(₹ in crores)

	As at March 31,		Change
	2019	2018	
Long term provisions (Non-current)	1,281.59	1,009.48	272.11
Short term provisions (Current)	1,148.69	862.92	285.77
Total	2,430.28	1,872.40	557.88

i. Provision for warranty increased to ₹1,612.37 crores as at March 31, 2019, as compared to ₹1,103.47 crores as at March 31, 2018, an increase of ₹508.90 crores, mainly due to increase in volumes, higher warranty cost for BS IV models and also increase of warranty period for certain vehicle models, w.e.f. January 1, 2018.

ii. The provision for employee benefits obligations were at ₹739.53 crores as at March 31, 2019, as compared to ₹655.05 crores as at March 31, 2018.

Other liabilities

(₹ in crores)

	As at March 31,		
	2019	2018	Change
Other liabilities - non current	218.24	291.09	(72.85)
Other liabilities – current	2,356.01	1,917.60	438.41
Total	2,574.25	2,208.69	365.56

These mainly includes

a) Contact liabilities were ₹1,063.36 crores as at March 31, 2019, as compared to ₹1,063.01 crores as at March 31, 2018.

b) Government incentives increased to ₹324.22 crores as at March 31, 2019 as compared to ₹274.66 crores as at March 31, 2018.

c) Statutory dues (GST, VAT, Excise, Service Tax, Octroi etc.) were ₹1,091.92 crores as at March 31, 2019, as compared to ₹781.12 crores as at March 31, 2018.

Deferred tax liability represent timing differences where current benefit in tax will be offset by a debit in the statement of profit and loss. The amount increased to ₹205.86 crores as at March 31, 2019, as compared to ₹154.61 crores as at March 31, 2018.

Standalone Cash Flow

	FY 2019	FY 2018	Change
	(₹ in crores)		
Net cash from operating activities	**6,292.63**	**4,133.94**	**2,158.69**
Profit/(Loss) for the year	2,020.60	(1,034.85)	
Adjustments for cash flow from operations	4,146.39	5,125.70	
Changes in working capital	307.86	51.50	

	FY 2019	FY 2018	Change
	(₹ in crores)		
Direct taxes paid	(182.22)	(8.41)	
Net cash used in investing activities	**(3,820.55)**	**(710.27)**	**(3,110.28)**
Payment for Assets	(4,753.23)	(2,794.80)	
Net investments, short term deposit, margin money and loans given	(963.09)	630.50	
Dividend and interest received	1,895.77	1,454.03	
Net Cash used in financing activities	**(2,529.70)**	**(3,105.63)**	**575.93**
Dividend Paid (including paid to minority shareholders	(2.63)	(2.75)	
Interest paid	(2,354.70)	(2,098.44)	
Net Borrowings (net of issue expenses)	(172.37)	(1,004.44)	
Net increase / (decrease) in cash and cash equivalent	**(57.62)**	**318.04**	
Cash and cash equivalent, beginning of the year	546.82	228.94	
Effect of exchange fluctuation on cash flows	(1.80)	(0.16)	
Cash and cash equivalent, end of the year	**487.40**	**546.82**	

a) Increase in cash from operations reflects better business performance in FY 2018-19. The cash from operations before working capital changes was ₹6,167 crores in FY 2018-19 compared to ₹4,090.85 crores in FY 2017-18. There was a net inflow of ₹307.86 crores in FY 2018-19, as compared to ₹51.50 crores in FY 2017-18 towards working capital changes.

b) The net cash used in investing activities was ₹3,820.55 crores in FY 2018-19 compared to ₹710.27 crores in FY 2017-18, mainly attributable to:

- The cash used for payments for fixed assets was ₹4,753.23 crores (net) in FY 2018-19 compared to ₹2,794.80 crores in FY 2017-18 due to higher BS6 investments.
- Outflow by way of investments in subsidiary companies resulting in cash outflows of ₹837.98 crores in FY 2018-19 as compared to ₹300 crores in FY 2017-18.
- Outflow by way of deposits with financial institution resulting in cash outflow of ₹500 crores in FY 2018-19 as compared to ₹Nil in FY 2017-18.
- There was an outflow (net) of ₹570.64 crores in FY 2018-19 compared to ₹110.96 crores for FY 2017-18 towards Fixed / restricted deposits.
- Increase in Investments in mutual funds in FY 2018-19 was ₹413.74 crores as compared to increase of ₹1,025.59 crores in FY 2017-18.
- Inflow due to dividends and interest in FY 2018-19 was ₹1,895.77 crores as compared to ₹1,454.03 crores in FY 2017-18.

c) The net change in financing activity was an outflow of ₹2,529.70 in FY 2018-19 against inflow of ₹3,105.63 crores in FY 2017-18. The outflow is attributable to:

- Long-term borrowings (net) – outflow of ₹703.98 crores in FY 2018-19 as compared to inflow of ₹1,034.70 crores.
- Short-term borrowings (net) – inflow of ₹531.61 crores in FY 2018-19 as compared to outflow of ₹2,039.14 crores.
- In FY 2018-19, interest payment was ₹2,354.70 crores as compared to ₹2,098.44 crores in FY 2017-18.

d) There has been positive Free cash flows of ₹1,539.40 crores in FY 2018-19 due to improved performance mainly at Tata Motors Ltd.

KEY FINANCIAL RATIOS

The details of significant changes (25% or more) in the key financial ratios in FY 2018-19 compared to 2018 is as follows:

	FY 2018-19	FY 2017-18	Formula used	Reason for change
Inventory Turnover ratio (in times)	11.64	8.97	Cost of goods sold / Average Inventory	The inventory turnover ratio has improved in FY 2018-19 compared to FY 2017-18 as there has been reduction in Inventory and increase in Revenue from operations by 18%
Interest coverage ratio (in times)	1.49	0.13	EBIT as per segment / Interest expense	The interest coverage ratio has turned positive in FY 2018-19 compared to negative 0.42 in FY 2017-18. This is mainly due to better operational performance.
Net profit margin (%)	3	(2)	Net Profit / Revenue from operation	The net profit margin has improved substantially in FY 2018-19 compared to FY 2017-18 due to better operational performance.

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 FY 2018-19 were GB£24,214 million, a decrease of 6.1% compared to the GB£25,786 million in FY 2017-18, driven primarily by decreased wholesale volumes, primarily in China.

Material and other cost of sales in FY 2018-19 were of GB£15,670 million, down 4.0% compared to the GB£16,328 million in FY 2017-18 (and increased as a proportion of revenue to 64.7% in FY 2018-

19 compared to 63.3% in FY 2017-18) primarily driven by the decrease in sales volumes.

Employee costs increased by 3.6% to GB£2,820 million in FY 2018-19 compared to GB£2,722 million in FY 2017-18, primarily reflecting the higher average number of employees in FY 2018-19 compared to FY 2017-18.

Other expenses (net of income) decreased by 4.1% to GB£5,567 million in FY 2018-19 compared to GB£5,846 million in FY 2017-18.

Product development costs capitalized decreased by 2.1% to GB£1,576 million in FY 2018-19 compared to GB£1,610 million in FY 2017-18 primarily related to the development of future models, technologies and production facilities.

EBITDA was GB£1,981 million (8.2% margin) in FY 2018-19, compared to the EBITDA of GB£2,794 million (10.8% margin) in FY 2017-18, primarily reflecting the lower wholesales, particularly in China, higher incentive and warranty costs, partially offset by Project Charge cost efficiencies and favourable realized foreign exchange movements.

The loss before interest tax and exceptional charges (EBIT) was negative GB£180 million (0.7% margin) in FY 2018-19, compared to the EBIT of GB£971 million (3.8% margin) in FY 2017-18 due to the lower EBITDA as well as an increase in depreciation and amortization and lower profits from the China joint venture.

The loss before tax ("PBT") before exceptional item of GB£358 million in FY 2018-19 compared to profit of GB£1,074 million in FY 2017-18, as the lower EBIT, explained by higher interest costs and unfavourable revaluation of foreign currency debt and hedges in FY 2018-19 compared to favourable revaluation in the previous year. In Q3 of FY 2018-19, JLR concluded that the carrying value of assets should be written down, resulting in a GB£3,105 million pre-tax exceptional charge. In Q4 FY 2018-19, JLR implemented a redundancy programme to deliver ongoing cost savings and to capture the one-time separation costs an exceptional charge of GB£149 million was recognized. After these exceptional items the loss before tax was GB£3,629 million in FY 2018-19 compared to PBT of GB£1,512 million (including GB£437 million exceptional pension credit) in FY 2017-18.

The loss after tax was GB£3,321 million in FY 2018-19 compared to PAT of GB£1,114 million in FY 2017-18. The losses incurred in FY 2018-19 resulted in a GB£308 million tax credit compared to GB£398 million tax charge in FY 2017-18 (26.3% effective tax rate).

Net cash generated from operating activities was GB£2,253 million in FY 2018-19 compared to GB£2,958 million in FY 2017-18, primarily reflecting the loss in FY 2018-19, partially offset by GB£405 million of working capital inflows (GB£81 million working capital inflow in FY 2017-18), and GB£22 million of dividends received from the China joint venture compared to GB£206 million of dividends received in FY 2017-18. In addition GB£227 million was paid in tax in FY 2018-19 compared to GB£312 million in FY 2017-18.

After GB£3,389 million of investment spending (excluding GB£421 million of expensed Research and Development), GB£178 million of net interest (including the payment of lease obligations) expense and GB£47 million of other inflows and adjustments, free cash flow was negative GB£1,267 million. The net increases in debt of GB£613 million reflects the issuance of a EUR500 million bond in September 2018, the completion and draw down of the US$1 billion loan in October 2018, partially offset by the maturity of the US$700 million bond in December 2018 and a GB£54 million reduction in drawings under an uncommitted invoice discounting facility wound down ahead of its expiry in April and replaced with a newly established US$700 million committed invoice discounting facility. A dividend of GB£225 million was paid to Tata Motors in June 2018 and GB£3 million of other distributions were paid during the year. As a result Jaguar Land Rover had a total cash balance of GB£3,775 million (comprising GB£2,747 million of cash and cash equivalents and GB£1,028 million of financial deposits) as at March 31, 2019 compared to GB£4,657 million of total cash as at March 31, 2018 (comprising GB£2,626 million of cash and cash equivalents and GB£2,031 million of financial deposits). With total cash of GB£3,775 million and an undrawn revolving credit facility of GB£1,935 million (maturing in July 2022), total liquidity available to Jaguar Land Rover was GB£5,710 million as at March 31, 2019, compared to GB£6,592 million as at March 31, 2018.

FINANCIAL PERFORMANCE OF TMF HOLDINGS LTD AT CONSOLIDATED BASIS (AS PER IND AS)

Consolidated revenue for TMF Holdings during FY 2018-19 increased 36.7% to ₹3,974.57 crores, compared to ₹2,908.47 crores in FY 2017-18. The Profit before tax was ₹122.64 crores in FY 2018-19 compared to ₹30.69 crores in FY 2017-18. The Profit after tax was ₹163.97 crores in FY 2018-19, as compared to ₹76.34 crores in previous year. The GNPA reduced by 139 bps to 2.57% (measured on 90 days basis). NNPA at 1.37%.

FINANCIAL PERFORMANCE OF TATA DAEWOO COMMERCIAL VEHICLES (AS PER KOREAN GAAP)

During FY 2018-19, TDCV, registered revenues of KRW 651.36 billion (₹4,090 crores), a drop of 25.0% over the previous year revenues of KRW 868.26 billion (₹5,035 crores), mainly due to lower domestic sales and market slowdown. The loss after tax was KRW 28.02 billion (₹179 crores) compared to profit after tax of KRW 33.66 billion (₹203 crores) of FY 2017-18. Lower absorption of fixed cost due to lower production and lower sales has resulted into lower profitability during the year as compared to previous year which was partially offset the impact of lower sales which was partially set off by material cost reduction

FIANNCIAL PERFORMANCE OF TATA TECHNOLOGIES LTD

The consolidated revenue of TTL in FY 2018-19 increased by 9.3% to ₹2,942.21 crores, compared to ₹2,691.48 crores in FY 2017-18. The profit before tax increased by 39.9% to ₹470.94 crores in FY 2018-19, compared to ₹336.53 crores in FY 2017-18. The profit after tax increased by 43.3% to ₹352.60 crores in FY 2018-19, as compared to ₹245.81 crores in FY 2017-18. The Company witnessed increase in revenue due to favourable currency movement which helped in growth of revenue in UK & Europe and North America, the growth in APAC Revenue was primarily driven by strong revenue growth in India & China in key accounts and growth in educational product sales. There has been increase in purchase of traded products, employee costs and other expenses partially offset by outsourcing and consultancy charges, leading to an increase in profits.

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, and 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 organization. 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 Internal 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 organization. Through an Enterprise Risk Management programme, the Company's business units and corporate functions address risks through an institutionalized approach aligned to the Company's objectives. The Business risk is managed through cross-functional involvement and communication across businesses. The results of the risk assessment are presented to the senior management. The Risk Management Committee reviews business risk areas covering operational, financial, strategic and regulatory risks.

During FY 2018-19, 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 for Tata Motors Limited, its subsidiary companies, its joint operation companies, its associates and joint ventures which are companies incorporated in India as at March 31, 2019 is effective.

The Company identified certain control weaknesses in its subsidiary Jaguar Land Rover during FY 2018-19. The management has performed additional procedures and confirmed that there are no material misstatements in the financial statement. However, the Company's annual report in Form 20-F to be submitted to Securities Exchange Commission, USA is being finalized and hence the final assessment and reporting of internal control over financial reporting, for Jaguar Land Rover is pending.

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 and delivery of comprehensive training programs to impact and improve industry- and/or function-specific skills as well as managerial competence.

In line with the Company human resource strategy, it has implemented various initiatives in order to build better organizational capabilities that the Company believe will enable it to sustain competitiveness in the global marketplace. The Company's focus is to attract talent, retain the better and advance the best. Some of the initiatives to meet this objective include:

- Development of an agile organization through process modification, delayering and structure alignment and increase in customer facing roles;
- Changed organization structure has empowered teams, across each product lines, which will manage the product lifecycle and be accountable for the Profit and Loss;
- Extensive process mapping exercises to benchmark and align the human resource processes with global best practices;
- Outsource transactional activities to an in house back office (Global Delivery Center), thereby reducing cost and time of transaction;
- Talent management process redesigned with a stronger emphasis on identifying future leaders;
- Build strategic partnerships with educational institutions of repute to foster academia based research and provide avenues for employees to further their educational studies;
- Enhance company's image and desirability amongst the target engineering and management schools, to enable it to attract the best;
- Foster diverse workforce to leverage the multiplicity of skillsets in all its operations;
- Functional academies setup for functional skills development;
- Skill development of all Blue collared workforce to enable them to effectively meet the productivity and quality deliverables; and
- Training youth under Government of India's National Employment Enhancement Mission in our skill development centers in all the plants. These trainees are given Automotive Skill Development Council certification, helping them get gainful employment in the industry. Engaging trainees benefit the company to meet the cyclicity of demand as well.

The Company employed approximately 82,797 and 81,090 permanent employees as at March 31, 2019 and 2018, respectively. The average number of flexible (temporary, trainee and contractual) employees for FY 2018-19, was approximately 31,647 (including joint operations) compared to 38,017 in FY 2017-18.

The following table set forth a breakdown of persons employed by the Company's business segments and by geographic location as at March 31, 2019 and 2018.

	As at March 31,	
	2019	2018
Segment	**No. of Employees**	
Automotive	73,394	72,151
Other	9,403	8,939
Total	**82,797**	**81,090**
Location	**No. of Employees**	
India	41,655	41,295
Abroad	41,142	39,795
Total	**82,797**	**81,090**

Training and Development The Company has committed to the development of its employees to strengthen their functional, managerial and leadership capabilities. The Company has a focused approach with the objective of addressing all capability gaps and preparing its employees to adopt to fast changing external environment in order to meet its strategic objectives.

To achieve this, the Company has established the Tata Motors Academy, which addresses development needs of various segments of its workforce through a structured approach. The Tata Motors Academy focuses on three functional pillars – customer excellence, product leadership, and operational excellence – and one pillar on management education, all of which are aligned with the Company-level strategic objectives. The emphasis of functional academies is to strengthen knowledge, skills and expertise with an in depth approach, within respective function, and the emphasis of management education is developing general management and leadership skills. Tata Motors Academy also provides executive education opportunities in the areas of B.Tech, M.Tech, and Executive MBA.

As an integral part of the Tata Motors Academy, the Company's Learning Advisory Council, which includes senior leaders from different parts of organization, aims to align its learning and development efforts, more closely with its business needs and priorities. The Learning Advisory Council is responsible for providing guidance and strategic direction to the Academies to design, implement and review the learning agenda.

The Company is now migrating from a trade-based training approach to a process-based training approach, which emphasizes team members' knowledge as related to their actual work, in addition to the general trade-based skills, which are learned at training institutes. These skills are very specific and not currently taught at the training institutes. To accomplish this, the Company is implementing a fundamental skills training initiative throughout organization. Its objective is to address key employee performance issues, such as inconsistent quality, poor craftsmanship, high frequencies of repair reworking and low productivity levels through training of front-line team members.

Union Wage Settlements The Company has labour unions for operative grade employees at all its plant across India, except Dharwad plant. The Company has generally enjoyed cordial relations with its employees at its factories and offices and have received union support in the implementation of reforms that impact safety, quality, cost erosion and productivity improvements across all locations.

Employee wages are paid in accordance with wage agreements that have varying terms (typically three to five 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, 2021
Pune passenger vehicles	March 31, 2022
Jamshedpur	March 31, 2019
Mumbai	December 31, 2018
Lucknow	March 31, 2020
Pantnagar	March 31, 2019
Jaguar Land Rover – UK Plants	Negotiations ongoing

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 in addition to this this time we have signed settlement with a variable as part of wage cost and stagger payment instead of one time pay to be bring more cost effectiveness on account of fixed pay.

JAGUAR LAND ROVER

Automotive apprenticeships

Jaguar Land Rover has always focused on the safety, security, wellbeing and development of the people. The Company nurture and retain talent through the Jaguar Land Rover Academy, an environment offering accredited learning for the employees at every stage of their career. Actively shaping education and contributing to the skills development available to our communities is part of our long-term recruitment strategy. So too is continuing JLR's successful apprentice and graduate programme, working closely with academic partners such as Warwick Manufacturing Group.

Closing the gender gap and a digital call for the worlds brightest and best

Jaguar Land Rover has focus on attracting women into engineering and advanced manufacturing through programmes such as JLR's Young Women in the Know initiative for female students aged 15 to 18. With fewer women than men in senior roles and a majority of men in production operations in factories, the gender gap was hard to close. Traditionally, lower numbers of women coming into the industry and flourishing within it has made this even harder. However, the Company is committed both to equality and encouraging a diverse workforce, and things are changing for the better. The proportion of female managers at Jaguar Land Rover has trebled to 17% since 2011 and our female workforce has increased by 18.5% since 2017. 15% of Jaguar Land Rover's engineering apprentices are female, compared to the national average of just 4%. In 2017, 36% of total apprenticeship recruits were female and, for the first time, JLR recruited more women (55%) than men to JLR's advanced apprenticeship programme. In addition, more early career females have been recruited, however there has been a 1.3% increase to the gender pay gap and a 0.6% increase to the gender bonus gap in 2018.

Human Rights

The Human Rights Policy sets out the commitment to respect and comply will all relevant laws, rules and regulations in the territories in which Jaguar Land Rover operates. These include provisions addressing slavery, human trafficking, forced labour, child labour and upholding each employee's right to freedom of association. The Company has refreshed the assessment of slavery and human trafficking risk risks and continue to deem the risk to be low.

OUTLOOK

The Indian automotive sector has the potential to generate upto US$300 billion in annual revenue by 2026, create 65 million additional jobs and contribute over 12% to India's GDP. Increased urbanization is firmly placed in the center of this progress. As per World Bank study, by 2031, some 600 million people are expected to live in India's cities. Therefore, automakers are slated to be one of the greatest contributors to this futuristic plan of 100 smart cities by 2020. The Company has recently supplied Hybrid electric buses, which runs both on diesel and electric, and is economically viable, safe and environment-friendly.

The Company is looking to be the major beneficiary for the increased infrastructure spending on roads, airports and expected high GDP. The lower interest regime also bodes well for the sector as more than 80% of the vehicles in India are financed. In Passenger vehicle, there has been a shift in the trend of buying from small passenger vehicles towards Utility Vehicles (UV). This shift will lead to more profitable growth for the Automobile sector. The Company is preparing for the shift to BS6 standards and National Electric Mobility Mission 2017.

The demand for Heavy Commercial Vehicle (HCV) is expected to grow by 7% to 8% over the long term. The privatization of select State Transport undertakings bodes well for the bus segment. Auto industry has witnessed multiple tailwinds in last two to three years like multi-year low interest rates, subdued metal prices, and low oil prices, however, many of these factors are showing early signs of reversal. This can result in an adverse impact to volumes and profitability.

There is an increasing buzz for e-mobility by 2030. The Company acknowledges the importance to environment risk and is prepared for the electric vehicles which is visible from the recent orders received from EESL and Government of Maharashtra. The Company has already started delivery of the vehicles to EESL. In addition to Electric vehicles, the Company is preparing itself to be efficient in not only BS6, but also plans to take a holistic approach towards environment regulations and stay ahead in Industry.

Jaguar Land Rover have invested intensively to prepare for the move from the internal combustion engine to autonomous, connected, electrified and shared mobility or "ICE" to "ACES". From 2020, all of the new vehicle models of Jaguar and Land Rover brands, will offer a choice of varying degrees of electrification, from mild and plug-in-hybrid to battery electric, as well as advanced electronic architectures and ACES product features. Jaguar Land Rover have a defined vision to shape future mobility - "Destination Zero" - zero emission, zero accidents and zero congestion.

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.

Risk Factors

Risk Factors

Risks associated with the Company's Business and the Automotive Industry.

The United Kingdom's contemplated exit from the European Union may adversely impact Jaguar Land Rover 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. Pursuant to its invocation of Article 50 of the Lisbon Treaty, the United Kingdom is currently negotiating its exit from the European Union. Substantial uncertainty remains regarding the outcome of the negotiations, the United Kingdom's future relationship with the European Union, the legal structure applicable to companies doing business in the United Kingdom as well as the scope and duration of a transitionary period, if any, following the expiration of the Article 50 period in December 2020. This uncertainty, along with any real or perceived impact of Brexit, could have a material adverse effect on the JLR's business, results of operations and financial condition.

Depending on the outcome of the negotiations, including if the United Kingdom exits the European Union without a formal agreement, the United Kingdom could lose its present rights or terms of access to the single European Union market and European Union customs area 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 JLR's business. A decline in trade could also affect the attractiveness of the United Kingdom as a global investment center and, as a result, could have a detrimental impact on the level of investment in United Kingdom companies, including the extended value chain of Jaguar Land Rover. The uncertainty concerning the terms of Brexit could also have a negative impact on the growth of the United Kingdom economy, which may cause Jaguar Land Rover's customers to re-evaluate when and to what extent they are willing to spend on JLR's products and services. This could also result in greater volatility in the British pound against foreign currencies in which Jaguar Land Rover conducts business, particularly the U.S. dollar, the Euro and the Chinese yuan.

The Brexit vote and the perceptions as to the impact of the withdrawal of the United Kingdom have created significant uncertainty regarding the future relationship between the United Kingdom and the European Union, including with respect to the laws and regulations that will apply as the United Kingdom determines which European Union derived laws to replace or replicate. This uncertainty may adversely affect business activity and economic conditions in the United Kingdom and the Eurozone. In particular, changes in taxes, tariffs and other fiscal policies could have a significant impact on Jaguar Land Rover business; 22% of its retail sales volume in FY 2018-19 were to customers based in the European Union (excluding the United Kingdom) and a substantial portion of its suppliers are situated there. The economic outlook could be further adversely affected by the risk of a greater push for independence by Scotland or Northern Ireland or the risk that the Euro as the single currency of the European Union could cease to exist. Changes to the United Kingdom's border and immigration policy could likewise occur as a result of Brexit, affecting JLR's business's ability to recruit and retain employees from outside the United Kingdom. Any of the foregoing factors and other factors relating to Brexit that we cannot predict may have a material adverse effect on JLR's business, results of operations and financial condition.

If the Company is unable to effectively implement or manage its growth strategy, the Company's operating results and financial condition could be materially and adversely affected.

As part of the Company's growth strategy, it may open new manufacturing, research or engineering facilities, expand existing facilities, add additional product lines or expand the Company's businesses into new geographical markets. There is a range of risks inherent in such a strategy that could adversely affect the Company's ability to achieve these objectives, including, but not limited to, the following: the potential disruption of the Company's business; the uncertainty that new product lines will generate anticipated sales; the uncertainty that it may not be able to meet or anticipate consumer demand; the uncertainty that a new business will achieve anticipated operating results; the diversion of resources and management's time; the Company's cost reduction efforts, which may not be successful; the difficulty of managing the operations of a larger company; and the difficulty of competing for growth opportunities with companies having greater financial resources than the Company have.

More specifically, the Company's international businesses face a range of risks and challenges, including, but not limited to : language barriers, cultural differences, difficulties in staffing and managing overseas operations, inherent difficulties and delays in contract enforcement and the collection of receivables under the legal systems of foreign countries, the risk of non-tariff barriers, regulatory and legal requirements affecting the Company's ability to enter new markets through joint ventures with local entities, difficulties in obtaining regulatory approvals, environmental permits and other similar types of governmental consents, difficulties in negotiating effective contracts, obtaining the necessary facility sites or marketing outlets or securing essential local financing, liquidity, trade financing or cash management facilities, export and import restrictions, multiple tax regimes (including regulations relating to transfer pricing and withholding and other taxes on remittances and other payments from subsidiaries), foreign investment restrictions, foreign exchange controls and restrictions on repatriation of funds, other restrictions on foreign trade or investment sanctions, and the burdens of complying with a wide variety of foreign laws and regulations. Furthermore, as part of the Company's global activities, it may engage with third-party dealers and distributors, which it do not control but which, nevertheless, take actions that could have a material adverse impact on the Company's reputation and business; the Company cannot assure that it will not be held responsible for any activities undertaken by such dealers and distributors. If the Company is unable to manage risks related to its expansion and growth in other parts of the world and therefore fail to establish a strong presence in those higher growth markets, the Company's business, results of operations and financial condition could be adversely affected or its investments could be lost.

Furthermore, the Company is subject to risks associated with growing its business through mergers and acquisitions. The Company believe that its acquisitions provide opportunities to grow significantly in the global automobile markets by offering premium brands and products. The Company's 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 the Company's acquisitions present significant challenges, and it may be unable to integrate the relevant subsidiaries, divisions and facilities effectively within the Company's expected schedule. An acquisition may not meet the Company's expectations and the realization of the anticipated benefits may be blocked, delayed or reduced as a result of numerous factors, some of which are outside the Company's control.

For example, the Company acquired the Jaguar Land Rover business from Ford in June 2008, and since then Jaguar Land Rover has become a significant part of the Company's business, accounting for approximately 74% of the Company's total revenues in FY 2018-19. As a result of the acquisition, the Company are 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 have 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 the Company's 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 materialize or if the Company are 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.

Deterioration in global economic conditions could have a material adverse impact on the Company sales and results of operations.

The automotive industry could be affected materially by the general economic conditions in India and around the world. 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. Deterioration of key economic metrics, such as the growth rate, interest rates and inflation, reduced availability of financing for vehicles at competitive rates, implementation of burdensome environmental and tax policies and increase in freight rates and fuel prices could materially and adversely affect its automotive sales and results of operations.

In addition, investors' reactions to economic developments or a loss of investor confidence in the financial systems of other countries may cause volatility in Indian financial markets and indirectly, in the Indian economy in general. Any worldwide financial instability, including increased protectionist measures and withdrawal from trade pacts by countries in which the Company operate, could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India. In the event global economic recovery is slower than expected, or if there is any significant financial disruption, this 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 and ADSs.

In November 2018, the United States, Mexico and Canada signed the United States-Mexico-Canada Agreement ("USMCA"), which is intended to succeed the North American Free Trade Agreement ("NAFTA"). USMCA has been signed but not ratified by the legislature of each of the United States, Canada and Mexico. It remains unclear what the U.S., Canadian, or Mexican governments will or will not do with respect to NAFTA, USMCA or other international trade agreements and policies. This uncertainty and potential governmental action related to tariffs or international trade agreements has the potential to adversely impact demand for the Company's products, costs, customers, suppliers and/or the North American economy or world economy or certain sectors thereof and, thus, to adversely impact the Company's business.

Jaguar Land Rover business has significant operations in the United Kingdom, North America, continental Europe and China, as well as sales operations in markets across the globe. Conditions in automotive markets were more challenging in FY 2018-19, notably in China where industry volumes were down 8.3% year-on-year amid increasing trade tensions with the United States. Industry volumes were also lower in the United Kingdom (-3.7%), including a 25.9% decline in diesel vehicle sales, down slightly in the United States (-0.5%), and in Europe (-3.8%). Conditions remained challenging in other markets, with only modest growth in industry volumes. Jaguar Land Rover's growth plans may not materialize as expected, which could have a significant adverse impact on the company's financial performance. If automotive demand softens because of lower or negative economic growth in key markets or due to other factors, Jaguar Land Rover's operations and financial condition could be materially and adversely affected as a result. In addition, the current U.S. presidential administration could seek to introduce changes to laws and policies governing international trade and impose additional tariffs and duties on foreign vehicle imports, which could have a material adverse effect on Jaguar Land Rover's sales in the United States.

Deterioration in key economic factors, such as those mentioned above, in countries where Jaguar Land Rover has sales operations may result in a decrease in demand for Jaguar Land Rover automobiles. A decrease in demand would, in turn, cause automobile prices and manufacturing capacity utilization rates to fall. Such circumstances have in the past materially affected, and could in the future materially affect, the company's business, results of operations and financial condition.

A significant reliance on key markets by both TML and Jaguar Land Rover increases the risk of negative impact of reduced customer demand in those countries.

The Company rely on the United Kingdom, Chinese, North American, Indian and continental European markets from which the company derive the substantial majority of the company's revenues. Although demand remains relatively solid, a decline in demand for the company's vehicles in these major markets may in the future significantly impair its business, financial position and results of operations. For example, the recent adverse public perception towards diesel powered vehicles, resulting from emissions scandals and tax increases on diesel vehicles, has precipitated a sharp fall in diesel sales, primarily in the United Kingdom and Europe, and created uncertainty for customers that could further impact its sales of diesel vehicles in the future. Additionally, in China, the economy is experiencing a moderation of industry growth and increased pricing pressures due to macroeconomic volatility, softening consumer demand and increasing competition. Softening of the Chinese economy would be expected to impact the company's growth opportunities in that country, which is an important market for the company. In addition, company's strategy, which includes new product launches and expansion into growing markets may not be sufficient to mitigate a decrease in demand for company's products in mature markets in the future, which could have a significant adverse impact on company's financial performance.

The electric vehicle market may not evolve as anticipated.

Sales of electric vehicles are hard to predict as consumer demand may fail to shift in favour of electric vehicles and this market segment may remain small relative to the overall market for years to come. Consumers may remain or become reluctant to adopt electric vehicles due to the lack of fully developed charging infrastructure, long charging times or increased costs of purchase and fueling. Jaguar Land Rover launched the all electric Jaguar I-PACE in FY 2018-19 and retail sales of this model totaled 11,336 vehicles in the twelve months to 31 March 2019. If the value proposition of electric vehicles fails to fully materialize, this could have a material adverse effect on the company's financial condition or results of operations including compliance to CAFÉ norms.

Impairment of tangible and 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 such as research and development, product design and engineering technology. The Company review the value of its intangible assets to assess on an annual basis whether the carrying amount matches the recoverable amount for the asset concerned based on underlying cash-generating units The Company has had to take a £3.1b impairment charge during FY 2018-19 due to the adverse market conditions particularly in China, rising interest rates and consistent failure to meet internal business plans. While the company has put in place comprehensive plans to turnaround the business, it is not possible to predict the headwinds the company may face and hence it may have to take further impairment losses in the future if the carrying amount exceeds the recoverable amount, which could have a material adverse effect on the Company's financial condition and the results of operations.

Deterioration in the performance of any of the Company's subsidiaries, joint ventures and affiliates could materially and adversely affect the Company's results of operations.

The Company have made and may continue to make capital commitments to its subsidiaries, joint ventures and affiliates, and if the business or operations of any of these subsidiaries, joint ventures and affiliates deteriorates, the value of the Company's investments may decline substantially. Operating a business as a joint venture often requires additional organizational formalities and a requirement of information sharing. The Company is also subject to risks associated with joint ventures and affiliates wherein the Company retain 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 significantly reduce the value of the Company's investments or relationship with the co-owner may be deteriorated, and, which could, in turn, have a material adverse effect on the Company's reputation, business, financial position or results of operations.

The company have pursued and may continue to pursue significant investments in certain strategic development projects with third parties. In particular, JLR have entered into a joint venture with Chery in China to develop, manufacture and sell certain Jaguar Land Rover vehicles and at least one own branded vehicle in China. Additionally, in March 2018, JLR announced its strategic partnership with Waymo to develop the world's first premium self driving electric vehicle. Joint venture and strategic partnership projects, like JLR's joint venture in China and partnership with Waymo, may be developed pursuant to agreements over which the Company only have partial or joint control. Investments in projects over which the Company have partial or joint control are subject to the risk that the other shareholders of the joint venture, who may have different business or investment strategies than the Company does or with whom the Company may have a disagreement or dispute, may have the ability to block business, financial or management decisions, such as the decision to distribute dividends or appoint members of management, which may be crucial to the success of the project or the company's investment in the project, or otherwise implement initiatives which may be contrary to the company's interests. Moreover, the Company's partners may be unable, or unwilling, to fulfil their obligations under the relevant joint venture agreements and shareholder agreements or may experience financial or other difficulties that may adversely impact the company's investment in a particular joint venture.

Operating a business as a joint venture often requires additional organisational formalities as well as time consuming procedures for sharing information and making decisions. In joint ventures, the company is required to foster its relationships with its co owners as well as to promote the overall success of the joint venture, and if there is a significant change in the relationship (for example, if a co owner changes or relationships deteriorate), the Company's success in the joint venture may be materially adversely affected.

Intensifying competition could materially and adversely affect the Company's sales, financial condition and results of operations.

The global automotive industry is highly competitive and competition is likely to further intensify from new industry entrants, 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 development time for introduction of new products, cost control, pricing, reliability, safety, fuel economy, environmental impact and perception thereof, customer service and financing terms. Some of the Company's competitors based in the European Union may gain a competitive advantage that would enable them to benefit from their access to the European Union single market post-Brexit. 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 face strong competition in the Indian market from domestic, as well as foreign automobile manufacturers. Improving infrastructure and growth prospects, compared to those of other mature markets, has 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 its future strategies in a way that will mitigate the effects of increased competition on the Indian automotive industry.

Designing, manufacturing and selling vehicles is capital-intensive and requires substantial investments in manufacturing, machinery, research and development, product design, engineering, technology and marketing in order to meet both consumer preferences and regulatory requirements. If the Company's competitors consolidate or enter into other strategic partnerships or ventures, they may be able to take better advantage of economies of scale. The Company believe that competitors may be able to benefit from the cost savings offered by consolidation or strategic partnerships, which could adversely affect the Company's competitiveness. Competitors could use consolidation or strategic partnerships as a means of enhancing their competitiveness (including through the acquisition of technology), which could also materially adversely affect the Company's business. Further, the Company's growth strategy relies on the expansion of its operations in less mature markets abroad, where it may face significant competition and higher than expected costs to enter and establish ourselves.

The Company is subject to risks associated with product liability, warranty and recall.

The company is subject to risks and costs associated with product liability, warranties and recalls in connection with performance, compliance or safety related issues affecting company's vehicles. From time to time the company may be subject to investigations by governmental authorities relating to safety related and other compliance issues with the company's vehicles. For example, there are ongoing investigations with governmental agencies in China, South Korea and the United Kingdom relating to the quality of TDV6 diesel engines installed in some of the vehicles which are in service. In particular, as vehicles become more technologically advanced, the company is subject to risks related to their software and operation, including as part of company's JLR Advanced Driver Assistance Systems automation. The Company expend considerable resources in connection with product recalls and these resources typically include the cost of the part being replaced and the labour required to remove and replace the defective part. In addition, product recalls can cause company's consumers to question the safety or reliability of company's vehicles and harm company's reputation. Any harm to the reputation of any one of company's models can result in a substantial loss of customers. For example, in May 2015, an industry wide passenger airbag safety recall was announced in the United States by the National Highway Traffic System Administration ("NHTSA"), in respect of frontal airbags which use ammonium nitrate propellant without any desiccant from Takata Corporation ("Takata"), a supplier of airbags. Certain airbags supplied by Takata were installed in company's JLR vehicles. JLR considered the cost associated with the recall to be an adjusting post balance sheet event and recognised a provision of £67.4 million for the estimated cost of repairs in its income statement for FY 2015-16. The provision held at the end of FY 2018-19 is £58 million and will be utilized as the mandated repairing is fulfilled over the next one to two years. Additionally, in December 2016, NHTSA announced that it was conducting an investigation into reports of rollaways of parked vehicles in certain of JLR's models. Further, in July 2018, NHTSA announced that it is seeking to conduct an investigation into reports of doors inadvertently opening in certain of our vehicles whilst the vehicle is in motion, following a recall remedy to rectify this risk.

Furthermore, the Company may also be subject to class actions or other large-scale product liability or other lawsuits in various jurisdictions in which the Company has a significant presence. The use of shared components in vehicle production increases this risk because individual components are deployed in a number of different models across the Company's brands. Any costs incurred or lost sales caused by product liability, warranties and recalls could materially adversely affect the Company's business.

The Company's future success depends on the Company's ability to satisfy changing customer demands by offering innovative products in a timely manner and maintaining such products' competitiveness and quality.

Customer preferences, especially in many of the more mature markets, have trended towards smaller and more fuel-efficient and environmental-friendly vehicles. Climate change concerns, increases in fuel prices, certain government regulations (such as CO2 emissions limits and higher taxes on SUVs) and the promotion of new technologies encourage customers to look beyond standard purchasing factors (such as price, design, performance, brand image and features). As a result, customers may look to the differentiation of the technology used in the vehicle or the manufacturer or provider of this technology. Such consumer preferences could materially affect the Company's ability to sell premium passenger cars and large or medium-sized all-terrain vehicles at current or targeted volume levels, and could have a material adverse effect on the Company's general business activity, net assets, financial position and results of operations. Such consumer preferences could materially affect the Company's ability to sell premium passenger cars and large or medium-sized all-terrain vehicles at current or targeted volume levels, and could have a material adverse effect on the Company's general business activity, net assets, financial position and results of operations.

The Company's operations may be significantly impacted if it fail to develop, or experience delays in developing, fuel-efficient vehicles that reflect changing customer preferences and meet the specific requirements of government regulations. The Company's competitors can gain significant advantages if they are able to offer vehicles that satisfy customer preference and government regulations earlier than the Company are. Potential delays in bringing new high-quality vehicles to market would adversely affect the Company's business, financial condition, results of operations and cash flows and cashflows.

As a result of the public discourse on climate change and volatile fuel prices, the company faces more stringent government regulations, including imposition of speed limits and higher taxes on sports utility vehicles or premium automobiles. The company endeavor to take account of these factors, and it is focused on researching, developing and producing new drive technologies, such as hybrid engines and electric cars. The company is also investing in development programs to reduce fuel consumption through the use of lightweight materials, reducing parasitic losses through the driveline and improving aerodynamics. Coupled with consumer preferences, a failure to achieve its planned objectives or delays in developing fuel efficient products could materially affect the company's ability to sell premium passenger cars and large or medium-sized all-terrain vehicles at current or targeted volumes and could have a material adverse effect on the company's general business activity, net assets, financial position and results of operations. In addition, deterioration in the quality of the company's vehicles could force the company to incur substantial costs and damage its reputation. There is a risk that competitors or joint ventures set up by competitors will develop better solutions and will be able to manufacture the resulting products more rapidly, in larger quantities, with a higher quality and/or at a lower cost. It is possible that the company could then be compelled to make new investments in researching and developing other technologies to maintain its existing market share or to win back the market share lost to competitors. Finally, the company's manufacturing operations and sales may be subject to potential physical impacts of climate change, including changes in weather patterns and an increased potential for extreme weather events, which could affect the manufacture and distribution of company's products and the cost and availability of raw materials and components.

In contrast to other mature markets, consumer preferences in the United States have shifted towards increased demand for the Company's pickup trucks and larger SUVs. A shift in consumer demand away from these vehicles within the United States towards compact and mid-size passenger cars, whether in response to higher fuel prices or other factors, could adversely affect the Company's profitability. Conversely, if the trend in U.S. consumer preferences for SUVs holds, the Company could face increased competition from other carmakers as they adapt to the market shift and introduce their own SUV models, which could materially and adversely impact the Company's business, financial position or results of operation.

Private and commercial users of transportation increasingly use modes of transportation other than the automobile, especially in connection with increasing urbanisation. The reasons for this include the rising costs related to automotive transport of people and goods, increasing traffic density in major cities and environmental awareness. In addition, the increased use of car sharing concepts (e.g. Zipcar and DriveNow) and other innovative mobility initiatives facilitates access to other methods of transport, thereby reducing dependency on private automobiles. Furthermore, non traditional market participants and/or unexpected disruptive innovations may disrupt the established business model of the industry by introducing new technologies, distribution models and methods of transportation.

A shift in consumer preferences away from private automobiles would have a material adverse effect on Company's general business activity and on its sales, prospects, financial condition and results of operations

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 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 could have a negative impact on the profitability of the used car business in the Company's dealer organization.

There can be no assurance that the Company's new models will meet its sales expectations, in which case it may be unable to realize the intended economic benefits of its investments, which would in turn materially affect the Company's business, results of operations and financial condition. In addition, there is a risk that its quality standards can be maintained only by incurring substantial costs for monitoring and quality assurance. For the Company's customers, one of the determining factors in purchasing its vehicles is the high quality of the products. A decrease in the quality of the Company's vehicles (or if the public were to have the impression that such a decrease in quality had occurred) could damage its image and reputation as a premium automobile manufacturer and in turn materially affect the Company's business, results of operations and financial condition.

In addition, product development cycles can be lengthy, and there is no assurance that new designs will lead to revenues from vehicle sales, or that the Company will be able to accurately forecast demand for its vehicles, potentially leading to inefficient use of its production capacity. Additionally, the Company's high proportion of fixed costs, due to its significant investment in property, plant and equipment, further exacerbates the risks associated with incorrectly assessing demand for the Company's vehicles.

The Company is exposed to the risks of new drive and other technologies being developed and the resulting effects on the automobile market.

Over the past few years, the global market for automobiles, particularly in established markets, has been characterized by increasing demand for more environmentally friendly vehicles and technologies. This is related, in particular, to the public debate on global warming and climate protection. Jaguar Land Rover endeavours to take account of climate protection and the ever more-stringent laws and regulations that have been and are likely to be adopted. Jaguar Land Rover is focusing on researching, developing and producing new drive technologies, such as hybrid engines and electric cars. Jaguar Land Rover is also investing in development programmes to reduce fuel consumption through the use of lightweight materials, reducing parasitic losses through the driveline and improvements in aerodynamics (e.g. through our premium transverse architecture). Recently, several jurisdictions, such as Norway, Germany, the United Kingdom, France, the Netherlands, India and China, have announced the intention to eliminate the sale of conventionally fueled vehicles in their markets in the coming decades.

Diesel technologies have also become the focus of legislators in the United States and European Union as a result of emissions levels. This has led various carmakers to announce programs to retrofit diesel vehicles with software that will allow them to reduce emissions which may require us to undertake increased R&D spending. There is a risk that these R&D activities, including retrofit software upgrades, will not achieve their planned objectives or that competitors or joint ventures set up by competitors will develop better solutions and will be able to manufacture the resulting products more rapidly, in larger quantities, with a higher quality and/or at a lower cost. This could lead to increased demand for the products of such competitors and result in a loss of market share for the Company. There is also a risk that the money invested in researching and developing new technologies, including autonomous, connected and electrification technologies, or money invested in mobility solutions to overcome and address future travel and transport challenges, will, to a considerable extent, have been spent in vain, because the technologies developed or the products derived therefrom are unsuccessful in the market or because competitors have developed better or less expensive products. It is possible that Jaguar Land Rover could then be compelled to make new investments in researching and developing other technologies to maintain its existing market share or to win back the market share lost to competitors.

In addition, climate change concerns and the promotion of new technologies encourages customers to look beyond standard factors (such as price, design, performance, brand image or comfort/features) to differentiation of the technology used in the vehicle or the manufacturer or provider of this technology. This could lead to shifts in demand and the value-added parameters in the automotive industry at the expense of the Company's products.

Underperformance of the Company's distribution channels could have a material adverse effect on the Company's sales and results of operations.

The Company's products are sold and serviced through a network of authorized dealers and service centers across India and through a network of distributors and local dealers in international markets. The Company monitor the performance of its dealers and distributors and provide them with support to enable them to perform to its expectations. There can be no assurance, however, that the Company's expectations will be met. Any underperformance by or a deterioration in the financial condition of the Company's dealers or distributors could materially and adversely affect the Company's sales and results of operations.

If dealers or importers encounter financial difficulties and the Company's products and services cannot be sold or can be sold only in limited numbers, this would have a direct effect on the sales of such dealers and importers. Additionally, if the Company cannot replace the affected dealers or importers with other franchises, the financial difficulties experienced by such dealers or importers could have an indirect effect on the Company's vehicle deliveries.

Consequently, the Company could be compelled to provide additional support for dealers and importers and, under certain circumstances, may even take over their obligations to customers, which would adversely affect the Company's financial position and results of operations in the short term.

Disruptions to the Company's supply chains or shortages of essential raw materials may adversely affect the Company's production and results of operations.

The Company rely on third parties for sourcing raw materials, parts and components used in the manufacture of the Company's products. At the local level, the Company are exposed to reliance on smaller enterprises where the risk of insolvency is greater. Furthermore, for some 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 or at all is subject to various factors, some of which are not within its control. For instance, the outcome of the Brexit negotiations could lead to reduced access to the European Union single market and to the global trade deals negotiated by the European Union on behalf of its members, which could affect the imports of raw materials, parts and components and disrupt Jaguar Land Rover supplies. Furthermore, there is the risk that manufacturing capacity does not meet, or exceeds, sales demand thereby compromising business performance and without any near term remedy given the time frames and investments required for any change. While the Comapany manage its supply chain as part of its supplier management process, any significant problems with its supply chain or shortages of essential raw materials in the future could affect the Company's results of operations in an adverse manner.

Adverse economic conditions and falling vehicle sales have had a significant financial impact on the company's suppliers in the past. Deterioration in automobile demand and lack of access to sufficient financial arrangements for company's supply chain could impair the timely availability of components to us. In addition, if one or more of the other global automotive manufacturers were to become insolvent, this would have an adverse impact on the supply chains and may further adversely affect the Company's results of operations. The company is also exposed to supply chain risks relating to lithium ion cells, which are critical for the Company's electric vehicle production. Any disruption in the supply of battery cells from such suppliers could disrupt production of the company's vehicles. The severity of this risk is likely to increase as the company and other manufacturers expands the production of electric vehicles and the demand for such vehicles increases.

The Company have also entered into supply agreements with Ford and certain other third parties for critical components and remain reliant upon Ford and the Ford PSA joint venture for a portion of its engines. However, following the launch of the EMC in Wolverhampton, and the subsequent engine plant opened by its China Joint Venture, the Company now also manufacture its own "in house" engines. The company may not be able to manufacture certain types of engines or find a suitable replacement supplier in a timely manner in the event of any disruption in the supply of engines, or parts of engines, and other hardware or services provided to us by Ford or the Ford PSA joint venture and such disruption could have a material adverse impact on our operations, business and/or financial condition.

A change in requirements under long-term supply arrangements committing Jaguar Land Rover to purchase minimum or fixed quantities of certain parts, or to pay a minimum amount to the seller, could have a material adverse impact on the Company's financial condition or results of operations. The Company have entered into a number of long-term supply contracts that require Jaguar Land Rover to purchase a fixed quantity of parts to be used in the production of Jaguar Land Rover vehicles (e.g., ''take-or-pay'' contracts). If the need for any of these parts were to lessen, Jaguar Land Rover could still be required to purchase a specified quantity of the part or pay a minimum amount to the seller pursuant to the take-or-pay contract, which could have a substantial adverse effect on its financial condition or results of operations.

The Company is more vulnerable to reduced demand for premium performance cars and all-terrain vehicles than automobile manufacturers with a more diversified product range.

The Jaguar Land Rover operates in the premium performance car and all-terrain vehicle segments, which are very specific segments of the premium passenger car market, and it has a more limited range of models than some of the Company's competitors. Accordingly, its performance is linked to market conditions and consumer demand in those market segments in which it operates. Furthermore, some other premium performance vehicle manufacturers operate in a relatively broader spectrum of market segments, which makes them comparatively less vulnerable to reduced demand for any specific segment. Any downturn or reduction in the demand for premium passenger cars and all-terrain vehicles, or any reduced demand for Jaguar Land Rover's most popular models in the geographic markets in which it operates could have a substantial adverse effect on its performance and earnings.

Increases in input prices may have a material adverse effect on the Company's results of operations.

In FY 2018-19 and 2017-18, the consumption of raw materials, components aggregates and purchase of products for sale (including changes in inventory) constituted 65.5% and 64.4%, respectively, of the Company's revenues. Prices of commodity items used in manufacturing automobiles, including steel, aluminum, copper, zinc, rubber, platinum, palladium and rhodium, have become increasingly volatile in recent years. Furthermore, prices of commodity items such as steel, non ferrous metals, precious metals, rubber and petroleum products may rise significantly. Most of these inputs are priced in US dollars on international markets. While the Company continue to pursue cost reduction initiatives, an increase in price of input materials could severely impact the Company's profitability to the extent such increase cannot be absorbed by the market through price increases and/or could have a negative impact on demand. In addition, because of intense price competition and fixed costs base, the company may not be able to adequately address changes in commodity prices even if they are foreseeable.

In addition, the company is exposed to the risk of contraction in the supply, and a corresponding increase in the price of, rare and frequently highly sought after raw materials, especially those used in vehicle electronics such as rare earth metals, which are predominantly produced in China. Rare earth metal prices and supply remain uncertain. China has, in the past, limited the export of rare earths from time to time. If the company is unable to find substitutes for such raw materials or pass price increases on to customers by raising prices, or to safeguard the supply of scarce raw materials, the company's vehicle production, business and results from operations could be affected.

The Company manages these risks through the use of fixed supply contracts with tenor up to 12 months and the use of financial derivatives pursuant to a defined hedging policy. The company enters into a variety of foreign currency, interest rates and commodity forward contracts and options to manage its exposure to fluctuations in foreign exchange rates, interest rates and commodity price risk. These financial exposures are managed in accordance with the Company's risk management policies and procedures. The company uses foreign currency forward and option contracts to hedge risks associated with foreign currency fluctuations relating to highly probable forecast transactions. The Company also enter into interest rate swaps and interest rate currency swap agreements, mainly to manage exposure on the company's fixed rate or variable rate debt. The Company further use interest rate derivatives or currency swaps to hedge exposure to exchange rate fluctuations on principal and interest payments for borrowings denominated in foreign currencies. Specific transactional risks include risks like liquidity and pricing risks, interest rate and exchange rate fluctuation risks, volatility risks, counterparty risks, settlement risks and gearing risks. However, the hedging transactions may not adequately protect us against these risks. In addition, if markets move adversely, the Company may incur financial losses on such hedging transactions, and the financial condition and results of operations may be adversely impacted.

Any inability to implement the Company's growth strategy by entering new markets may adversely affect its results of operations.

The Company's growth strategy relies on the expansion of its operations in emerging markets and other parts of the world which feature higher growth potential than many of the more mature automotive markets in developed countries. The costs associated with entering and establishing the Company in new markets, and expanding such operations may, however, be higher than expected, it may face significant competition in those regions. In addition, the Company's international business faces a range of risks and challenges, including language barriers, cultural differences, difficulties in staffing and managing overseas operations, inherent difficulties and delays in contract enforcement and the collection of receivables under the legal systems of foreign countries, the risk of non-tariff barriers, regulatory and legal requirements affecting the Company's ability to enter new markets through joint ventures with local entities, difficulties in obtaining regulatory approvals, environmental permits and other similar types of governmental consents, difficulties in negotiating effective contracts, obtaining the necessary facility sites or marketing outlets or securing essential local financing, liquidity, trade financing or cash management facilities, export and import restrictions, multiple tax regimes (including regulations relating to transfer pricing and withholding and other taxes on remittances and other payments from subsidiaries), foreign investment restrictions (including restrictions on incentives offered by foreign governments for investment in their jurisdictions), foreign exchange controls and restrictions on repatriation of funds, other restrictions on foreign trade or investment sanctions, and the burdens of complying with a wide variety of foreign laws and regulations. If the Company is unable to manage risks related to its expansion and growth in other parts of the world and therefore fail to establish a strong presence in those higher growth markets, its business, results of operations and financial condition could be adversely affected or the Company's investments could be lost.

Currency, Exchange rate and interest rate fluctuations could materially and adversely affect the Company's financial condition and results of operations.

The Company's Jaguar Land Rover operations are subject to risks arising from fluctuations in exchange rates with reference to countries in which it operates. The company imports capital equipment, raw materials and components from, manufacture vehicles in, and sell vehicles into, various countries, and therefore, the company's revenues and costs have significant exposure to the relative movements of the GBP, the U.S. dollar, the Euro, the Russian Ruble, the Chinese Renminbi, the Singapore dollar, the Japanese Yen, the Australian dollar, the South African rand, the Thai baht, the Korean won and the Indian rupee. The United Kingdom's exit from the European Union could also have a negative impact on the growth of the United Kingdom economy. A significant proportion of the company's input materials and components and capital equipment are sourced overseas, in particular from Europe, and therefore the company have costs in, and significant exposure to the movement of, the euro (specifically a strengthening of the euro) and certain other currencies relative to the British pound (JLR's reporting currency) which may result in decreased profits to the extent these are not fully mitigated by non British pound sales. The majority of the company's product development and manufacturing operations, as well as its global headquarters, are based in the United Kingdom, but the company also have national sales companies which operate in the major markets in which the company sell vehicles. As a result, the company have exposure to movements of the US dollar, Euro, Chinese yuan, Russian rouble and other currencies relative to the British pound and foreign exchange volatility may affect company's results of operations, profitability and financial position.

Moreover, the Company has outstanding foreign currency-denominated debt and are sensitive to fluctuations in foreign currency exchange rates. The Company has experienced and could in the future experience foreign exchange losses on obligations denominated in foreign currencies in respect of its borrowings and foreign currency assets and liabilities due to currency fluctuations.

The Company is exposed to changes in interest rates, as it has both interest-bearing assets (including cash balances) and interest-bearing liabilities, which bear interest at variable rates. Although the Company engages in managing its interest and foreign exchange exposure through use of financial hedging instruments, such as forward contracts, swap agreements and option contracts, higher interest rates and a weakening of the Indian rupee against major foreign currencies 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.

Appropriate hedging lines for the type of risk exposures the Company are subject to may not be available at a reasonable cost, particularly during volatile rate movements, or at all. Moreover, there are risks associated with the use of such hedging instruments. While hedging instruments may mitigate the Company's exposure to fluctuations in currency exchange rates to a certain extent, it potentially forego benefits that might result from market fluctuations in currency exposures. These hedging transactions can also result in substantial losses. Such losses could occur under various circumstances, including, without limitation, any circumstances in which a counterparty does not perform its obligations under the applicable hedging arrangement (despite having International Swaps and Derivatives Association (ISDA) agreements in place with each of the Company's hedging counterparties), there are currency fluctuations, the arrangement is imperfect or ineffective, or the Company's internal hedging policies and procedures are not followed or do not work as planned. In addition, because the Company's potential obligations under the financial hedging instruments are marked to market, the Company may experience quarterly and annual volatility in its operating results and cash flows attributable to its financial hedging activities.

The Company is exposed to liquidity risks.

The Company's main sources of liquidity are cash generated from operations, existing notes, external debt in the form of factoring discount facilities and other revolving credit facilities. However, adverse changes in the global economic and financial environment may result in lower consumer demand for vehicles, and prevailing conditions in credit markets may adversely affect both consumer demand and the cost and availability of finance for the Company's business and operations. If the global economy goes back into recession and consumer demand for the Company's vehicles drops, as a result of higher oil prices, excessive public debt or for any other reasons, and the supply of external financing becomes limited, the Company may again face significant liquidity risks.

The Company is also subject to various types of restrictions or impediments on the ability of the companies in certain countries to transfer cash across the companies through loans or interim dividends. These restrictions or impediments are caused by exchange controls, withholding taxes on dividends and distributions and other similar restrictions in the markets in which the Company operate. The cash in some of these jurisdictions is subject to certain restrictions on cash pooling, intercompany loan arrangements or interim dividends.

Any adverse changes in the global economic and financial environment may result in lower consumer demand for vehicles, and prevailing conditions in credit markets may adversely affect both consumer demand and the cost and availability of finance for company's business and operations. If the global economy goes into recession and consumer demand for company's vehicles drops, as a result of higher oil prices, excessive public debt or for any other reasons, and the supply of external financing becomes limited, the company may face significant liquidity risks

A decline in retail customers' purchasing power or consumer confidence or in corporate customers' financial condition and willingness to invest could materially and adversely affect the Company's business.

Demand for vehicles for personal use generally depends on consumers' net purchasing power, their confidence in future economic developments and changes in fashion and trends, while demand for vehicles for commercial use by corporate customers (including fleet customers) primarily depends on the customers' financial condition, their willingness to invest (motivated by expected future business prospects) and available financing. A decrease in potential customers' disposable income or their financial flexibility or an increase in the cost of financing will generally have a negative impact on demand for the Company's products. A weak macroeconomic environment, combined with restrictive lending and a low level of consumer sentiment generally, may reduce consumers' net purchasing power and lead existing and potential customers to refrain from purchasing a new vehicle, to defer a purchase further or to purchase a smaller model with less equipment at a lower price. A deteriorating macroeconomic environment may disproportionately reduce demand for luxury vehicles. It also leads to reluctance by corporate customers to invest in vehicles for commercial use and/or to lease vehicles, resulting in a postponement of fleet renewal contracts.

To stimulate demand, the automotive industry has 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 organization.

The Company may be adversely affected by labor unrest.

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

In January 2019, JLR announced reduction of the size of its global workforce by around 4,500 people to deliver cost reductions and cashflow improvements as well as long-term strategic operating efficiencies.In general, the Company consider its labour relations with all its employees to be good. However, in the future the Company may be subject to labor unrest, which may delay or disrupt its operations in the affected regions, including the acquisition of raw materials and parts, the manufacture, sales and distribution of products and the provision of services. If work stoppages or lock-outs at the Company's facilities or at the facilities of its major vendors occur or continue for a long period of time, the Company's business, financial condition and results of operations may be materially and adversely affected. During FY 2016-17, the Company faced two standalone incidents of labor unrest in India, one at the Company's Dharwad plant in Karnataka and the other at the Company's Sanand plant in Gujarat. Although these particular issues were amicably resolved, there is no assurance that additional labour issues could not occur, or that any future labour issues will be amicably resolved.

In addition, JLR is engaged in bi annual negotiations in relation to wage agreements, covering approximately 20,000 of its unionised employees, the most recent of which resulted in a two year wage agreement concluded in November 2016. The current wage agreement expires in October 2018 and is being renegotiated, with negotiations scheduled to conclude in November 2018. There is a risk, however, that future negotiations could escalate into industrial action ranging from "work to rule" to a strike before a settlement is ultimately reached.

The Company is exposed to operational risks, including cybersecurity risks in connection with the Company's use of information technology.

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This includes, among other things, losses that are caused by a lack of controls within internal procedures, violation of internal policies by employees, disruption or malfunction of IT systems, computer networks and telecommunications systems, mechanical or equipment failures, human error, natural disasters, security breaches or malicious acts by third parties (including, for example, hackers). The Company is generally exposed to risks in the field of information technology, since unauthorized access to or misuse of data processed on the Company's IT systems, human errors associated therewith or technological failures of any kind could disrupt the Company's operations, including the manufacturing, design and engineering processes. In particular, as vehicles become more technologically advanced and connected to the internet, the Company's vehicles may become more susceptible to unauthorized access to their systems. Like any other business with complex manufacturing, research, procurement, sales and marketing and financing operations, the Company is exposed to a variety of operational risks and, if the protection measures put in place prove insufficient, the Company's results of operations and financial condition can be materially adversely affected. In addition, the Company would likely experience negative press and reputational impacts.The potential risk of cybersecurity incidents could lead to loss of business hours, loss of reputation, and finally in extreme case financial loss due to business disruptions.

The Company's business and prospects could suffer if the Company lose one or more key personnel or if the Company 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 the Company's business strategy. In view of intense competition, any inability to continue to attract, retain and motivate its workforce could materially and adversely affect the Company's business, financial condition, results of operations and prospects.

The Company may be adversely impacted by political instability, wars, terrorism, multinational conflicts, and countries resorting to protectionism, natural disasters, fuel shortages/prices, epidemics and labor strikes.

The Company's products are exported to a number of geographical markets and it plans to further expand the international operations in the future. Consequently, the Company's operations in markets abroad may be subject to political instability, wars, terrorism, regional or multinational conflicts, natural disasters and extreme weather, fuel shortages, epidemics and labor strikes. Any disruption of the operations of the Company's manufacturing, design, engineering, sales, corporate and other facilities could materially and adversely affect its business, financial condition and results of operations.For example, the current U.S. presidential administration could seek to introduce changes to laws and policies governing international trade and impose additional tariffs and duties on foreign vehicle imports, which could have a material adverse effect on the Company's sales in the United States. In addition, conducting business internationally, especially in emerging markets, exposes us to additional risks, including adverse changes in economic and government policies, unpredictable shifts in regulation, inconsistent application of existing laws and regulations, unclear regulatory and taxation systems and divergent commercial and employment practices and procedures

If any of these events were to occur, there can be no assurance that the Company would be able to shift its manufacturing, design, engineering, sales, corporate and other operations to alternate sites in a timely manner or at all. In addition, conducting business internationally, especially in emerging markets, exposes us to additional risks, including adverse changes in economic and government policies, unpredictable shifts in regulation, inconsistent application of existing laws, applicability of retrospective taxes, sanctions programs, unclear regulatory and taxation systems and divergent commercial and employment practices and procedures. Any deterioration in international relations, especially between India and its neighboring countries, may result in investor concern regarding regional stability. 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.

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 operate, the Company's business and the Company's profitability. India has from time to time experienced social and civil unrest and hostilities and adverse social, economic or political events, including terrorist attacks and local civil disturbances, riots and armed conflict with neighboring countries. Events of this nature in the future could influence the Indian economy and could have a material adverse effect on the Company's business, as well as the market for securities of Indian companies, including the Company's Shares and ADSs. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have a material adverse effect on the Company's business, results of operations and financial condition, and also the market price of the Company's Shares and ADSs.

The Company are vulnerable to supply chain disruptions resulting from natural disasters or man-made accidents. For example, on August 12, 2015, there was an explosion in the city port of Tianjin, one of three major ports in China through which the Company import its vehicles. Approximately 5,800 of the Company's vehicles were stored at various locations in Tianjin at the time of the explosion, and, as a result, the Company recognized an exceptional charge of GBP245 million in September 2015. Subsequently, GBP275 million of net insurance proceeds and other recoveries have been received till March 31, 2018, including GBP35 million related to other costs associated with Tianjin including lost and discounted vehicle revenue. A significant delay or sustained interruption in the supply of key inputs sourced from areas affected by disasters or accidents could materially and adversely affect the Company's ability to maintain its current and expected levels of production, and therefore negatively affect its revenues and increase the Company's operating expenses.

The Company is a global organization, and is therefore vulnerable to shifts in global trade and economic policies and outlook. Policies that result in countries withdrawing from trade pacts, increasing protectionism and undermining free trade could substantially affect the Company's ability to operate as a global business. Additionally, negative sentiments towards foreign companies among the Company's overseas customers and employees could adversely affect its sales as well as its ability to hire and retain talented people. A negative shift in either policies or sentiment with respect to global trade and foreign businesses could have a material adverse effect on the Company's business, results of operations and financial condition.

The Company's business is seasonal in nature and a substantial decrease in its sales during certain quarters could have a material adverse impact on the Company's financial performance.

The sales volumes and prices for the Company's vehicles are influenced by the cyclicality and seasonality of demand for these products. The automotive industry has been cyclical in the past, and the Company expect this cyclicality 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 as customers defer purchases to the new year.

The Company's Jaguar Land Rover business is impacted by the bi-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. This leads to an increase in sales during the period when the aforementioned change occurs. 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. Furthermore, in the United States, there is some seasonality in the purchasing pattern of vehicles in the northern states for Jaguar when there is a concentration of vehicle sales in the spring and summer months and for Land Rover, where the trend for purchasing 4x4 vehicles is concentrated in the autumn and winter months. Markets in China tend to experience higher demand for vehicles around the Lunar New Year holiday in either January or February, the Chinese National Day holiday and the Golden Week holiday in October. In addition, demand in Western European automotive markets tends to be softer during the summer and winter holidays. 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. Sales in the automotive industry have been cyclical in the past and the Company expects this cyclicality to continue.

Restrictive covenants in the Company's financing agreements could limit the Company's 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 and/or require us 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 the Company 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, the Company may be forced to forego or alter its plans, which could materially and adversely affect the Company's results of operations and financial condition.

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

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 provide 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, changes in market conditions, interest rates or inflation rates, and adverse changes in other critical actuarial assumptions, may impact its pension liabilities or assets and consequently increase funding requirements, which could materially decrease the Company's net income and cash flows. Jaguar Land Rover provides post-retirement and pension benefits to its employees, some of which are defined benefit plans. Its pension liabilities are generally funded and its pension plan assets are particularly significant. As part of Jaguar Land Rover's Strategic Business Review process, the Company closed the Jaguar Land Rover defined benefit pension plan to new joiners as at 19 April 2010. All new employees in the Company's operations from 19 April 2010 have joined a new defined contribution pension plan. Under the arrangements with the trustees of the defined benefit pension schemes, an actuarial valuation of the assets and liabilities of the schemes is undertaken every three years. The most recent valuation, as at April 2018, indicated a shortfall in the assets of the schemes as at that date, versus the actuarially determined liabilities as at that date of £554 million (compared to £789 million as at April 2015). The 2018 valuation was completed in December 2018. Following the 2018 actuarial valuation the company contributions for benefits accruing in the defined benefit plan reduces to c.22% (previously c.31%) reflecting the benefit restructure implemented as at April 5, 2017. As at March 31, 2019, Jaguar Land Rover's UK defined benefit pension accounted deficit had increased to £667 million, as compared to £438 million as at March 31, 2018. This increase was primarily due to reductions in bond yields as well as increased inflation expectations. The increase also reflects the cost of GMP equalisation and pension benefits for employees leaving under the FY 2018-19 restructuring programmes (together equal to £42 million).

Lower return on pension fund assets, changes in market conditions, changes in interest rates, changes in inflation rates and adverse changes in other critical actuarial assumptions, may impact its pension liabilities or assets and consequently increase funding requirements, which will adversely affect the Company's financial condition and results of operations. The accounted deficit is assessed and reported on a quarterly basis, it is driven by a number of factors including asset movements, movements in the discount rate (reflecting UK high quality corporate debt yields), mortality rates, inflation etc as well as one-off events such as redundancy programs. As a result, the level of the pension deficit may vary substantially between periods.

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 reputation, business, financial condition, results of operations and cash flows.

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 at the Company, influence elections of directors or acquire control over its business. The Company's success largely depends on the ability of its current management team to operate and manage effectively. 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 rely on licensing arrangements with Tata Sons Private 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 the Company's 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 Private Limited, or Tata Sons. If Tata Sons, 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, its 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 subject to risks associated with the automobile financing business.

The sale of the Company's commercial and passenger vehicles is heavily dependent on funding availability for its 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.

Default by the Company's customers or inability to repay installments as due could materially and adversely affect its business, financial condition, results of operations and cash flows.

In addition, any downgrade in the Company's credit ratings may increase its borrowing costs and restrict its access to the debt 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 originated, which could severely disrupt the Company's ability to support the sale of its vehicles.

The Company's Jaguar Land Rover has consumer finance arrangements in place with Lloyds Black Horse in the United Kingdom, FCA Bank S.p.A. in European markets and Chase Auto Finance in North America and has similar arrangements with local providers in a number of other key markets. Any reduction in the supply of available consumer financing for the purchase of new vehicles or an increase in the cost thereof would make it more difficult for some of its customers to purchase its vehicles, which could put Jaguar Land Rover under commercial pressure to offer new (or expand existing) retail or dealer incentives to maintain demand for its vehicles, thereby materially and adversely affecting the Company's sales and results of operations. For example, during the global financial crisis, several providers of customer finance reduced their supply of consumer financing for the purchase of new vehicles. Additionally, base interest rates in developed economies are at historic lows. An increase in interest rates due to tightening monetary policy or for any other reason would result in increased costs for consumers.

Furthermore, Jaguar Land Rover offers residual value guarantees on the purchase of certain leases in some markets. The value of these guarantees is dependent on used car valuations in those markets at the end of the lease, which is subject to change. Consequently, the Company may be adversely affected by movements in used car valuations in these markets.

Changes in the Company's credit rating could adversely affect the value of the Company's debt securities, finance costs and its ability to obtain future financing.

Any credit ratings assigned to the Company or its debt securities may not reflect the potential impact of all risks related to structure, market, additional risk factors discussed and other factors that may affect the value of its debt securities. A credit rating is not a recommendation to buy, sell or hold securities. Credit rating agencies continually review the ratings they have assigned and their ratings may be subject to revision, suspension or withdrawal by the rating agency at any time. A downgrade in the Company's credit rating may negatively affect the Company's ability to obtain future financing to fund the Company's operations and capital needs, which may affect the Company's liquidity. It may also increase the Company's financing costs by increasing the interest rates of the Company's outstanding debt or the interest rates at which the Company is able to refinance existing debt or incur additional debt.

Inability to protect or preserve the Company's intellectual property could materially and adversely affect its business, financial condition and results of operations.

The Company own or otherwise have rights in respect of a number of patents relating to the products it manufacture. In connection with the design and engineering of new vehicles and the enhancement of existing models, the Company seek to regularly develop new intellectual property. The Company also use technical designs, which are the intellectual property of third parties with such third parties' consent. These patents and trademarks have been of value in the growth of the Company's business and may continue to be of value in the future. Although the Company do not regard any of its businesses as being dependent upon any single patent or related group of patents, an inability to protect this intellectual property generally, or the illegal breach of some or a large group of the Company's intellectual property rights, would have a materially adverse effect on its 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 the Company may be held legally liable for the infringement of the intellectual property rights of others in the Company's products.

The Company may incur significant costs to comply with, or face civil and criminal liability for infringements of, the European General Data Protection Regulation.

In April 2016, the European Union enacted the GDPR. The GDPR is a uniform framework setting out the principles for legitimate data processing and came into force on May 25, 2018. The introduction of the GDPR strengthens individuals' rights and imposes stricter requirements on companies processing personal data. The new regime may impose a substantially higher compliance burden on the Company and limit its rights to process personal data, lead to cost intensive administration processes, oblige us to provide the personal data that the Company record to customers in a form that would require additional administrative processes or require substantial changes in its IT environment. Additionally, there are much greater sanctions in case of violations of the GDPR requirements compared to the previous regime. These sanctions depend on the nature of the infringed provision and may consist of civil liabilities and criminal sanctions. For example, criminal sanctions for compliance failures have increased from its previous level in the United Kingdom of £500,000 to up to €20,000,000 or 4% of annual worldwide turnover (whichever is higher). The Company's failure to implement and comply with the GDPR could significantly affect its reputation and relationships with its customers and suppliers, and civil and criminal liabilities for the infringement of data protection rules could have a significant negative effect on its financial position.

Some of the Company's vehicles will make use of lithium-ion battery cells, which have been observed in some non-automotive applications to catch fire or vent smoke and flames, and such events have raised concerns, and future events may lead to additional concerns, about the batteries used in automotive applications.

The battery packs that the Company will use in its electric vehicles make use of lithium-ion cells. On rare occasions, lithium-ion cells can rapidly release the energy they contain by venting smoke and flames in a manner that can ignite nearby materials as well as other lithium-ion cells.

While the Company have designed the battery pack to passively contain any single cell's release of energy without spreading to neighboring cells, there can be no assurance that a field or testing failure of the Company's vehicles will not occur, which could subject us to lawsuits, product recalls, or redesign efforts, all of which would be time consuming and expensive. Negative public perceptions regarding the suitability of lithium-ion cells for automotive applications, or any future incident involving lithium-ion cells such as a vehicle fire, even if such incident does not involve the Company's vehicles, could seriously harm its business.

In addition, the Company will store a significant number of lithium-ion cells at its manufacturing facilities. Any mishandling of battery cells may cause disruption to the operation of its facilities. While the Company has implemented safety procedures related to the handling of the cells, there can be no assurance that a safety issue or fire related to the cells would not disrupt the Company's operations. Such damage or injury could lead to adverse publicity and potentially a safety recall. Moreover, any failure of a competitor's electric vehicle may cause indirect adverse publicity for us and the Company's products. Such adverse publicity could harm the Company's business, prospects, financial condition and operating results.

Any failures or weaknesses in the Company's internal controls could materially and adversely affect the Company's financial condition and results of operations.

Upon evaluation of the effectiveness of the design and operation of the Company's internal controls, the Company concluded that there was a material weakness such that its internal controls over financial reporting were not effective as at March 31, 2019. Although the Company have 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 its internal controls, the Company cannot assure that it will not discover additional weaknesses in its internal controls over financial reporting. Further, management continually improves, simplifies and rationalizes the Company's internal control framework where possible within the constraints of existing IT systems. However, any additional weaknesses or failure to adequately remediate the existing weakness could materially and adversely affect the Company's financial condition or results of operations.

The Company's insurance coverage may not be adequate to protect against all potential losses to which it may be subject to, and this may have a material adverse effect on its business, financial condition and results of operations.

While the Company believe that the insurance coverage that it maintain is reasonably adequate to cover all normal risks associated with the operation of the Company's business, there can be no assurance that the Company's insurance coverage will be sufficient, that any claim under the Company's insurance policies will be honored fully or in a timely manner, or that the Company's insurance premiums will not increase substantially. There can be no assurance that any claim under the Company's insurance policies will be honoured fully or timely, its insurance coverage will be sufficient in any respect or the insurance premiums will not change substantially. Accordingly, to the extent that the Company suffer loss or damage that is not covered by insurance or that exceeds its insurance coverage, or are required to pay higher insurance premiums, the Company's business, financial condition and results of operations could be materially and adversely affected.

Political and Regulatory Risks

India's obligations under the World Trade Organization 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 sales, business, financial condition and results of operations.

New or changing laws, regulations and government policies regarding increased fuel economy, reduced greenhouse gas and other emissions, vehicle safety and taxes, tariffs or fiscal policies may have significant impact on the Company's business.

As an automobile company, the Company is subject to extensive governmental regulations regarding vehicle emission levels, noise, safety and levels of pollutants generated by its production facilities. 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. While the Company is pursuing various technologies in order to meet the required standards in the various countries in which the Company sell its vehicles, these regulations are likely to become more stringent and the resulting higher compliance costs may be significant to the Company's operations and may adversely impact its business, financial condition and results of operations. They may also limit the type of vehicles the Company sell and where it sell them, which could affect the Company's revenues.

Recently, several jurisdictions, such as Norway, Germany, the United Kingdom, France, the Netherlands and China have announced the intention to eliminate the sale of conventionally fueled vehicles in their markets in the coming decades. Diesel technologies have also become the focus of legislators in the United States and European Union as a result of emission levels. This has led to various carmakers to announce programs to retrofit diesel vehicles with software that will allow them to reduce emissions. To maintain the Company's competitiveness and compliance with applicable laws and regulations, the Company may be required to undertake increased R&D spending as well as other capital expenses.

There is a risk that these R&D activities may not achieve their planned objectives or the Company's competitors will develop better solutions and will be able to manufacture the resulting products more rapidly. This could result in loss of market share for the Company.

There is also a risk that investments in research and development of new technologies, including autonomous, connected and electrification technologies, and solutions to address future travel and transport challenges, may fail to generate sufficient returns because the technology developed or the products derived therefrom are unsuccessful in the marked and/or because the Company's competitors have developed better and/or less expensive products.

Additionally, In order to comply with current and future safety and environmental norms, the Company may have to incur additional capital expenditure and R&D expenditure to (i) operate and maintain the Company's production facilities, (ii) install new emissions controls or reduction technologies, (iii) purchase or otherwise obtain allowances to emit greenhouse gases, (iv) administer and manage the Company's greenhouse gas emissions program, and (v) invest in research and development to upgrade products and manufacturing facilities. If the Company are unable to develop commercially viable technologies or otherwise unable to attain compliance within the time frames set by the new standards, the Company could face significant civil penalties or be forced to restrict product offerings significantly. For example, in the United States, manufacturers are subject to substantial civil penalties if they fail to meet federal Corporate Average Fuel Economy, or CAFE, standards. These penalties are calculated at US$5.50 for each tenth of a mile below the required fuel efficiency level for each vehicle sold in a model year in the U.S. market. As with many European manufacturers, since 2010, Jaguar Land Rover has paid total penalties of US$46 million for its failure to meet CAFE standards.

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 to meet the required standards in the various countries in which the company sell its vehicles, the costs for compliance with these required standards could be significant to Company's operations and may materially and adversely affect its business, financial condition and results of operations.

The Motor Vehicles (Amendment) Bill, 2017 was passed in the Lok Sabha on April 10, 2017, and is currently being debated in the Rajya Sabha. This Bill addresses vehicle recalls, road safety, traffic management and accident insurance, among other matters. In its current draft, the Bill imposes civil and criminal liability on manufacturers selling vehicles in contravention of the standards specified in the Bill, or required by the government to recall their vehicles. The Bill also proposes the creation of the National Road Safety Board to provide advice to the central and state governments on all aspects of road safety and traffic management.

Commencing July 1, 2017, the Indian tax regime underwent a systemic change. The Government of India, in conjunction with the state governments, implemented a comprehensive national goods and services tax, or GST, regime to combine taxes and levies by the central and state governments into one unified rate structure. Based on the application of the tax, GST will be classified as either Central GST (CGST), in instances where the central government levies the tax; State/Union Territory GST (SGST/UTGST), in instances where the state or union territory governments levy the tax; and Integrated GST (IGST), in instances where the GST is levied on the inter-state supply of goods and services.

Imposition of any additional taxes and levies designed to limit the use of automobiles and changes in corporate and other taxation policies as well as changes in export and other incentives given by various governments or import or tariff policies, could adversely affect the demand for its vehicles and its results of operations. For instance, Brexit may result in material changes to the UK's tax, tariff and fiscal policies. In addition, the current U.S. presidential administration has called for changes to laws and policies governing international trade to further restrict free trade, including imposing tariffs on certain goods imported into the United States (e.g. a tariff was imposed on European aluminium and steel imports in June 2018). The administration has also specifically warned of its intention to impose a 20% tariff on European made vehicles imported into the United States, a levy that, if imposed, would increase the cost of JLR's vehicles in the United States (as JLR has no manufacturing operations in the United States), which is likely to have a material adverse effect on JLR's sales in the United States and its results of operation. Furthermore, in recent years, the Brazilian government has implemented increased import duty on foreign vehicles, along with related exemptions provided certain criteria are met. The Company continue the Company's discussions with the Brazilian government to manage the impact on the Company's business and are seeking to reduce the impact of increased tariffs. Finally, the European Commission opened an investigation into whether certain tax and other incentives granted by the government of Slovakia in connection with the construction of the Company's Slovakian manufacturing facility complied with European Union rules on state aid. Such government actions may be unpredictable and beyond the Company's control, and any adverse changes in government policy could have a material adverse effect on its business prospects, results of operations and financial condition.

Evaluating and estimating the Company's provision and accruals for its taxes requires significant judgment. As the Company conduct its business, the final tax determination may be uncertain. The Company operate in multiple geographical markets and its operations in each market are susceptible to additional tax assessments and audits. The Company's collaborations with business partners are similarly susceptible to such tax assessments.

Authorities may engage in additional reviews, inquiries and audits that disrupt the Company's operations or challenge its conclusions regarding tax matters. Any resulting tax assessment may be accompanied by a penalty or additional fee for failing to make the initial payment. The Company's tax rates may be affected by earnings estimation errors, losses in jurisdictions that do not grant a related tax benefit, changes in currency rates, acquisitions, investments, or changes in laws, regulations or practices. Additionally, government fiscal pressures may increase the likelihood of adverse or aggressive interpretations of tax laws or regulations or the imposition of arbitrary or onerous taxes, interest charges and penalties. Tax assessments may be levied even where the Company consider its practices to be in compliance with tax laws and regulations. Should the Company challenge such taxes or believe them to be without merit, it may nonetheless be required to pay them. These amounts may be materially different from the Company's expected tax assessments and could additionally result in expropriation of assets, attachment of additional securities, liens, imposition of royalties or new taxes and requirements for local ownership or beneficiation.

The Company could be impacted by change of emission norms in India from BS IV to BS VI , effective April 1, 2020 as BS IV vehicles will not be allowed to be registered effective April 1, 2020 and it will increase the cost of the BS VI vehicles. Any future potential or real unexpected change in law could have could have a material adverse effect on the Company's business prospects, results of operations and financial condition.

On March 29, 2017, the Supreme Court of India prohibited the sale and registration of Bharat Stage III vehicles from April 1, 2017. Bharat Stage emission standards are emission standards instituted by the Government of India to regulate the output of air pollutants from internal combustion engines and Spark-ignition engines equipment, including motor vehicles. These regulations are similar to European emission standards, and seeks to curb emission levels from motor vehicles. Bharat Stage III similar to European standards (Euro III) which were in place between 2000 and 2005 in most western nations. The Supreme Court's judgment overturned a government regulation, and was unexpected. The Petroleum Ministry of India in consultation with Public Oil Marketing Companies brought forward the date of Bharat Stage-VI grade auto fuels in NCT of Delhi with effect from April 1, 2018 instead of April 1, 2020. The Government of India has announced its intention to leapfrog to Bharat Stage-VI from April 1, 2020. Any future potential or real unexpected change in law could have could have a material adverse effect on our business prospects, results of operations and financial condition.

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 Indian Competition Act oversees 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 us could be within the purview of the Competition Act. Furthermore, 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 the Company's agreements at this stage.

On March 4, 2011, the Government of India 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 Competition Commission of India, or CCI. Additionally, on May 11, 2011, the CCI issued the 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.

Furthermore, 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 inquiry against us 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 are adversely 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 could adversely affect the Company's 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 the Company's costs of compliance.

The Company is subject to a complex and continuously 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, or SEC, regulations, Securities and Exchange Board of India, or SEBI, regulations, New York Stock Exchange, or NYSE, listing rules, and the Companies Act, as well as Indian stock market listing regulations. New or changed laws, rules, regulations and standards may lack specificity and are subject to varying interpretations. Under applicable Indian laws, for example, remuneration packages may, in certain circumstances, require shareholders' approval. New guidance and revisions may be provided by regulatory and governing bodies, which could result in continuing uncertainty and higher costs of compliance. The Company is committed to maintaining high standards of corporate governance and public disclosure. However, the Company's efforts to comply with evolving regulations 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 has effected significant changes to the existing Indian company law framework, such as in the provisions related to the issue of capital, disclosures in offering documents, corporate governance norms, accounting policies and audit matters, related party transactions, class action suits against companies by shareholders or depositors, prohibitions on loans to directors and insider trading, including restrictions on derivative transactions concerning a company's securities by directors and key managerial personnel. The Companies Act may subject the Company to higher compliance requirements, increase its compliance costs and divert management's attention. 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 Ind AS, toward corporate social responsibility activities. Furthermore, the Companies Act imposes greater monetary and other liability on the Company and its directors for any non-compliance. Due to limited relevant jurisprudence, in the event that the Company's interpretation of the Companies Act 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. In addition, some of the provisions of the Companies Act overlap with other existing laws and regulations (such as corporate governance provisions and insider trading regulations issued by SEBI). SEBI promulgated the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, or the Listing Regulations, which are applicable to all Indian companies with listed securities or companies intending to list its securities on an Indian stock exchange, and the Listing Regulations became effective on December 1, 2015. Pursuant to the Listing Regulations, the Company is required to establish and maintain a vigilance mechanism for 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 under the Company's whistleblower policy, to implement increased disclosure requirements for price sensitive information, to conduct elaborate directors familiarization programs and comprehensive disclosures thereof, in accordance with the Listing Regulations. The Company may face difficulties in complying with any such overlapping requirements. Furthermore, the Company cannot currently determine the impact of certain provisions of the Companies Act and the revised SEBI corporate governance norms. Any increase in the Company's 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 is subject to risks associated with legal proceedings and governmental investigations, including potential adverse publicity as a result thereof.

The Company are and may be involved from time to time in civil, labour, administrative or tax proceedings arising in the ordinary course of business. It is not possible to predict the potential for, or the ultimate outcomes of, such proceedings, some of which may be unfavorable to the Company. In such cases, the Company may incur costs and any mitigating measures (including provisions taken on the Company's balance sheet) adopted to protect against the impact of such costs may not be adequate or sufficient. In addition, adverse publicity surrounding legal proceedings, government investigations or allegations may also harm the Company's reputation and brands.

In any of the geographical markets in which the Company operate, the Company could be subject to additional tax liabilities.

Evaluating and estimating the Company's provision and accruals for its taxes requires significant judgement. As the Company conduct its business, the final tax determination may be uncertain. The Company operate in multiple geographical markets and its operations in each market are susceptible to additional tax assessments and audits. The Company's collaborations with business partners are similarly susceptible to such tax assessments. Authorities may engage in additional reviews, inquiries and audits that disrupt the Company's operations or challenge its conclusions regarding tax matters. Any resulting tax assessment may be accompanied by a penalty (including revocation of a benefit or exemption from tax) or additional fee for failing to make the initial payment.

The Company's tax rates may be affected by earnings estimation errors, losses in jurisdictions that do not grant a related tax benefit, changes in currency rates, acquisitions, investments, or changes in laws, regulations, or practices. Additionally, government fiscal or political pressures may increase the likelihood of adverse or aggressive interpretations of tax laws or regulations or the imposition of arbitrary or onerous taxes, interest charges and penalties. Tax assessments may be levied even where the Company consider its practices to be in compliance with tax laws and regulations. Should the Company challenge such taxes or believe them to be without merit, it may nonetheless be required to pay them. These amounts may be materially different from the Company's expected tax assessments and could additionally result in expropriation of assets, attachment of additional securities, liens, imposition of royalties or new taxes and requirements for local ownership or beneficiation.

The Company may have to comply with more stringent foreign investment regulations in India 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. 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 us 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 the Company's automotive business, its supply and have in the past supplied, vehicles to Indian military and paramilitary forces and in the course of such activities have 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 believe that it is an automobile company by virtue of the significance of the Company's automobile operations, in the event that foreign investment regulations applicable to the defense sector (including under the Consolidated FDI Policy) are made applicable to us, the Company may face more stringent foreign investment restrictions and other compliance requirements compared to those applicable to us presently, which, in turn, could materially affect the Company's business, financial condition and results of operations.

The Company require certain approvals or licenses in the ordinary course of business, and the failure to obtain or retain them in a timely manner, or at all, could materially and adversely affect the Company's operations.

The Company require 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 have either made, or are in the process of making, an application for obtaining the approval or its renewal. While the Company have applied for renewal for such approvals, registrations and permits, it cannot assure that the Company will receive them in a timely manner or at all. The Company can make no assurances that the approvals, licenses, registrations and permits issued to us would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Furthermore, if the Company are 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 results of operations could be materially and adversely affected.

Political changes in the Government of India could delay and/or affect the further liberalization 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 liberalization and financial sector reforms.

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

The Government of India has traditionally exercised and continues to exercise influence over many aspects of the economy. The Company's business and the market price and liquidity of the Company's ADSs and 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.

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

Any downgrading of Company's debt rating by a domestic or international rating agency could negatively impact the Company's business.

Any adverse revisions to Company's credit ratings for domestic and international debt by domestic or international rating agencies could 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 a material adverse effect on the Company's financial results, business prospects, ability to obtain financing for capital expenditures and the price of the Company's Shares and ADSs.

The Company may be materially and adversely affected by Reserve Bank of India policies and actions.

The Indian stock exchanges are vulnerable to fluctuations based on changes in monetary policy formulated by the Reserve Bank of India, or RBI. The Company can make no assurances about future market reactions to RBI announcements and their impact on the price of the Company's Shares and ADSs. Furthermore, the Company's business could be significantly impacted were the RBI to make major alterations to monetary or fiscal policy. Certain changes, including the raising of interest rates, could negatively affect the Company's sales and consequently the Company's revenue, any of which could have a material adverse effect on the Company's financial condition and results of operations.

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

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

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

Stock exchanges in India, including BSE Limited, or the BSE, have, in the past, experienced substantial fluctuations in the prices of their listed securities. Such fluctuations, if they continue or recur, could affect the market price and liquidity of the securities of Indian companies, including the company's Shares and ADSs. These problems have included temporary exchange closures, broker defaults, settlement delays and strikes by brokers. Volatility in other stock exchanges, including, but not limited to, those in the United Kingdom and China, may affect the prices of securities in India, including the company's Shares, which may in turn affect the price of its ADSs. In addition, the governing bodies of the stock exchanges in India 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.

There may be a differing level of regulation and monitoring of the Indian securities markets and the activities of investors, brokers and other participants, than in the United States. SEBI received statutory powers in 1992 to assist it in carrying out its responsibility for improving disclosure and other regulatory standards for the Indian securities markets. Subsequently, SEBI has prescribed regulations and guidelines in relation to disclosure requirements, insider dealing and other matters relevant to the Indian securities market. There may, however, be less publicly available information about Indian companies than is regularly made available by public companies in the United States.

Investors may have difficulty enforcing judgments against the Company or its management.

The Company is a public limited company incorporated in India. The majority of the Company's directors and executive officers are residents of India and substantially all of the assets of those persons and a substantial portion of the Company's assets are located in India. As a result, it may not be possible for investors to effect service of process within the United States upon those persons or the Company. In addition, investors may be unable to enforce judgments obtained in courts of the United States against those persons outside the jurisdiction of their residence, including judgments predicated solely upon U.S. federal securities laws. Moreover, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India or that an Indian court would enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with public policy.

Section 44A of the Indian Code of Civil Procedure, 1908, as amended, or the Civil Code, provides that where a foreign judgment has been rendered by a superior court (within the meaning of the section) in any country or territory outside of India which the Government of India has by notification declared to be a reciprocating territory, such foreign judgment may be enforced in India by proceedings in execution as if the judgment had been rendered by an appropriate court in India. However, the enforceability of such judgments is subject to the exceptions set forth in Section 13 of the Civil Code.

Section 44A of the Civil Code is applicable only to monetary decrees not being in the nature of amounts payable in respect of taxes or other charges of a similar nature or in respect of fines or other penalties and does not include arbitration awards.

If a judgment of a foreign court is not enforceable under Section 44A of the Civil Code as described above, it may be enforced in India only by a suit filed upon the judgment, subject to Section 13 of the Civil Code and not by proceedings in execution. Accordingly, as the United States has not been declared by the Government of India to be a reciprocating territory for the purposes of Section 44A, a judgment rendered by a court in the United States may not be enforced in India except by way of a suit filed upon the judgment.

The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. Generally, there are considerable delays in the resolution of suits by Indian courts.

A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the RBI, under the Foreign Exchange Management Act, 1999, or FEMA to repatriate any amount recovered pursuant to such enforcement. Any judgment in a foreign currency would be converted into Indian rupees on the date of judgment and not on the date of payment.

Fluctuations in the exchange rate between the Indian rupee and the U.S. dollar may have a material adverse effect on the market value of the Company's ADSs and Shares, independent of the Company's operating results.

The exchange rate between the Indian rupee and the U.S. dollar has changed materially in the last two decades and may materially fluctuate in the future. Fluctuations in the exchange rate between the Indian rupee and the U.S. dollar will affect, among others things, the U.S. dollar equivalents of the price of the Company's shares in Indian rupees as quoted on stock exchanges in India and, as a result, may affect the market price of the ADSs. Such fluctuations will also affect the U.S. dollar equivalent of any cash dividends in Indian rupees received on the Shares represented by the ADSs and the U.S. dollar equivalent of the proceeds in Indian rupee of a sale of Shares in India.

Holders of ADSs have fewer rights than shareholders and must act through the depository to exercise those rights.

Although ADS holders have a right to receive any dividends declared in respect of the Shares underlying the ADSs, they cannot exercise voting or other direct rights as a shareholder with respect to the Shares underlying the ADSs. Citibank, N.A. as depository, or the depository, is the registered shareholder of the deposited Shares underlying the Company's ADSs, and only the depository may exercise the rights of shareholders in connection with the deposited Shares. The depository will notify ADS holders of upcoming votes and arrange to deliver the Company's voting materials to ADS holders only if requested by the Company. The depository will try, insofar as practicable, subject to Indian laws and the provisions of the Company's Articles of Association, to vote or have its agents vote the deposited securities as instructed by the ADS holders. If the depository receives voting instructions in time from an ADS holder which fails to specify the manner in which the depository is to vote the Shares underlying such ADS holder's ADSs, such ADS holder will be deemed to have instructed the depository to vote in favor of the items set forth in such voting instructions. If the depository has not received timely instructions from an ADS holder, such ADS holder shall be deemed to have instructed the depository to give a discretionary proxy to a person designated by the Company, subject to the conditions set forth in the deposit agreement. If requested by the Company, the depository is required to represent all Shares underlying ADSs, regardless of whether timely instructions have been received from such ADS holders, for the sole purpose of establishing a quorum at a meeting of shareholders. In addition, in the capacity as an ADS holder, the holder will not be able to examine the Company's accounting books and records, or exercise appraisal rights. Registered holders of the Company's Shares withdrawn from the depository arrangements will be entitled to vote and exercise other direct shareholder rights in accordance with Indian law. However, a holder may not know about a meeting sufficiently in advance to withdraw the underlying Shares in time. Furthermore, an ADS holder may not receive voting materials, if the Company do not instruct the depository to distribute such materials, or may not receive such voting materials in time to instruct the depository to vote.

Moreover, pursuant to Indian regulations, the Company are required to offer its shareholders preemptive rights to subscribe for a proportionate number of Shares to maintain their existing ownership percentages prior to the issue of new Shares. These rights may be waived by a resolution passed by at least 75% of the Company's shareholders present and voting at a general meeting. ADS holders may be unable to exercise preemptive rights for subscribing to these new Shares unless a registration statement under the Securities Act is effective or an exemption from the registration requirements is available to us. The Company's decision to file a registration statement would be based on the costs, timing, potential liabilities and the perceived benefits associated with any such registration statement and we do not commit that we would file such a registration statement. If any issue of securities is made to the Company's shareholders in the future, such securities may also be issued to the depository, which may sell such securities in the Indian securities market for the benefit of the holders of ADSs. There can be no assurance as to the value, if any, the depository would receive upon the sale of such rights or securities. To the extent that ADS holders are unable to exercise preemptive rights, their proportionate ownership interest in our company would be reduced.

The Government of India's regulation of foreign ownership could materially reduce the price of the ADSs.

Foreign ownership of Indian securities is regulated and is partially restricted. In addition, there are restrictions on the deposit of Shares into the Company's ADS facilities. ADSs issued by companies in certain emerging markets, including India, may trade at a discount to the market price of the underlying Shares, in part because of the restrictions on foreign ownership of the underlying Shares and in part because ADSs are sometimes perceived to offer less liquidity than underlying Shares that can be traded freely in local markets by both local and international investors.

There are restrictions on daily movements in the price of the Shares, which may constrain a shareholder's ability to sell, or the price at which a shareholder can sell, Shares at a particular point in time.

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

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 Company has adopted the Tata Code of Conduct for its employees, including the Managing and Executive Directors, which encompasses an appropriate mechanism to report any concern pertaining to non-adherence to the said Code. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors which includes a Code of Conduct for Independent Directors, suitably incorporating therein the duties of independent directors as laid down in the Companies Act, 2013 ('Act'). The Corporate Governance mechanism is further strengthened with 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 and the adoption of the Tata Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices. The Company has adopted the Governance Guidelines on Board Effectiveness based on current and emerging best practices from both within and outside the Tata Group of companies. 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 ('SEBI Listing Regulations'). The Company's Depositary Programme is listed on the New York Stock Exchange (NYSE) and the Company also complies with US regulations as applicable to Foreign Private Issuers (non-US companies listed on a 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 are focus areas that continue to meet the progressive governance standards. The Company has instated a comprehensive, robust, IT-enabled compliance management system for tracking, managing and reporting on compliances with all laws and regulations applicable to the Company. The Management on a quarterly basis presents before the Board of Directors a status report on regulatory compliances, as applicable to the Company.

BOARD OF DIRECTORS

The Board of Directors is the apex body constituted by shareholders, for overseeing the Company's overall functioning. It provides strategic direction, leadership and guidance to the Company's management as also monitors the performance of the Company with the objective of creating long-term value for the Company's stakeholders. The Board currently comprises of 9 Directors, out of which 7 Directors (78%) are Non-Executive Directors, including 2 Women Directors. The Company has a Non-Executive Chairman and 5 Independent Directors ('IDs'), comprise more than half of the total strength of the Board. All IDs have confirmed in accordance with Regulation 25(8) of the SEBI Listing Regulations 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 and the rules framed thereunder. The IDs have further stated that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective, independent, judgment and without any external influence. Based on the disclosures received from all the IDs and as determined at the meeting held on May 20, 2019, the Board is of the opinion that the IDs fulfill the conditions of Independence as specified in the Act, NYSE listing manual and SEBI Listing Regulations and are independent of the Management.

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 the office of Director in more than 20 companies, including 10 public companies and none of the Directors of the Company are related to each other. As per Regulation 17A of the SEBI Listing Regulations, None of the Directors held directorship in more than 8 listed entities and none of the IDs serve as IDs in more than 7 listed entities and in case they are whole-time directors/managing directors in any listed entity, then they do not serve as IDs in more than 3 listed entities. 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 public limited companies in which he/she is a Director. All Non-Independent Non-Executive Directors ('NINEDs') are liable to retire by rotation.

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 Board Meetings. The Board reviews the declaration made by the CEO & Managing Director ('CEO & MD') 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 & MD and the CFO have certified to the Board on *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, 2019.

During the year under review, 7 Board Meetings were held on May 3, 2018, May 23, 2018, July 31, 2018, October 4, 2018, October 31, 2018, February 7, 2019 and March 26, 2019. 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, thereby eliminating circulation of printed agenda papers. The following table, illustrates the composition of the Board, Director's attendance at Board Meetings held during the financial year under review and at the last Annual General Meeting ('AGM'), number of directorships held in other public companies, total number of committee positions held across all public companies, their shareholding in the Company's shares or other convertible instruments and names of other listed entities in which directorship is held, including category of directorships, as at March 31, 2019:

Name of Director, Director Identification Number & Category	No. of Board Meetings attended in the year	Attendance %	Attendance at the last AGM	Directorships[(1)]		Committee positions[(2)]		Holding in Company's shares & other convertible instruments	Directorships in other listed entities (Category of Directorship)
				(C)	(M)	(C)	(M)		
Mr N Chandrasekaran DIN: 00121863 NINED (C)	7	100	Yes	5	-	-	-	-	Tata Global Beverages Ltd. (NINED) (C) Tata Consultancy Services Ltd. (NINED) (C) Tata Steel Ltd. (NINED) (C) The Tata Power Co. Ltd. (NINED) (C) The Indian Hotels Co. Ltd. (NINED) (C) Jaguar Land Rover Automotive Plc (Bonds listed on Luxembourg Stock Exchange - LuxSE) (NINED) (C)
Mr Nasser Munjee DIN: 00010180 ID	7	100	Yes	2	5	5	1	-	Tata Chemicals Ltd. (ID) Ambuja Cements Ltd. (ID) Cummins India Ltd. (ID) ABB India Ltd. (ID) Housing Development Finance Corporation Ltd. (ID) DCB Bank Ltd. (NINED) (C) Tata Motors Finance Ltd. (Debt listed entity) (NINED) (C)
Mr Vinesh Kumar Jairath DIN: 00391684 ID	7	100	No	-	9	2	7	-	The Bombay Dyeing and Manufacturing Co. Ltd. (ID) Wockhardt Ltd. (ID) Kirloskar Oil Engines Ltd. (NINED) Kirloskar Industries Ltd. (NINED) Bombay Burmah Trading Corporation Ltd.
Ms Falguni Nayar DIN: 00003633 ID	7	100	Yes	-	5	2	2	-	Dabur India Ltd. (ID) ACC Ltd. (ID) Endurance Technologies Ltd. (CN) (ID)
Mr Om Prakash Bhatt DIN: 00548091 ID	7	100	Yes	-	3	2	4	-	Hindustan Unilever Ltd. Tata Consultancy Services Ltd. Tata Steel Ltd.
Ms. Hanne Sorensen DIN: 08035439 ID	6	86	Yes	-	1	-	1	-	Tata Consultancy Services Ltd. (ID) Jaguar Land Rover Automotive Plc (Bonds listed on LuxSE) (ID)
Dr Ralf Speth DIN: 03318908 NINED	7	100	Yes	-	1	-	-	-	Jaguar Land Rover Automotive Plc (Bonds listed on LuxSE) (CEO & Director)
Mr Guenter Butschek DIN: 07427375 CEO & MD	7	100	Yes	1	1	-	1	-	-
Mr Satish Borwankar DIN: 01793948 ED & COO	7	100	Yes	-	1	-	1	500 Ordinary Shares	-

Table Key: (C) - Chairperson; (M) – Member; NINED – Non-Independent Non-Executive Director; ID-Independent Director; CEO & MD – Chief Executive Officer & Managing Director; ED & COO – Executive Director & Chief Operating Officer;

(1) Excludes directorships in private companies, foreign companies, Section 8 companies and alternate directorships.

(2) Pertains only to Audit and Stakeholders' Relationship Committees

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 resources and cost to the Company and valued time of the Directors.

Board Effectiveness Evaluation: Pursuant to provisions of Regulation 17(10) of the SEBI Listing Regulations and the provisions of the Act, an annual Board effectiveness evaluation was conducted for FY 2018-19 on March 26, 2019, involving the following:

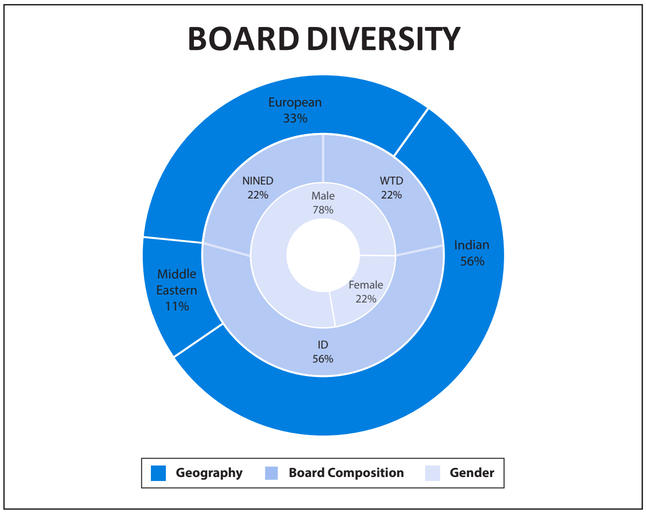
i. Evaluation of IDs, in their absence, by the entire Board was undertaken, based on their performance and fulfillment of the independence criteria prescribed under the Act and SEBI Listing Regulations; and

ii. Evaluation of the Board of Directors, its Committees and individual Directors, including the role of the Board Chairman.

An IDs' 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 26, 2019, mainly to review the performance of NINEDs, Whole-time Directors ('WTDs') and the Chairman as also the Board as a whole. All IDs were present at the said meeting.

For further details pertaining to the same, kindly refer to the Board's Report.

Board Diversity: To ensure that a transparent Board nomination process is in place that encourages diversity of thought, experience, knowledge, perspective, age and gender, the Board has adopted a Diversity Policy, formulated by the Nomination & Remuneration Committee ('NRC'), wherein it is expected that the Board has an appropriate blend of functional and industry expertise. While recommending appointment of a director, the NRC considers the manner in which the function and domain expertise of the individual could contribute to the overall skill-domain mix of the Board. The following chart illustrates the Board diversity on the basis of geography, composition and gender.



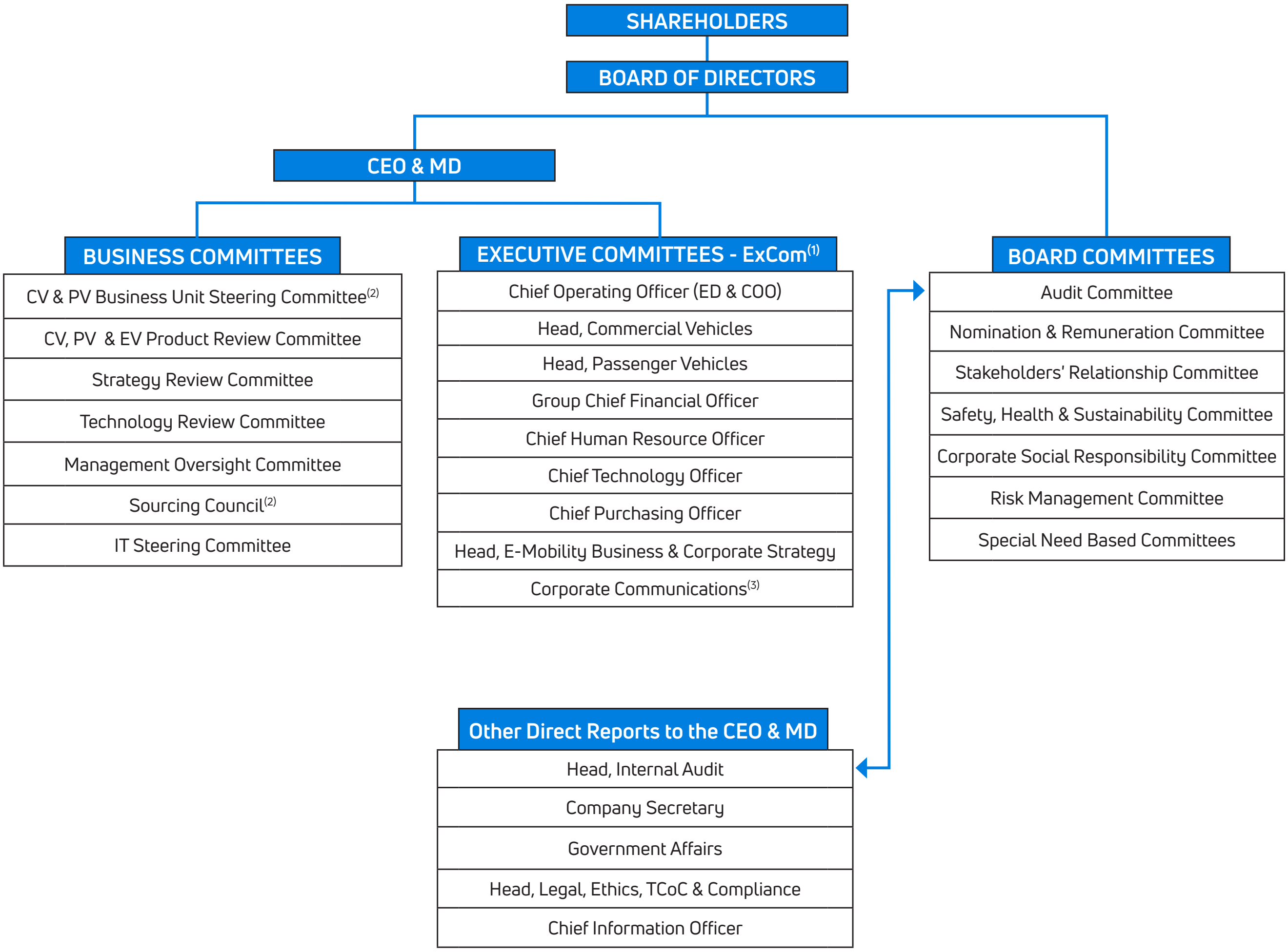
Key Board Skills, Expertise and Competencies: The Board comprises qualified members who bring in the required skills, competence and expertise to enable them to effectively contribute in deliberations at Board and Committee meetings. The below matrix summarizes a mix of skills, expertise and competencies expected to be possessed by our individual directors, which are key to corporate governance and board effectiveness:

Key Board Skills / Expertise / Competencies	
Entrepreneur / Leadership	Extended entrepreneurial / leadership experience for a significant enterprise, resulting in a practical understanding of organizations, processes, strategic planning, and risk management. Demonstrated strengths in developing talent, planning succession and driving change and long-term growth.
Engineering and Technology	Engineering and the development of new technologies involving application of scientific and mathematical knowledge to design and operation of objects, systems and processes to help the Company solve problems and reach its goals.
Financial Expertise	Education and experience as an auditor or public accountant or a principal financial officer, comptroller or principal accounting officer or holding a position involving performance of similar functions.
Global Exposure	Experience in driving business success in markets around the world, with an understanding of diverse business environments, economic conditions, cultures, and regulatory frameworks as well as a broad perspective on global market opportunities.
Automobile Industry Experience	A significant background in automotive or similar industries, resulting in knowledge of how to anticipate market trends, generate disruptive innovation and extend or create new business models.
Diversity	Representation of gender, ethnic, geographic cultural, or other perspectives that expand the Board's understanding of the needs and viewpoints of our customers, partners, employees, governments and other stakeholders worldwide.
Mergers and Acquisitions	Experience or record of leading growth through acquisitions and other business combinations, with the ability to assess 'build or buy' decisions, analyze the fit of a target with the Company's strategy and culture, accurately value transactions and evaluate operational integration plans.
Board Service and Governance	Service on other public company boards, to develop insights about maintaining board and management accountability, protecting shareholder interests and observing appropriate governance practices.
Sales and Marketing	Experience in developing strategies to grow sales and market share, build brand awareness and equity and enhance brand reputation.

Familiarisation Programme: Kindly refer to the Company's website https://investors.tatamotors.com/pdf/familiarisation-programme-independent-directors.pdf for details of the familiarisation programme for IDs on their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters.

GOVERNANCE STRUCTURE

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 at March 31, 2019 is illustrated below:



Notes:

(1) The CEO & MD chairs the ExCom

(2) Business Committees are chaired by related ExCom Member where indicated, otherwise by the CEO & MD

(3) Associated Member of the ExCom

THE COMMITTEES OF THE BOARD

Given below is the composition of various Board constituted Committees, details of meetings held during the year and attendance thereat:

Committee Names:		**Audit**	**Nomination & Remuneration**	**Stakeholders' Relationship**	**Corporate Social Responsibility**	**Risk Management**	**Safety, Health & Sustainability**
Committee Composition		4 IDs, all of whom are financially literate and have relevant finance and/or audit exposure.	2 IDs and 1 NINED.	2 IDs and the CEO & MD	2 IDs, the ED & COO and the CEO & MD.	1 ID, the ED & COO, the CEO & MD and the CFO.	1 ID, the ED & COO and the CEO & MD
Committee Meeting Dates		May 23, 2018 July 5, 2018 July 28, 2018 July 31, 2018 Sept. 14, 2018 Oct. 3, 2018 Oct. 31, 2018 Jan. 17, 2019 Feb. 7, 2019 March 26, 2019	May 23, 2018 July 31, 2018 March 26, 2019	Aug. 3, 2018 Oct. 4, 2018 March 26, 2019	July 5, 2018 Oct. 3, 2018	July 5, 2018 Aug. 1, 2018 Oct. 4, 2018 March 25, 2019	May 3, 2018 Oct. 3, 2018
Total no. of Meetings held during the year		10	3	3	2	4	2
Name of Members, No. of Meetings attended & Attendance Percentage	Mr N Chandrasekaran - NINED	-	M – 3 (100%)	-	-	-	-
	Mr Nasser Munjee - ID	(C) - 10 (100%)	M – 3 (100%)	-	-	-	-
	Mr Vinesh Kumar Jairath - ID	M – 10 (100%)	-	-	-	-	(C) - 2 (100%)
	Ms Falguni Nayar - ID	M – 9 (90%)	-	(C) - 2 (67%)	M – 1 (50%)	-	-
	Mr Om Prakash Bhatt - ID	M – 10 (100%)	(C) - 3 (100%)	-	(C) - 2 (100%)		-
	Ms Hanne Sorensen - ID		-	M - 3 (100%)	-	(C) - 4 (100%)	-
	Dr Ralf Speth - NINED	-	-	-	-	-	-
	Mr Guenter Butschek - CEO & MD	-	-	M – 3 (100%)	M – 2 (100%)	M – 4 (100%)	M – 2 (100%)
	Mr Satish Borwankar - ED & COO	-	-	-	M – 2 (100%)	M – 4 (100%)	M – 2 (100%)
Other Members	Mr P B Balaji - Group CFO	-	-	-	-	M – 4 (100%)	-

Table Key: (C) - Chairperson; M – Member; NINED – Non-Independent Non-Executive Director; ID-Independent Director; CEO & MD – Chief Executive Officer & Managing Director; ED & COO – Executive Director & Chief Operating Officer; Group CFO - Group Chief Financial Officer

The decisions are taken by the Committee, at meetings or by passing circular resolutions. The quorum for the above Committee Meetings is two members or one-third of its members, whichever is higher. The Company Secretary acts as the secretary for all Board Committees. The Chairperson of each Committee briefs the Board on significant discussions at its meetings. During the financial year all recommendations made by the various Committees have been accepted by the Board.

AUDIT COMMITTEE

The Audit Committee functions according to its Charter that defines its composition, authority, responsibility and reporting functions in accordance with Section 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 https://investors.tatamotors.com/pdf/audit_committee _charter.pdf, given below is a gist of the responsibilities of the Audit Committee, after incorporating therein the regulatory changes mandated under the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018:

i. Reviewing with the management, quarterly/annual financial statements before submission to the Board, focusing primarily on:
   - 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;

- Reports on the Management Discussion and Analysis of financial condition, results of Operations and the Directors' Responsibility Statement;
- Major accounting entries involving estimates based on exercise of judgment by Management;
- Compliance with accounting standards and changes in accounting policies and practices as well as reasons thereof;
- Draft Audit Report, qualifications, if any and significant adjustments arising out of audit;
- Scrutinise inter corporate loans and investments; and
- Disclosures made under the CEO and CFO certification and
- Approval or any subsequent modification of transactions with related parties, including omnibus related party transactions.

ii. Review with the management, external auditor and internal auditor, adequacy of internal control systems, identify weakness or deficiencies and recommending improvements to the management.

iii. Recommend the appointment/removal of the statutory auditor, cost auditor, fixing audit fees 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.

iv. Review 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.

v. Discuss with the internal auditor and senior management, significant internal audit findings and follow-up thereon.

vi. Review the findings of any internal investigation 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.

vii. Discuss 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.

viii. Review the functioning of the Vigil Mechanism under the Whistle-Blower policy of the Company.

ix. Review 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.

x. Look into 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.

xi. Review the effectiveness of the system for monitoring compliance with laws and regulations.

xii. Approve the appointment of CFO after assessing the qualification, experience and background etc. of the candidate.

xiii. To approve and review policies in relation to the implementation of the Tata Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices ('Code') to note the dealings by Designated Persons in securities of the Company and to provide directions on any penal action to be initiated, in case of any violation of the Code.

During the year, the Committee undertook all its responsibilities under its Charter.

Mr Munjee is the Financial Expert under the applicable Indian and US Regulations. The quorum of the Committee is two members or one-third of its members, whichever is higher. The Chairman of the Audit Committee also attended the last AGM of the Company. Each Audit Committee meeting considering financial results is preceded by a meeting attended only by the Audit Committee members and the Statutory Auditors.

The Committee meetings are held at the Company's Corporate Headquarters or at its plant locations and are attended by the CEO & MD, COO, CFO, Senior Management, Company Secretary, Head - Internal Audit, 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 Head - Internal Audit 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 auditor 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.

B S R & Co. LLP, Chartered Accountants (ICAI Firm Registration No.101248 W/W – 100022), 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.

The Audit Committee reviews on a quarterly basis the confirmation of independence made by the Auditors, as also approves of the fees paid to the Auditors by the Company, or any other company in the Tata Motors Group as per the Policy for Approval of Services to be rendered by Auditors. The said Policy is also available on our website https://www.tatamotors.com/investors/pdf/auditfee-policy.pdf. The Company rotates its Audit partner responsible for its Audit every 5 years, apart from the statutory requirement of rotating the Audit Firm every 10 years, to ensure independence in the audit function.

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 SEBI Listing Regulations. The suitably revised terms of reference enumerated in the Committee Charter, after incorporating therein the regulatory changes mandated under the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, are as follows:

- Recommend 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.
- Support the Board in matters related to the setup, review and refresh of the Committees.
- Devise and review a policy on Board diversity.
- Recommend the appointment / reappointment or removal of Directors, in accordance with the criteria laid down, including IDs on the basis of their performance evaluation report.
- Recommend on voting on resolutions for appointment and remuneration of 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 or removal of Key Managerial Personnel ('KMP') and Senior Management of the Company in accordance with the criteria laid down. In case of appointment of CFO, the Committee shall identify persons, to the Audit Committee and the Board of Directors of the Company.
- Carry out evaluation of every Director's performance and support 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 Senior Management of the Company with a view that there is an appropriate cascading of Company's goals and targets and on an annual basis, review the performance of the Directors, KMP and Senior Management and recommend their remuneration.
- Recommend the Remuneration Policy for Directors, KMP, Senior Management 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 Senior Management).
- Implement and administer any Employees Stock Option Scheme(s) approved by the Board and to establish, amend and rescind any rules and regulations relating to the Scheme(s) and to make any other determinations that it deems necessary or desirably in connection with the Scheme.

Remuneration Policy

The Remuneration Policy of the Company is designed to create a high-performance culture. It enables the Company to attract, retain and motivate employees to achieve results. Our business model promotes customer centricity and requires employee mobility to address project needs. The remuneration policy supports such mobility through pay models that are compliant to local regulations. In each country where the Company operates, the remuneration structure is tailored to the regulations, practices and benchmarks prevalent in the automotive industry. For further details on Remuneration Policy for Directors, KMP and other employees, drafted, in accordance with the provisions of the Act and the SEBI Listing Regulations, kindly refer to https://investors.tatamotors.com/pdf/directors-appointment-remuneration.pdf.

The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) and commission / incentive remuneration (variable component) to its CEO & MD and Executive Director & Chief Operating Officer ('ED & COO'). Annual increments are recommended by the NRC within the salary scale approved by the Board and Members and are effective April 1, each year.

The Board of Directors, on the recommendation of the NRC, decides the commission payable to the CEO & MD and the ED & COO out of the profits for the financial year and within the ceilings prescribed under the Act, based on the Board evaluation process considering the criteria such as the performance of the Company as well as that of the CEO & MD and the ED & COO.

Remuneration of Directors:

Non-Executive Directors

- 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 Committee meetings and performance evaluation by the Board. A proposal to pay Commission to Non-Executive Directors of the Company, of a sum not exceeding 1% of the net profits of the Company for FY 2018-19 and onwards in terms of Section 197 of Act, computed in accordance with the provisions of Section 198 of the Act or such other percentage as may be specified from time to time, is also included in the

TATA

Notice of this AGM. The Commission to the Non-Executive Independent Directors for FY 2018-19 is payable subject to the shareholders' approval. The performance evaluation criteria for Non-Executive Directors, including IDs, is determined by the NRC.

An indicative list of factors that were evaluated include participation and contribution by a director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behaviour and judgement.

- A sitting fee of ₹60,000/- for attendance at each meeting of the Board, Audit Committee, NRC and for IDs Meeting; ₹20,000/- for attendance at each meeting of Stakeholders' Relationship Committee; Safety, Health & Sustainability Committee; the Corporate Social Responsibility Committee; Risk Management Committee and other special need based committees, is paid to its Members (excluding Managing Director and Executive Director) and also to Directors attending by invitation. 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 reside.

  Given below are the Commission and Sitting Fees payable / paid by the Company to Non-Executive Directors during FY 2018-19:

(₹ in lakhs)

Name	Commission [1]	Sitting Fees
Mr N Chandrasekaran[2]	-	6.00
Mr Nasser Munjee	85	12.60
Mr Vinesh Kumar Jairath	85	11.20
Ms Falguni Nayar	70	10.80
Mr Om Prakash Bhatt	85	13.20
Ms Hanne Sorensen	70	8.60
Dr Ralf Speth[3]	-	-
Total	**395**	**62.40**

(1) Payable subject to shareholders' approval.

(2) As a policy, Mr N Chandrasekaran has abstained from receiving commission from the Company.

(3) Dr Speth 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.

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. Other than the above and their shareholding in the Company, the Non-Executive Directors have no pecuniary relationship or transactions with the Company, its subsidiaries and associates.

Managing and Executive Director

The remuneration paid to the CEO & MD and the ED & COO 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 accordance 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, generally being increment in basic salary and commission/incentive remuneration of the CEO & MD and the ED & COO on a yearly basis. This review is based on the Balanced Score Card that includes the performance of the Company and the individual director on certain defined qualitative and quantitative parameters such as volumes, EBITDA, market share, 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 practices.

Whereas the basic salary of the CEO & MD is fixed for his entire tenure, the variable portion of the CEO & MD's remuneration consists of incentive remuneration in the form of performance linked bonus and long-term incentive. The target performance linked bonus would be €550,000/- per annum upto a maximum of €825,000/- per annum. With the objective of achieving long-term value creation, through retention and continuity in leadership, a long term incentive plan is also provided with a value intended target of €550,000/- per annum upto a maximum of €825,000/- per annum.

The variable portion of the ED & COO remuneration consists of a profit-linked commission and/or merit based incentive remuneration. The profit-linked commission is awarded at the discretion of the NRC and the Board of Directors, based on the net profits of the Company for that financial year, subject to the overall ceiling limits stipulated in Section 197 of the Act, but in any case not exceeding 400% of the basic salary. In case the Net Profits of the Company are inadequate for payment of profit-linked commission in any financial year, an incentive remuneration, not exceeding 200% of the basic salary, may be paid at the discretion of the Board.

Given below are details pertaining to certain terms of appointment and payment of Managerial Remuneration to the CEO & MD and the ED & COO for FY 2018-19:

(₹ in lakhs)

Particulars	Mr Guenter Butschek	Mr Satish Borwankar
	CEO & MD	ED & COO
Basic Salary	266.88	66.60
Benefits, Perquisites & Allowance	1,410.46[1]	99.33[2]
Incentive Remuneration	922.72[3]	66.60[3]
Retirement Benefits	32.02	17.98
Total Remuneration	**2,632.08**	**250.51**

(1) Includes reimbursement of pension benefits of ₹164.98 lakhs.

(2) Includes leave encashment of ₹2.04 lakhs.

(3) Incentive remuneration would be payable as per agreement.

The terms of appointment with respect to severance notice period and fees payable is reproduced below:

Mr Guenter Butschek - CEO & MD	Mr Satish Borwankar - ED & COO
- The Contract with the CEO & MD may be terminated earlier, without any cause by either giving to the other party 6 months' notice of such termination or the Company paying 6 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 reasons other than Tata Code of Conduct ("TCoC"), the CEO & 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, the CEO & MD shall not be entitled to severance. - In the event the CEO & 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.	- This appointment may be terminated by either party by giving to the other party 6 months' notice of such termination or the Company paying 6 months' remuneration in lieu of the Notice. - The employment of the ED & COO, may be terminated by the Company without notice or payment in lieu of notice: • if the ED & COO, 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 ED & COO, of any of the stipulations contained in the Agreement to be executed between the Company and the ED & COO; or • in the event the Board expresses its loss of confidence in the ED & COO. - In the event the ED & COO 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 given circumstances.

The Directors of the Company are not eligible to receive employee stock options and have accordingly not participated in the Employee Stock Option Scheme of the Company.

Retirement Policy for Directors

As per the retirement age policy adopted by the Company, the CEO & MD and the ED & COO retire at the age of 65 years. The retirement age for NINEDs is 70 years and for IDs is 75 years as per the Governance Guidelines on Board Effectiveness. Accordingly, all IDs have a tenure of 5 years or a tenure upto the retirement age of 75 years, whichever is earlier.

Succession Planning

The NRC works with the Board on the leadership succession plan to ensure orderly succession in appointments to the Board and in the senior management. The Company strives to maintain an appropriate balance of skills and experience, within the organization and the Board, in an endeavor to introduce new perspectives, whilst maintaining experience and continuity.

By integrating workforce planning with strategic business planning, the Company deploys necessary financial and human resources to meet its objectives. Succession planning and elevation within the organization, fuel the ambitions of its talent force, to earn future leadership roles.

Our Board includes 9 directors with broad and diverse skills and viewpoints to aid the Company in formulating and implementing its strategy.

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 suitably revised terms of reference enumerated in the Committee Charter, after incorporating therein the regulatory changes mandated under the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, are as follows:

- Approve issue of duplicate certificates for securities and transmission of securities.
- Resolve grievances of security holders of the Company, including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.
- Review measures taken for effective exercise of voting rights by shareholders.
- Review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
- Oversee statutory compliance relating to all securities including dividend payments and transfer of unclaimed amounts to the Investor Education and Protection Fund.
- Review movements in shareholding and ownership structures of the Company.
- Conduct a Shareholders' Satisfaction Survey to ascertain the level of satisfaction amongst shareholders.

- Suggest and drive implementation of various investor-friendly initiatives.
- Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable.

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 7824; Email: inv_rel@tatamotors.com

Complaints or queries relating to the shares and/or debentures can be forwarded to the Company's Registrar and Transfer Agents – M/s TSR Darashaw Consultants Pvt. 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 Deposits Scheme – M/s TSR Darashaw Consultants Pvt. Limited at tmlfd@tsrdarashaw.com. TSRDL is the focal point of contact for investor services in order to address various FD related matters mainly including repayment / revalidation, issue of duplicate FD receipts / warrants, TDS certificates, change in bank details/ address and PAN corrections. In view of increase in the correspondence, TSRDL have increased their investor interface strength (telephone and counter departments) and have taken other steps for rendering speedy and satisfactory services to the FD holders.

The status on the total number of investor complaints during FY 2018-19 is as follows:

Type	Nos.
Complaints regarding non-receipt of dividend, shares lodged for transfer	26
Complaints received from the shareholders through SEBI and other statutory bodies and resolved	43
Complaints redressed out of the above	67
Pending complaints as on 31.03.2019	2*
Other queries received from shareholders and replied	8,854

*SEBI complaints have been replied within 4 days, but the same has been reflected as unresolved as on 31.03.2019, 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 FY 2018-19 is shown in the following table:

Particulars	Number	%
Total number of correspondence received during FY 2018-19	8,923	100.00%
Replied within 1 to 4 days of receipt	3,472	38.91%
Replied within 5 to 7 days of receipt	1,988	22.28%
Replied within 8 to 15 days of receipt	1,069	11.98%
Replied after 15 days of receipt (1)	2,177	24.40%
Received in last week of March 2019 have been replied in April 2019	217	2.43%

(1) These correspondence pertain to court cases involving retrieval of case files, co-ordination with the Company/Advocates, partial documents awaited from Investors, cases involving registration of legal documents, executed documents received for issue of duplicate certificates and transmission of shares without legal representation which involve checking documents, sending notices to Stock Exchange(s) and issue of duplicate certificates/transmission of shares after approval from the Company. However, all these cases have been attended to within 30 days.

There were no pending share transfers pertaining to the Financial Year ended March 31, 2019.

On recommendations of the Stakeholders' Relationship Committee, the Company has taken various investor friendly initiatives like organising Shareholders' visit to the Company's Works at Pune, sending reminders to investors who have not claimed their dues, sending nomination forms, etc.

CORPORATE SOCIAL RESPONSIBILITY ('CSR') COMMITTEE

The CSR Committee is constituted by the Board in accordance with the Act to:

a. 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;

b. Recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and

c. Monitor the Corporate Social Responsibility Policy of the Company from time to time.

The CSR Policy is uploaded on the Company's website at https://investors.tatamotors.com/pdf/csr-policy.pdf as required under the provisions of Section 135 of the Act and Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

RISK MANAGEMENT COMMITTEE ('RMC')

The Committee is constituted and functions as per Regulation 21 of the SEBI Listing Regulations to frame, implement and monitor the risk management plan for the Company. The suitably revised terms of reference enumerated in the Committee Charter, after incorporating therein the regulatory changes mandated under the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, are as follows:

- Review the Company's risk governance structure, risk assessment and risk management policies, practices and guidelines and procedures, including the risk management plan.
- Review and approve the Enterprise Risk Management ('ERM') framework.
- Review the Company's risk appetite and strategy relating to key risks, including product risk and reputational risk, cyber security risk, commodity risk, risks associated with the financial assets and liabilities such as interest risk, credit risk, liquidity exchange rate funding risk and market risk, as well as the guidelines, policies and processes for monitoring and mitigating such risks.

- Oversee Company's process and policies for determining risk tolerance and review management's measurement and comparison of overall risk tolerance to established levels.
- Review and analyze risk exposure related to specific issues, concentrations and limit excesses and provide oversight of risk across organization.
- Review compliance with enterprise risk management policy, monitor breaches / trigger trips of risk tolerance limits and direct action.
- Nurture a healthy and independent risk management function in the Company.
- Carry out any other function as is referred by the Board from time.

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 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 and corporate functions address opportunities and the attendant risks with an institutionalized approach aligned to the Company's objectives. The business risk is managed through cross-functional involvement and communication across businesses. The results of the risk assessment are thoroughly discussed with the Senior Management before being presented to the RMC.

THE SAFETY, HEALTH & SUSTAINABILITY COMMITTEE

The Committee reviews Safety, Health and Sustainability practices. The terms of reference of the Committee include the following:

- To take a holistic approach to safety, health and sustainability matters in decision making;
- To provide direction to Tata Motors Group in carrying out its safety, health and sustainability function;
- To frame broad guidelines/policies with regard to safety, health and sustainability;
- To oversee the implementation of these guidelines/policies; and
- To review the safety, health and sustainability policies, processes and systems periodically and recommend measures for improvement from time to time.

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 the Tata Code of Conduct for NINEDs and IDs as specified under Schedule IV of the Act and Regulation 26(3) of the SEBI Listing Regulations. The detailed Codes of Conduct are respectively available on the website of the Company at https://www.tatamotors.com/wp-content/uploads/2015/10/09042523/tata-code-of-conduct1.pdf and https://investors.tatamotors.com/pdf/ned-id.pdf. 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, 2019 have affirmed compliance with their respective Codes of Conduct. A Declaration to this effect, duly signed by the CEO & MD is annexed to this Report. Furthermore, pursuant to the provisions of Regulations 8 and 9 under the SEBI (Prohibition of Insider Trading) Regulations, 2015 the Company has adopted and endeavors adherence to the Tata Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices. Kindly refer to the Company's website https://investors.tatamotors.com/pdf/CodeCorporateDisclosure.pdf for the detailed Code of Corporate Disclosure Policy of the Company.

GENERAL BODY MEETINGS

Annual General Meeting (AGM)

Date of AGM	Year	Special Resolutions passed	Venue and Time
August 3, 2018	2017-18	• Private placement of Non-Convertible Debentures / Bonds • Tata Motors Limited Employees Stock Option Scheme 2018 and grant of stock options to the Eligible Employees under the Scheme	Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai - 400020 3:00 p.m.
August 22, 2017	2016-17	• Re-appointment of Mr Satish Borwankar as Executive Director and Chief Operating Officer and payment of remuneration. • Offer or invite for Subscription of Non-Convertible Debentures on private placement basis.	
August 9, 2016	2015-16	• Appointment of Mr Guenter Butschek as the Chief Executive Officer and Managing Director and payment of remuneration. • Re-appointment of Mr Ravindra Pisharody – Executive Director (Commercial Vehicles) and payment of remuneration. • Re-appointment of Mr Satish Borwankar – Executive Director (Quality) and payment of remuneration • Offer or invite for Subscription of Non-Convertible Debentures on private placement basis	

There were no special resolutions proposed to be passed through Postal Ballot during the last year or at the forthcoming AGM.

The Minutes of the aforementioned General Meetings are available on the Company's website. 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 SEBI Listing Regulations and are published in newspapers, namely 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 the quarterly and annual results and presentations made to institutional investors and analysts are also posted on the Company's website (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 in a timely manner through BSE Listing Centre, NSE Electronic Application Processing System (NEAPS) portals and the Company's website for investor information.

Green Initiative:

In support of the "Green Initiative" undertaken by the Ministry of Corporate Affairs, the Company had during FY 2018-19 sent various communications 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.

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. As in the previous year, an Abridged Annual Report for FY 2018-19 is being mailed to shareholders, thereby enabling the Company to reduce costs and save natural resources. A copy of the full Annual Report is made available to any shareholder on request. 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.

Live webcast of AGM: The Company voluntarily provided live webcast facility of the proceedings of the 73rd AGM held on August 3, 2018 for those shareholders who chose to attend the AGM electronically.

GENERAL INFORMATION FOR MEMBERS

The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs ('MCA') is L28920MH1945PLC004520.

ANNUAL GENERAL MEETING

Date and Time	Tuesday, July 30, 2019 at 3:00 p.m.
Venue	Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai 400020

FINANCIAL CALENDAR (TENTATIVE)

Financial Year	ending March 31
Results for the Quarter ending	
June 30, 2019	On or before August 14, 2019
September 30, 2019	On or before November 14, 2019
December 31, 2019	On or before February 14, 2020
March 31, 2020	On or before May 30, 2020
Date of Book Closure	Not applicable.
Date of Dividend payment	No dividend is announced and recommended by the Board for FY 2018-19.

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:

Type	Ordinary Shares	'A' Ordinary Shares
ISIN	INE155A01022	IN9155A01020
BSE – Stock Code	500570	570001
NSE – Stock Code	TATAMOTORS	TATAMTRDVR
BSE - Address	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001; www.bseindia.com	
NSE - Address	"Exchange Plaza", Bandra Kurla Complex, Bandra (E), Mumbai 400051; www.nseindia.com	

The Company has paid Annual Listing fees for FY 2018-19 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 below, under the head "Outstanding Securities".

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-18	363.85	328.65	14912163	364.10	328.60	242721771	206.75	185.15	3497113	206.55	184.95	37882947
May-18	341.35	282.90	20860213	341.95	282.50	307237590	198.25	166.90	3754702	198.60	166.95	114435451
Jun-18	310.05	263.90	19914420	309.95	263.35	286077793	186.20	157.65	5799306	186.35	157.40	56379523
Jul-18	275.40	251.55	20149843	275.45	251.85	225617657	158.60	137.95	5900921	158.70	138.35	54216171
Aug-18	269.55	248.55	21224071	270.10	248.70	308334557	144.65	134.60	4506337	144.70	134.50	58283057
Sep-18	277.50	223.45	23177759	277.40	223.70	255084345	148.05	116.50	5379649	147.75	116.55	57239970
Oct-18	229.25	165.40	46670998	229.35	165.35	434206704	121.00	91.35	8491391	120.95	91.20	85149518
Nov-18	195.40	171.95	31998212	195.25	171.95	340509498	105.90	93.95	5392071	105.70	93.75	48117978
Dec-18	175.95	156.85	30692434	176.40	157.10	293362919	96.45	86.10	6231142	96.50	85.90	51743399
Jan-19	185.55	166.20	27499616	185.75	166.05	305923540	98.70	88.95	4452710	98.75	88.90	58397243
Feb-19	182.90	151.30	34756400	182.85	150.70	413626349	94.40	80.10	5135216	94.40	80.35	71472341
Mar-19	194.00	169.90	25646661	194.05	169.85	348311811	95.95	84.70	6265922	95.80	84.50	69382077

The performance of the Company's average monthly stock price vis-à-vis the Sensex, Auto Index and American Depository Receipt (ADR):

Month	Ordinary Shares (₹)	'A' Ordinary Shares (₹)	BSE Sensex (₹)	Auto Index (₹)	ADR Price (US$)
April 2018	344.31	194.70	34,145.68	25,393.50	$25.993
May 2018	313.68	181.87	35,079.56	24,782.40	$23.067
June 2018	295.73	176.01	35,405.14	24,606.75	$21.661
July 2018	262.86	148.74	36,406.38	24,353.51	$19.160
August 2018	258.04	140.37	38,061.53	24,405.81	$18.412
September 2018	255.09	136.66	37,397.50	23,521.30	$17.571
October 2018	188.08	102.67	34,518.84	19,981.69	$12.742
November 2018	183.15	99.65	35,298.95	20,566.36	$12.674
December 2018	169.33	92.43	35,868.71	20,692.42	$11.866
January 2019	178.05	94.22	36,053.00	19,580.83	$12.663
February 2019	168.92	87.17	36,138.34	18,702.17	$11.810
March 2019	180.08	89.87	37,634.96	19,217.96	$12.915

The monthly high and low of the Company's ADRs is given below:

(in US $)

Month	High	Low	Month	High	Low
April 2018	28.02	24.56	October 2018	15.73	11.28
May 2018	25.53	20.95	November 2018	13.47	12.22
June 2018	22.97	19.14	December 2018	12.65	11.00
July 2018	20.01	18.28	January 2019	13.19	11.83
August 2018	19.37	17.78	February 2019	12.85	10.57
September 2018	19.33	15.43	March 2019	13.76	12.30

Each Depositary Receipt represents 5 underlying Ordinary Shares of face value of ₹ 2/- each.

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 Consultants Pvt. Limited quoting their Folio No./DP ID & Client ID at the following addresses:

1. For transfer lodgement, delivery and correspondence: TSR Darashaw Consultants Pvt. Limited, Unit: Tata Motors Limited, 6-10, Haji Moosa Patrawala Industrial Estate, 20, Dr. E Moses Road, (Near Famous Studios) Mahalaxmi, Mumbai – 400 011. Tel: 022-6656 8484; Fax: 022- 6656 8494; e-mail : csg-unit@tsrdarashaw.com; website:www.tsrdarashaw.com
2. 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 Consultants Pvt. Limited:
   (i) **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 Deposits Scheme – TSR Darashaw Consultants Pvt. 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 launched 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 ASBA process. Contact details: C101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400 083; Tel: (91 22) 4918 6000 / 9167779196/97; Fax: (91 22) 4918 6060; Website: www.linkintime.co.in; Email: tatamotors.rights@linkintime.co.in; Contact Person: Mr Sachin Achar / Mr Sumeet Deshpande.

SHARE TRANSFER SYSTEM

Effective April 1, 2019, SEBI has amended Regulation 40 of the SEBI Listing Regulations, which deals with transfer, transmission or transposition of securities. According to this amendment, the requests for effecting the transfer of listed securities shall not be processed unless the securities are held in dematerialised form with a Depository. Therefore, for effecting any transfer, the securities shall mandatorily be required to be in demat form.

Shares in physical form, should be lodged with the office of the Company's Registrar & Share Transfer Agent, TSR Darashaw Consultants Pvt. Limited, Mumbai or at their branch offices or at the registered office of the Company for dematerialisation.

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 the pending investor complaints is filed with the stock exchanges and placed before the Board of Directors on a quarterly basis.

(3) Pursuant to Regulation 39(3) of the SEBI Listing Regulations, information regarding loss of share certificates and issue of the duplicate certificates, are submitted to the stock exchanges within 2 days of the Company receiving the information.

(4) Pursuant to Regulation 40(9) of the SEBI Listing Regulations, the Company obtains a half-yearly certificate from the Practicing Company Secretary certifying that, the RTA has issued all share certificates within 30 days of the date of lodgment for transfer, sub-division, consolidation, renewal, exchange or endorsement of calls/allotment monies and this certificate is simultaneously filed with the Indian Stock Exchanges pursuant to Regulation 40(10) of the SEBI Listing Regulations.

(5) A Company Secretary-in-Practice carries out a Reconciliation of Share Capital Audit on a quarterly basis, as per Regulation 76 of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018, to reconcile the total admitted capital with 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).

(6) Pursuant to Regulation 61(4) read together with Regulation 40(9) of the SEBI Listing Regulations, a Certificate by the Company Secretary-in-Practice 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 30 days of the date of lodgement for transfer, sub-division, consolidation, renewal, exchange or endorsement of calls/ allotment monies.

Transfer of unclaimed / unpaid amounts / shares to the Investor Education and Protection Fund ('IEPF'):

(i) Pursuant to Sections 124 and 125 of the Act read with the IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), all unclaimed/unpaid dividend, application money, debenture interest and interest on deposits as well as principal amount of debentures and deposits, sale proceeds of fractional shares, redemption amount of preference shares, etc. pertaining to the Company remaining unpaid or unclaimed for a period of 7 years from the date they became due for payment, have to be transferred to the IEPF Authority, established by the Central Government.

Furthermore, the IEPF Rules mandate companies to transfer shares of shareholders whose dividends remain unpaid / unclaimed for a period of 7 consecutive years to the demat account of the IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of the Court, Tribunal or Statutory Authority, restraining any transfer of shares.

In light of the aforesaid provisions, the Company has during the year, transferred to IEPF the unclaimed dividends, outstanding for 7 consecutive years of the Company. Further, shares of the Company, in respect of which dividends have not been claimed for 7 consecutive years or more, have also been transferred to the demat account of the IEPF Authority. The details of the unclaimed dividends and shares transferred to IEPF during FY 2018-19 are as follows:

Financial Year	Amount of unclaimed dividend transferred (₹)	Number of shares transferred	
		Ordinary Shares	'A' Ordinary Shares
2010-11	3,59,73,435	4,13,599	2,582
Total	**3,59,73,435**	**4,13,599**	**2,582**

The members who have a claim on the above dividends and shares may claim the same from the IEPF Authority by submitting an online application in the prescribed Form No.IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same duly signed to the Company along with requisite documents enumerated in the Form No. IEPF-5. No claims shall lie against the Company in respect of the dividend/shares so transferred. The Members/Claimants can file only one consolidated claim in a financial year as per the IEPF Rules.

Considering the above, there are no shares lying in the suspense account of the Company under Regulation 39(4) of the SEBI Listing Regulations.

The Company strongly recommends shareholders to encash / claim their respective dividend within the period given below from the Company's Registrar and Share Transfer Agents:

Financial Year	Date of Declaration	Last date for claiming dividend	Unclaimed Dividend (as on 31.03.2019) (₹)	
			Ordinary Shares	'A' Ordinary Shares
2011-12	August 10, 2012	September 9, 2019	3,36,52,300.00	7,13,162.20
2012-13	August 21, 2013	September 20, 2020	1,60,50,716.00	2,27,990.70
2013-14	July 31, 2014	August 30, 2021	1,60,64,052.00	1,88,790.00
2014-15	No dividend was declared		-	-
2015-16	August 9, 2016	September 8, 2023	29,27,290.00	1,28,230.00
2016-17	No dividend was declared		-	-
2017-18	No dividend was declared		-	-

Whilst the Company's Registrar & Transfer Agent 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 at https://www.tatamotors.com/investor/iepf/. Investors who have not yet encashed their unclaimed/unpaid amounts are requested to correspond with the Company's Registrar and Transfer Agents, at the earliest. Members may refer to the Refund Procedure for claiming the aforementioned amounts transferred to the IEPF Authority as detailed on http://www.iepf.gov.in/IEPF/refund.html.

(ii) Upto March 31, 2019, the Company has transferred ₹ 32,11,06,566.34 to IEPF, including the following amounts during the year.

Particulars	FY 2018-19 (₹)
Unpaid dividend amounts of the Company	3,59,73,435.00
Application moneys received for allotment of any securities and due for refund	-
Unpaid matured deposit with the Company	2,71,46,083.00
Unpaid matured debentures with the Company	-
Interest accrued on application money due for refund, unpaid matured deposits and debentures with the Company	58,80,174.00
Sale proceeds of fractional shares arising out of issuance of bonus shares, merger and amalgamation	-
Redemption amount of preference shares	-
Grants and donation	-
Others	-
Total	**6,89,99,692.00**

DISTRIBUTION OF SHAREHOLDING AS AT MARCH 31, 2019

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	103,026,256	0.13	3.44	3.57	1,000,488	2.09	86.92	89.01
501 – 1,000	45,898,553	0.10	1.49	1.59	61,663	0.37	5.12	5.49
1,001 – 2,000	48,369,797	0.14	1.54	1.68	33,429	0.23	2.74	2.97
2,001 – 5,000	61,127,562	0.17	1.95	2.12	19,765	0.14	1.62	1.76
5,001 -10,000	36,283,056	0.07	1.18	1.25	5,215	0.02	0.44	0.46
Above 10,000	2,592,643,470	0.17	89.62	89.79	3,441	0.02	0.29	0.31
Total	**2,887,348,694**	**0.78**	**99.22**	**100.00**	**1,124,001**	**2.87**	**97.13**	**100.00**

'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	20,553,755	0.02	4.02	4.04	165,400	0.39	81.82	82.21
501 – 1,000	14,085,848	0.01	2.76	2.77	18,583	0.02	9.22	9.24
1,001 – 2,000	13,053,813	0.01	2.56	2.57	9,016	0.01	4.47	4.48
2,001 – 5,000	16,210,576	0.00	3.19	3.19	5,129	0.00	2.55	2.55
5,001 -10,000	11,934,851	0.00	2.35	2.35	1,656	0.00	0.82	0.82
Above 10,000	432,663,528	0.00	85.08	85.08	1,418	0.00	0.70	0.70
Total	**508,502,371**	**0.04**	**99.96**	**100.00**	**201,202**	**0.42**	**99.58**	**100.00**

For details on the **Shareholding pattern** and **Top 10 shareholders**, kindly refer Form MGT-9 appended to the Board's Report of this Annual Report.

DEMATERIALISATION OF SHARES

The Company's Ordinary and 'A' Ordinary Shares are tradable compulsorily in electronic form. The electronic holding of the shares as on March 31, 2019 through the National Securities Depository Limited (NSDL) and the Central Depository Services Limited ('CDSL') are as follows:

Particulars	Ordinary Shares (%)		'A' Ordinary Shares (%)	
	2019	2018	2019	2018
NSDL	95.45	97.13	93.23	95.72
CDSL	3.77	1.99	6.73	4.24
Total	**99.22**	**99.12**	**99.96**	**99.96**

OUTSTANDING SECURITIES

Outstanding Depositary Receipts/Warrants or Convertible instruments, conversion / maturity date and likely impact on equity as on March 31, 2019 are as follows:

- Depositary Receipts: The Company has 6,47,39,272 ADRs listed on the New York Stock Exchange as on March 31, 2019. Each Depository Receipt represents 5 underlying Ordinary Shares of ₹2/- each.

Listing on Foreign Stock Exchange	New York Stock Exchange ('NYSE')
Security Type	ADRs
ISIN	US8765685024
Stock Code / Ticker	TTM
Address	NYSE, 20 Broad Street, New York, NY 10005
Overseas Depositary	Citibank N.A., 388 Greenwich Street, 14th Floor, New York, NY 10013
Domestic Custodian	Citibank N.A., Trent House, 3rd Floor, G-60, Bandra Kurla Complex, Bandra (East), Mumbai 400 051

- Senior Unsecured Notes: In October 2014, the Company issued a dual tranche of Senior Unsecured Notes, details of which are given hereunder:

Security Type	ISIN	Issue Size (US$)	Yield per annum (%)	Date of Maturity	Listing
Senior Unsecured Notes	XS1121907676	262,532,000	4.625%	April 30, 2020	Singapore Stock Exchange
Senior Unsecured Notes	XS1121908211	250,000,000	5.750%	October 30, 2024	

- 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 Wholesale 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 23A	NSE	INE155A08043	150	9.90	May 7, 2020
E 23B	NSE	INE155A08050	100	9.75	May 24, 2020
E 23C	NSE	INE155A08068	150	9.70	June 18, 2020
E 24B	NSE	INE155A08084	110	10.00	May 28, 2019
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
E27B	NSE & BSE	INE155A08282	300	8.40	May 26, 2021
E27D	NSE & BSE	INE155A08308	400	8.00	August 1, 2019
E27E	NSE & BSE	INE155A08316	300	7.50	October 20, 2021
E27F	NSE & BSE	INE155A08324	500	7.71	March 3, 2022
E27G	NSE & BSE	INE155A08332	500	7.84	September 27, 2021
E27H	NSE & BSE	INE155A08340	500	7.50	June 22, 2022
E27I (Tranche 1)	NSE & BSE	INE155A08357	500	7.28	July 29, 2020
E27I (Tranche 2)	NSE & BSE	INE155A08365	500	7.40	June 29, 2021

*Detailed information on the above debentures is included in the 'Notes to Accounts'.

Debenture Trustee: Vistra ITCL (India) Limited, situated at the IL&FS Financial Centre, 7th Floor, Plot C- 22, G Block, Bandra Kurla Complex, Bandra (E), Mumbai 400051, are the debenture trustees for all the aforementioned NCD's issued by the Company. They may be contacted at Tel.: +91 22 2659 3333, Fax : + 91 22 2653 3297, Email id: itclcomplianceofficer@vistra.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), Small Commercial Vehicles (SCVs), Utility Vehicles (UVs) and Cars
Jamshedpur – 831 010	Intermediate Commercial Vehicles (ICVs) and M&HCVs
Chinhat Industrial Area, Dewa Road,Chinhat, Lucknow – 226 019	ICVs, M&HCVs and LCVs
Plot No. 1, Sector 11 and Plot No. 14, Sector 12, I.I.E., Pantnagar, District Udhamsingh Nagar, Uttarakhand – 263 145	SCVs
Revenue Survey No. 1, Village Northkotpura, Tal, Sanand, Dist. Ahmedabad – 380 015	Cars
KIADB Block II, Belur Industrial Area, Mummigatti Post, Dharwad – 580 011	SCVs, LCVs, ICVs and M&HCVs

ADDRESS FOR CORRESPONDENCE

For Investor Queries	
Retail / HNI Investors Mr H K Sethna, Company Secretary Bombay House,24, Homi Mody Street, Mumbai - 400 001, India Phone : 91-22- 6665 7824; E-Mail : inv_rel@tatamotors.com	**Institutional Investors** Mr V B Somaiya, Head (Treasury & Investor Relations) 3rd floor, Nanavati Mahalaya, 18, Homi Mody Street, Mumbai - 400 001, India Phone : 91-22-66658282; E-Mail : 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"	

CREDIT RATINGS

Credit ratings obtained along with revisions thereto during FY 2018-19, for all debt instruments in India and abroad:

Rating Agency	Date	Credit Rating	
		Short-Term	Long-Term
CARE Ratings Ltd.	As on April 1, 2018	CARE A1+	CARE AA+ / Stable
	February 18, 2019	CARE A1+	CARE AA / Stable
CRISIL	As on April 1, 2018	CRISIL A1+	CRISIL AA Positive
	September 19, 2018	CRISIL A1+	CRISIL AA Stable
	February 14, 2019	CRISIL A1+	CRISIL AA Negative
ICRA Ltd.	As on April 1, 2018	ICRA A1+	ICRA AA Positive
	October 12, 2018	ICRA A1+	ICRA AA Stable
	February 13, 2019	ICRA A1+	ICRA AA Negative
MOODY's Investors Service	As on April 1, 2018		Ba1 Stable
	July 13, 2018		Ba2 Stable
	November 14, 2018		Ba2 Negative
Standard & Poor's	As on April 1, 2018		BB+ Stable
	July 26, 2018		BB Stable
	December 4, 2018		BB- Watch Negative
	March 28, 2019		B+ Watch Negative

SUBSIDIARY COMPANIES

During FY 2018-19, the Company did not have any material unlisted Indian subsidiary company and hence, it was not required to have an ID of the Company on the Board of such subsidiary company.

However, the following IDs of the Company are on the Board of below mentioned subsidiary companies:

Common IDs	Presence on the Board of Subsidiary Companies
Mr Nasser Munjee	Jaguar Land Rover Automotive Plc and Tata Motors Finance Limited
Mr Vinesh Kumar Jairath	TML Distribution Company Limited and Tata Motors Finance Solutions Limited
Ms Falguni Nayar	Tata Technologies Limited
Ms Hanne Sorensen	Jaguar Land Rover Automotive Plc

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 at https://investors.tatamotors.com/pdf/material.pdf, pursuant to Regulation 46(2) of the SEBI Listing Regulations.

The Audit Committee also has a 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 transactions with related parties as specified in Indian Accounting Standards (IND AS 24) have been reported in the financial Statements. During the year under review, there was no transaction of a material nature with any of the related parties, which was in conflict with the interests of the Company. The Audit Committee takes into consideration the management representation and an independent audit consultant's report, whilst scrutinizing and approving all related party transactions, from the perspective of fulfilling the criteria of meeting arms' length pricing and being transacted in the ordinary course of business. During the period, all transactions with related parties entered into by the Company were in the ordinary course of business and on an arm's length basis, were approved by the Audit Committee. The detailed Policy on Related Party Transactions is available on the website of the Company at https://investors.tatamotors.com/pdf/rpt-policy.pdf.

ii. The Company has complied with various rules and regulations prescribed by the Stock Exchanges, Securities and Exchange Board of India ('SEBI') 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 except as mentioned below:

   The SEBI vide Order dated March 6, 2018 had issued directions for the Company to conduct an internal inquiry within 3 months into the leakage of information relating to its financial results for the quarter ended December 2015 and to take appropriate actions against those responsible as well as to submit its report within 7 days thereafter. Accordingly, the Company engaged Ernst & Young LLP (E&Y) on March 15, 2018 to independently conduct a forensic investigation and prepare a report thereon in line with SEBI directives. The Company vide its letters dated June 7, 2018 and June 11, 2018 submitted to SEBI, the outcome of the E&Y forensic investigation report as well as the measures adopted / proposed to be adopted by the Company to further strengthen its processes relating to handling of Unpublished Price Sensitive Information ('UPSI') (especially related to financial statements) within the organisation, on the basis of suggestions/observations made by E&Y in its forensic investigation report.

During FY 2017-18 the Company had paid a penalty of ₹5.60 lakhs each, levied by BSE and NSE, in respect of delayed filing of the listing application for 266 Ordinary Shares and 80 'A' Ordinary Shares allotted, out of shares held in abeyance, on settlement of an *inter-se* dispute amongst the shareholders.

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.

The Company has revised the Whistle-Blower policy to insert "reporting of incidents of leak or suspected leak of UPSI" in terms of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time and the revised policy was approved by the Board at its meeting held on March 26, 2019. Kindly refer to the Company's website https://investors.tatamotors.com/pdf/whistle-blower-policy.pdf for the detailed Whistle-Blower Policy of Company.

iv. **Prevention of Insider Trading Code:** As per SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a revised Code of Conduct for Prevention of Insider Trading & Code of Corporate Disclosure Practices. All the Directors, employees and third parties such as auditors, consultants etc. who could have access to the UPSI of the Company are governed by this code. The trading window is closed during the time of declaration of results and occurrence of any material events as per the Code. Mr P B Balaji, the CFO, is the Compliance Officer, is responsible for setting forth procedures and implementation of the Code for trading in the Company's securities.

v. The Company has complied with all the mandatory requirements of Corporate Governance as specified in sub-paras (2) to (10) of Part C of Schedule V of the SEBI Listing Regulations and disclosures on compliance with corporate governance requirements specified in Regulations 17 to 27 have been included in the relevant sections of this report.

vi. The Company also fulfills all the non-mandatory requirements as specified in Part E of the Schedule II of the SEBI Listing Regulations.

vii. Commodity price risk or foreign exchange risk and hedging activities: During the FY 2018-19, the Company had managed the foreign exchange and commodity price risk and hedged to the extent considered necessary. The Company enters into forward contracts for hedging foreign exchange and commodity exposures against exports and imports. The details of foreign currency and commodity exposure are disclosed in Note No.42(c)(i)(a) and 42(c)(iv) to the Standalone Financial Statements.

The Risk Management Policy of the Company with respect to commodities including hedging: The Company being, a USD 44 billion organization, is a leading global automobile manufacturer of cars, utility vehicles, buses, trucks and defense vehicles. Material costs incurred result from direct and indirect consumption of a wide variety of commodities including Aluminium and its alloys, Copper, Zinc, Lead, Steel products, Plastics, Rubber, Platinum, Palladium and Rhodium.

The Original Equipment Manufacturer ('OEM') ultimately bears the price risk in the automobile manufacturing value chain due to escalation clauses with auto-component manufacturers. Hence, increase in commodity prices directly impacts the operating margins of the Company.

The objective of the commodity price risk management programs is to offset the price risk by locking in input prices, thereby maintaining stability in input prices and reducing pricing pressure. The Company currently hedges only base metals i.e. Aluminum, Copper and Lead for a period of 1 year on a rolling basis with hedge ratios up to 50%.

The Company uses various hedging instruments like premium paying and zero cost derivative transactions, including forwards, vanilla options, cost reduction structures, seagulls, etc.

The Commodities Risk Management Policy is placed before the Audit Committee and the Board of Directors annually for review.

a. Total exposure of the Company to commodities: ₹21,558 crores

b. Exposure of the Company to various Commodities :

Commodity Name	Exposure in towards a particular commodity[2]	Exposure in quantity terms towards a particular commodity	% of such exposure hedged through commodity derivatives				
			Domestic Market		International Market		Total
			OTC	Exchange	OTC	Exchange	
Raw Material (majorly Steel)[3]	₹20,266 crores	Note 1	-	-	-	-	-
Aluminum, Copper & Lead[3]	₹1,292 crores	0.6 Million Metric Tons	-	-	26%	-	26%

Notes: 1. Comprises a mixture of commodities having different Units of measurement
2. Above values are estimates
3. Exposure given above relates to direct materials only

c. Commodity risks faced by the Company during the year and measures adopted to combat the same: Headwinds are noticed in Flat and Long Steel, one alternate source is developed and plans to import, if required, are being chalked out. Strong negotiations indicate recoupment of some portion of the increases in FY 2019-20.

viii. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) – Not applicable.

ix. None of the Directors of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India or the Ministry of Corporate Affairs or any such statutory authority. A Certificate to this effect, duly signed by the Practicing Company Secretary is annexed to this Report.

x. The Company and its Subsidiaries on a consolidated basis have paid ₹70.43 crores to the Statutory Auditors and to all entities in their network firm. For details please refer to the Note No. 36 in the Consolidated Financial Statements.

xi. The Company has established an appropriate mechanism for dealing with complaints in relation to Sexual Harassment of Women at Workplace, in accordance with its Policy on Prevention of Sexual Harassment at Workplace ('POSH') which is available on the website of the Company. For disclosure regarding the number of complaints filed, disposed of and pending, please refer to the Board's Report.

xii. 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.

xiii. 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 SEBI Listing Regulations.

Information on the Company's website, regarding key policies, codes and charters, adopted by the Company:

Name of Policy, Code or Charter	Brief Description	Web Link
Terms of Appointment of IDs	Relevant extracts from the appointment letter issued to IDs detailing the broad terms and conditions of their appointment.	https://investors.tatamotors.com/pdf/Terms-of-Appointment-ID.pdf
Member's Referencer	To facilitate Members to understand the procedures involved in completing various investor- related transactions in general.	https://www.tatamotors.com/wp-content/uploads/2018/08/03054315/members-referencer.pdf
Board Committees	The composition of various committees of the Board	https://www.tatamotors.com/about-us/leadership/
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	https://www.tatamotors.com/wp-content/uploads/2015/10/09042523/tata-code-of-conduct1.pdf
	b) For NINEDs and IDs	https://investors.tatamotors.com/pdf/ned-id.pdf
Whistleblower Policy (Vigil Mechanism)(1)	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.	https://investors.tatamotors.com/pdf/whistle-blower-policy.pdf
Policy on Related Party Transactions(2)	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 Audit Committee based on the provisions of the Act and Regulation 23 of the SEBI Listing Regulations.	https://investors.tatamotors.com/pdf/rpt-policy.pdf
Policy for determining Material Subsidiaries(2)	This policy is determine material subsidiaries and material non-listed Indian subsidiaries of the Company and to provide governance framework for them.	https://investors.tatamotors.com/pdf/material.pdf
Familiarisation Programme	For IDs through various programmes/ presentations.	https://investors.tatamotors.com/pdf/familiarisation-programme-independent-directors.pdf
Unpaid Dividend Account Details	Statement of unclaimed and unpaid amounts to be transferred to the IEPF.	https://www.tatamotors.com/investors/iepf/

Name of Policy, Code or Charter	Brief Description	Web Link
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.	https://investors.tatamotors.com/pdf/csr-policy.pdf
Audit Committee Charter	*Inter alia* outlines the terms of reference, composition, quorum, meeting requirements, authority and responsibility of the Audit Committee of the Company.	https://investors.tatamotors.com/pdf/audit_committee_charter.pdf
Policy for Approval of Services to be rendered by the Auditors	For the Audit Committee to oversee the services rendered by the Auditors to the Tata Motors Group and the payment for the said services so as to ensure that the Auditors function in an independent manner.	https://www.tatamotors.com/investors/pdf/auditfee-policy.pdf
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.	https://investors.tatamotors.com/pdf/materiality.pdf
Content Archiving Policy	The policy provides guidelines for archiving of corporate records and documents as statutorily required by the Company.	https://investors.tatamotors.com/pdf/content-archiving-policy.pdf
Code of Corporate Disclosure Practices(1)	This policy is aimed at providing timely, adequate, uniform and universal dissemination of information and disclosure of UPSI outside the Company in order to provide accurate and timely communication to our shareholders and the financial markets.	https://investors.tatamotors.com/pdf/CodeCorporateDisclosure.pdf
Dividend Distribution Policy	This policy outlines the financial parameters and factors that are to be considered whilst declaring dividend.	https://investors.tatamotors.com/pdf/dividend-distribution-policy.pdf
Remuneration Policy	This policy formulates the criteria for determining qualifications, competencies, positive attributes and independence for the appointment of a director (executive / non-executive) and also the criteria for determining the remuneration of the directors, key managerial personnel, senior management and other employees.	https://investors.tatamotors.com/pdf/directors-appointment-remuneration.pdf

(1) Revised in line with the requirements of the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018.
(2) Revised in line with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018.

On behalf of the Board of Directors

N Chandrasekaran
Chairman
(DIN: 00121863)

Mumbai, May 20, 2019

DECLARATION BY THE CEO & MD UNDER REGULATION 26(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 REGARDING ADHERENCE TO THE CODE OF CONDUCT

Pursuant to Regulation 26(3) 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, 2019.

For Tata Motors Limited

Guenter Butschek
CEO & MD
(DIN: 07427375)

Mumbai, May 20, 2019

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, 2019, as stipulated under 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").

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of procedures and implementation thereof, as adopted by the Company for ensuring compliance to 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 SEBI Listing Regulations for the year ended on March 31, 2019.

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 20, 2019

PRACTISING COMPANY SECRETARIES' CERTIFICATE ON DIRECTORS NON-DISQUALIFICATION TO THE MEMBERS OF TATA MOTORS LIMITED

This certificate is issued pursuant to clause 10 (i) of the Part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended vide circular dated May 9, 2018 of the Securities Exchange Board of India.

We have examined the compliance of provisions of the aforesaid clause 10 (i) of the Part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and to the best of our information and according to the explanations given to us by the Company, and the declarations made by the Directors, we certify that none of the directors of Tata Motors Limited ("the Company") CIN L28920MH1945PLC004520 having its registered office at Bombay House, 24 Homi Mody Street, Mumbai 400001 have been debarred or disqualified as on March 31, 2019 from being appointed or continuing as directors of the Company by SEBI/ Ministry of Corporate Affairs or any other statutory authority.

For Parikh & Associates

Practising Company Secretaries
P. N. Parikh
FCS: 327 CP: 1228

Mumbai, May 20, 2019

Business Responsibility Report

(Pursuant to Regulation 34(2)(f) of SEBI Listing Regulations)

Introduction

The Company is one amongst the globally leading manufacturers in the automobile segment and continues to be India's largest automobile Company with a consolidated revenue of ₹304,903.71 Crores in FY 2019. Being the first Indian Company from the engineering sector to be listed on the New York Stock Exchange, the Company beliefs in the core philosophy of 'Good Corporate Citizenship' staying committed to sustainability and the spirit of 'giving back to society'. The Company is present across all segments of the commercial and passenger vehicles, with a widespread through over 6,600 dealerships offerings sales and services as well as having established spare parts network touch points.

The Business Responsibility Report highlights the approach of the Company towards creating long-term value for all its stakeholders. The 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 (Listing Obligations and Disclosure Requirements) Regulations 2015 (SEBI Listing Regulations). This Report provides an overview of the activities carried out by the Company under each of the nine principles outlined in NVG.

Section A: General Information about the Company

1. **Corporate Identity Number (CIN) of the Company**: L28920MH1945PLC004520
2. **Name of the Company:** Tata Motors Limited
3. **Registered address:** Bombay House, 24, Homi Mody Street, Mumbai - 400001
4. **Website:** http://www.tatamotors.com/
5. **E-mail id:** inv_rel@tatamotors.com
6. **Financial Year reported:** 2018-19
7. **Sector(s) that the Company is engaged in (industrial activity code-wise)**

NIC Code	Description
2910	Manufacture of motor vehicles
2930	Manufacture of parts and accessories for motor vehicles
4530	Sale of motor vehicle parts and accessories
4510	Sale of motor vehicle

8. **List three key products/services that the Company manufactures/provides (as in balance sheet)**
   1. Passenger Cars
   2. Commercial Vehicles
   3. Vehicles sales and service

   Please refer to our website www.tatamotors.com for complete list of our products.

9. **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, the Company operates in over 175 markets and has over 6,600 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 –** The Company manufacturing locations in India are situated at Jamshedpur (Jharkhand), Pune (Maharashtra), Lucknow (Uttar Pradesh), Pantnagar (Uttarakhand), Sanand (Gujarat) and Dharwad (Karnataka).

   Please refer Our Geographical Presence section of the Company's Annual Report FY 2018-19 for complete list of our" global operations.

10. **Markets served by the Company - Local/State/National/ International**

    The Company's vehicles and services cater to the entire Indian market. The commercial and passenger vehicles are internationally being marketed in countries like North America, Central and South America, Africa, Europe, Asia and Oceania.

    Please refer Our Geographical Presence section of the Company's Annual Report FY 2018-19 for complete list of our global operations.

Section B: Financial Details of the Company

1. **Paid up Capital :** ₹679.22 Crores
2. **Total Turnover :** ₹67,611.07 Crores (This is standalone figure)
3. **Total profit after taxes :** Profit of ₹1,903.94 Crores (This is standalone figure)
4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):** Total expenditure reported is ₹22.21 Crores.
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 the community. In FY 2019, 381,437 members benefited from our health initiatives.

II. **Vidyadhanam (Education):** This initiative aims to improve the quality of education in schools by offering scholarship to meritorious and needy secondary school students, organizing special coaching classes to improve academic performance in Class X Board exam, supporting school infrastructure and organizing co-curricular activities for well-rounded personality development. In FY 2019, 146,894 students benefited from our education program.

III. **Kaushalya (Employability):** This program has been designed to enhance skill development amongst youth. It includes inculcating 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 of automotive skills through knowledge partnership. In FY 2019, the Company has trained 106,038 youth and farmers.

IV. **Vasundhara (Environment):** The Company's approach to improve the 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. Under this initiative 1,117,186 saplings .have been planted through are various program and our environmental awareness programs aim to sensitize young children and we have been able to reach out to 89,263 people.

Please refer 'CSR Report' - Annexure-2 section of the Company's Annual Report FY 2018-19 and the Company's Annual CSR Report FY2018-19 for detailed community engagement strategy and key initiatives. These reports are available on our website www.tatamotors.com

Section C: Other Details

1. **Does the Company have any Subsidiary Company/ Companies?**

   The Company has 99 direct and indirect subsidiaries in India and abroad as on year ended March 31, 2019.

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)**

   The Company 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 covers suppliers, customers and other stakeholders. It also addresses key BR issues like Quality and Customer value, Corruption and Bribery, Health and Safety, Environment, Human Rights and Employee well-being.

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%]**

   The Company's suppliers and distributors are critical aspects in supply chain operations and its sustainability issues can have glaring impact on overall operations. The Company engages with its suppliers and channel partners on BR initiatives through Sustainable Value Chain Program. The suppliers and dealers sustainability initiatives serves as a platform to raise awareness on sustainability topics such as health, safety, environmental and community at a large. The vendors and dealers situated across all locations participate in these sustainability initiatives, although, currently around 30% of value chain entities participate in these BR initiatives except 100% of our critical suppliers have been covered under the sustainable supply chain initiative.

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.**

Sr. No.	Particulars	Details
1.	DIN Number (if applicable)	07427375
2.	Name	Mr Guenter Butschek
3.	Designation	CEO and Managing Director
4	Telephone	022 6665 8282
5.	E-mail id	Guenter.Butschek@tatamotors.com

Sr. No.	Particulars	Details
1.	DIN Number (if applicable)	01793948
2.	Name	Mr Satish B Borwankar
3.	Designation	COO & Executive Director
4	Telephone	020-66132257
5.	E-mail id	sbborwankar@tatamotors.com

   b) **Details of the BR head**

Sr. No.	Particulars	Details
1.	DIN Number (if applicable)	N.A
2.	Name	Dr Arun Kale
3.	Designation	Head – Safety, Health, Environment and Sustainability
4	Telephone	91-20-66132773
5.	E-mail id	arun.kale@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 (NVG-SEE) 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.

Sr. No.	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 SEBI Listing Regulations, Sarbanes Oxley Act etc. The policies reflects 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? Is 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. TCoC 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 TCoC , 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 TCoC 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 the 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 are carved from its guiding principles and core values. These policies are mapped to each principle hereunder:

Principle	Applicable Policies	Link for policies
Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability	Whistle Blower Policy	http://investors.tatamotors.com/pdf/whistle-blower-policy.pdf
Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.	Sustainability Policy Environment Policy, Quality Policy	https://www.tatamotors.com/about-us/corporate-governance/policies https://www.tatamotors.com/about-us/corporate-governance/policies https://www.tatamotors.com/about-us/corporate-governance/policies
Principle 3: Businesses should promote the well-being of all employees.	Sustainability Policy Safety Policy	https://www.tatamotors.com/about-us/corporate-governance/policies https://www.tatamotors.com/about-us/corporate-governance/policies
Principle 4: 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 Sustainability Policy	https://investors.tatamotors.com/pdf/csr-policy.pdf https://www.tata.com/careers/affirmative-action https://www.tatamotors.com/about-us/corporate-governance/policies
Principle 5: Businesses should respect and promote human rights.	Tata Code of Conduct Sustainability Policy Whistle Blower Policy	https://www.tata.com/about-us/tata-code-of-conduct https://www.tatamotors.com/about-us/corporate-governance/policies http://investors.tatamotors.com/pdf/whistle-blower-policy.pdf
Principle 6: Businesses should respect, protect, and make efforts to restore the environment.	Environment Policy Sustainability Policy Climate Change Policy	https://www.tatamotors.com/about-us/corporate-governance/policies https://www.tatamotors.com/about-us/corporate-governance/policies http://investors.tatamotors.com/pdf/Climate-Policy-Eng.pdf
Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.	Tata Code of Conduct	https://www.tata.com/about-us/tata-code-of-conduct
Principle 8: Businesses should support inclusive growth and equitable development.	Sustainability Policy CSR Policy	https://www.tatamotors.com/about-us/corporate-governance/policies http://investors.tatamotors.com/pdf/csr-policy.pdf
Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.	Tata Code of Conduct Quality Policy	https://www.tata.com/about-us/tata-code-of-conduct http://www.tatamotors.com/about-us/corporate-governance/policies

3. Governance related to BR

- **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, annually, more than 1 year**

  Executive Committee (ExCom) reviews and assesses the various aspects of BR performance of the Company. The frequency of ExCom meetings for BR review is 3-6 months.

  Please refer "Corporate Governance" section of Company's Annual Report FY2018-19 for various Board Committees and their roles and responsibilities.

- **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

  The Company has been publishing Annual Sustainability Reports in accordance with globally recognized Global Reporting Initiative (GRI) Standards. These reports also serve as the Company's Communication on Progress (COP) as part of United Nations Global Compact (UNGC) signatory reporting obligations and have been aligned with the NVG-SEE released by Ministry of Corporate Governance. The Company also publishes the Annual CSR Report to highlight the community engagement strategy and performance. The Company's CSR Report can be viewed at https://www.tatamotors.com/wp-content/uploads/2018/07/06111347/annual-csr-report-2017-18.pdf

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?**

   The Company has adopted the 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 boundaries 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 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 Group 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 1032931 / 022-2287 1839.

   Oral reports will normally be documented by the Chief Ethics Counselor/Chairman of the Audit Committee by 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	76
Stakeholders Complaint Resolved	35
Percentage of Stakeholders Complaint Resolved	46.05

   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. 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 TCoC 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 up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

   The Company is a leading automobile manufacturer of India and has played a significant role over the years in contributing to economic growth through its commercial and passenger vehicles which transport people, goods and help notch time. The Company realizes its responsibility as a growth enabler and endeavors to create vehicles which will promote entrepreneurship. The Company is also cognizant about environmental impacts caused by the production and lifecycle of its products and continually strives to innovate measures to reduce such impacts. Keeping up with the momentum around deployment of sustainable vehicles created in 2017-18, during FY 2019, the Company initiated a supply of 40 units of the 'Ultra 9m AC Electric buses' to the Lucknow City Transport Services Ltd and 80 Electric buses to the West Bengal Transport Corporation. The Company has also collaborated with Capegemini to deploy Tigor EVs to Bengaluru, Chennai and Hyderabad. Below are few of the products which have been designed to address social or environmental concerns, risks and/or opportunities.

Product	Social or environmental benefits
Buses for Public Transport – Tata Starbus Hybrid Electric Bus	Operates on dual power i.e diesel and electric and hence, economically viable, safe and environmentally friendly.
	In compliance with all UBS-II (Urban Bus Specifications), AIS 052 (Automotive Industry Standards) and CMVR (Central Motor Vehicle Rules).
	Enhanced NVH (Noise, Vibration & Harshness) system.
	Chassis with new generation BS-IV Engine
Intermediate & Light Commercial Vehicles (ILCV) – Tata ULTRA	Adhere to the latest BS-IV emission standards
	Tubeless radial tyres with low aspect ratio. Less rolling resistance - better fuel economy
	Front and rear end suspension come with rubber bush - no hassles of greasing
	Intelligent Power Steering - stability at high speed, low steering effort
	Strongest chassis in its class with bolted design for increased modularity
Passenger Cars – Tigor EV	Full electric, zero emission vehicle
	Equipped with a single speed, automatic transmission
	The electric drive systems allows maximum efficiency and seamless acceleration.

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?

   In order to reduce the vehicular weight, the focus of the Company is on the new and improved technologies so as to achieve higher fuel efficiency as well as to reduce the environmental impact created by the vehicles, including its material sourcing, production, use and end-of-life stages. In order to reduce the fuel consumption, the Company focuses on researching, developing and producing new technologies, such as hybrid engines, electric cars, fuel-cell vehicles. Various development programs to reduce the consumption of fuel, like the use of lightweight materials, reducing parasitic losses through the driveline and improvements in aerodynamics are also studied and implemented by the Company. At the sourcing stage, the Company work's with its suppliers to reduce the environmental impacts by using returnable and recyclable packing solutions for majority of the components thereby managing the cost and quality, minimizing material utilization and waste generation. The Company is extensively working on green and light weighing technologies in products by going beyond the basic environmental regulatory compliance. The Company continuously strives to improve the sustainability performance of its product on life cycle basis.

   (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. The REVOTRON engine epitomizes the Fuel-Next 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 activity. The Company has an Environment Procurement Policy and Sustainability Policy to engage with its value chain partners on environmental sustainability. The Company has launched a sustainable supply chain initiative in FY 2017. Through this initiative the Company aims to firstly create awareness on the subject, call for suppliers' sustainability data and subsequently conduct a site assessment for data verification. This initiative was conducted in 3 phases, where 52 suppliers were covered in Phase I, 66 suppliers were covered in Phase II and 115 suppliers were covered in Phase III.

   The Company has also extended this initiative to our downstream and have initiated the Dealers Sustainability Initiative in FY 2019, 15 workshops and 27 dealers have been assessed where 22 of them have shared data related to Scope 1 and Scope 2 emissions. A total of 237 dealers have been covered in the workshop. The Company noted a significant initiatives that 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 procured 63.26% 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.

   To ensure reliable and responsible suppliers for automotive production and service parts, the Company expects all its suppliers to adopt the ISO 9001/IATF Quality Management System frameworks. The Company also encourage its dealers to adopt Quality, Environmental and Occupational Health & Safety Management Systems. In addition to this, the Company has an Environment Procurement Policy and Sustainability Policy to engage with its value chain partners on environmental sustainability.

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.**

   Being the Company's ongoing endeavor, it has a mechanism to recycle its products and limit the waste arising from production of vehicles. The Company has initiated well defined program 'Prolife' with objective to reduce waste and minimize the need of raw materials to produce a brand new item. In FY 2019, a total of 32,092 components were reconditioned and the reconditioned blocks were exported to international markets. Hazardous waste is disposed as per regulatory requirements through the Common Hazardous Waste Treatment, Storage & Disposal Facilities (CHWTSDF), authorized recyclers and co-processing in cement plants.

Principle 3 Employee Wellbeing

1. **Please indicate the Total number of employees.**
   52,757 as on 31st March, 2019 (Includes Permanent, Temporary, trainee and contractual employees)

2. **Please indicate the Total number of employees hired on temporary/ contractual/ casual basis.**
   44,061 as on 31st March, 2019

3. **Please indicate the Number of permanent women employees.**
   986 as on 31st March, 2019

4. **Please indicate the Number of permanent employees with disabilities**
   16 as on 31st March, 2019. These employees represent self severe disability

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 97% of the operative employees at Jamshedpur, Pune, Lucknow, Pantnagar & Sanand plants are members of these employee unions. These employees represent around 55% of the total permanent employees at these five plants. 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.**

Sr. No.	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	NIL	NIL
2.	Sexual harassment	11	1
3.	Discriminatory employment	NIL	NIL

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 in the Company are provided with safety training as part of their induction programme. The safety induction programme is also a compulsory 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.

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 through Tata Affirmative Action (AA) Policy addresses the socially disadvantaged sections of the society i.e. Scheduled Castes and Tribes. Within the broader stakeholder group of communities, the Company works towards women empowerment and education of children. Every year, the Company participate in Tata Affirmative Action Program (TAAP) Assessment, developed on the lines of Tata Business Excellence Model (TBEM).

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.**

   The Company's 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 TAAP, the Company continues to serve the SC/ST communities *inter-alia* in Education, Employability and Entrepreneurship.

Area	Stakeholder (SC/ST community) Benefits
Education	In FY 2019, the Company reached out to 732,732 students of which 40% belong to SC/ST communities. The projects include IIT-JEE & competitive exams coaching; co-curricular activities; Financial Aid Program for Engineering Students at IIT Bombay; Scholarships for Secondary school students and Govt. Engineering College at Pune, School Infra Improvement and Special Coaching classes in Std. 8th, 9th and 10th.
Employability	The programe has benefited more than 106,038 members across different locations in the Country in FY 2019. 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 FY 2019, 381,437 people benefited from the Company's health initiatives including those who inhabit in 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?**

   The Company respects human rights and has established a Policy on Human Rights. The Policy details the Company's approach towards human rights and sets its expectations for its Channel Partners and Contractors, to adhere to principles of human rights. The Company encourages its suppliers, vendors, contractors and other business partners associated to follow the principles laid out in TCoC.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

   In FY 2019, 76 concerns have been received towards actual or potential violation of TCoC, of which 35 of the concerns were satisfactorily resolved as at 31.03.2019.

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 the Company's business processes through the well-defined Sustainability Policy. This Policy reaffirms value system committed to integrate environmental, social and ethical principles into the Company's business and innovate sustainable mobility solutions with passion to enhance quality of life of communities.

   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, the Company has established a Climate Change Policy which guides the organizational efforts towards mitigating and adapting to climate change. The Company's 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. The Company continuously works on alternate fuel technologies like electric vehicles, hybrid vehicles and fuel cell technologies. During FY 2019, the Company initiated a supply of 40 units of the Ultra 9m AC Electric buses to the Lucknow City Transport Services Ltd (LCTSL) and supply of 80 Electric buses to the West Bengal Transport Corporation (WBTC). The Company also collaborated with Capegemini to deploy Tigor EVs to Bengaluru, Chennai and Hyderabad.

The Tata Group is a participant to the Prime Minister's Low Carbon Committee as well as was a member in the Steering Committee of 'Caring for Climate' initiative of the United Nations Global Compact and United Nations Environment Programme.

3. **Does the company identify and assess potential environmental risks? Y/N**

   Yes, the Company has established a Sustainability Policy and Environmental Policy which guides its efforts in minimizing environmental impacts and continually improve its environmental performance throughout the life cycle of the product. All Indian manufacturing plants are certified to Environmental Management Systems (EMS) as per ISO 14001. 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?**

   None of our Plants have undertaken Clean Development Mechanism projects during FY 2019.

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 continued to work on improving energy efficiency, clean technology and increased consumption of renewable energy in line with its aspiration to RE100 - which is a collaborative, global initiative of influential businesses aspiring to source 100% renewable electricity for operations.

   (A) Renewable Energy

   During FY 2019, the Company has set up in-house RE generation capacity (solar and wind) which includes:

   - 21.95 MW Captive Wind Power project at Supa and Satara in Maharashtra;
   - 25KW Solar PV installations in addition to existing 2MW Solar PV at Lucknow works
   - 2MW Solar PV installation in addition to the existing 2.1 MW Solar PV at Pune Works
   - 2 MW Roof-top Solar PV installation at Sanand Works
   - 18.5 kWp Solar PV installation at Pantnagar Works; and
   - 7.2 kW hybrid-wind and solar installation at Dharwad Works

   The Company sources off-site wind power at its Pune, Sanand and Dharwad works through Power Purchase Agreements (PPA) with Third Party Wind Power Generators. The Company would continue to source renewable power from the grid, in line with regulatory policies / frameworks and tariffs in those States where the Company operates.

   (B) Energy Efficiency / Clean Technology

   The Company initiated supply of 40 units of the Ultra 9m AC Electric buses to the Lucknow City Transport Services Ltd (LCTSL) and supplied 80 Electric buses to the West Bengal Transport Corporation (WBTC). The Company also collaborated with Capegemini to deploy Tigor EVs to Bengaluru, Chennai and Hyderabad. The Tata Group is a participant to the Prime Minister's Low Carbon Committee as well as was a member in the Steering Committee of 'Caring for Climate' initiative of the United Nations Global Compact and United Nations Environment Programme.

   The Company has also implemented significant Energy Conservation projects across its manufacturing plants and offices in FY 2019.

   - Pune PV Plant refurbished ventilation ASU, PTCED chiller & CED oven and optimized top coat ASU/Exh booth frequency at the paint booth. The Plant also provided additional fixtures on new headlines at engine shop. At the press shop, they optimized line running and provided a single push button for switching the line 2 motor off. At the weld shop, UBF and X0 robotic lines have been shut down, robots controller AC shutdown and optimization of running hours of zest closure pump house. LED lights have been provided and portable tube light trolleys provided as a replacement for manual switching on of lights.
   - Dharwad Plant reduced the blower speed of ASU tag, optimized DC and AHU blower using the speed reducing facility on HMI, eliminated manual cooling fans at forced cooling zone. Water consumption reduced at DM plant which led to power saving, ACC oven exit blower running optimized. Water circuit modified for ARM gun by taking thyristor and gun in series.
   - Sanand Plant installed LED tube lights, replaced 400 Watt metal halide lights with 28*2 watt tube lights in 16.5 meter area, ED chiller and Deck Cooling Chiller set point increased from 7 degree Celsius to 7.5 degree Celsius. Also, the plant runs Work Deck ASU in a combined mode when all lines are running and in individual mode when selected lines are running. Heat leakages have been arrested in all ovens and waste recovery system installed. Equipment running hours optimized to reduce the fixed load consumption by close monitoring of equipment startup time and magnetic fuel saver installed.
   - Lucknow Plant migrated to LED lighting in Line 1 and street lights, replaced existing 250W HPSV street light with LED 100W fittings in Test Track, reduced SPC in compressed air system, forced draft ventilation system and AC system. Motion sensors have been installed in

Line 4, 5 stores and IT Data Centre for ensuring that the lights glow in the presence of persons only. Idle glowing of the lights was eliminated.

- Pantnagar Plant reduced the ASU burner time from 25 minutes to 10 minutes in every startup in surfacer and base booth. VFD panel has been installed in all three exhaust blowers of 75KW in Clear 2 Booth, VFD installed for phosphate exit spray pump, 400 watt high bay lamp replaced with 40 watt led and air consumption has reduced at plant level.
- At Pune CV, conventional tubes were converted to 18W LED tubes in SHL, hydraulic oil chiller unit was removed in C Block, hydraulic motor was downsized in C Block, conventional tubes converted to LED lamp in KAPP room, polishing exhaust blower VFD set to 40Hz, 15 of 36 X 4 Urja lamps replaced with 18W X 4 LED lamps, replacement of 3Ph man cooling fan with 1Ph fan in RATP, motion sensor fitment in toilets in C Block.

Please refer to Annexure 3 of the Board's Report in Annual Report FY2018-19 for details on the Company's energy efficiency and cleaner production 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 from CPCB/SPCB pending resolution by the Company as on end of FY 2019.

Principle 7 Policy Advocacy

1. **Is your company a member of any trade and chamber or assosciation? If Yes, Name only those major ones that your business deals with:**

   The Company is a member of various trade and chamber or associations. It actively participated in all WP29 UNECE group activities.

   I. The Company participated in the following National Committees which are working on formulating policies and regulations for improvement of environment including Green House Gases (GHGs) reduction throughout the Country:

   - Standing Committee on Emissions (SCOE)
   - Sub-committee on Idle (CO & HC) emission norms of Union Ministry of Shipping, Road Transport and Highways of India (MoSRTH) along with Automotive Research Association of India (ARAI).
   - Expert Committee to define "Heavy Duty Vehicle Fuel Economy Norms for India" under Government of India (GoI) initiatives by MoSRTH and Petroleum Conservation Research Association (PCRA).
   - Expert Committee to define "Light & Medium Duty Vehicle Fuel Economy Norms for India" under GoI initiative by MoSRTH, Ministry of Petroleum & Natural Gas (MoPNG) and PCRA.
   - Expert Committee on "Fuel Economy and Labeling of Passenger Cars" under GoI initiative by Bureau of Energy Efficiency, Ministry of Power and MoSRTH.
   - Inter-ministerial Committee for upcoming emission norms (BS-VI) including Real World Driving Emissions (RDE) and Portable Emission Measurement System (PEMS) for Motor Vehicles under GoI initiative by MoSRTH, Ministry of Heavy Industries and MoPNG.
   - Quadricycle Emissions Norms formulated and notified
   - Ministry of New & Renewable Energy, GoI, has been promoting and assisting technology development for GHGs reduction by way of increased usage of biodiesel. In support to this initiative, the Company has been currently running number of "Engine and Vehicle programs to commercialize usage of biodiesel", which is made available to the general public by oil marketing companies.
   - Working Group on Energy for sub-group on DST's XIIth plan on Technology Development Program.
   - National Electric Mobility Mission Plan – The Company actively participated in forming hybrid performance criteria along with SIAM-FTG group and helped the Government to launch FAME scheme. Presently, the Company is engaged in building two types of hybrid and electric vehicles under Technical Advisor Group of R&D scheme.

   II. The Company also participate in following National committees/Regulatory forums for improving the road safety perspectives including safety of driver, passengers and pedestrians

   - Meetings with Hon Minister, Ministries & Joint Secretary for finalizing/discussing the safety aspects of various vehicle categories like buses, trucks and passenger cars
   - Central Motor Vehicle Rules- Technical Standing Committee (CMVR TSC)
   - Automotive Industry Standards Committee (AISC)
   - BIS TEDC /TED Committee Meetings
   - Society of Indian Automobile Manufacturers (SIAM) Council & various SIAM Group Meetings (CSR, EnC etc)
   - AISC/TED Panel Meetings on Individual Subjects

The Company participated in all the panel meetings pertaining to emissions, fuel economy, conventional & non-conventional fuels for rules and standards formulation.

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)**

   The Company through various industry associations participated in advocating matters relating to advancement of the industry and public good. The Company supported various initiatives of SIAM, to name a few included aspects of product safety, alternate fuel vehicles, environment, fuel policies, customer information and education. The Company's Sustainability Policy and 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, addresses the local needs while the corporate cell addresses few company-wide strategic community development initiatives like driver training, etc. 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. The Company along with its employees also supports Sumant Moolgaonkar Development Foundation (SMDF) towards implementing **Amurtdhara,** a National Drinking Water Project to provide safe drinking water to communities. Through adoption of AA Policy, the Company works toward inclusion of socially disadvantaged and marginalized sections of society (Scheduled Castes and Scheduled Tribes), through focus on Education, Health, Employability and Entrepreneurship.

   Please refer the Company's 'Annual CSR Report FY2018-19' for detailed 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?**

   The CSR programmes and projects are deployed by the Company directly; through its own company-promoted societies/NGOS; partnering with the Government 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, Vidhya Poshak
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, Sarvodhaya Maha Sangh, Terre Policy Center, Tree Public Foundation, Vikas Samities, Wildlife Research and Conservation Society, SUVIDHA
Rural Development	BSILD (erstwhile BAIF)

Please refer the Company's 'Annual CSR Report FY2018-19' 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' and Tata AA Framework to assess the impact of the various community interventions. Periodic impact assessments are conducted and the outcome forms a critical input in community development plan preparation and implementation.

   Please refer 'CSR Report' - Annexure-2 section of the Company's Annual Report FY 2018-19 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 ₹22.21 Crores.

   The details of projects:

   1. **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.
   2. **Vidyadhanam (Education)** supporting for infrastructure, skills development, training and institutionalized need based scholarships.
   3. **Kaushalya (Employability)** Industrial training to school dropout youth in auto sector, non-auto trades, agriculture and allied activities.
   4. **Vasundhara (Environment)** large scale sapling plantation, construction of water conservation structures and building awareness about environment and renewable energy sources.

   Please refer 'CSR Report' - Annexure-2 section of the Company's Annual Report FY 2018-19 and 'Community Development' section in Sustainability Report FY2018-19 for details on various community development programme 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 adopted 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 and carry forward these initiatives is done from time to time.

   Please refer 'CSR Report' - Annexure-2 section of the Company's Annual Report FY 2018-19 and 'Community Development' section of Sustainability Report FY2018-19 for details on various community development programme undertaken.

Principle 9: Customer Value

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

   The Company has provided customers with the best in class after sales service. The Company hears its customers through various mode such as 24X7 call center toll free no, website, social media, Tata Motors Service Connect App.

   The Company's services 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 31st March 2019	0.65	0.55	0.56

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 on 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**

   The National Fair Trade Regulator - the Competition Commission of India ('CCI') had initiated legal actions for alleged anti - competition behavior against 17 manufactures including the Company. The matter was disposed by the Delhi High Court and currently is sub-judice before the Supreme Court which has stayed the penalty imposed by the CCI, till the next date of hearing.

4. **Did your company carry out any consumer survey/ consumer satisfaction trends?**

   Regular customer satisfaction surveys are conducted to assess customer satisfaction levels and benchmark the Company's performance with industry peers. The customer centricity has been intrinsic to our culture – develop, deliver, delight. The Company continuously strive to provide best services to enhance our customer engagement. Customer service quality is met through integration of our Customer Relationship Management and Dealer Management System (CRM – DMS).

   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 Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Tata Motors Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2019, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information, and includes two joint operations consolidated on a proportionate basis.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of other auditor on separate financial statements of one joint operation as was audited by the other auditor, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("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 31 March 2019, and profit and other comprehensive income, changes in equity and cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter

A. Impairment testing of long-life property, plant and equipment and intangible assets of passenger vehicles cash generating unit

The Company has identified passenger vehicle segment as a separate cash generating unit ('CGU'). The history of losses in the passenger vehicle business led the Company to perform an impairment assessment as at 31 March 2019.

The annual impairment testing of passenger vehicle CGU involves significant judgements and estimates in assessing the recoverable value. The recoverable value is considered to be the higher of the Company's assessment of the value in use (VIU) and fair value less cost of disposal (FVLCD).

There is a risk over the Company's assessment and measurement of impairment due to:

- VIU: uncertainties involved in forecasting of cash flows, including key assumptions such as future sales volumes, prices, margins, overheads, growth rates and weighted average cost of capital.
- FVLCD: uncertainties involved in identifying appropriate comparable companies, estimating their market multiple and estimating the depreciated replacement cost of fixed assets.

(Refer note 2{p} of the standalone financial statements)

How the matter was addressed in the audit

The audit procedures included:

- **Identification:** Obtained an understanding of Company's evaluation of identification of passenger vehicles segment as a cash generating unit;
- **Controls:** Tested management review controls on the assumptions including underlying cash flow forecasts and impact of macro-economic factors on the forecasts. Tested management's review of the discounted cash flow calculations performed to support the impairment assessment including benchmarking of key assumptions (discount rates, growth rate) and assessment of sensitivities;
- **Completeness and accuracy of the VIU model:** Obtained valuation computation performed by the Company for its impairment assessment and agreed the mathematical accuracy of the VIU by recalculating the cash flow build up;
- **Cash flow forecast assumptions:** Involved independent valuation specialists to assist in the evaluation of the assumptions (discount rate which included comparing

the weighted average cost of capital with sector averages for the relevant markets in which the CGU operates and long-term growth rate) and challenged the key assumptions and judgements within the build - up of the cash flow forecast (such as future sales volumes and prices, margins, overheads etc.) and methodologies used by the Company and its experts;

– **Sensitivity analysis:** Assessed the sensitivity of the outcome of impairment assessment to changes in key assumptions such as volumes and margins;

– **FVLCD assumptions:** Compared the market multiple used in the FVLCD to comparative companies and to market data sources with the assistance of specialists.

Description of Key Audit Matter

B. Capitalisation of product development cost

Product development costs incurred on new vehicle platforms, engines, transaxles and new vehicles are recognised as intangible assets only when technical feasibility has been established, the Company has committed technical and commercial resources to complete the development and use the intangible asset and it is probable that the asset will generate future economic benefits.

The costs capitalised during the year include the cost of technical know-how expenses, materials, direct labour, inspecting and testing charges, designing cost, software expenses and directly attributable overhead expenditure incurred up to the date the intangible asset is available for use including interest capitalised.

The capitalisation of product development cost is considered to be a key audit matter given that the assessment of the capitalisation criteria set out in Ind AS 38 'Intangible Assets' is made at an early stage of product development and there are inherent challenges with accurately predicting the future economic benefit, which must be assessed as 'probable' for capitalisation to commence. There is a risk therefore that development cost may get capitalised where the relevant criteria has not been met.

(Refer note 2{m} and note 5 of the standalone financial statements)

How the matter was addressed in the audit

The audit procedures included:

– **Controls:** Tested the Company's design and implementation and operating effectiveness of controls around initiation of capitalisation of the product development cost including:
  - management review controls over calculations of the future economic benefit of the projects;
  - observed management's validation of relevant data elements and benchmarking the assumptions;
  - evaluating management's assessment of whether costs recorded meet the capitalisation criteria;
  - observed management's assessment of sensitivity of the impact of the changes in key assumptions;
  - discussed with senior management and challenged management assumptions including key inputs such as volumes, expected revenues and associated costs on projects which have lower headroom.

– **Test of details:** On selected sample of amounts capitalised, we tested:
  - costs incurred towards projects;
  - inspected the technical team's approvals for initiation of capitalisation;
  - reviewed the central cost allocation for the year and determined costs capitalised are 'directly attributable' including the interest capitalised.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company including its joint operations, in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the Company and its joint operations are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and its joint operations 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 standalone 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 preparation of the standalone financial statements by the Directors of the Company, as aforesaid.

In preparing the standalone financial statements, the respective management and Board of Directors of the Company and its joint operations are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Company and its joint operations is responsible for overseeing the financial reporting process of each company.

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of standalone financial statement and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company (including its joint operations) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Company and its joint operations to express an opinion on the standalone financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the standalone financial statements, which have been audited by other auditor, such other auditor remains responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in section titled 'Other Matter' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit report of the other auditor referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

We communicate with those charged with governance of the Company and such other entities included in the standalone financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the financial statements of one joint operation included in the standalone financial statements, whose annual financial statements reflect total assets of ₹6,345.87 crores as at 31 March 2019, total revenue of ₹6,782.43 crores and net cash flows amounting to ₹75.02 crores for the year ended 31 March 2019, as considered on a proportionate basis in the standalone financial statements. These annual financial statements have been audited by other auditor whose report has been furnished to us by the management and our opinion on the standalone financial statements, to the extent they have been derived from such annual financial statements, is based solely on the report of the other auditor. Our opinion on the standalone financial statements is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order for the Company (excluding its joint operations), to the extent applicable.

2. (A) As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements of a joint operation, as were audited by the other auditor as noted in the "Other Matter" paragraph, 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.

    b) In our opinion, proper books of account as required by law have been kept by the Company and its joint operations so far as it appears from our examination of those books and the report of the other auditor.

    c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the relevant books of account

    d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.

    e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors and the report of the statutory auditors of the joint operations, none of the directors of the Company and its joint operations is disqualified as on 31 March 2019 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 with reference to financial statements of the Company and its joint operations which are companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   (B) With respect to the other matters to be included in the Auditors' 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 and based on the consideration of the report of the other auditor on separate financial statements of a joint operation, as noted in the "Other Matter" paragraph:

    i. The standalone financial statements disclose the impact of pending litigations as at 31 March 2019 on the financial position of the Company and its joint operations. Refer note 39 to the standalone financial statements;

ii. Provision has been made in the standalone financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer note 49 (iv) to the standalone financial statements;

iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Company or its joint operations incorporated in India during the year ended 31 March 2019.

iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2019.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such joint operations incorporated in India which were not audited by us, the remuneration paid during the current year by the Company and joint operations to its directors is in accordance with the provisions of Section 197 of the Act, as applicable. The remuneration paid to any director by the Company and joint operations is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Yezdi Nagporewalla
Partner
Membership No: 049265

Place : Mumbai
Date : 20 May 2019

Annexure A to the Independent Auditors' Report - 31 March 2019

With reference to the Annexure referred to in paragraph 1 in Report on Other Legal and Regulatory Requirements of the Independent Auditor's Report to the members of the Company on the Standalone financial statements for the year ended 31 March 2019, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets except for certain tools where the Company is in the process of updating the location.

(b) The Company has a regular program of physical verification of its fixed assets by which its fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its fixed assets. During the year, the Company has physically verified a substantial portion of the fixed assets as per the program and has represented that the balance will be verified next year. According to the information and explanations given to us, no material discrepancies were noticed on verification of fixed assets.

(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 /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 except for certain title deeds for land amounting to ₹525.80 crores which are yet to be transferred in the name of the Company. In respect of immovable properties that have been taken on lease and disclosed as property, plant and equipment in the standalone financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

(ii) The inventory including inventory lying with third parties, except goods-in-transit, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and adequate in relation to the size of the Company and the nature of its business. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.

(iii) According to 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) According to the information and explanations given to us, the Company has complied with provisions of section 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 deposits during the year. In respect of unclaimed deposits, the Company has complied with the provisions of section 73 to 76 of the Act and the rules framed thereunder.

(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 the products manufactured by the Company. We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under section 148(1) of the Companies Act, 2013 in respect of manufacture of products and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' state insurance, Income tax, Duty of customs, Goods and services tax and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities, except for Provident fund dues referred to in note 39 to the financial statements. We are informed by the Company that the Employee's State Insurance Act, 1948 is applicable only to certain locations of the Company. With regard to the contribution under the Employee's Deposit Linked Insurance Scheme, 1976 (the scheme), the Company has sought exemption from making contribution to the scheme since it has its own Life Cover Scheme. The Company has made application on March 28, 2017 seeking an extension of exemption from contribution to the Scheme for a period of 3 years which is awaited. As explained to us, the Company does not have dues on account of Sales Tax, Service Tax, Value Added Tax and Duty of Excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' state insurance, Income tax, Duty of customs, Goods and services tax and other material statutory dues were in arrears as at 31 March 2019, for a period of more than six months from the date they became payable. We draw attention to note 39 to the financial statements which more fully explains the matter regarding non-payment of provident fund contribution pursuant to Supreme Court judgement dated 28 February 2019.

(b) According to the information and explanations given to us, there are no dues of Income tax, Sales tax, Service tax, Value added tax, Goods and services tax, Duty of customs and Duty of excise which have not been deposited by the Company with appropriate authorities on account of any disputes except for the following:

Name of the statute	Nature of dues	Amount (₹ Crores)	Amount paid under protest* (₹ Crores)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax	2.78	2.78	1982-83, 1991-92 and 1995-96	High Court
		147.27	147.27	2003-04, 2005-06 to 2011-12 and erstwhile Tata Finance Limited 1997-98 to 1999-2000	Income Tax Appellate Tribunal
		121.12	121.09	2012-13 to 2014-2015 and erstwhile Tata Motors Drivelines Limited 2015-16	Commissioner of Income Tax Appeals
Central Excise Act, 1944	Duty of excise	133.00	45.52	1991-92 to 1993-94, 2002-03, 2005-06 to 2010-11	High Court
		1,439.53	25.51	1991-92, 1992-93, 1994-95, 1996-97, 1997-98, 1999-2000 to 2017-18	The Custom, Excise and Service Tax Appellate Tribunal
		40.19	1.73	1984-85, 1999-2000 to 2017-18	Appellate Authority upto Commissioner's level
Finance Act, 1994	Service tax	1,086.69	10.79	2004-05 to 2013-14	High Court
		76.14	4.64	2003-04, 2006-07 to 2008-09, 2010-11, 2013-14, 2014-15, 2017-18	The Custom, Excise and Service Tax Appellate Tribunal
		7.43	0.15	2004-05 to 2009-10, 2011-12, 2013-14 to 2017-18	Appellate Authority upto Commissioner's level
Sales Tax	Sales tax	13.18	-	1995-96	Supreme Court
		301.93	70.95	1984-85 to 1988-89, 1990-91, 1992-93, 2001-02 to 2005-06, 2007-08 to 2016-17.	High Court
		92.22	14.07	1983-84, 1985-86, 1989-90, 1998-99, 2000-01, 2004-05 to 2015-16	Sales Tax Tribunal
		545.03	28.62	1979-80, 1986-87, 1989-90 to 2018-19	Appellate Authority upto Commissioner's level
Customs Act, 1962	Duty of customs	3.90	3.90	2011-12	Supreme Court
		7.49	3.11	2008-09	The Custom, Excise and Service Tax Appellate Tribunal

* includes refunds adjusted by the authorities.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to banks and dues to debenture holders. The Company did not have any outstanding dues to any financial institution or government during the year.

(ix) In our opinion and according to the information and explanations given to us, the Company has not raised money by way of further public offer (including debt instruments) during the year and the term loans taken by the Company have been applied for the purpose for which they were raised.

(x) 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 course of our audit.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act for the year ended 31 March 2019.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company as per the Act. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, all transactions with related parties are in compliance with section 177 and 188 of the Act and the details, as required by the applicable accounting standards have been disclosed in the standalone financial statements.

(xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partially convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them during the year. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) In our opinion and according to the information and explanations given to us, the Company is not required to register under section 45-IA of the Reserve Bank of India Act, 1934.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Yezdi Nagporewalla
Partner
Membership No: 049265

Place : Mumbai
Date : 20 May 2019

Annexure B to the Independent Auditors' Report - 31 March 2019

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Tata Motors Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date which includes internal financial controls with reference to financial statements of the Company's joint operations which are companies incorporated in India.

In our opinion, the Company and its joint operations which are companies incorporated in India, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to financial statements criteria established by the Company and its joint operations 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 (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note. 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 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements were established and maintained and whether 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, 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 standalone 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 auditor of a joint operation in terms of their report referred in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include 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 with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to standalone financial statements in so far as it relates to one joint operation, which is a company incorporated in India, is based solely on the corresponding report of the other auditor.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Yezdi Nagporewalla
Partner
Membership No: 049265

Place : Mumbai
Date : 20 May 2019

Balance Sheet

(₹ in crores)

	Notes	As at March 31, 2019	As at March 31, 2018
I. ASSETS			
(1) NON-CURRENT ASSETS			
(a) Property, plant and equipment	3	18,316.61	18,192.52
(b) Capital work-in-progress		2,146.96	1,371.45
(c) Goodwill		99.09	99.09
(d) Other intangible assets	5 (a)	3,871.13	3,312.14
(e) Intangible assets under development	5 (b)	4,139.63	3,825.15
(f) Investments in subsidiaries, joint ventures and associates	6	14,770.81	13,950.60
(g) Financial assets			
(i) Investments	8	663.38	310.19
(ii) Loans and advances	10	143.13	143.96
(iii) Other financial assets	12	994.39	793.40
(h) Non-current tax assets (net)		715.30	695.75
(i) Other non-current assets	14	1,819.90	1,546.39
		47,680.33	**44,240.64**
(2) CURRENT ASSETS			
(a) Inventories	16	4,662.00	5,670.13
(b) Investments in subsidiaries and associate (held-for-sale)	7	257.81	681.91
(c) Financial assets			
(i) Investments	9	1,175.37	1,820.87
(ii) Trade receivables	17	3,250.64	3,479.81
(iii) Cash and cash equivalents	19	487.40	546.82
(iv) Bank balances other than (iii) above	20	819.21	248.60
(v) Loans and advances	11	200.08	140.27
(vi) Other financial assets	13	1,279.68	646.31
(d) Current tax assets (net)		-	73.88
(e) Assets classified as held-for-sale	38 (c)	162.24	223.33
(f) Other current assets	15	934.87	1,439.73
		13,229.30	**14,971.66**
TOTAL ASSETS		**60,909.63**	**59,212.30**
II. EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	21	679.22	679.22
(b) Other equity		21,483.30	19,491.76
		22,162.52	**20,170.98**
LIABILITIES			
(1) NON-CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings	23	13,919.81	13,155.91
(ii) Other financial liabilities	25	180.80	211.28
(b) Provisions	27	1,281.59	1,009.48
(c) Deferred tax liabilities (net)		205.86	154.61
(d) Other non-current liabilities	30	218.24	291.09
		15,806.30	**14,822.37**
(2) CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings	24	3,617.72	3,099.87
(ii) Trade payables			
(a) Total outstanding dues of micro and small enterprises		126.96	141.59
(b) Total outstanding dues of creditors other than micro and small enterprises		10,281.87	9,269.46
(iii) Acceptances		3,093.28	4,814.58
(iv) Other financial liabilities	26	2,237.98	4,091.16
(b) Provisions	28	1,148.69	862.92
(c) Current tax liabilities (net)		78.30	21.77
(d) Other current liabilities	31	2,356.01	1,917.60
		22,940.81	**24,218.95**
TOTAL EQUITY AND LIABILITIES		**60,909.63**	**59,212.30**

See accompanying notes to financial statements

In terms of our report attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

YEZDI NAGPOREWALLA
Partner
Membership No. 049265

Mumbai, May 20, 2019

For and on behalf of the Board

N CHANDRASEKARAN *[DIN: 00121863]*
Chairman

N MUNJEE *[DIN:00010180]*

F S NAYAR *[DIN:00003633]*

V K JAIRATH *[DIN:00391684]*

O P BHATT *[DIN:00548091]*

R SPETH *[DIN:03318908]*

Directors

GUENTER BUTSCHEK *[DIN: 07427375]*
CEO and Managing Director

S B BORWANKAR *[DIN: 01793948]*
ED and Chief Operating Officer

P B BALAJI
Group Chief Financial Officer

H K SETHNA *[FCS: 3507]*
Company Secretary

Mumbai, May 20, 2019

Statement of Profit and Loss

(₹ in crores)

	Notes	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from operations			
Revenue		68,764.88	58,234.33
Other operating revenue		437.88	455.48
I. Total revenue from operations	32	69,202.76	58,689.81
II. Other Income	33	2,554.66	2,492.48
III. Total Income (I+II)		**71,757.42**	**61,182.29**
IV. Expenses			
(a) Cost of materials consumed		43,748.77	37,080.45
(b) Purchases of products for sale		6,722.32	4,762.41
(c) Changes in inventories of finished goods, work-in-progress and products for sale		144.69	842.05
(d) Excise duty	32(2)	-	793.28
(e) Employee benefits expense	34	4,273.10	3,966.73
(f) Finance costs	35	1,793.57	1,744.43
(g) Foreign exchange loss (net)		215.22	17.14
(h) Depreciation and amortisation expense		3,098.64	3,101.89
(i) Product development/Engineering expenses		571.76	474.98
(j) Other expenses	36	9,680.46	9,234.27
(k) Amount transferred to capital and other accounts	37	(1,093.11)	(855.08)
Total Expenses (IV)		**69,155.42**	**61,162.55**
V. Profit before exceptional items and tax (III-IV)		2,602.00	19.74
VI. Exceptional items			
(a) Employee separation cost		4.23	3.68
(b) Write off/provision of capital work-in-progress and intangibles under development (net)	38 (a)	180.66	962.98
(c) Provision for impairment of investments in subsidiary companies		241.86	-
(d) Profit on sale of investment in a subsidiary company	38 (b)	(332.95)	-
(e) Others	38 (c)	109.27	-
VII. Profit/(loss) before tax (V-VI)		**2,398.93**	**(946.92)**
VIII. Tax expense/(credit) (net)	29		
(a) Current tax (including Minimum Alternate Tax)		294.66	92.63
(b) Deferred tax		83.67	(4.70)
Total tax expense		**378.33**	**87.93**
IX. Profit/(loss) for the year from continuing operations (VII-VIII)		**2,020.60**	**(1,034.85)**
X. Other comprehensive income/(loss):			
(A) (i) Items that will not be reclassified to profit and loss:			
(a) Remeasurement gains and (losses) on defined benefit obligations (net)		(67.14)	18.24
(b) Equity instruments at fair value through other comprehensive income		55.44	44.04
(ii) Income tax (expense)/credit relating to items that will not be reclassified to profit or loss		18.07	(6.27)
(B) (i) Items that will be reclassified to profit or loss - gains and (losses) in cash flow hedges		(45.72)	(19.56)
(ii) Income tax (expense)/credit relating to items that will be reclassified to profit or loss		15.92	6.77
Total other comprehensive income/(loss), net of taxes		**(23.43)**	**43.22**
XI. Total comprehensive income/(loss) for the year (IX+X)		**1,997.17**	**(991.63)**
XII. Earnings per equity share (EPS)	40		
(A) Ordinary shares (face value of ₹ 2 each) :			
(i) Basic	₹	5.94	(3.05)
(ii) Diluted	₹	5.94	(3.05)
(B) 'A' Ordinary shares (face value of ₹ 2 each) :			
(i) Basic	₹	6.04	(3.05)
(ii) Diluted	₹	6.04	(3.05)

See accompanying notes to financial statements

In terms of our report attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

YEZDI NAGPOREWALLA
Partner
Membership No. 049265

Mumbai, May 20, 2019

For and on behalf of the Board

N CHANDRASEKARAN *[DIN: 00121863]*
Chairman

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F S NAYAR *[DIN:00003633]*

V K JAIRATH *[DIN:00391684]*

O P BHATT *[DIN:00548091]*

R SPETH *[DIN:03318908]*

Directors

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CEO and Managing Director

S B BORWANKAR *[DIN: 01793948]*
ED and Chief Operating Officer

P B BALAJI
Group Chief Financial Officer

H K SETHNA *[FCS: 3507]*
Company Secretary

Mumbai, May 20, 2019

Cash Flow Statement

(₹ in crores)

	Year ended March 31, 2019	Year ended March 31, 2018
Cash flows from operating activities:		
Profit/(loss) for the year	2,020.60	(1,034.85)
Adjustments for:		
Depreciation and amortisation expense	3,098.64	3,101.89
Allowances/ (reversal) for trade and other receivables	170.90	(109.19)
Inventory write down/(reversal) (net)	42.13	162.87
Provision for impairment of investments in subsidiary companies	241.86	-
Write off/Provision of capital work-in-progress and intangibles under development (net)	180.66	962.98
Exceptional item- others	109.27	-
Share-based payments	8.44	-
Marked-to-market on investments measured at Fair value through profit or loss	(1.90)	(2.03)
Loss on sale of assets (net) (including assets scrapped / written off)	223.94	689.17
Profit on sale of investment in a subsidiary company	(332.95)	-
Profit on sale of investments at FVTPL (net)	(69.27)	(103.17)
Gain on fair value of below market interest loans	(13.37)	(6.02)
Tax expense	378.33	87.93
Finance costs	1,793.57	1,744.43
Interest income	(335.87)	(397.71)
Dividend income	(1,526.25)	(1,054.69)
Foreign exchange loss (net)	178.26	49.24
	4,146.39	**5,125.70**
Cash flows from operating activities before changes in following assets and liabilities	6,166.99	4,090.85
Trade receivables	164.50	(1,217.44)
Loans and advances and other financial assets	(276.11)	(1,091.81)
Other current and non-current assets	204.77	429.86
Inventories	966.00	(277.80)
Trade payables and acceptances	(725.29)	2,763.65
Other current and non-current liabilities	323.95	(138.51)
Other financial liabilities	(892.00)	(957.23)
Provisions	542.04	540.78
Cash generated from operations	**6,474.85**	**4,142.35**
Income taxes paid (net)	(182.22)	(8.41)
Net cash from operating activities	**6,292.63**	**4,133.94**
Cash flows from investing activities:		
Payments for property, plant and equipments	(2,790.45)	(1,378.58)
Payments for other intangible assets	(1,993.03)	(1,444.37)
Proceeds from sale of property, plant and equipments	30.25	28.15
Investments in Mutual Fund purchased (net)	413.74	1,025.59
Investments in subsidiary companies	(837.98)	(300.00)
Purchase of business from a subsidiary company	(0.10)	-
Investments in joint ventures	-	(2.50)
Loan given to joint ventures	(3.75)	-
Loan to subsidiary companies	(0.50)	-
Investment in other companies	-	(41.63)
Sale of Investment in a subsidiary company	532.96	-

Cash Flow Statement

	Year ended March 31, 2019	Year ended March 31, 2018
		(₹ in crores)
Sale of Investment in other companies	5.18	-
(Increase)/Decrease in short term inter corporate deposit	(2.00)	60.00
Deposits with financial institution	(500.00)	-
Deposits/restricted deposits with banks	(827.72)	(768.67)
Realisation of deposits/restricted deposits with banks	257.08	657.71
Interest received	327.16	399.34
Dividend received	1,568.61	1,054.69
Net cash used in investing activities	**(3,820.55)**	**(710.27)**
Cash flows from financing activities		
Proceeds from issue of shares held in abeyance	-	0.00*
Proceeds from long-term borrowings	3,119.71	1,621.80
Repayment of long-term borrowings	(3,823.69)	(587.10)
Proceeds from short-term borrowings	6,274.19	3,644.70
Repayment of short-term borrowings	(5,153.61)	(6,823.28)
Net change in other short-term borrowings (with maturity up to three months)	(588.97)	1,139.44
Dividend paid (including dividend distribution tax)	(2.63)	(2.75)
Interest paid [including discounting charges paid, ₹449.04 crores (March 31, 2018 ₹478.28 crores)]	(2,354.70)	(2,098.44)
Net cash used in financing activities	**(2,529.70)**	**(3,105.63)**
Net increase/(decrease) in cash and cash equivalents	(57.62)	318.04
Cash and cash equivalents as at April 1, (opening balance)	546.82	228.94
Exchange fluctuation on foreign currency bank balances	(1.80)	(0.16)
Cash and cash equivalents as at March 31, (closing balance)	**487.40**	**546.82**
Non-cash transactions:		
Liability towards property, plant and equipment and other intangible assets purchased on credit/deferred credit	438.19	258.04
Increase / (decrease) in liabilities arising from financing activities on account of non-cash transactions :		
Exchange differences	341.51	25.66
Amortisation / EIR adjustments of prepaid borrowings	3.21	13.73
* less than ₹ 50,000/-		

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

YEZDI NAGPOREWALLA
Partner
Membership No. 049265

Mumbai, May 20, 2019

For and on behalf of the Board

N CHANDRASEKARAN *[DIN: 00121863]*
Chairman

N MUNJEE *[DIN:00010180]*

F S NAYAR *[DIN:00003633]*

V K JAIRATH *[DIN:00391684]*

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R SPETH *[DIN:03318908]*

Directors

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CEO and Managing Director

S B BORWANKAR *[DIN: 01793948]*
ED and Chief Operating Officer

P B BALAJI
Group Chief Financial Officer

H K SETHNA *[FCS: 3507]*
Company Secretary

Mumbai, May 20, 2019

Statement of Changes in Equity

for the year ended March 31, 2019

A. Equity Share Capital

(₹ in crores)

Particulars	
Balance as at April 1, 2018	**679.22**
Proceeds from issue of shares held in abeyance	-
Balance as at March 31, 2019	**679.22**

B. Other Equity (Refer Note 22)

(₹ in crores)

Particulars	Securities premium	Share based payments reserve	Capital redemption reserve	Debenture redemption reserve	Capital Reserve	Retained earnings	Other components of equity			Total other equity
							Equity instruments through OCI	Hedging reserve	Cost of hedging reserve	
Balance as at April 1, 2018	19,213.93	-	2.28	1,085.94	(345.30)	(491.86)	16.92	(3.14)	12.99	19,491.76
Purchase of business from a subsidiary company (refer note 49 (iii))	-	-	-	-	(14.07)	-	-	-	-	(14.07)
Profit for the year	-	-	-	-	-	2,020.60	-	-	-	2,020.60
Other comprehensive income /(loss) for the year	-	-	-	-	-	(43.90)	50.27	(23.26)	(6.54)	(23.43)
Total comprehensive income/(loss) for the year	**-**	**-**	**-**	**-**	**-**	**1,976.70**	**50.27**	**(23.26)**	**(6.54)**	**1,997.17**
Realised gain on investments held at fair value through Other comprehensive income	-	-	-	-	-	4.93	(4.93)	-	-	-
Share-based payments	-	8.44	-	-	-	-	-	-	-	8.44
Balance as at March 31, 2019	**19,213.93**	**8.44**	**2.28**	**1,085.94**	**(359.37)**	**1,489.77**	**62.26**	**(26.40)**	**6.45**	**21,483.30**

See Accompanying notes to financial statements

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

YEZDI NAGPOREWALLA
Partner
Membership No. 049265

Mumbai, May 20, 2019

N CHANDRASEKARAN *[DIN: 00121863]*
Chairman

For and on behalf of the Board
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Company Secretary

Mumbai, May 20, 2019

Statement of Changes in Equity

for the year ended March 31, 2018

A. Equity Share Capital

(₹ in crores)

Particulars	
Balance as at April 1, 2017	679.22
Proceeds from issue of shares held in abeyance	0.00*
Balance as at March 31, 2018	**679.22**

* less than ₹ 50,000/-

B. Other Equity (refer note 22)

(₹ in crores)

Particulars	Securities premium	Capital redemption reserve	Debenture redemption reserve	Capital Reserve (on merger)	Retained earnings	Other components of equity			Total other equity
						Equity instruments through OCI	Hedging reserve	Cost of hedging reserve	
Balance as at April 1, 2017	19,213.93	2.28	1,085.94	(345.30)	531.02	(27.12)	11.26	11.38	20,483.39
Loss for the year	-	-	-	-	(1,034.85)	-	-	-	(1,034.85)
Other comprehensive income/(loss) for the year	-	-	-	-	11.97	44.04	(14.40)	1.61	43.22
Total comprehensive income/(loss) for the year	-	-	-	-	(1,022.88)	44.04	(14.40)	1.61	(991.63)
Proceeds from issue of shares held in abeyance	0.00*	-	-	-	-	-	-	-	0.00*
Balance as at March 31, 2018	**19,213.93**	**2.28**	**1,085.94**	**(345.30)**	**(491.86)**	**16.92**	**(3.14)**	**12.99**	**19,491.76**

* less than ₹ 50,000/-

See Accompanying notes to financial statements

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

YEZDI NAGPOREWALLA
Partner
Membership No. 049265

Mumbai, May 20, 2019

N CHANDRASEKARAN *[DIN: 00121863]*
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Company Secretary

Mumbai, May 20, 2019

Notes Forming Part of Financial Statements

1. Background and operations

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

The Company is a public limited Company incorporated and domiciled in India and has its registered office at Mumbai, India. As at March 31, 2019, Tata Sons Private Limited, together with its subsidiaries owns 38.52% of the Ordinary shares and 0.09% of 'A' Ordinary shares of the Company, and has the ability to significantly influence the Company's operations.

These standalone financial statements were approved by the Board of Directors and authorised for issue on May 20, 2019.

2. Significant accounting policies

a. Basis of preparation

These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 (the "Act"). The financial statements have been prepared on historical cost basis except for certain financial instruments measured at fair value at the end of each reporting period as explained in the accounting policies below.

Joint operations

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

Although not required by Ind ASs, the Company has provided in note 48 additional information of Tata Motors Limited on a standalone basis excluding its interest in its two Joint Operations viz. Tata Cummins Private Limited and Fiat India Automobiles Private Limited.

b. Use of estimates and judgments

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

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

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included in the following notes:

i) Note 3 and Note 5 - Property, plant and equipment and Intangible assets- useful life and impairment

ii) Note 29 - Recoverability / recognition of deferred tax assets

iii) Note 27 and 28 - Provision for product warranty

iv) Note 47- Assets and obligations relating to employee benefits

c. Revenue recognition

The Company generates revenue principally from-

i) Sale of products- commercial and passenger vehicles and spare parts

The Company recognises revenues on the sale of products, net of discounts, sales incentives, customer bonuses and rebates granted, when products are delivered to dealers or when delivered to a carrier for export sales, which is when control including risks and rewards and title of ownership pass to the customer.

The consideration received in respect of transport arrangements for delivering of vehicles to the customers are recognised net of their costs within revenues in the income statement. Revenues are recognised when collectability of the resulting receivable is reasonably assured.

ii) Sale of services- maintenance service and extended warranties for commercial and passenger vehicles

Income from sale of maintenance and extended warranties are recognised as income over the relevant period of service or extended warranty.

When the Company sells products that are bundled with maintenance service or extended period of

Notes Forming Part of Financial Statements

warranty, such services are treated as a separate performance obligation only if the service or warranty is optional to the customer or includes an additional service component. In such cases, the transaction price allocated towards such maintenance service or extended period of warranty is recognised as a contract liability until the service obligation has been met.

The Company operates certain customer loyalty programs under which customer is entitled to reward points on the spend towards Company's products. The reward points earned by customers can be redeemed to claim discounts on future purchase of certain products or services. Transaction price allocated towards reward points granted to customers is recognised as a deferred income liability and transferred to income when customers redeem their reward points.

Sale of services include certain performance obligations that are satisfied over a period of time. Any amount received in advance in respect of such performance obligations that are satisfied over a period of time is recorded as contract liability and recorded as revenue when service is rendered to customers.

Refund liabilities comprise of obligation towards customers to pay for discounts and sales incentives.

d. Government Grants and Incentives

Other income includes export and other recurring and non-recurring incentives from Government (referred as "incentives").

Incentives are recognised when there is a reasonable assurance that the Company will comply with the relevant conditions and the incentive will be received. Incentives are recorded at fair value where applicable.

Incentives are recognised in the statement of profit and loss, either on a systematic basis when the company recognises, as expenses, the related costs that the incentives are intended to compensate or, immediately if the costs have already been incurred. Incentives related to assets are shown as government grants and amortised over the useful life of the asset. Incentives related to income are presented as an offset against the related expenditure, and government grants that are awarded as incentives with no ongoing performance obligations to the Company are recognised as income in the period in which the grant is received.

e. Cost recognition

Costs and expenses are recognised when incurred and are classified according to their nature.

Expenditure capitalised represents employee costs, stores and other manufacturing supplies, and other expenses incurred for construction including product development undertaken by the Company.

f. Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Product warranty expenses

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidences based on actions on product failures. The timing of outflows will vary as and when warranty claim will arise, being typically up to six years.

The Company also has back-to-back contractual arrangement with its suppliers in the event that a vehicle fault is proven to be a supplier's fault. Estimates are made of the expected reimbursement claim based upon historical levels of recoveries from supplier, adjusted for inflation and applied to the population of vehicles under warranty as on Balance Sheet date.

Supplier reimbursements are recognised as separate asset.

g. Foreign currency

These financial statements are presented in Indian rupees, which is the functional currency of Tata Motors Limited.

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Foreign currency denominated monetary assets and liabilities are re-measured into the functional currency at the exchange rate prevailing on the balance sheet date.

Exchange differences arising on settlement of transactions and translation of monetary items are recognised in the statement of Profit and Loss except to the extent, exchange differences which are regarded as an adjustment to interest

Notes Forming Part of Financial Statements

costs on foreign currency borrowings, are capitalised as part of borrowing costs.

h. Income taxes

Income tax expense comprises of current tax and deferred tax. Income tax expense is recognised in the statement of Profit and Loss except when they relate to items that are recognised outside profit and loss (whether in other comprehensive income or directly in equity), in which case tax is also recognised outside profit and loss.

Current income taxes are determined based on respective taxable income of each taxable entity and tax rules applicable in respective tax jurisdictions.

Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilised business loss and depreciation carry-forwards and tax credits. Such deferred tax assets and liabilities are computed separately for each taxable entity. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilised.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when the 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.

Current and deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

i. Cash and cash equivalents

Cash and cash equivalents are short-term (three months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

j. Earnings per share

Basic earnings per share has been computed by dividing net income by the weighted average number of shares outstanding during the year. Partly paid up shares are included as fully paid equivalents according to the fraction paid up. Diluted earnings per share has been computed using the weighted average number of shares and dilutive potential shares, except where the result would be anti-dilutive.

k. Inventories

Inventories are valued at the lower of cost and net realisable value. Cost of raw materials, components and consumables are ascertained on a moving weighted average basis. Cost, including fixed and variable production overheads, are allocated to work-in-progress and finished goods determined on a full absorption cost basis. Net realisable value is the estimated selling price in the ordinary course of business less estimated cost of completion and selling expenses.

l. Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any.

Freehold land is measured at cost and is not depreciated.

Cost includes purchase price, taxes and duties, labour cost and direct overheads for self-constructed assets and other direct costs incurred up to the date the asset is ready for its intended use.

Interest cost incurred for constructed assets is capitalised up to the date the asset is ready for its intended use, based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings, if no specific borrowings have been incurred for the asset.

Depreciation is provided on the Straight Line Method 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 property, plant and equipments, which are different from those prescribed in Schedule II of the Act. Estimated useful lives of assets are as follows:

	Estimated useful life (years)
Buildings, Roads, Bridge and culverts	4 to 60
Plant, machinery and equipment	8 to 20
Computers and other IT assets	4 to 6
Vehicles	4 to 10
Furniture, fixtures and office appliances	5 to 15

Notes Forming Part of Financial Statements

The useful lives is reviewed at least at each year end. Changes in expected useful lives are treated as change in accounting estimates.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use.

m. Other intangible assets

Intangible assets purchased are measured at cost less accumulated amortisation and accumulated impairment, if any.

Amortisation is provided on a straight-line basis over estimated useful lives of the intangible assets as per details below:

	Estimated amortisation period
Technological know-how	8 to 10 years
Software	4 years

The amortisation period for intangible assets with finite useful lives is reviewed at least at each year-end. Changes in expected useful lives are treated as changes in accounting estimates.

Internally generated intangible asset

Research costs are charged to the statement of Profit and Loss in the year in which they are incurred.

Product development costs incurred on new vehicle platform, engines, transmission and new products are recognised as intangible assets, when feasibility has been established, the Company has committed technical, financial and other resources to complete the development and it is probable that asset will generate future economic benefits.

The costs capitalised include the cost of materials, direct labour and directly attributable overhead expenditure incurred up to the date the asset is available for use.

Interest cost incurred is capitalised up to the date the asset is ready for its intended use, based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings if no specific borrowings have been incurred for the asset.

Product development cost is amortised on a straight line basis over a period of 24 months to 120 months.

Product development expenditure is measured at cost less accumulated amortisation and accumulated impairment, if any.

n. Goodwill

Cash generating units to which goodwill is allocated are tested for impairment annually at each balance sheet date, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to that unit and then to the other assets of the unit pro rata on the basis of carrying amount of each asset in the unit. Goodwill impairment loss recognised is not reversed in subsequent period.

o. Leases

At the inception of a lease, the lease arrangement is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

Assets taken on finance lease

A finance lease is recognised as an asset and a liability at the commencement of the lease, at the lower of the fair value of the asset and the present value of the minimum lease payments. Initial direct costs, if any, are also capitalised and, subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Assets taken on operating lease

Leases other than finance leases are operating leases, and the leased assets are not recognised on the Company's balance sheet. Payments made under operating leases are recognised in the statement of Profit and Loss on a straight-line basis over the term of the lease.

Notes Forming Part of Financial Statements

Assets given on finance lease

All assets given on finance lease are shown as receivables at an amount equal to net investment in the lease. Initial direct costs in respect of lease are expensed in the period in which such costs are incurred. Income from lease assets is accounted by applying the interest rate implicit in the lease to the net investment.

p. Impairment

At each balance sheet date, the Company assesses whether there is any indication that any property, plant and equipment and intangible assets with finite lives may be impaired. If any such impairment exists the recoverable amount of an asset is estimated to determine the extent of impairment, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets not yet available for use, are tested for impairment annually at each balance sheet date, or earlier, if there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of Profit and Loss.

q. Employee benefits

i) Gratuity

Tata Motors Limited and its Joint operations have an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. Tata Motors Limited makes annual contributions to gratuity funds established as trusts. Tata Motors Limited account for the liability for gratuity benefits payable in the future based on an actuarial valuation.

ii) Superannuation

Tata Motors Limited have two superannuation plans, a defined benefit plan and a defined contribution plan. An eligible employee on April 1, 1996 could elect to be a member of either plan.

Employees who are members of the defined benefit superannuation plan are entitled to benefits depending on the years of service and salary drawn. The monthly pension benefits after retirement range from 0.75% to 2% of the annual basic salary for each year of service. Tata Motors Limited account for superannuation benefits payable in future under the plan based on an actuarial valuation.

With effect from April 1, 2003, this plan was amended and benefits earned by covered employees have been protected as at March 31, 2003. Employees covered by this plan are prospectively entitled to benefits computed on a basis that ensures that the annual cost of providing the pension benefits would not exceed 15% of salary.

During the year ended March 31, 2015, the employees covered by this plan were given a one-time option to exit from the plan prospectively. Furthermore, the employees who opted for exit were given one- time option to withdraw accumulated balances from the superannuation plan.

The Company maintains a separate irrevocable trust for employees covered and entitled to benefits. The Company contributes up to 15% or ₹1,50,000 whichever is lower of the eligible employee's salary to the trust every year. The Company recognises such contribution 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 Tata Motors Limited. The benefits of the plan include pension in certain cases, payable up to the date of normal superannuation had the employee been in service, to an eligible employee at the time of death or permanent disablement, while in service, either as a result of an injury or as certified by the appropriate authority. The monthly payment to dependents of the deceased/disabled employee under the plan equals 50% of the salary drawn at the time of death or accident or a specified amount, whichever is greater. Tata Motors Limited account for the liability for BKY benefits payable in the future based on an actuarial valuation.

Notes Forming Part of Financial Statements

iv) Provident fund and family pension

In accordance with Indian law, eligible employees of Tata Motors Limited and its Joint operations are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary). The contributions, as specified under the law, are made to the provident fund and pension fund set up as an irrevocable trust by Tata Motors Limited for its employees. The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company. The liability in respect of the shortfall of interest earnings of the Fund is determined on the basis of an actuarial valuation. The liability towards interest is a defined benefit. There is no shortfall as at March 31, 2019.

v) Post-retirement medicare scheme

Under this unfunded scheme, employees of Tata Motors Limited receive medical benefits subject to certain limits on amounts of benefits, periods after retirement and types of benefits, depending on their grade and location at the time of retirement. Employees separated from the Company as part of an Early Separation Scheme, on medical grounds or due to permanent disablement are also covered under the scheme. Tata Motors Limited account for the liability for post-retirement medical scheme based on an actuarial valuation.

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.

vii) Remeasurement gains and losses

Remeasurement comprising actuarial gains and losses, the effect of the asset ceiling and the return on assets (excluding interest) relating to retirement benefit plans, are recognised directly in other comprehensive income in the period in which they arise. Remeasurement recorded in other comprehensive income is not reclassified to statement of Profit and Loss.

Actuarial gains and losses relating to long-term employee benefits are recognised in the statement of Profit and Loss in the period in which they arise.

viii) Measurement date

The measurement date of retirement plans is March 31.

ix) The present value of the defined benefit liability and the related current service cost and past service cost are measured using projected unit credit method.

r. Share based payments

The Company recognises compensation expense relating to share based payments in accordance with Ind AS 102 Share-based Payment. Stock options granted by the Company to its employees are accounted as equity settled options. Accordingly, the estimated fair value of options granted that is determined on the date of grant, is charged to statement of Profit and Loss on a straight line basis over the vesting period of options which is the requisite service period, with a corresponding increase in equity.

s. Dividends

Any dividend declared by Tata Motors Limited for any financial year is based on the profits available for distribution as reported in the standalone statutory financial statements of Tata Motors Limited (without joint operations) prepared in accordance with Generally Accepted Accounting Principles in India, or Ind AS. Indian law mandates that dividend be declared out of distributable profits, after setting off un-provided losses and depreciation of previous years. In case of inadequacy or absence of profits in a particular year, a Company may pay dividend out of accumulated profits of previous years transferred to retained earnings, however in the absence of accumulated profits, Company may declare dividend out of free reserve subject to certain conditions. Accordingly, in certain years the net income reported in the financial statements may not be fully distributable. The amount available for distribution is ₹**Nil** as at March 31, 2019 (₹Nil as at March 31, 2018).

t. Segments

The Company primarily operates in the automotive segment. The automotive segment comprises two reportable segments i.e commercial vehicles and passenger vehicles.

Notes Forming Part of Financial Statements

u. Investments in subsidiaries, Joint Ventures and Associates

Investments in subsidiaries, Joint Ventures and Associates are measured at cost as per Ind AS 27 – Separate Financial Statements.

v. Financial instruments

i) Classification, initial recognition and measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets other than equity instruments are classified into categories: financial assets at fair value through profit and loss and at amortised cost. Financial assets that are equity instruments are classified as fair value through profit and loss or fair value through other comprehensive income. Financial liabilities are classified into financial liabilities at fair value through profit and loss and other financial liabilities.

Financial instruments are recognised on the balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Initially, a financial instrument is recognised at its fair value. Transaction costs directly attributable to the acquisition or issue of financial instruments are recognised in determining the carrying amount, if it is not classified as at fair value through profit and loss. Subsequently, financial instruments are measured according to the category in which they are classified.

Financial assets at amortised cost: Financial assets having contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding and that are held within a business model whose objective is to hold such assets in order to collect such contractual cash flows are classified in this category. Subsequently, these are measured at amortised cost using the effective interest method less any impairment losses.

Equity investments at fair value through other comprehensive income: These include financial assets that are equity instruments and are designated as such upon initial recognition irrevocably. Subsequently, these are measured at fair value and changes therein are recognised directly in other comprehensive income, net of applicable income taxes.

Dividends from these equity investments are recognised in the statement of Profit and Loss when the right to receive payment has been established.

When the equity investment is derecognised, the cumulative gain or loss in equity is transferred to retained earnings.

Financial assets at fair value through profit and loss: Financial assets are measured at fair value through profit and loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit and loss are immediately recognised in profit and loss.

Equity instruments: An equity instrument is any contract that evidences residual interests in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Financial liabilities at fair value through profit and loss: Derivatives, including embedded derivatives separated from the host contract, unless they are designated as hedging instruments, for which hedge accounting is applied, are classified into this category. These are measured at fair value with changes in fair value recognised in the statement of Profit and Loss.

Financial guarantee contracts: These are initially measured at their fair values and, are subsequently measured at the higher of the amount of loss allowance determined or the amount initially recognised less, the cumulative amount of income recognised.

Other financial liabilities: These are measured at amortised cost using the effective interest method.

ii) Determination of fair value:

The fair value of a financial instrument on initial recognition is normally the transaction price (fair value of the consideration given or received). Subsequent to initial recognition, the Company determines the fair value of financial instruments that are quoted in active markets using the quoted bid prices (financial assets held) or quoted ask prices (financial liabilities held) and using valuation techniques for other instruments. Valuation techniques include discounted cash flow method and other valuation models.

Notes Forming Part of Financial Statements

iii) Derecognition of financial assets and financial liabilities:

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities are decrecognised when these are extinguished, that is when the obligation is discharged, cancelled or has expired.

iv) Impairment of financial assets:

The Company recognises a loss allowance for expected credit losses on a financial asset that is at amortised cost. Loss allowance in respect of financial assets is measured at an amount equal to life time expected credit losses and is calculated as the difference between their carrying amount and the present value of the expected future cash flows discounted at the original effective interest rate.

w. Hedge accounting:

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable forecast transactions. The Company designates these forward contracts in a cash flow hedging relationship by applying the hedge accounting principles.

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 in other comprehensive income and the ineffective portion is recognised immediately in the statement of Profit and Loss. Amounts accumulated in equity are reclassified to the statement of Profit and Loss in the periods in which the forecasted transactions occurs.

Forward premium in forward contract are not considered part of the hedge. These are treated as cost of hedge and the changes in fair value attributable to forward premium is recognised in the other comprehensive income along with the changes in fair value determined to be effective portion of the hedge.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecast transactions, any cumulative gain or loss on the hedging instrument recognised in equity is retained there until the forecast transaction occurs.

If the forecast transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is immediately transferred to the statement of Profit and Loss for the year.

x. Recent accounting pronouncements

i) New accounting pronouncements adopted by the Company during the current financial year

Ind AS 115 – Revenue from Contracts with Customers

The standard outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersede most revenue recognition guidance, including industry-specific guidance applicable for previous periods. The core principle of the new standard is for companies to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the Company expects to be entitled to exchange for those goods or services. The new standard also requires entities to give enhanced disclosures about revenue and provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements. The Company adopted Ind AS 115 effective from April 1, 2018, with a modified retrospective approach. The figures for the comparative periods are not restated. There is no significant impact on Company's profit after tax as a result of adoption of Ind AS 115.

Adoption of the standard has given rise to new financial statement categories in the statement of financial position, being "contract assets" and "contract liabilities." These items arise through advance payment received from customers or advance delivery of goods and services in excess of or ahead of billing at the contract level. In addition, disclosure requirements are extended.

Ind AS 21 - The Effect of Changes in Foreign Exchange Rates

The amendment effective April 1, 2018, clarifies on the accounting of transaction that include the receipt or

Notes Forming Part of Financial Statements

payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. There is no impact in the standalone financial statements on adoption of this amendment.

ii) New accounting standards not yet adopted by the Company

i) New accounting standard- Ind AS 116 – Leases

In March 2019, MCA issued Ind AS 116 - Leases which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract and replaces the previous standard on leasing, Ind AS 17 -Leases. Ind AS 116, which is not applicable to service contracts, but only applicable to leases or lease components of a contract, defines a lease as a contract that conveys to the customer (lessee) the right to use an asset for a period of time in exchange for consideration. Ind AS 116 eliminates the classification of leases for the lessee as either operating leases or finance leases as required by Ind AS 17 and instead, introduces a single lessee accounting model whereby a lessee is required to recognise assets and liabilities for all leases with a term that is greater than 12 months, unless the underlying asset is of low value, and to recognise depreciation of leased assets separately from interest on lease liabilities in the statement of Profit and Loss. As Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17, a lessor will continue to classify its leases as operating leases or finance leases and to account for those two types of leases differently.

The Company will be adopting Ind AS 116 with a modified retrospective approach with effect from April 1, 2019. The cumulative effect of initially applying this Standard will be recorded as an adjustment to the opening balance of retained earnings. Figures for comparative periods will not be restated.

The Company will use the exemption option available for existing leases and apply the available exemptions regarding the recognition of short term leases and low value leasing assets. Basis assessment, the Company arrangements under operating leases, which are currently off Balance sheet, will be recorded as right to use assets and the future obligations in respect of such leases will be recorded as a liability in the Balance sheet as at April 1, 2019.

The Company will use following practical expedients of Ind AS 116 at the date of initial application:

1) With leases previously classified as operating leases according to Ind AS 17, the lease liability will be measured at the present value of the outstanding lease payments, discounted by the incremental borrowing rate at April 1, 2019. The respective right-of-use asset is generally recognised at an amount equal to the lease liability;

2) An impairment review is not performed for right of use assets. Instead, right-of-use asset is adjusted by the amount of any provision for onerous leases recognised in the Balance sheet;

3) Regardless of their original lease term, leases for which the lease term ends latest on March 31, 2020, are recognised as short-term leases;

4) At the date of initial application, the measurement of a right-to-use asset excludes the initial direct costs; and

5) Hindsight is considered when determining the lease term if the contract contains options to extend or terminate the leases.

ii) Following amendments to certain standards will be effective from financial year beginning April 1, 2019.

1) Ind AS 109, Financial Instruments

Prepayment of loans

The amendments notified in Ind AS 109 pertain to classfication of a financial instrument with prepayment feature with negative compensation. Negative compensation arises where the terms of the contract of the financial instrument permit the holder to make repayment or permit the lender or issuer to put the instrument to the borrower for repayment before the maturity at an amount less than the unpaid amounts of principal and interest. Earlier, there was no guidance on classification of such instruments.

According to the amendments, these type of instruments can be classified as measured at amortised cost, or measured at fair value through profit and loss, or fair value through other comprehensive income by the lender or issuer if the respective conditions specified under Ind AS 109 are satisfied. Similarly, the holder may classify them either measured at fair value through profit and loss or measured at amortised cost in accordance with conditions of Ind AS 109.

2) Ind AS 12, Income Taxes

(a) Deferred taxes on Dividends

An entity is required to create a corresponding liability for payment of Dividend Distribution Tax (DDT) when it recognises a liability to pay a dividend. The liability for DDT shall be recorded in statement of Profit and Loss, other comprehensive income or equity, as the case may be. Currently, the Company is recognising dividend distribution tax on dividends paid to shareholders in the statement of changes in equity. As per the amendment, the Company will recognise dividend distribution tax on dividend distributed to shareholders as income tax expense in its statement of Profit and Loss.

(b) Uncertain tax treatment

Another amendment relates to tax consequence of an item whose tax treatment is uncertain. Tax treatment of an item is considered as uncertain when there is uncertainty whether the relevant taxation authority will accept the tax treatment of that item or not. For example, if an entity has not included a particular income in taxable profit, it will be considered as uncertain tax treatment if its acceptability by taxation authority is uncertain. The amendment has been brought by introducing a new Appendix C to Ind AS 12.

If there is uncertainty over tax treatment of an item:

(i) An entity should determine an approach or method that predicts the resolution of the uncertainty. Based on the approach, the entity shall determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments.

(ii) It shall assess whether it is probable that the taxation authority will accept the uncertain tax treatment, assuming that the authority has full right to examine the treatment and has full knowledge of all related information.

(iii) If it is probable that the taxation authority will accept the tax treatment, there will be no impact on the amount of taxable profits/losses, tax bases, unused tax losses/credits and tax rates. In vice-versa case, the entity shall show the effect of the uncertainty for each uncertain tax treatment on amount of related aforesaid items by using either the most likely outcome or the expected outcome of the uncertainty.

3) Ind AS 19, Employee Benefits

When a change to a plan by way of either an amendment, curtailment or settlement takes place, Ind AS 19 requires a company to remeasure its net defined benefit liability or asset.

The amendments to Ind AS 19 require a company to use the updated assumptions from this remeasurement to determine current service cost and net interest for the remainder of the reporting period after the change to the plan. Until now, Ind AS 19 did not specify how to determine these expenses for the period after the change to the plan.

4) Investments in Associates and Joint Ventures

Ind AS 109 excludes interest in associates and joint ventures that are accounted for in accordance with Ind AS 28, Investments in Associates and Joint Ventures from its scope. This amendment to Ind AS 28 clarifies that Ind AS 109 should be applied to financial instruments, including long-term interests in associates and joint venture, that, in substance, form part of an entity's net investment in associate or joint venture, to which the equity method is not applied.

The Company is evaluating impact of above amendments issued by MCA to existing accounting standards.

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3. Property, plant and equipment

(₹ in crores)

	Owned assets						Given on lease		Taken on lease				Total
	Land	Buildings	Plant, machinery and equipment	Furniture and fixtures	Vehicles	Computers & other IT assets	Plant, machinery and equipment	Buildings	Buildings	Plant, machinery and equipment	Computers & other IT assets	Furniture and fixtures	
Cost as at April 1, 2018	4,574.93	3,523.52	26,178.65	245.92	242.35	660.69	38.04	4.02	31.28	39.95	186.16	4.31	**35,729.82**
Additions	-	102.50	1,991.57	6.88	63.40	60.78	-	-	-	-	-	-	**2,225.13**
Asset acquired on purchase of business of a subsidiary company (refer note 49 (iii))	-	0.31	24.68	1.93	0.09	2.05	-	-	-	-	-	-	**29.06**
Disposal	-	(6.80)	(660.05)	(0.21)	(33.95)	(157.50)	-	-	-	-	-	-	**(858.51)**
Cost as at March 31, 2019	**4,574.93**	**3,619.53**	**27,534.85**	**254.52**	**271.89**	**566.02**	**38.04**	**4.02**	**31.28**	**39.95**	**186.16**	**4.31**	**37,125.50**
Accumulated depreciation as at April 1, 2018	-	(1,103.96)	(15,391.09)	(143.08)	(115.78)	(543.28)	(21.62)	(0.75)	(6.78)	(35.39)	(174.06)	(1.51)	**(17,537.30)**
Depreciation for the year	-	(121.78)	(1,791.99)	(13.33)	(46.00)	(34.36)	(1.72)	(0.09)	(0.51)	(0.30)	(6.51)	(0.86)	**(2,017.45)**
Asset acquired on purchase of business of a subsidiary company (refer note 49 (iii))	-	(0.27)	(18.34)	(1.42)	(0.05)	(1.41)	-	-	-	-	-	-	**(21.49)**
Assets written off	-	-	42.55	-	0.49	8.02	-	-	-	-	-	-	**51.06**
Disposal	-	5.68	540.36	0.16	28.00	142.09	-	-	-	-	-	-	**716.29**
Accumulated depreciation as at March 31, 2019	**-**	**(1,220.33)**	**(16,618.51)**	**(157.67)**	**(133.34)**	**(428.94)**	**(23.34)**	**(0.84)**	**(7.29)**	**(35.69)**	**(180.57)**	**(2.37)**	**(18,808.89)**
Net carrying amount as at March 31, 2019	**4,574.93**	**2,399.20**	**10,916.34**	**96.85**	**138.55**	**137.08**	**14.70**	**3.18**	**23.99**	**4.26**	**5.59**	**1.94**	**18,316.61**
Cost as at April 1, 2017	4,574.93	3,384.43	24,767.37	243.74	186.75	639.65	38.68	4.05	31.28	36.43	178.88	4.31	**34,090.50**
Additions	-	139.65	2,191.50	14.32	95.91	39.64	-	-	-	3.52	7.28	-	**2,491.82**
Assets classified as held for sale	-	-	(2.30)	-	-	-	-	-	-	-	-	-	**(2.30)**
Assets written off	-	-	(536.82)	-	-	-	-	-	-	-	-	-	**(536.82)**
Disposal	-	(0.56)	(241.10)	(12.14)	(40.31)	(18.60)	(0.64)	(0.03)	-	-	-	-	**(313.38)**
Cost as at March 31, 2018	4,574.93	3,523.52	26,178.65	245.92	242.35	660.69	38.04	4.02	31.28	39.95	186.16	4.31	**35,729.82**
Accumulated depreciation as at April 1, 2017	-	(996.55)	(14,184.30)	(136.41)	(123.72)	(526.26)	(20.58)	(0.68)	(6.27)	(34.60)	(163.36)	(0.65)	**(16,193.38)**
Depreciation for the year	-	(107.66)	(1,777.03)	(13.43)	(26.93)	(34.64)	(1.32)	(0.07)	(0.51)	(0.79)	(10.70)	(0.86)	**(1,973.94)**
Assets classified as held for sale		-	1.14	-	-	-	-	-	-	-	-	-	**1.14**
Assets written off	-	-	389.09	-	-	-	-	-	-	-	-	-	**389.09**
Disposal	-	0.25	180.01	6.76	34.87	17.62	0.28	-	-	-	-	-	**239.79**
Accumulated depreciation as at March 31, 2018	**-**	**(1,103.96)**	**(15,391.09)**	**(143.08)**	**(115.78)**	**(543.28)**	**(21.62)**	**(0.75)**	**(6.78)**	**(35.39)**	**(174.06)**	**(1.51)**	**(17,537.30)**
Net carrying amount as at March 31, 2018	**4,574.93**	**2,419.56**	**10,787.56**	**102.84**	**126.57**	**117.41**	**16.42**	**3.27**	**24.50**	**4.56**	**12.10**	**2.80**	**18,192.52**

Notes:

a) Building include ₹**8,631.00** (as at March 31, 2018 ₹8,631.00) being value of investments in shares of Co-operative Housing Societies.

b) Land includes ₹**525.80 crores** (as at March 31, 2018 ₹525.80 crores)for which transfer of title is pending.

Notes Forming Part of Financial Statements

4. Leases

The Company has taken land, buildings, plant and equipment, computers and furniture and fixtures under operating and finance leases. The following is the summary of future minimum lease rental payments under non-cancellable operating leases and finance leases entered into by the Company:

(₹ in crores)

	As at March 31, 2019			As at March 31, 2018		
	Operating	Finance		Operating	Finance	
	Minimum Lease Payments	Minimum Lease Payments	Present value of minimum lease payments	Minimum Lease Payments	Minimum Lease Payments	Present value of minimum lease payments
Not later than one year	0.63	5.40	3.65	0.40	6.56	5.78
Later than one year but not later than five years	2.48	5.59	3.95	1.62	9.61	8.62
Later than five years	29.09	1.26	1.11	29.50	1.70	1.43
Total minimum lease commitments	32.20	12.25	8.71	31.52	17.87	15.83
Less: future finance charges		(3.54)			(2.04)	
Present value of minimum lease payments		**8.71**			**15.83**	
Included in the financial statements as:						
Other financial liabilities - current (refer note 26)			3.64			5.78
Long-term borrowings (refer note 23)			5.07			10.05
			8.71			**15.83**

Total operating lease rent expenses were ₹ **61.35 crores** and ₹ 77.45 crores for the year ended March 31, 2019 and 2018, respectively.

The Company has given plant and equipment under finance leases. The following is the summary of future minimum lease payments receivables for assets given on finance leases by the Company:

	As at March 31, 2019		As at March 31, 2018	
	Minimum lease payments receivables	Present value of minimum lease payments receivables	Minimum lease payments receivables	Present value of minimum lease payments receivables
Not later than one year	32.11	12.24	33.95	12.04
Later than one year but not later than five years	163.63	105.20	117.01	37.44
Later than five years	-	-	78.74	80.00
Total minimum lease payments receivables	195.74	117.44	229.70	129.48
Less: unearned finance income	(78.30)		(100.22)	
Present value of minimum lease payments receivables	**117.44**		**129.48**	
Included in the financial statements as:				
Other financial assets - current (refer note 13)		12.24		12.04
Other financial assets - non-current (refer note 12)		105.20		117.44
		117.44		**129.48**

Notes Forming Part of Financial Statements

5. (a) Other Intangible assets

(₹ in crores)

	Technical know how	Computer Software	Product development	Total
Cost as at April 1, 2018	391.24	572.92	6,372.64	**7,336.80**
Additions	-	36.50	1,603.48	**1,639.98**
Asset acquired on purchase of business of a subsidiary company (refer note 49 (iii))	3.02	2.56	-	**5.58**
Fully amortised not in use	(34.04)	(26.68)	(749.33)	**(810.05)**
Cost as at March 31, 2019	**360.22**	**585.30**	**7,226.79**	**8,172.31**
Accumulated amortisation as at April 1, 2018	(195.77)	(519.28)	(3,309.61)	**(4,024.66)**
Amortisation for the year	(47.55)	(26.51)	(1,007.13)	**(1,081.19)**
Asset acquired on purchase of business of a subsidiary company (refer note 49 (iii))	(1.94)	(2.41)	-	**(4.35)**
Fully amortised not in use	34.04	26.68	748.30	**809.02**
Accumulated amortisation as at March 31, 2019	**(211.22)**	**(521.52)**	**(3,568.44)**	**(4,301.18)**
Net carrying amount as at March 31, 2019	**149.00**	**63.78**	**3,658.35**	**3,871.13**
Cost as at April 1, 2017	349.15	542.24	4,804.98	**5,696.37**
Additions	42.09	31.95	1,633.95	**1,707.99**
Fully amortised not in use	-	(1.27)	-	**(1.27)**
Assets classified as held for sale	-	-	(66.29)	**(66.29)**
Cost as at March 31, 2018	**391.24**	**572.92**	**6,372.64**	**7,336.80**
Accumulated amortisation as at April 1, 2017	(156.65)	(492.10)	(2,270.91)	**(2,919.66)**
Amortisation for the year	(39.12)	(28.45)	(1,060.38)	**(1,127.95)**
Fully amortised not in use	-	1.27	-	**1.27**
Assets classified as held for sale	-	-	21.68	**21.68**
Accumulated amortisation as at March 31, 2018	**(195.77)**	**(519.28)**	**(3,309.61)**	**(4,024.66)**
Net carrying amount as at March 31, 2018	**195.47**	**53.64**	**3,063.03**	**3,312.14**

(b) Intangible assets under development

	For the year ended March 31, 2019	For the year ended March 31, 2018
Balance at the beginning	**3,825.15**	5,368.38
Additions	2,239.68	1,634.69
Capitalised during the year	(1,639.98)	(1,644.55)
Assets classified as held for sale	-	(177.56)
Write off/provision for impairment	(285.22)	(1,355.81)
Balance at the end	**4,139.63**	3,825.15

Notes Forming Part of Financial Statements

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

(₹ in crores)

Number	Face value per unit	Description	As at March 31, 2019		As at March 31, 2018	
		Equity shares				
		i) Subsidiaries				
		Unquoted				
3,03,00,600	10	Tata Technologies Limited [note 2 below]	224.10		-	
6,36,97,694	10	Concorde Motors (India) Ltd [Note 4 below]	109.63		109.63	
5,39,98,427 (GBP)	1	Tata Motors European Technical Centre PLC, (UK) [Note 3 below]	474.90		474.90	
7,900	-	Tata Technologies Inc, (USA)	0.63		0.63	
1,59,82,83,442	10	Tata Motors Finance Ltd [19,35,48,386 shares acquired during the year]	3,400.00		2,800.00	
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		TML Holdings Pte Ltd, (Singapore)	10,158.52		10,158.52	
1,34,523 (EUR)	31.28	Tata Hispano Motors Carrocera S.A., (Spain)	17.97		17.97	
1,220 (IDR)	8,855	PT Tata Motors Indonesia	0.01		0.01	
2,02,000 (MAD)	1,000	Tata Hispano Motors Carroceries Maghreb S.A., (Morocco)	49.59		49.59	
1,83,59,203 (SGD)	1	Tata Precision Industries Pte. Ltd, (Singapore)	40.53		40.53	
		Trilix Srl., Turin (Italy) [Note 5 below]	19.91		11.94	
1,00,000 (NGN)	1	TMNL Motor Services Nigeria Ltd	0.00	#	0.00	#
			14,807.49		**13,975.42**	
		Advance towards investments	100.00		-	
		Less: Provision for impairment of long-term investments	(456.14)	**14,451.35**	(214.28)	**13,761.14**
		ii) Associates				
		Quoted				
29,82,214	10	Automobile Corporation of Goa Ltd	108.22		108.22	
		Unquoted				
16,000 (TK)	1,000	NITA Co. Ltd (Bangladesh)	1.27		1.27	
5,23,33,170	10	Tata AutoComp Systems Ltd	77.47	**186.96**	77.47	**186.96**
		(iii) Joint Ventures (JV)				
		Unquoted				
25,00,000	10	JT Special Vehicle (P) Ltd		**2.50**		**2.50**
		Cumulative convertible preference shares (unquoted)				
		(iv) Subsidiaries				
1,30,00,000	100	TMF Holdings Limited [1,30,00,000 shares acquired during the year]		**130.00**		**-**
		Total		**14,770.81**		**13,950.60**

Less than ₹ 50,000

Notes:

(1) Market Value of quoted investments — 166.99 (March 31, 2019) — 332.65 (March 31, 2018)

(2) Given the delay in completing the sale, the Company has reassessed the position on "Held for Sale" for the investment in the Company's subsidiary Tata Technologies Ltd. Accordingly, the Company concluded that these investments no longer meets the criteria of "Held for Sale" as per Ind AS 105. The investments in Tata Technologies Ltd is transferred from current to non-current investments.

(3) The Company had given a letter of comfort to ANZ Bank, London for GBP 2 million (₹ 18.10 crores as at March 31, 2019) against loan extended by the bank to Tata Motors European Technical Centre PLC. UK (TMETC). Also the Company has given an undertaking to ANZ Bank, London to retain 51% ownership of TMETC at all times during the tenor of the loan.

(4) The Company has given a letter of comfort to Tata Capital Financial Services Limited amounting to ₹ 15 crores against credit facility extended to Concorde Motors (India) Limited (CMIL). The Company will not dilute its stake in CMIL below 100% during the tenor of the facility.

(5) Trilix Srl., Turin (Italy) is a limited liability Company. The Company has acquired additional 20% shareholding of Trilix Srl, Turin (Italy) during the year.

Notes Forming Part of Financial Statements

7. Investments in subsidiaries and associate (held for sale) - carried at lower of cost or net-realisable value - current

Number	Face value per unit	Description	As at March 31, 2019	As at March 31, 2018
		Equity shares		
		Subsidiaries		
		Unquoted		
		Tata Technologies Limited	-	224.10
		TAL Manufacturing Solutions Ltd [11,50,00,000 shares sold during the year]	-	200.00
50,00,000	10	Tata Motors Insurance Broking and Advisory Services Ltd [Note 1 & 2 below]	19.31	19.31
		Total	**19.31**	**443.41**
		Associates		
		Unquoted		
4,54,28,572	10	Tata Hitachi Construction Machinery Company Private Ltd [Note 1 below]	**238.50**	**238.50**
		Total	**257.81**	**681.91**

Note:

(1) The investment in the Company's subsidiary Tata Motors Insurance Broking and Advisory Services Ltd and associate Tata Hitachi Construction Machinery Comp any Private Ltd are classified as "Held for Sale" as they meet the criteria laid out under Ind AS 105.

(2) The Company has given a letter of comfort to HDFC bank amounting to ₹ 1 crore against Working Capital Facility to Tata Motors Insurance Broking and Advisory Services Limited (TMIBASL). Also the Company has given an undertaking to HDFC bank that it will not dilute its stake below 51% in TMIBASL during the tenor of the loan.

Notes Forming Part of Financial Statements

8. Investments-non-current

(₹ in crores)

Number	Face value per unit	Description	As at March 31, 2019		As at March 31, 2018	
		Investment in equity shares measured at fair value through other comprehensive income				
		Quoted				
51,41,696	10	Tata Steel Ltd [Note (c) below]	267.89		-	
3,54,599	10	Tata Steel Ltd (partly paid) [Note (c) below]	2.28	**270.17**	-	**-**
		Unquoted				
50,000	1,000	Tata International Ltd.	62.70		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.	-		-	
12,375	1,000	Tata Sons Pvt. Ltd.	68.75		68.75	
2,25,00,001	10	Haldia Petrochemicals Ltd	56.48		22.50	
2,40,000	10	Oriental Floratech (India) Pvt. Ltd.	-		-	
43,26,651	15	Tata Capital Ltd.	21.89		6.70	
50,000	10	NICCO Jubilee Park Ltd.	0.05	**393.21**	0.05	**310.19**
		Total		**663.38**		**310.19**

Note:

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

(Amount in ₹)

Number	Face value per unit	Description	As at March 31, 2019	As at March 31, 2018
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

b)

(₹ in crores)

	As at March 31, 2019	As at March 31, 2018
(1) Book Value of quoted investments	270.17	-
(2) Book Value of unquoted investments	393.21	310.19
(3) Market Value of quoted investments	270.17	-

c) Given the delay in completing the sale, the Company has reassessed the position of its investment in Tata Steel Ltd. Accordingly, these investments are transferred from current to non current investments

Notes Forming Part of Financial Statements

9. Investments-current

(₹ in crores)

Number	Face value per unit	Description	As at March 31, 2019		As at March 31, 2018	
		Investments in Mutual funds measured at Fair value through profit and loss				
		Unquoted				
		Mutual funds		1,174.46		1,517.03
		Total		**1,174.46**		**1,517.03**
		Investment in equity shares measured at fair value through other comprehensive income				
		Quoted				
		Tata Steel Ltd	-		293.62	
		Tata Steel Ltd (Partly Paid)	-		5.46	
		Tata Chemicals Ltd (70,249 shares sold during the year)	-		4.76	
80,000	10	Metal Scrap Trade Corporation Ltd.	0.91	**0.91**	0.00#	**303.84**
		Total		**1,175.37**		**1,820.87**

 # Less than ₹ 50,000/-

Note:

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

(Amount in ₹)

Number	Face value per unit	Description	As at March 31, 2019	As at March 31, 2018
-	-	Punjab Chemicals (200 shares sold during the year)	-	1

b)

(₹ in crores)

	As at March 31, 2019	As at March 31, 2018
(1) Book Value of quoted investments	0.91	303.84
(2) Market Value of quoted investments	0.91	303.84
(3) Book Value of unquoted investments	1,174.46	1,517.03

Notes Forming Part of Financial Statements

10. Loans and advances- non current

(₹ in crores)

	As at March 31, 2019		As at March 31, 2018	
Unsecured :				
(a) Loans to employees		24.15		27.23
(b) Loan to subsidiaries				
Considered good	12.04		12.04	
Credit impaired	585.75		585.75	
	597.79		597.79	
Less : Allowances for credit impaired balances	(585.75)	12.04	(585.75)	12.04
(c) Loan to Joint Venture considered good (JT Special Vehicles Pvt. Ltd.)		3.75		-
(d) Dues from subsidiary companies, credit impaired				
Tata Hispano Motors Carrocera S.A.	53.74		53.74	
Less : Allowances for credit impaired balances	(53.74)	-	(53.74)	-
(e) Deposits				
Considered good	57.96		58.37	
Credit impaired	1.84		-	
	59.80		58.37	
Less : Allowances for credit impaired balances	(1.84)	57.96	-	58.37
(f) Others				
Considered good	45.23		46.32	
Credit impaired	8.45		7.30	
	53.68		53.62	
Less : Allowances for credit impaired balances	(8.45)	45.23	(7.30)	46.32
Total		**143.13**		**143.96**

Notes Forming Part of Financial Statements

11. Loans and advances- current

(₹ in crores)

		As at March 31, 2019	As at March 31, 2018
Secured :			
Finance receivables			
(net of allowances for credit impaired balances of ₹**5.48 crores** and ₹7.22 crores as at March 31, 2019 and 2018, respectively)		13.44	15.79
Unsecured :			
(a) Advances and other receivables		129.55	68.03
(net of allowances for credit impaired balances of ₹**126.34 crores** and ₹123.15 crores as at March 31, 2019 and 2018, respectively)			
(b) Intercorporate deposits considered good (JT Special Vehicles Pvt. Ltd)		2.00	-
(c) Dues from subsidiary companies (Note below)		16.12	17.23
(d) Loan to subsidiary companies			
(i) Tata Motors European Technical Centre Plc, (UK)	38.46		39.22
(ii) Tata Precision Industries Pte.Ltd	0.51	38.97	-
Total		**200.08**	**140.27**

Note:

(₹ in crores)

	As at March 31, 2019	As at March 31, 2018
Dues from subsidiary companies:		
(a) PT Tata Motors Indonesia	3.41	4.53
(b) Concorde Motors (India) Ltd	2.78	2.78
(c) Tata Motors Insurance Broking and Advisory Services Ltd	0.05	0.05
(d) Tata Motors (SA) (Proprietary) Ltd	0.79	0.80
(e) Tata Motors Nigeria Ltd	0.20	0.20
(f) PT Tata Motors Distribusi Indonesia	2.36	2.36
(g) Tata Motors (Thailand) Ltd	6.51	6.51
(h) Tata Motors European Technical Centre PLC	0.02	-
	16.12	**17.23**

12. Other financial assets - non-current

(₹ in crores)

	As at March 31, 2019	As at March 31, 2018
(a) Derivative financial instruments	360.96	200.13
(b) Restricted deposits	4.02	3.98
(c) Finance lease receivable	105.20	117.44
(d) Government incentives	496.72	467.14
(e) Recoverable from suppliers	26.02	3.53
(f) Others	1.47	1.18
Total	**994.39**	**793.40**

Notes Forming Part of Financial Statements

13. Other financial assets - current

(₹ in crores)

	As at March 31, 2019	As at March 31, 2018
(a) Derivative financial instruments	31.04	42.21
(b) Interest accrued on loans and deposits	9.13	0.59
(c) Deposit with financial institutions	500.00	-
(d) Finance lease receivable	12.24	12.04
(d) Interim dividend	-	42.37
(e) Government Incentives	500.31	411.40
(f) Recoverable from suppliers	226.96	137.70
Total	**1,279.68**	**646.31**

14. Other non-current assets

(₹ in crores)

	As at March 31, 2019	As at March 31, 2018
(a) Capital advances	374.95	285.54
(b) Taxes recoverable, statutory deposits and dues from government (net of allowances for credit impaired balances of ₹**1.84 crores** and ₹Nil as at March 31, 2019 and 2018, respectively	981.53	931.39
(c) Prepaid lease rental on operating lease	126.61	127.74
(d) Recoverable from Insurance companies	318.81	185.99
(e) Others	18.00	15.73
Total	**1,819.90**	**1,546.39**

15. Other current assets

(₹ in crores)

	As at March 31, 2019	As at March 31, 2018
(a) Advance to suppliers and contractors	193.84	234.65
(net of allowances for credit impaired balances of ₹**43.87 crores** and ₹Nil as at March 31, 2019 and 2018, respectively)		
(b) Taxes recoverable, statutory deposits and dues from government	580.28	1,047.35
(net of allowances for credit impaired balances of ₹**58.06 crores** and ₹1.85 crores as at March 31, 2019 and 2018, respectively)		
(c) Prepaid expenses	94.93	94.00
(d) Recoverable from Insurance companies	35.75	26.97
(e) Others	30.07	36.76
Total	**934.87**	**1,439.73**

Notes Forming Part of Financial Statements

16. Inventories

(₹ in crores)

	As at March 31, 2019	As at March 31, 2018
(a) Raw materials and components	1,554.32	2,216.20
(b) Work-in-progress	406.77	787.02
(c) Finished goods	2,257.16	2,014.37
(d) Stores and spare parts	193.21	201.69
(e) Consumable tools	35.98	43.31
(f) Goods-in-transit - Raw materials and components	214.56	407.54
Total	**4,662.00**	**5,670.13**

During the year ended March 31, 2019 and 2018, the Company recorded inventory write-down expenses of ₹ **42.13 crores** and ₹ 162.87 crores, respectively.

Cost of inventories (including cost of purchased products) recognised as expense during the year ended March 31, 2019 and 2018 amounted to ₹ **60,158.63 crores** and ₹ 50,328.14 crores, respectively.

17. Trade receivables (unsecured)

(₹ in crores)

	As at March 31, 2019	As at March 31, 2018
Receivables considered good	3,250.64	3,479.81
Receivables with significant increase in credit risk	600.86	543.50
	3,851.50	4,023.31
Less : Allowance for Credit impaired receivables	(600.86)	(543.50)
Total	**3,250.64**	**3,479.81**

18. Allowance for trade receivables, loans and other receivables

(₹ in crores)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Balance at the beginning	1,322.51	1,447.55
Allowances made/(reversed) during the year	168.52	(109.19)
Written off	(21.87)	(15.85)
Acquired on purchase of business of a subsidiary company	12.84	-
Balance at the end	**1,482.00**	**1,322.51**

19. Cash and cash equivalents

(₹ in crores)

	As at March 31, 2019	As at March 31, 2018
(a) Cash on hand	0.24	0.14
(b) Cheques on hand	4.78	242.77
(c) Balances with banks (refer note below)	286.88	303.91
(d) Deposits with banks	195.50	-
	487.40	**546.82**
Note:		
Includes remittances in transit	210.59	145.17

Notes Forming Part of Financial Statements

20. Other bank balances

(₹ in crores)

		As at March 31, 2019	As at March 31, 2018
With upto 12 months maturity:			
(a)	Earmarked balances with banks (refer note below)	169.21	248.53
(b)	Bank deposits	650.00	0.07
	Total	**819.21**	**248.60**

Note:

Earmarked balances with banks as at March 31, 2019 of ₹**157.06 crores** (as at March 31, 2018 ₹163.50 crores) is held as security in relation to repayment of borrowings.

21 Equity Share Capital

(₹ in crores)

		As at March 31, 2019	As at March 31, 2018
(a) Authorised:			
(i)	**400,00,00,000** Ordinary shares of ₹2 each	800.00	800.00
	(as at March 31, 2018: 400,00,00,000 Ordinary shares of ₹2 each)		
(ii)	**100 ,00,00,000** 'A' Ordinary shares of ₹2 each	200.00	200.00
	(as at March 31, 2018: 100 ,00,00,000 'A' Ordinary shares of ₹2 each)		
(iii)	**30,00,00,000** Convertible Cumulative Preference shares of ₹100 each	3,000.00	3,000.00
	(as at March 31, 2018: 30,00,00,000 shares of ₹100 each)		
	Total	**4,000.00**	**4,000.00**
(b) Issued [Note (h)]:			
(i)	**288,78,43,046** Ordinary shares of ₹2 each	577.57	577.57
	(as at March 31, 2018: 288,78,43,046 Ordinary shares of ₹2 each)		
(ii)	5**0,87,36,110** 'A' Ordinary shares of ₹2 each	101.75	101.75
	(as at March 31, 2018: 50,87,36,110 'A' Ordinary shares of ₹2 each)		
	Total	**679.32**	**679.32**
(c) Subscribed and called up:			
(i)	**288,73,48,694** Ordinary shares of ₹2 each	577.47	577.47
	(as at March 31, 2018: 288,73,48,694 Ordinary shares of ₹2 each)		
(ii)	**50,85,02,371** 'A' Ordinary shares of ₹2 each	101.70	101.70
	(as at March 31, 2018: 50,85,02,371 'A' Ordinary shares of ₹2 each)		
		679.17	**679.17**
(d) Calls unpaid - Ordinary shares			
	310 Ordinary shares of ₹2 each (₹1 outstanding on each) and **260** Ordinary shares of ₹2 each (₹0.50 outstanding on each)	(0.00)*	(0.00)*
	(as at March 31, 2018: 310 Ordinary shares of ₹2 each (₹1 outstanding on each) and 260 Ordinary shares of ₹2 each (₹0.50 outstanding on each)		
(e) Paid-up (c+d):		**679.17**	**679.17**
(f) Forfeited - Ordinary shares		0.05	0.05
	Total (e+f)	**679.22**	**679.22**

Notes Forming Part of Financial Statements

(g) The movement of number of shares and share capital

(₹ in crores)

		Year ended March 31, 2019		Year ended March 31, 2018	
		(No. of shares)	(₹ in crores)	(No. of shares)	(₹ in crores)
(i)	**Ordinary shares**				
	Balance as at April 1	288,73,48,694	577.47	288,73,48,428	577.47
	Add: Allotment of shares held in abeyance	-	-	266	0.00*
	Balance as at March 31	**288,73,48,694**	**577.47**	**288,73,48,694**	**577.47**
(ii)	**'A' Ordinary shares**				
	Balance as at April 1	50,85,02,371	101.70	50,85,02,291	101.70
	Add: Allotment of shares held in abeyance	-	-	80	0.00 *
	Balance as at March 31	**50,85,02,371**	**101.70**	**50,85,02,371**	**101.70**

**less than ₹ 50,000/-*

(h) The entitlements to **494,352** Ordinary shares of ₹2 each (as at March 31, 2018 : 494,352 Ordinary shares of ₹2 each) and **233,739** 'A' Ordinary shares of ₹2 each (as at March 31, 2018: 233,739 'A' Ordinary shares of ₹2 each) are subject matter of various suits filed in the courts / forums by third parties for which final order is awaited and hence kept in abeyance.

(i) Rights, preferences and restrictions attached to shares :

(i) Ordinary shares and 'A' Ordinary shares both of ₹ 2 each :

- The Company has two classes of shares – the Ordinary shares and the 'A' Ordinary shares both of ₹2 each (together referred to as shares). In respect of every Ordinary share (whether fully or partly paid), voting rights shall be in the same proportion as the capital paid up on such Ordinary share bears to the total paid up Ordinary share capital of the Company. In case of every 'A' Ordinary share, if any resolution is put to vote on a poll or by postal ballot at any general meeting of shareholders, the holder shall be entitled to one vote for every ten 'A' Ordinary shares held as per the terms of its issue and if a resolution is put to vote on a show of hands, the holder of 'A' Ordinary shares shall be entitled to the same number of votes as available to holders of Ordinary shares.

- The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. Further, the Board of Directors may also declare an interim dividend. The holders of 'A' Ordinary shares shall be entitled to receive dividend for each financial year at five percentage point more than the aggregate rate of dividend declared on Ordinary shares for that financial year.

- In the event of liquidation, the shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholdings.

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

- Each ADS and GDS underlying the ADR and GDR respectively represents five Ordinary shares of ₹2 each. A holder of ADS and GDS is not entitled to attend or vote at shareholders meetings. An ADS holder is entitled to issue voting instructions to the Depository with respect to the Ordinary shares represented by ADSs only in accordance with the provisions of the Company's ADSs deposit agreement and Indian Law. The depository for the ADSs and GDSs shall exercise voting

Notes Forming Part of Financial Statements

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.

(j) Number of shares held by each shareholder holding more than 5 percent of the issued share capital :

(₹ in crores)

	As at March 31, 2019		As at March 31, 2018	
	% of Issued Share Capital Share Capital	**No. of Shares**	% of Issued Share Capital Share Capital	No. of Shares
(i) Ordinary shares :				
(a) Tata Sons Private Limited	34.69%	1,01,91,56,523	32.72%	96,13,81,852
(b) Life Insurance Corporation of India	5.02%	14,73,73,493	5.08%	14,92,95,627
(c) Citibank N.A. as Depository	#	32,36,96,360	#	43,70,24,750
(ii) 'A' Ordinary shares :				
(a) ICICI Prudential Balanced Advantage Fund	11.98%	6,09,11,219	9.44%	4,79,98,379
(b) Franklin India Smaller Companies Fund	11.71%	5,95,34,740	8.74%	4,44,31,036
(c) HDFC Large Cap Fund	-	-	5.15%	2,62,02,083
(d) Government Of Singapore	6.51%	3,30,82,933	6.78%	3,44,87,840

held by Citibank, N.A. as depository for American Depository Receipts (ADRs) and Global Depository Receipts (GDRs)

(k) Information regarding issue of shares in the last five years

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

(b) The Company has not issued any bonus shares.

(c) The Company has not undertaken any buy-back of shares.

Notes Forming Part of Financial Statements

22. A) Other components of equity

(a) The movement of Equity instruments through Other Comprehensive Income is as follows:

(₹ in crores)

	Year ended March 31, 2019	Year ended March 31, 2018
Balance at the beginning	16.92	(27.12)
Other comprehensive income for the year	55.44	44.04
Income tax relating to gain/loss arising on other comprehensive income where applicable	(5.17)	-
Profit on sale of equity investment reclassified to retained earnings	(4.93)	-
Balance at the end	**62.26**	**16.92**

(b) The movement of Hedging reserve is as follows:

(₹ in crores)

	Year ended March 31, 2019	Year ended March 31, 2018
Balance at the beginning	(3.14)	11.26
Gain/(loss) recognised on cash flow hedges	(40.58)	(4.80)
Income tax relating to gain/loss recognised on cash flow hedges	14.17	1.66
(Gain)/loss reclassified to profit or loss	4.80	(17.22)
Income tax relating to gain/loss reclassified to profit or loss	(1.65)	5.96
Balance at the end	**(26.40)**	**(3.14)**

(c) The movement of Cost of Hedging reserve is as follows:

(₹ in crores)

	Year ended March 31, 2019	Year ended March 31, 2018
Balance at the beginning	12.99	11.38
Gain recognised on cash flow hedges - Gain/(Loss)	9.91	19.86
Income tax relating to gain recognised on cash flow hedges - Gain/(Loss)	(3.46)	(6.87)
Gain reclassified to profit and loss - (Gain)/Loss	(19.86)	(17.40)
Income tax relating to gain/loss reclassified to profit and loss	6.87	6.02
Balance at the end	**6.45**	**12.99**

(d) Summary of Other components of equity:

(₹ in crores)

	Year ended March 31, 2019	Year ended March 31, 2018
Equity instruments through other comprehensive income	62.26	16.92
Hedging reserve	(26.40)	(3.14)
Cost of hedging reserve	6.45	12.99
Total	**42.31**	**26.77**

Notes Forming Part of Financial Statements

(B) Notes to reserves

a) Capital redemption reserve

The Indian Companies Act, 2013 (the "Companies Act") requires that where a company purchases its own shares out of free reserves or securities premium account, a sum equal to the nominal value of the shares so purchased shall be transferred to a capital redemption reserve account and details of such transfer shall be disclosed in the balance sheet. The capital redemption reserve account may be applied by the company, in paying up unissued shares of the company to be issued to shareholders of the company as fully paid bonus shares. Tata Motors Limited established this reserve pursuant to the redemption of preference shares issued in earlier years.

b) Debenture redemption reserve

The Companies Act requires that where a company issues debentures, it shall create a debenture redemption reserve out of profits of the company available for payment of dividend. The company is required to maintain a Debenture Redemption Reserve of 25% of the value of debentures issued, either by a public issue or on a private placement basis. The amounts credited to the debenture redemption reserve may not be utilised by the company except to redeem debentures.

c) Securities premium

The amount received in excess of face value of the equity shares is recognised in Securities Premium.

d) Retained earnings

Retained earnings are the profits that the Company has earned till date.

e) Capital reserve

The capital reserve represents the excess of the identifiable assets and liabilities over the consideration paid.

f) Dividends

The final dividend is recommended by the Board of Directors and is recorded in the books of accounts upon its approval by the Shareholders. For the year ended March 31, 2019 and 2018 , considering the accumulated losses in the Tata Motors Limited Standalone, no dividend was permitted to be paid to the members, as per the Companies Act, 2013 and the rules framed thereunder. For the year ended March 31, 2019, considering the previous years' losses in Tata Motors Limited (standalone), no dividend is permitted to be paid to members, as per the Companies Act, 2013 and the Rules framed thereunder.

g) Share-based payments reserve

Share-based payments reserve represents amount of fair value, as on the date of grant, of unvested options and vested options not exercised till date, that have been recognised as expense in the statement of profit and loss till date.

Notes Forming Part of Financial Statements

23. Long-term borrowings

(₹ in crores)

	As at March 31, 2019	As at March 31, 2018
Secured:		
(a) Privately placed Non-Convertible Debentures (refer note I (i) (a) and I (ii) (a))	-	200.00
(b) Term loans:		
(i) from banks (refer note I (i) (c))	587.58	635.45
(ii) others (refer note I (i) (b))	163.06	144.75
(c) Finance lease obligations	5.07	10.05
	755.71	**990.25**
Unsecured:		
(a) Privately placed Non-Convertible Debentures (refer note I (ii) (b))	5,498.22	6,307.37
(b) Term loan from banks		
(i) Buyer's line of credit (at floating interest rate) (refer note I (v))	2,500.00	1,000.00
(ii) External commercial borrowings (ECB)	1,642.27	-
(at floating interest rate) (refer note I (iv))		
(c) Senior Notes (note I (iii))	3,523.61	4,858.29
	13,164.10	**12,165.66**
Total	**13,919.81**	**13,155.91**

24. Short-term borrowings

(₹ in crores)

	As at March 31, 2019	As at March 31, 2018
Secured:		
Loans from banks (refer note II (i))	2,110.89	1,454.11
	2,110.89	**1,454.11**
Unsecured:		
(a) Loans from banks (refer note II (i))	240.72	13.62
(b) Inter corporate deposits from subsidiaries and associates (refer note II (ii))	82.25	203.75
(c) Commercial paper (refer note II (iii))	1,183.86	1,428.39
	1,506.83	**1,645.76**
Total	**3,617.72**	**3,099.87**

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 included within Current maturities of Long-term borrowings in note 26 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) The term loan of ₹**587.08 crores** (recorded in books at ₹**146.73 crores**) is due for repayment from the quarter ending March 31, 2033 to quarter ending March 31, 2039, 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

Notes Forming Part of Financial Statements

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 ₹**51.36 crores** (recorded in books at ₹**16.33 crores**) is due for repayment from the quarter ending June 30, 2030 to March 31, 2034, along with a simple interest of 0.01% p.a. The loan is secured by bank guarantee for the due performance of the conditions as per the terms of the agreement.

(c) Term loan from banks of ₹**587.58 crores** included within Long-term borrowings and ₹**88.48 crores** included within Current maturities of Long-term borrowings in note 26, bearing floating interest rate of 1 month LIBOR + 1.63% and 1 year MCLR + 0.10% are taken by joint operation Fiat India Automobiles Private Ltd which is due for repayment from June 2019 to May 2023. The loan is secured by first charge over fixed assets procured from its loan/jeep project.

(ii) Schedule of repayment and redemption for Non-Convertible Debentures :

(₹ in crores)

Non-Convertible Debentures (NCDs)	Redeemable on	Principal
(a) Secured:		
9.95% Non-Convertible Debentures (2020)	March 2, 2020 *	200.0
(b) Unsecured :		
9.77% Non-Convertible Debentures (2024)	September 12, 2024	200.0
9.81% Non-Convertible Debentures (2024)	August 20, 2024	300.0
9.35% Non-Convertible Debentures (2023)	November 10, 2023	400.0
9.60% Non-Convertible Debentures (2022)	October 29, 2022	400.0
7.71% Non-Convertible Debentures (2022)	March 3, 2022	500.0
7.50% NCD due 2022(E27H Series)	June 22, 2022	500.0
9.02% Non-Convertible Debentures (2021)	December 10, 2021	300.0
7.50% Non-Convertible Debentures (2021)	October 20, 2021	300.0
7.84% Non-Convertible Debentures (2021)	September 27, 2021	500.0
8.40% Non-Convertible Debentures (2021)	May 26, 2021	300.0
7.40% NCD due 2021(E27I Series Tranche 2)	June 29, 2021	500.0
9.73% Non-Convertible Debentures (2020)	October 1, 2020	400.0
9.70% Non-Convertible Debentures (2020)	June 18, 2020	150.0
9.75% Non-Convertible Debentures (2020)	May 24, 2020	100.0
9.90% Non-Convertible Debentures (2020)	May 7, 2020	150.0
7.28% NCD due 2020(E27I Series Tranche 1)	July 29, 2020	500.0
9.71% Non-Convertible Debentures (2019)	October 1, 2019 *	300.0
8.00% Non-Convertible Debentures (2019)	August 1, 2019 *	400.0
10.00% Non-Convertible Debentures (2019)	May 28, 2019 *	110.0
Debt issue cost		(1.80)

* Classified as other financial liabilities- current (refer note 26) being maturity before March 31, 2020

Notes Forming Part of Financial Statements

(iii) Schedule of repayment of Senior Notes:

(₹ in crores)

	Redeemable on	Currency	Amount (in million)	As at March 31, 2019	As at March 31, 2018
4.625% Senior Notes	April 30, 2020	USD	262.532	1,804.88	3,238.86
5.750% Senior Notes	October 30, 2024	USD	250	1,718.73	1,619.43
				3,523.61	**4,858.29**

During the year ended March 31, 2019, the Company prepaid **USD 237.47 million** (₹ 1,544.71 crores) of 4.625% Senior Notes at a premium of 2.5%, from fund raised through External Commercial Borrowings of USD 237.47 million.

(iv) The external commercial borrowings of **USD 237.47 million** (₹ 1,642.27 crores) bearing floating interest rate of 3months LIBOR+128bps is due for repayment in June 2025.

(v) The buyer's line of credit from banks amounting to ₹**2,500 crores,** bearing floating interest rate based on marginal cost of funds lending rate (MCLR) of respective bank is repayable within a maximum period of five years from the drawdown dates. All the repayments are due from year ending March 31, 2021 to March 31, 2024.

II. Information regarding short-term borrowings

(i) Loans, cash credits, overdrafts and buyers line of credit from banks bearing fixed interest rate from 8.00% to 8.65% 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.

(ii) Inter-corporate deposits from subsidiaries and associates are unsecured bearing interest rate at 7.50%

(iii) Commercial paper are unsecured short-term papers issued at discount bearing no coupon interest. The yield on commercial paper issued by the Company ranges from 7.21% to 8.28%

III. Collateral

Inventory, trade receivables, other financial assets, property, plant and equipment with a carrying amount of ₹**4,580.01 crores** and ₹4,415.30 crores are pledged as collateral/security against the borrowings as at March 31, 2019 and March 31, 2018, respectively.

Notes Forming Part of Financial Statements

25. Other financial liabilities – non-current

(₹ in crores)

	As at March 31, 2019	As at March 31, 2018
(a) Derivative financial instruments	58.43	-
(b) Liability towards employee separation scheme	79.10	82.26
(c) Others	43.27	129.02
Total	**180.80**	**211.28**

26. Other financial liabilities – current

(₹ in crores)

	As at March 31, 2019	As at March 31, 2018
(a) Current maturities of long-term borrowings (refer note below)	1,102.10	2,208.06
(b) Liability for financial guarantee contracts	-	977.26
(c) Interest accrued but not due on borrowings	373.04	500.06
(d) Liability for capital expenditure	198.55	129.86
(e) Deposits and retention money	397.06	186.44
(f) Derivative financial instruments	10.53	1.29
(g) Liability towards Investors Education and Protection Fund under Section 125 of the Companies Act, 2013 not due		
(i) Unpaid dividends	8.09	10.73
(ii) Unpaid matured deposits and interest thereon	8.01	11.88
(iii) Unpaid debentures and interest thereon	0.18	0.18
(h) Liability towards employee separation scheme	16.73	20.03
(i) Others	123.69	45.37
Total	**2,237.98**	**4,091.16**

Details of Current maturities of long-term borrowings :

(₹ in crores)

	As at March 31, 2019	As at March 31, 2018
(i) Non Convertible Debentures (Unsecured) (refer I (ii) (b) below note 24)	809.98	1,089.86
(ii) Non Convertible Debentures (Secured) (refer I (i) (a) and I (ii) (a) below note 24)	200.00	500.00
(iii) Finance lease obligations	3.64	5.78
(iv) Loans from Banks (refer I (i) (c) below note 24)	88.48	112.42
(v) Buyers Credit (Capex)	-	500.00
Total	**1,102.10**	**2,208.06**

Notes Forming Part of Financial Statements

27. Provisions-non current

(₹ in crores)

	As at March 31, 2019	As at March 31, 2018
(a) Employee benefits obligations	704.91	622.88
(b) Warranty	573.78	364.35
(c) Annual maintenance contract (AMC)	2.90	9.26
(d) Others	-	12.99
Total	**1,281.59**	**1,009.48**

28. Provisions-current

(₹ in crores)

	As at March 31, 2019	As at March 31, 2018
(a) Employee benefits obligations	34.62	32.17
(b) Warranty	1,038.59	739.12
(c) Annual maintenance contract (AMC)	23.95	46.20
(d) Others	51.53	45.43
	1,148.69	**862.92**

Note

AMC and Warranty provision movement

(₹ in crores)

	Year ended March 31, 2019	Year ended March 31, 2018
	AMC	**Warranty**
Balance at the beginning	55.46	1,103.47
Provision (reversed)/made during the year	(5.13)	1,111.22 *
Provision used during the year	(23.48)	(554.32)
Impact of discounting	-	(48.35)
Acquisition of business of a subsidiary company	-	0.35
Balance at the end	**26.85**	**1,612.37**
Current	23.95	1,038.59
Non-current	2.90	573.78

* includes estimated recovery from suppliers of ₹**111.75 crores** recognised during the year ended March 31, 2019.

Notes Forming Part of Financial Statements

29. Income taxes

The reconciliation of estimated income tax to income tax expense is as follows:

(₹ in crores)

	Year ended March 31, 2019	Year ended March 31, 2018
Profit/(loss) before tax	**2,398.93**	**(946.92)**
Income tax expense at tax rates applicable to individual entities	838.28	(327.71)
Additional deduction for patent, research and product development cost	(192.72)	(198.58)
Items (net) not deductible for tax/not liable to tax :		
- foreign currency (gain)/loss relating to loans and deposits (net)	-	8.12
- interest and other expenses relating to borrowings for investment	-	20.95
- Dividend from subsidiaries, joint operations, associates and investments measured at fair value through other comprehensive income	(86.60)	(77.04)
- Provision for impairment in subsidiary companies/exceptional (others)	122.70	-
- Provision for impairment of capital work in progress	-	34.61
Undistributed earnings of joint operations	46.55	54.85
Deferred tax assets not recognised as realisation is not probable	268.46	699.49
Utilisation/credit of unrecognised tax losses, unabsorbed depreciation and other tax benefits	(544.02)	(130.10)
Profit on sale of investments in a subsidiary company and other investments	(80.01)	-
Reversal of tax provision for previous years	-	(2.45)
Others	5.69	5.79
Income tax expense reported	**378.33**	**87.93**

Significant components of deferred tax assets and liabilities for the year ended March 31, 2019 are as follows:

	Opening balance	Recognised in profit and loss	MAT Credit utilised	Recognised in/reclassified from OCI	Closing balance
Deferred tax assets:					
Unabsorbed depreciation	2,541.54	(5.42)	-	-	2,536.12
Business loss carry forwards	1,556.58	575.92	-	-	2,132.50
Expenses deductible in future years:					
- provisions, allowances for doubtful receivables and others	610.16	(286.27)	-	-	323.89
Compensated absences and retirement benefits	123.58	11.51	-	23.24	158.33
Minimum alternate tax carry-forward	2.34	-	(1.57)	-	0.77
Intangible assets	6.57	(6.57)	-	-	-
Derivative financial instruments	14.64	(9.36)	-	15.92	21.20
Unrealised profit on inventory	1.58	(0.09)	-	-	1.49
Others	72.68	(8.84)	-	-	63.84
Total deferred tax assets	**4,929.67**	**270.88**	**(1.57)**	**39.16**	**5,238.14**
Deferred tax liabilities:					
Property, plant and equipment	2,579.75	2.24	-	-	2,581.99
Intangible assets	2,364.10	295.07	-	-	2,659.17
Undistributed earnings in joint operations	116.26	35.84 *	-	-	152.10
Others	24.17	21.40	-	5.17	50.74
Total deferred tax liabilities	**5,084.28**	**354.55**	**-**	**5.17**	**5,444.00**
Net Deferred tax assets / (liabilities)	**(154.61)**	**(83.67)**	**(1.57)**	**33.99**	**(205.86)**

* Net off ₹ **10.71 crores** reversed on dividend distribution by joint operation.

Notes Forming Part of Financial Statements

As at March 31, 2019, unrecognised deferred tax assets amount to ₹**2,220.64 crores** and ₹**5,116.98 crores** which can be carried forward indefinitely and up to a specified period, respectively. These relate primarily to depreciation carry forwards, other deductible temporary differences and business losses. The deferred tax asset has not been recognised on the basis that its recovery is not probable in the foreseeable future.

Unrecognised deferred tax assets expire unutilised based on the year of origination as follows:

March 31,	(₹ in crores)
2021	**10.97**
2022	**-**
2023	**831.70**
2024	**698.06**
Thereafter	**3,576.25**

Significant components of deferred tax assets and liabilities for the year ended March 31, 2018 are as follows:

(₹ in crores)

	Opening balance	**Recognised in profit and loss**	**MAT Credit utilised**	**Recognised in/reclassified from OCI**	**Closing balance**
Deferred tax assets:					
Unabsorbed depreciation	2,546.16	(4.62)	-	-	2,541.54
Business loss carry forwards	1,578.01	(21.43)	-	-	1,556.58
Expenses deductible in future years:		-			
- provisions, allowances for doubtful receivables and others	977.61	(367.45)	-	-	610.16
Compensated absences and retirement benefits	116.55	13.30	-	(6.27)	123.58
Minimum alternate tax carry-forward	29.78	(15.21)	(12.23)	-	2.34
Intangible assets	6.57	-		-	6.57
Derivative financial instruments	-	7.87	-	6.77	14.64
Unrealised profit on inventory	-	1.58	-	-	1.58
Others	129.44	(56.76)	-	-	72.68
Total deferred tax assets	**5,384.12**	**(442.72)**	**(12.23)**	**0.50**	**4,929.67**
Deferred tax liabilities:					
Property, plant and equipment	2,676.75	(97.00)	-	-	2,579.75
Intangible assets	2,739.64	(375.54)	-	-	2,364.10
Undistributed earnings in joint operations	63.24	53.02 *	-	-	116.26
Derivative financial instruments	22.61	(22.61)	-	-	-
Others	29.46	(5.29)	-	-	24.17
Total deferred tax liabilities	**5,531.70**	**(447.42)**	**-**	**-**	**5,084.28**
Deferred tax liabilities	**(147.58)**	**4.70**	**(12.23)**	**0.50**	**(154.61)**

* Net off ₹ 1.83 crores reversed on dividend distribution by joint operation.

Notes Forming Part of Financial Statements

30. Other non-current liabilities

(₹ in crores)

		As at March 31, 2019	As at March 31, 2018
(a)	Contract liabilities (note (a) below)	109.53	64.95
(b)	Government incentives (note (b) below)	65.33	188.14
(c)	Employee Benefit Obligations - Funded	32.46	20.34
(d)	Others	10.92	17.66
Total		**218.24**	**291.09**

31. Other current liabilities

(₹ in crores)

		As at March 31, 2019	As at March 31, 2018
(a)	Contract liabilities (note (a) below)	953.83	998.06
(b)	Statutory dues (GST,VAT, Excise, Service Tax, Octroi etc)	1,091.92	781.12
(c)	Government incentives (note (b) below)	258.89	86.52
(d)	Others	51.37	51.90
	Total	**2,356.01**	**1,917.60**

Note:

(a) **Contract liabilities**

(₹ in crores)

		For the year ending March 31, 2019
Opening contract liabilities (regrouped on transition to Ind AS 115)		1,063.01
Amount recognised in revenue		(757.29)
Amount received in advance during the reporting year		975.18
Amount refunded to customers		(217.54)
Closing contract liabilities		**1,063.36**
Advances received from customers	Current	840.40
Deferred revenue	Current	113.43
	Non-current	109.53
		1,063.36

Performance obligations in respect of amount received in respect of future maintenance service and extended warranty will be fulfilled over a period of 6 years from year ending March 31, 2020 till March 31, 2025.

Until the previous year, advances received from customers and deferred revenue were seperately presented which currently as per Ind AS 115 are presented as contract liabilities

(b) Government incentives include ₹**245.93 crores** as at March 31, 2019 (₹ 187.67 crores as at March 31, 2018) grants relating to property, plant and equipment related to duty saved on import of capital goods and spares under the Exports Promotion Capital Goods (EPCG) scheme. Under such scheme, the Company is committed to export prescribed times of the duty saved on import of capital goods over a specified period of time. In case such commitments are not met, the Company would be required to pay the duty saved along with interest to the regulatory authorities.

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32. Revenue From Operations

(₹ in crores)

			Year ended March 31, 2019		Year ended March 31, 2018
(a)	Sale of products (including excise duty) (note 1 and 2 below)				
	(i) Vehicles	61,357.95		52,636.85	
	(ii) Spare parts	4,579.45		3,635.76	
	(iii) Miscellaneous products	2,386.29	68,323.69	1,595.43	57,868.04
(b)	Sale of services		440.34		365.17
(c)	Finance revenues		0.85		1.12
(d)	Other operating revenues		437.88		455.48
Total			**69,202.76**		**58,689.81**

Note:

(1)	Includes exchange gain/(loss) (net) on hedges reclassified from hedge reserve to statement of profit and loss	(1.18)	(0.93)

(2) Consequent to the introduction of Goods and Service Tax (GST) with effect from July 1, 2017, Central Excise, Value Added Tax (VAT), etc have been replaced by GST. In accordance with Ind AS 115/Ind AS 18 on Revenue and Schedule III of the Companies Act, 2013, GST, GST Compensation Cess, etc. are not included in sale of products for applicable periods. In view of the aforesaid restructuring of indirect taxes, sale of products for the year ended March 31, 2019 is not comparable with year ended March 31, 2018. Following additional information is being provided to facilitate such comparison:

(₹ in crores)

		Year ended March 31, 2019	Year ended March 31, 2018
(a)	Sale of products	68,323.69	57,868.04
(b)	Excise duty	-	(1,168.14)
(c)	Sale of products (net of excise duty) (a-b)	**68,323.69**	**56,699.90**

33. Other income

(₹ in crores)

		Year ended March 31, 2019	Year ended March 31, 2018
(a)	Interest income	335.87	397.71
(b)	Dividend income (note 1 below)	1,526.25	1,054.69
(c)	Incentives (note 2 below)	621.37	934.88
(d)	Profit on sale of investments at FVTPL	69.27	103.17
(e)	MTM – Investments measured at FVTPL	1.90	2.03
Total		**2,554.66**	**2,492.48**

Note:

(1)	Includes :		
	(a) Dividend from subsidiary companies and associates	1,516.32	999.25
	(b) From investment measured at FVTOCI	15.83	14.49
	(c) Exchange gain / (loss)	(5.90)	40.95

(2) Consequent to clarifications published by the Institute of Chartered Accountants of India during the year ended March 31, 2019; various Government Grants (incentives) have been reported as "Other Income". Previously, these were reported as "Other Operating Revenue" in the Statement of Profit and Loss. The change is retrospectively applied by reclassifying the previous year to conform to current year's presentation and is not considered material to the Company's prior period financial statements.

Notes Forming Part of Financial Statements

34. Employee benefits expense

(₹ in crores)

		Year ended March 31, 2019	Year ended March 31, 2018
(a)	Salaries, wages and bonus	3,620.17	3,311.57
(b)	Contribution to provident fund and other funds	231.50	236.16
(c)	Staff welfare expenses	421.43	419.00
	Total	**4,273.10**	**3,966.73**

Share based payments

The Company has allotted share based incentives to certain employees during the year ended March 31, 2019, under Tata Motors Limited Employee Stock Options Scheme 2018 approved by Nomination and Remuneration Committee (NRC). As per the scheme, the number of shares that will vest is conditional upon certain performance measures determined by NRC. The performance is measured over vesting period of the options granted which ranges from 3 to 5 years. The performance measures under this scheme include growth in sales, earnings and free cash flow. The options granted under this scheme is exercisable by employees till one year from date of its vesting. The Company has granted options at an exercise price of ₹345/-. Option granted will vest equally each year starting from 3 years from date of grant up to 5 years from date of grant. Number of shares that will vest range from 0.5 to 1.5 per option granted depending on performance measures.

	Year ended March 31, 2019
Options outstanding at the beginning of the year	-
Granted during the year	78,12,427
Forfeited/Expired during the year	-
Exercised during the year	-
Outstanding at the end of the year	7,812,427
Maximum/Minimum number of shares to be issued for outstanding options (conditional on performance measures)	1,17,18,641/39,06,214

The Company has estimated fair value of options using Black Scholes model. The following assumptions were used for calculation of fair value of options granted during the year ended March 31, 2019.

Assumption factor	Estimate
Risk free rate	7%-8%
Expected life of option	4-6 years
Expected volatility	33%-37%

35. Finance costs

(₹ in crores)

		Year ended March 31, 2019	Year ended March 31, 2018
(a)	Interest	1,743.47	1,650.35
	Add: Exchange fluctuation considered as interest cost	38.10	6.24
	Less: Transferred to capital account	(438.79)	(396.11)
		1,342.78	**1,260.48**
(b)	Discounting charges	450.79	483.95
	Total	**1,793.57**	**1,744.43**

Note: The weighted average rate for capitalisation of interest relating to general borrowings was approximately 7.87% and 7.43% for the years ended March 31, 2019 and 2018, respectively.

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36. Other expenses

(₹ in crores)

		Year ended March 31, 2019	Year ended March 31, 2018
(a)	Processing charges	1,567.89	1,240.88
(b)	Consumption of stores & spare parts	617.67	639.35
(c)	Power and fuel	598.62	545.12
(d)	Freight, transportation, port charges etc.	1,865.62	1,703.15
(e)	Publicity	736.13	720.18
(f)	Warranty expenses	999.47	766.18
(g)	Information technology/computer expenses	714.17	711.95
(h)	Allowances made/(reversed) for trade and other receivables (net)	170.90	(109.19)
(i)	Assets Scrapped/ Written Off	230.28	995.47
(j)	Works operation and other expenses (note below)	2,179.71	2,021.18
	Total	**9,680.46**	**9,234.27**

Note:
Works operation and other expenses include:

		Year ended March 31, 2019	Year ended March 31, 2018
(a)	Auditors' Remuneration (excluding service tax)/GST#		
	(i) Audit Fees	6.67	7.34
	(ii) Audit Fees to auditors for financial statements as per IFRS (including SOX certification)^	3.59	3.72
	(iii) In other Capacities :		
	Tax Audit / Transfer Pricing Audit	0.53	0.89
	Taxation Matters	0.17	0.45
	(iv) Other Services *	0.53	4.47
	(v) Reimbursement of travelling and out-of-pocket expenses	0.94	0.86
	^ Amount paid to KPMG/Deloitte Haskins and Sells LLP		
	* Includes payment to an affiliate firm of statutory auditors	-	4.10
	# The above amount includes ₹ 10.84 crores paid to predecessor auditor, Deloitte Haskins and Sells LLP and its affiliates during the year ended March 31, 2018		
(b)	Cost Auditors' Remuneration (excluding service tax)/GST		
	(i) Cost Audit Fees	0.23	0.20
	(ii) Reimbursement of travelling and out-of-pocket expenses	0.01	0.01

(c) Works operation and other expenses for the year March 31, 2019 includes ₹ **22.21 crores** (₹21.44 crores for the year March 31, 2018) spent by Tata Motors Ltd on standalone basis excluding interest in the joint operations, 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 2018-19 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.

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37. Amount transferred to capital and other accounts

(₹ in crores)

		Year ended March 31, 2019	Year ended March 31, 2018
(a)	Capital work in progress	(324.34)	(251.47)
(b)	Intangible asset under development	(607.16)	(478.65)
(c)	Product development/Engineering expenses	(161.61)	(124.96)
	Total	**(1,093.11)**	**(855.08)**

38. (a) Exceptional debit of ₹**180.66 crores** and ₹962.98 crores during the year ended March 31, 2019 and 2018, respectively are related to write off/provision for impairment of certain capital work-in-progress and intangibles under development.

The company reviewed product development programs and capital work-in-progress and consequently provided for impairment during the year ended March 31, 2018. During the year ended March 31, 2019, the Company has written off intangibles under development of ₹550 crores, which were provided for during the year ended March 31, 2018. These projects are not viable for future due to changing market conditions and emission regulations.

(b) During the year ended March 31, 2019, the Company has sold investment in TAL Manufacturing Solutions Limited to Tata Advanced Systems Ltd (TASL).

(c) The Company has entered into an agreement for transfer of its Defence undertaking, which had a value of ₹209.27 crores as at December 31, 2017 to Tata Advanced Systems Ltd (transferee company), for an upfront consideration of ₹100 crores and a future consideration of 3% of the revenue generated from identified Specialised Defence Projects for upto 15 years from the financial year ended FY 2020 subject to a maximum of ₹1,750 crores. The future consideration of 3% of revenue depends on future revenue to be generated from the said projects by the transferee company. On account of the same, the Company has recognised a provision of ₹109.27 crores, which may get reversed in future once projects start getting executed from FY 2020 onwards. The assets related to defence undertaking are classified as "Held for Sale" as they meet the criteria laid out under Ind AS 105.

39. Commitments and contingencies

In the ordinary course of business, the Company faces claims and assertions by various parties. The Company assesses such claims and assertions and monitors the legal environment on an ongoing basis, with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

The following is a description of claims and assertions where a potential loss is possible, but not probable. The Company believes that none of the contingencies described below would have a material adverse effect on the Company's financial condition, results of operations or cash flows.

Litigation

The Company is involved in legal proceedings, both as plaintiff and as defendant. There are claims which the Company does not believe to be of material nature, other than those described below.

Income Tax

The Company has ongoing disputes with income tax authorities relating to tax treatment of certain items. These mainly include disallowed expenses, the tax treatment of certain expenses claimed by the Company as deductions and the computation of, or eligibility of, the Company's use of certain tax incentives or allowances.

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Most of these disputes and/or disallowances, being repetitive in nature, have been raised by the income tax authorities consistently in most of the years.

The Company has a right of appeal to the Commissioner of Income Tax (Appeals), or CIT (A), the Dispute Resolution Panel, or DRP, and to the Income Tax Appellate Tribunal, or ITAT, against adverse decisions by the assessing officer, DRP or CIT (A), as applicable. The income tax authorities have similar rights of appeal to the ITAT against adverse decisions by the CIT (A) or DRP. The Company has a further right of appeal to the Bombay High Court or the Hon'ble Supreme Court of India against adverse decisions by the appellate authorities for matters involving substantial question of law. The income tax authorities have similar rights of appeal.

As at March 31, 2019, there are matters and/or disputes pending in appeal amounting to **₹58.77 crores** (₹60.89 crores as at March 31, 2018).

Customs, Excise Duty and Service Tax

As at March 31, 2019, there are pending litigation for various matters relating to customs, excise duty and service taxes involving demands, including interest and penalties, of **₹907.78 crores** (₹1,491.36 crores as at March 31, 2018). These demands challenged the basis of valuation of the Company's products and denied the Company's claims of Central Value Added Tax, or CENVAT credit on inputs. The details of the demands for more than ₹20 crores are as follows:

The Excise Authorities have raised a demand for **₹90.72 crores** as at March 31, 2019 (₹90.72 crores as at March 31, 2018), on account of alleged undervaluation's of ex-factory discounts given by Company on passenger vehicles through invoices. The matter is being contested by the Company before the Bombay High Court.

As at March 31, 2019, the Excise Authorities have raised a demand and penalty of **₹243.24 crores** (₹239.95 crores as at March 31, 2018), due to the classification of certain chassis (as dumpers instead of goods transport vehicles) which were sent to automotive body builders by the Company, which the Excise Authorities claim requires the payment of the National Calamity Contingent Duty, or NCCD. The Company has obtained a technical expert certificate on the classification. The appeal is pending before the Custom Excise & Service Tax Appellate Tribunal.

The Excise Authorities had denied the Company's claim of a CENVAT credit of **₹20.14 crores** (₹36.03 crores as at March 31, 2018) claimed by the Company from Fiscal 1992 to Fiscal 2013, on technical grounds. The matter is being contested by the Company before the Appellate Authorities.

As at March 31, 2019, the Excise Authorities had levied penalties and interest amounting to **₹90.32 crores** (₹679.88 crores as at March 31, 2018) with respect to CENVAT credit claimed by the Company from March 2010 to June 2017, on inputs, stating that vehicles manufactured at Uttarakhand plant are "Exempted Products" and the Company may not claim a CENVAT credit on these vehicles. The Company has challenged this demand as NCCD and the automobile cess is assessed on those vehicles, which are "duties of excise". Therefore, the Company asserts that these vehicles are not "Exempted Products". The matter is being contested by the Company before the appellate authorities.

As at March 31, 2019, the Excise Authorities have raised a demand amounting to **₹29.54 crores** (₹29.54 crores as at March 31, 2018)on pre-delivery inspection charges and free after-sales service charges incurred by dealers on Company's products on the alleged grounds that the pre-delivery inspection charges and free after-sales services are provided by the dealer on behalf of the Company and should be included in excisable value of the vehicle. The case is pending before Tribunal.

As at March 31, 2019, the Excise Authorities have confirmed demand & penalty totaling to **₹90.88 crores** (₹90.88 crores as at March 31, 2018) towards vehicles allegedly sold below cost of production with an intention to penetrate the market. The matter is being contested by the Company before the appellate authorities.

The Excise Authorities had denied the Company's claim of a CENVAT credit of **₹81.51 crores** as at March 31, 2019 on various inputs services like authorised service station services, erection, commissioning and installation services, common services

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etc. claimed by the Company from financial year 2006 to 2017. The matters are being contested by the Company before the Appellate Authorities.

As at March 31, 2019, the Excise Authorities have confirmed the demand and penalty totaling to ₹**92.42 crores** alleging undervaluation of products sold by the Company. The matter is being contested by the Company before appellate authorities.

As at March 31, 2019, demand and penalty totaling to ₹**23.50 crores** has been confirmed for alleged non-payment of service tax on services like event management services, authorised service station services, heat treatment services etc. The matter is being contested by the Company before appellate authorities.

Sales Tax / VAT

The total sales tax demands (including interest and penalty), that are being contested by the Company amount to ₹**1,123.47 crores** as at March 31, 2019 (₹949.54 crores as at March 31, 2018). The details of the demands for more than ₹20 crores are as follows:

The Sales Tax Authorities have raised demand of ₹**260.15 crores** as at March 31, 2019 (₹269.38 crores as at March 31, 2018) towards rejection of certain statutory forms for concessional lower/nil tax rate (Form F and Form C) on technical grounds such as late submission, single form issued against different months / quarters dispatches / sales, etc. and denial of exemption from tax in absence of proof of export for certain years. The Company has contended that the benefit cannot be denied on technicalities, which are being complied with. The matter is pending at various levels.

The Sales Tax authorities have denied input tax credit and levied interest and penalty thereon due to varied reasons aggregating to ₹**487.96 crores** as at March 31, 2019 (₹435.96 crores as at March 31, 2018). The reasons for disallowing credit was mainly due to Taxes not paid by Vendors, incorrect method of calculation of set off as per the department, alleging suppression of sales as per the department etc. The matter is contested in appeal.

Sales tax demand aggregating ₹**80.02 crores** as at March 31, 2019 (₹95.75 as at March 31, 2018) has been raised by Sales Tax Authorities for non submission of Maharashtra Trial Balance. The matter is contested in appeal.

The Sales Tax authorities have raised demand for Entry Tax liability at various states amounting to ₹**64.14 crores** as at March 31, 2019 (₹23.92 as at March 31, 2018). The company is contesting this issue.

In case of one of the joint operation, the Sales Tax Authorities have held back the refund of VAT on debit notes raised for Take or Pay arrangements (TOP) totaling to ₹**51.60 crores** pertaining to financial years 2009-10 to 2014-2015. The department is of the view that TOP is not part of sale and hence tax to be paid. The matter is contested in appeal.

Other Taxes and Dues

Other amounts for which the Company may contingently be liable aggregate to ₹**232.54 crores** as at March 31, 2019 (₹205.19 crores as at March 31, 2018). Following are the cases involving more than ₹20 crores:

The municipal authorities in certain states levy octroi duty (a local indirect tax) on goods brought inside the municipal limits at rates based on the classification of goods. Demands aggregating ₹**61.65 crores** as at March 31, 2019 (₹61.65 crores as at March 31, 2018) had been raised demanding higher octroi duties on account of classification disputes relating to components purchased for the manufacture of vehicles and retrospective increase in octroi rates relating to past periods. The dispute relating to classification is presently pending before the Bombay High Court and the other dispute is pending before the Hon'ble Supreme Court of India

As at March 31, 2019, property tax amounting to ₹**63.81 crores** (₹56.84 crores as at March 31, 2018) has been demanded by the local municipal authorities in respect of vacant land of the Company in the plant in Pimpri, Chinchwad and Chikhali. The Company has filed Special Leave Petition (SLP) before the Supreme Court against an unfavorable decision of the Bombay High Court. The Hon'ble Supreme Court of India has disposed of the SLP and remanded the matter back to the local municipal corporation for fresh adjudication.

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As at March 31, 2019, Sales tax / VAT amounting to ₹**32.47 crores** (₹30.54 crores as at March 31, 2018) has been demanded by local authorities on dealers in respect of spare parts used for carrying out warranty repairs. The dispute is pending before the Hon'ble Supreme Court of India.

As at March 31, 2019, possession tax amounting to ₹**36.25 crores** have been demanded in respect of motor vehicles in the possession of the manufacturer and the authorisation of trade certificate granted under the Central Motor Vehicle Rules, 1989. The matter is being contested before the Hon'ble Supreme Court of India.

Other claims

The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal. Further, there are interpretative challenges and considerable uncertainty, including estimating the amount retrospectively. Pending the outcome of the review petition and directions from the EPFO, the impact for past periods, if any, is not ascertainable reliably and consequently no financial effect has been provided for in the financial statements. The Company has made a provision on a prospective basis, from the date of the SC order.

The Company has, consequent to an Order of the Hon'ble Supreme Court of India in the case of R.C. Gupta and Ors. Vs Regional Provident Fund Commissioner, Employees "Provident Fund Organisation and Ors., evaluated the impact on its employee pension scheme and concluded that this is not applicable to the Company based on external lega opinion and hence it is not probable that there will be an outflow of resources.

Post the sale of investments of TAL Manufacturing Solutions Ltd. (TAL) to Tata Advanced Systems Ltd. (TASL), the Company has continued its performance guarantee amounting to ₹**691.49 crores** (USD 100 million) in respect of TAL's obligations to its customer to cover the event post the share sale, against a back-to-back indemnity by TASL to the Company. Steps are currently under way to transfer the said guarantee to TASL in due course.

Commitments

The Company has entered into various contracts with vendors and contractors for the acquisition of plant and machinery, equipment and various civil contracts of a capital nature amounting to ₹**1,929.86 crores** at March 31, 2019 (₹2,096.64 crores as at March 31, 2018), which are yet to be executed.

The Company has entered into various contracts with vendors and contractors for the acquisition of intangible assets of a capital nature amounting to ₹**397.81 crores** as at March 31, 2019, (₹466.01 crores as at March 31, 2018), which are yet to be executed.

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40. Earnings per Share ("EPS")

			Year ended March 31, 2019	Year ended March 31, 2018
(a)	Profit/(loss) after tax	₹ crores	2,020.60	(1,034.85)
(b)	The weighted average number of Ordinary shares for Basic EPS	Nos.	2,887,348,474	2,887,348,357
(c)	The weighted average number of 'A' Ordinary shares for Basic EPS	Nos.	508,502,371	508,502,336
(d)	The nominal value per share (Ordinary and 'A' Ordinary)	₹	2	2
(e)	Share of profit / (loss) for Ordinary shares for Basic EPS	₹ crores	1,713.71	(879.89)
(f)	Share of profit / (loss) for 'A' Ordinary shares for Basic EPS *	₹ crores	306.89	(154.96)
(g)	Earnings per Ordinary share (Basic)	₹	5.94	(3.05)
(h)	Earnings per 'A' Ordinary share (Basic)	₹	6.04	(3.05)
(i)	Profit after tax for Diluted EPS	₹ crores	2,020.60	#
(j)	The weighted average number of Ordinary shares for Basic EPS	Nos.	2,887,348,474	#
(k)	Add: Adjustment for Options relating to warrants and shares held in abeyance	Nos.	494,352	#
(l)	The weighted average number of Ordinary shares for Diluted EPS	Nos.	2,887,842,826	#
(m)	The weighted average number of 'A' Ordinary shares for Basic EPS	Nos.	508,502,371	#
(n)	Add: Adjustment for 'A' Ordinary shares held in abeyance	Nos.	233,739	#
(o)	The weighted average number of 'A' Ordinary shares for Diluted EPS	Nos.	508,736,110	#
(p)	Share of profit for Ordinary shares for Diluted EPS	₹ crores	1,713.63	#
(q)	Share of profit for 'A' Ordinary shares for Diluted EPS *	₹ crores	306.97	#
(r)	Earnings per Ordinary share (Diluted)	₹	5.94	(3.05)
(s)	Earnings per 'A' Ordinary share (Diluted)	₹	6.04	(3.05)

*'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, 2018, potential equity shares are not considered as dilutive and hence Diluted EPS is same as Basic EPS.

Note :

Employee Stock options are not considered to be dilutive based on the average market price of ordinary shares during the period.

41. Capital Management

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long-term and short-term goals of the Company.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity, non-convertible debentures, senior notes and other long-term/short-term borrowings. The Company's policy is aimed at combination of short-term and long-term borrowings.

The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

Total borrowings includes all long and short-term borrowings as disclosed in notes 23, 24 and 26 (a) to the financial statements. Equity comprises all components excluding (profit)/loss on cash flow hedges.

The following table summarises the capital of the Company:

(₹ in crores)

	As at March 31, 2019	As at March 31, 2018
Equity	22,182.47	20,161.13
Short-term borrowings and current maturities of long-term borrowings	4,719.82	5,307.93
Long-term borrowings	13,919.81	13,155.91
Total borrowings	**18,639.63**	**18,463.84**
Total capital (Debt + Equity)	**40,822.10**	**38,624.97**
Total equity as reported in balance sheet	22,162.52	20,170.98
Hedging reserve	26.40	3.14
Cost of Hedge reserve	(6.45)	(12.99)
Equity as reported above	**22,182.47**	**20,161.13**

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42. Disclosures on financial instruments

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

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

(a) Financial assets and liabilities

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities as at March 31, 2019.

(₹ in crores)

	Cash, and other financial assets at amortised cost	Investments - FVTOCI	Investments - FVTPL	Derivatives other than in hedging relationship	Derivatives in hedging relationship	Total carrying value	Total fair value
Financial assets							
(a) Investments - non-current	-	663.38	-	-	-	663.38	663.38
(b) Investments - current	-	0.91	1,174.46	-	-	1,175.37	1,175.37
(c) Trade receivables	3,250.64	-	-	-	-	3,250.64	3,250.64
(d) Cash and cash equivalents	487.40	-	-	-	-	487.40	487.40
(e) Other bank balances	819.21	-	-	-	-	819.21	819.21
(f) Loans and advances - non-current	143.13	-	-	-	-	143.13	143.13
(g) Loans and advances - current	200.08	-	-	-	-	200.08	200.08
(h) Other financial assets - non-current	633.43	-	-	360.96	-	994.39	994.39
(i) Other financial assets - current	1,248.64	-	-	2.73	28.31	1,279.68	1,279.68
Total	**6,782.53**	**664.29**	**1,174.46**	**363.69**	**28.31**	**9,013.28**	**9,013.28**

	Derivatives other than in hedging relationship	Derivatives in hedging relationship	Other financial liabilities	Total carrying value	Total fair value
Financial liabilities					
(a) Long-term borrowings (including Current maturities of long-term borrowings)	-	-	15,021.91	15,021.91	15,030.12
(b) Short-term borrowings	-	-	3,617.72	3,617.72	3,617.72
(c) Trade payables	-	-	10,408.83	10,408.83	10,408.83
(d) Acceptances	-	-	3,093.28	3,093.28	3,093.28
(e) Other financial liabilities - non-current	0.86	57.57	122.37	180.80	180.80
(f) Other financial liabilities - current	9.14	1.39	1,125.35	1,135.88	1,135.88
Total	**10.00**	**58.96**	**33,389.46**	**33,458.42**	**33,466.63**

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The following table presents the carrying amounts and fair value of each category of financial assets and liabilities as at March 31, 2018.

(₹ in crores)

	Cash, and other financial assets at amortised cost	Investments - FVTOCI	Investments - FVTPL	Derivatives other than in hedging relationship	Derivatives in hedging relationship	Total carrying value	Total fair value
Financial assets							
(a) Investments - non-current	-	310.19	-	-	-	310.19	310.19
(b) Investments - current	-	303.84	1,517.03	-	-	1,820.87	1,820.87
(c) Trade receivables	3,479.81	-	-	-	-	3,479.81	3,479.81
(d) Cash and cash equivalents	546.82	-	-	-	-	546.82	546.82
(e) Other bank balances	248.60	-	-	-	-	248.60	248.60
(f) Loans and advances - non-current	143.96	-	-	-	-	143.96	143.96
(g) Loans and advances - current	140.27	-	-	-	-	140.27	140.27
(h) Other financial assets - non-current	593.27	-	-	200.13	-	793.40	793.40
(i) Other financial assets - current	604.10	-	-	26.15	16.06	646.31	646.31
Total	**5,756.83**	**614.03**	**1,517.03**	**226.28**	**16.06**	**8,130.23**	**8,130.23**

	Derivatives other than in hedging relationship	Derivatives in hedging relationship	Other financial liabilities	Total carrying value	Total fair value
Financial liabilities					
(a) Long-term borrowings (including Current maturities of long-term borrowings)	-	-	15,363.97	15,363.97	15,643.29
(b) Short-term borrowings	-	-	3,099.87	3,099.87	3,099.87
(c) Trade payables	-	-	9,411.05	9,411.05	9,411.05
(d) Acceptances	-	-	4,814.58	4,814.58	4,814.58
(e) Other financial liabilities - non-current	-	-	211.28	211.28	211.28
(f) Other financial liabilities - current	0.30	0.99	1,881.81	1,883.10	1,883.10
Total	**0.30**	**0.99**	**34,782.56**	**34,783.85**	**35,063.17**

Notes Forming Part of Financial Statements

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

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

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

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

There has been no transfers between level 1, level 2 and level 3 for the year ended March 31, 2019 and 2018.

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

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

(₹ in crores)

	As at March 31, 2019			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value				
(a) Investments	1,445.54	-	393.21	**1,838.75**
(b) Derivative assets	-	392.00	-	**392.00**
Total	**1,445.54**	**392.00**	**393.21**	**2,230.75**
Financial liabilities measured at fair value				
(a) Derivative liabilities	-	68.96	-	**68.96**
Total	**-**	**68.96**	**-**	**68.96**

	As at March 31, 2018			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value				
(a) Investments	1,820.87	-	310.19	**2,131.06**
(b) Derivative assets	-	242.34	-	**242.34**
Total	**1,820.87**	**242.34**	**310.19**	**2,373.40**
Financial liabilities measured at fair value				
(a) Derivative liabilities	-	1.29	-	**1.29**
Total	**-**	**1.29**	**-**	**1.29**

Notes Forming Part of Financial Statements

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

(₹ in crores)

	As at March 31, 2019			
	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value				
(a) Investments	-	-	-	-
Total	-	-	-	-
Financial liabilities not measured at fair value				
(a) Long-term borrowings (including Current maturities of long-term borrowings)	3,544.16	11,485.96	-	**15,030.12**
(b) Short-term borrowings	-	3,617.72	-	**3,617.72**
Total	**3,544.16**	**15,103.68**	-	**18,647.84**

	As at March 31, 2018			
	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value				
(a) Investments	-	-	-	-
Total	-	-	-	-
Financial liabilities not measured at fair value				
(a) Long-term borrowings (including Current maturities of long-term borrowings)	4,952.01	10,691.28	-	**15,643.29**
(b) Short-term borrowings	-	3,099.87	-	**3,099.87**
Total	**4,952.01**	**13,791.15**	-	**18,743.16**

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

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

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

Notes Forming Part of Financial Statements

Offsetting

Certain financial assets and financial liabilities are subject to offsetting where there is currently a legally enforceable right to set off recognised amounts and the Company intends to either settle on a net basis, or to realise the asset and settle the liability, simultaneously.

Certain derivative financial assets and financial liabilities are subject to master netting arrangements, whereby in the case of insolvency, derivative financial assets and financial liabilities will be settled on a net basis.

The following table discloses the amounts that have been offset, in arriving at the balance sheet presentation and the amounts that are available for offset only under certain conditions as at March 31, 2019:

(₹ in crores)

	Gross amount recognised	Gross amount recognised as set off in the balance sheet	Net amount presented in the balance sheet	Amounts subject to an enforceable master netting arrangement		Net amount after offsetting
				Financial instruments	Cash collateral	
Financial assets						
(a) Derivative financial instruments	392.00	-	392.00	(17.47)	-	374.53
(b) Trade receivables	3,516.06	(265.42)	3,250.64	-	-	3,250.64
(c) Loans and advances-current	209.04	(8.96)	200.08	-	-	200.08
Total	**4,117.10**	**(274.38)**	**3,842.72**	**(17.47)**	**-**	**3,825.25**
Financial liabilities						
(a) Derivative financial instruments	68.96	-	68.96	(17.47)	-	51.49
(b) Trade payables	10,683.21	(274.38)	10,408.83	-	-	10,408.83
Total	**10,752.17**	**(274.38)**	**10,477.79**	**(17.47)**	**-**	**10,460.32**

The following table discloses the amounts that have been offset in arriving at the balance sheet presentation and the amounts that are available for offset only under certain conditions as at March 31, 2018:

(₹ in crores)

	Gross amount recognised	Gross amount recognised as set off in the balance sheet	Net amount presented in the balance sheet	Amounts subject to an enforceable master netting arrangement		Net amount after offsetting
				Financial instruments	Cash collateral	
Financial assets						
(a) Derivative financial instruments	242.34	-	242.34	-	-	242.34
(b) Trade receivables	3,670.42	(190.61)	3,479.81	-	-	3,479.81
(c) Loans and advances-current	157.36	(17.09)	140.27	-	-	140.27
Total	**4,070.12**	**(207.70)**	**3,862.42**	**-**	**-**	**3,862.42**
Financial liabilities						
(a) Derivative financial instruments	1.29	-	1.29	-	-	1.29
(b) Trade payables	9,618.75	(207.70)	9,411.05	-	-	9,411.05
Total	**9,620.04**	**(207.70)**	**9,412.34**	**-**	**-**	**9,412.34**

Notes Forming Part of Financial Statements

(c) Financial risk management

In the course of its business, the Company is exposed primarily to fluctuations in foreign currency exchange rates, interest rates, equity prices, liquidity and credit risk, which may adversely impact the fair value of its financial instruments.

The Company has a risk management policy which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the board of directors. The risk management framework aims to:

- Create a stable business planning environment by reducing the impact of currency and interest rate fluctuations on the Company's business plan.
- Achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

(i) Market risk

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

(i) (a) Foreign currency exchange rate risk:

The fluctuation in foreign currency exchange rates may have potential impact on the income statement and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency.

Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in U.S. dollar, Euro and Thai Baht against the respective functional currencies of the Company.

The Company, as per its risk management policy, uses foreign exchange and other derivative instruments primarily to hedge foreign exchange and interest rate exposure. Any weakening of the functional currency may impact the Company's cost of exports and cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures.

The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in accordance with its risk management policies.

The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates of each currency by 10%.

The exposure as indicated below is mitigated by some of the derivative contracts entered into by the Company as disclosed in (iv) derivative financial instruments and risk management below.

The following table sets forth information relating to foreign currency exposure (other than risk arising from derivatives disclosed at clause (iv) below) as of March 31, 2019:

(₹ in crores)

	U.S. dollar	Euro	GBP	ZAR	Others[1]	Total
Financial assets	382.70	26.61	96.32	22.64	11.83	**540.10**
Financial liabilities	6,337.49	270.76	169.38	8.70	36.80	**6,823.13**

[1] Others mainly include currencies such as the Russian ruble, Japanese yen, Swiss franc, Australian dollars, Thai bahts and Korean won.

10% appreciation/depreciation of the respective foreign currencies with respect to functional currency of the Company would result in decrease/increase in the Company's net profit/(loss) before tax by approximately **₹54.01 crores** and **₹682.31 crores** for financial assets and financial liabilities respectively for the year ended March 31, 2019.

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The following table sets forth information relating to foreign currency exposure (other than risk arising from derivatives disclosed at clause (iv) below) as of March 31, 2018:

(₹ in crores)

	U.S. dollar	Euro	GBP	THB	Others[2]	Total
Financial assets	591.30	18.14	95.09	128.80	27.69	**861.02**
Financial liabilities	6,157.54	175.97	523.79	3.15	29.87	**6,890.32**

[2] Others mainly include currencies such as the Russian ruble, Japanese yen, Swiss franc, Australian dollars, South African rand and Korean won.

10% appreciation/depreciation of the respective foreign currencies with respect to functional currency of the Company would result in decrease/increase in the Company's net profit/(loss) before tax by approximately ₹86.10 crores and ₹689.03 crores for financial assets and financial liabilities, respectively for the year ended March 31, 2018.

(Note: The impact is indicated on the profit/(loss) before tax basis.)

(i) (b) Interest rate risk

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Company's cash flows as well as costs.

The Company is subject to variable interest rates on some of its interest bearing liabilities. The Company's interest rate exposure is mainly related to debt obligations. The Company also uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like short term loans.

As at March 31, 2019 and 2018, financial liability of ₹**5,176.20 crores** and ₹3,239.35 crores, respectively, was subject to variable interest rates. Increase/decrease of 100 basis points in interest rates at the balance sheet date would result in decrease/increase in profit/(loss) before tax of ₹**51.76 crores** and ₹32.39 crores for the year ended March 31, 2019 and 2018, respectively.

The model assumes that interest rate changes are instantaneous parallel shifts in the yield curve. Although some assets and liabilities may have similar maturities or periods to re-pricing, these may not react correspondingly to changes in market interest rates. Also, the interest rates on some types of assets and liabilities may fluctuate with changes in market interest rates, while interest rates on other types of assets may change with a lag.

The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

(Note: The impact is indicated on the profit/(loss) before tax basis).

(i) (c) Equity Price risk

Equity Price Risk is related to the change in market reference price of the investments in equity securities.

The fair value of some of the Company's investments measured at fair value through other comprehensive income exposes the Company to equity price risks. These investments are subject to changes in the market price of securities. The fair value of Company's investment in quoted equity securities as of March 31, 2019 and 2018 was ₹**271.07 crores** and ₹303.84 crores, respectively. A 10% change in equity price as of March 31, 2019 and 2018 would result in an impact of ₹**27.11 crores** and ₹30.38 crores, respectively.

(Note: The impact is indicated on equity before consequential tax impact, if any).

Notes Forming Part of Financial Statements

(ii) Credit risk

Credit risk is the risk of financial loss arising from counter-party failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks.

Financial instruments that are subject to concentrations of credit risk, principally consist of investments classified as fair value through profit and loss, trade receivables, loans and advances and derivative financial instruments. None of the financial instruments of the Company result in material concentrations of credit risks.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹**8,619.83 crores** and ₹7,819.91 crores as at March 31, 2019 and 2018, respectively, being the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables, finance receivables, margin money and other financial assets excluding equity investments.

Financial assets that are neither past due nor impaired

None of the Company's cash equivalents, including time deposits with banks, are past due or impaired. Regarding trade receivables and other receivables, and other loans or receivables that are neither impaired nor past due, there were no indications as at March 31, 2019, that defaults in payment obligations will occur.

Credit quality of financial assets and impairment loss

The ageing of trade receivables as of balance sheet date is given below. The age analysis has been considered from the due date.

(₹ in crores)

Trade receivables	As at March 31, 2019			As at March 31, 2018		
	Gross	Allowance	Net	Gross	Allowance	Net
Period (in months)						
(a) Not due	1,260.50	(4.76)	1,255.74	1,674.79	(8.10)	1,666.69
(b) Overdue up to 3 months	1,274.10	(5.60)	1,268.50	1,133.46	(33.60)	1,099.86
(c) Overdue 3-6 months	183.80	(16.00)	167.80	144.00	(12.50)	131.50
(d) Overdue more than 6 months	1,133.10	(574.50)	558.60	1,071.06	(489.30)	581.76
Total	**3,851.50**	**(600.86)**	**3,250.64**	**4,023.31**	**(543.50)**	**3,479.81**

Trade receivables overdue more than six months include ₹**513.08 crores** as at March 31, 2019 (₹462.22 crores as at March 31, 2018) outstanding from state government organisations in India, which are considered recoverable.

Trade receivables consist of a large number of various types of customers, spread across geographical areas. Ongoing credit evaluation is performed on the financial condition of these trade receivables and where appropriate allowance for losses are provided. Further the Company, groups the trade receivables depending on type of customers and accordingly credit risk is determined.

Notes Forming Part of Financial Statements

(iii) Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company has obtained fund and non-fund based working capital lines from various banks. Further, the Company has access to funds from debt markets through commercial paper programs, non-convertible debentures, senior notes and other debt instruments. The Company invests its surplus funds in bank fixed deposit and liquid and liquid plus schemes of mutual funds, which carry no/low mark to market risks. The Company has also invested 15% of the non-convertible debentures (taken/issued by the Company) falling due for repayment in the next 12 months in bank deposits, to meet the regulatory norms of liquidity requirements.

The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

The table below provides details regarding the contractual maturities of financial liabilities, including estimated interest payments as at March 31, 2019:

(₹ in crores)

Financial liabilities	Carrying amount	Due in 1st Year	Due in 2nd Year	Due in 3rd to 5th Year	Due after 5th Year	Total contractual cash flows
(a) Trade payables	10,408.83	10,408.83	-	-	-	**10,408.83**
(b) Acceptances	3,093.28	3,093.28	-	-	-	**3,093.28**
(c) Borrowings and interest thereon	19,012.67	6,183.66	5,140.86	7,046.68	4,745.97	**23,117.17**
(d) Other financial liabilities	874.68	752.31	21.41	71.79	56.85	**902.36**
(e) Derivative liabilities	68.96	10.53	0.86	-	57.57	**68.96**
Total	**33,458.42**	**20,448.61**	**5,163.13**	**7,118.47**	**4,860.39**	**37,590.60**

The table below provides details regarding the contractual maturities of financial liabilities, including estimated interest payments as at March 31, 2018:

(₹ in crores)

Financial liabilities	Carrying amount	Due in 1st Year	Due in 2nd Year	Due in 3rd to 5th Year	Due after 5th Year	Total contractual cash flows
(a) Trade payables	9,411.05	9,411.05	-	-	-	**9,411.05**
(b) Acceptances	4,814.58	4,814.58	-	-	-	**4,814.58**
(c) Borrowings and interest thereon	18,963.90	6,238.08	2,006.03	10,638.87	3,570.94	**22,453.92**
(d) Other financial liabilities	1,593.03	1,401.69	83.97	86.30	73.47	**1,645.43**
(e) Derivative liabilities	1.29	1.29	-	-	-	**1.29**
	34,783.85	**21,866.69**	**2,090.00**	**10,725.17**	**3,644.41**	**38,326.27**

(iv) Derivative financial instruments and risk management

The Company has entered into a variety of foreign currency, interest rates and commodity forward contracts and options to manage its exposure to fluctuations in foreign exchange rates, interest rates and commodity price risk. The counter-party is generally a bank. These financial exposures are managed in accordance with the Company's risk management policies and procedures.

The Company also enters into interest rate swaps and interest rate currency swap agreements, mainly to manage exposure on its fixed rate or variable rate debt. The Company uses interest rate derivatives or currency swaps to hedge exposure to exchange rate fluctuations on principal and interest payments for borrowings denominated in foreign currencies.

Specific transactional risks include risks like liquidity and pricing risks, interest rate and exchange rate fluctuation risks, volatility risks, counter-party risks, settlement risks and gearing risks.

Fair value of derivative financial instruments are determined using valuation techniques based on information derived from observable market data.

The fair value of derivative financial instruments is as follows:

(₹ in crores)

	As at March 31, 2019	As at March 31, 2018
(a) Foreign currency forward exchange contracts and options	378.91	245.74
(b) Commodity Derivatives	1.70	(4.69)
(c) Interest rate derivatives	(57.57)	-
Total	**323.04**	**241.05**

The gain/loss due to fluctuation in foreign currency exchange rates on derivative contracts, recognised in the income statement was ₹**36.84 crores** (gain) and ₹6.31 crores (loss) for the years ended March 31, 2019 and 2018, respectively.

The gain/(loss) on commodity derivative contracts, recognised in the income statement was ₹**2.46 crores** and ₹6.07 crores for the years ended March 31, 2019 and 2018, respectively.

Notes Forming Part of Financial Statements

43. Segment reporting

The Company primarily operates in the automotive segment. The automotive segment includes all activities relating to development, design, manufacture, assembly and sale of vehicles, as well as sale of related parts and accessories. The Company's products mainly include commercial vehicles and passenger vehicles.

A core initiative of the Company was the implementation of the Organisation Effectiveness (OE) program, a strategic program designed to overhaul and transform the Company pursuant to the changes implemented as a result of the OE program, the Company has drawn separate strategies for commercial vehicles and passenger vehicles from Fiscal 2019

Consequent to these changes, from April 1, 2018, the automotive segment is bifurcated into the following:

(i) Commercial vehicles

(ii) Passenger vehicles

(₹ in crores)

	For the year ended/as at March 31, 2019			
	Commercial Vehicle	Passenger* Vehicle	Corporate/ Unallocable	Total
Revenues:				
External revenue	54,036.54	15,052.30	113.92	69,202.76
Inter-segment/intra-segment revenue	-	-	-	-
Total revenues	**54,036.54**	**15,052.30**	**113.92**	**69,202.76**
Segment results before other income (excluding incentives), finance costs, foreign exchange gain/(loss) (net), exceptional items and tax :	4,423.50	(1,396.08)	(349.92)	2,677.50
Reconciliation to Profit before tax:				
Other income (excluding incentives)				1,933.29
Finance costs				(1,793.57)
Foreign exchange gain/(loss) (net)				(215.22)
Exceptional items gain/(loss) (net)	(175.51)	(118.04)	90.48	(203.07)
Profit before tax				**2,398.93**
Depreciation and amortisation expense	1,533.86	1,409.40	155.38	3,098.64
Capital expenditure	2,047.89	3,191.75	76.36	5,316.00
Segment assets	22,247.03	17,650.27	-	39,897.30
Reconciliation to total assets:				
Assets classified as held for sale				162.24
Investments in subsidiaries, associates and joint ventures				15,028.62
Other investments				1,838.75
Current and non-current tax assets (net)				715.30
Other unallocated assets				3,267.42
Total assets				**60,909.63**
Segment liabilities	14,327.47	3,477.23	-	17,804.70
Reconciliation to total liabilities:				
Borrowings				18,639.63
Current tax liabilities (net)				78.30
Deferred tax liabilities (net)				205.86
Other unallocated financial liabilities				2,018.62
Total liabilities				**38,747.11**

* Includes Tata and Fiat brand vehicles.

Notes Forming Part of Financial Statements

(₹ in crores)

	For the year ended/as at March 31, 2018			
	Commercial Vehicle	Passenger* Vehicle	Corporate/ Unallocable	Total
Revenues:				
External revenue	44,875.54	13,644.58	169.69	58,689.81
Inter-segment/intra-segment revenue	-	-	-	-
Total revenues	**44,875.54**	**13,644.58**	**169.69**	**58,689.81**
Segment results before other income (excluding incentives), finance costs, foreign exchange gain/(loss) (net), exceptional items and tax :	3,474.29	(2,985.13)	(265.45)	223.71
Reconciliation to Profit before tax:				
Other income (excluding incentives)				1,557.60
Finance costs				(1,744.43)
Foreign exchange loss (net)				(17.14)
Exceptional items	(166.66)	(800.00)	-	(966.66)
Profit before tax				**(946.92)**
Depreciation and amortisation expense	1,485.90	1,470.25	145.74	3,101.89
Capital expenditure	1,276.60	2,220.14	85.98	3,582.72
Segment assets	23,083.79	16,336.60	-	39,420.39
Reconciliation to total assets:				
Assets classified as held for sale				223.33
Investments in subsidiaries, associates and joint ventures				14,632.51
Other investments				2,131.06
Current & non-current tax assets (net)				769.63
Other unallocable assets				2,035.38
Total assets				**59,212.30**
Segment liabilities	13,176.50	3,845.67	-	17,022.17
Reconciliation to total liabilities:				
Borrowings				18,463.84
Current tax liabilities (net)				21.77
Deferred tax liabilities (net)				154.61
Other unallocated financial liabilities				3,378.93
Total liabilities				**39,041.32**

* Includes Tata and Fiat brand vehicles.

Information concerning principal geographic areas is as follows:	For the year ended/as at March 31, 2019			For the year ended/as at March 31, 2018		
	Within India	Outside India	Total	Within India	Outside India	Total
Net sales to external customers by geographic area by location of customers	63,426.04	5,776.72	**69,202.76**	53,709.49	4,980.32	**58,689.81**
Non- Current Assets (Property, plant and equipment, intangible assets, other non-current assets and Goodwill) by geographic area	28,654.75	45.28	**28,700.03**	26,881.26	46.83	**26,928.09**

Notes Forming Part of Financial Statements

44. Related-party transactions

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

The following table summarises related-party transactions and balances for the year ended / as at March 31, 2019:

(₹ in crores)

	Subsidiaries	Joint Arrangements	Associates and its subsidiaries	Tata Sons Pvt Ltd, its subsidiaries and joint arrangements	Total
Purchase of products	1,347.76	3,943.18	2,350.45	202.47	**7,843.86**
Sale of products	5,532.96	826.43	325.91	504.53	**7,189.83**
Services received	1,095.42	-	46.20	244.37	**1,385.99**
Services rendered	174.10	6.37	14.32	0.53	**195.32**
Bills discounted	-	-	-	5,493.78	**5,493.78**
Purchase of property, plant and equipment	11.53	-	13.45	0.79	**25.77**
Sale of fixed assets (inclusive of taxes)	-	0.43	-	-	**0.43**
Purchase of business	0.10	-	-	-	**0.10**
Sale of investments	-	-	-	533.35	**533.35**
Finance given (including loans and equity)	708.57	5.75	-	-	**714.32**
Finance taken (including loans and equity)	2,242.50	-	177.00	-	**2,419.50**
Finance taken, paid back (including loans and equity)	2,331.00	-	210.00	-	**2,541.00**
Interest (income)/expense, dividend (income)/paid, net	(1,459.92)	(26.16)	(12.34)	6.62	**(1,491.80)**
Amounts receivable in respect of loans and interest thereon	637.21	3.75	-	-	**640.96**
Amounts payable in respect of loans and interest thereon	59.25	-	23.00	0.68	**82.93**
Trade and other receivables	239.14	3.11	52.03	72.71	**366.99**
Trade payables	637.84	248.47	304.22	38.53	**1,229.06**
Acceptances	-	-	-	69.13	**69.13**
Deposit taken as security	3.31	-	-	-	**3.31**
Provision for amount receivable (including loans)	639.49	-	-	-	**639.49**

Notes Forming Part of Financial Statements

The following table summarises related-party transactions and balances for the year ended / as at March 31, 2018:

(₹ in crores)

	Subsidiaries	Joint Arrangements	Associates and its subsidiaries	Tata Sons Pvt Ltd, its subsidiaries and joint arrangements	Total
Purchase of products	1,217.67	3,163.05	2,595.40	170.71	**7,146.83**
Sale of products	5,918.05	545.49	199.80	453.26	**7,116.60**
Services received	2,548.55	-	8.82	256.29	**2,813.66**
Services rendered	221.54	4.31	13.05	1.59	**240.49**
Bills discounted	-	-	-	4,135.03	**4,135.03**
Purchase of property, plant and equipment	41.25	-	62.43	0.18	**103.86**
Finance given (including loans and equity)	-	2.50	-	-	**2.50**
Interest (income)/expense, dividend (income)/paid, net	(931.25)	(4.56)	(9.43)	3.93	**(941.31)**
Finance given, taken back (including loans and equity)	60.00	-	-	-	**60.00**
Finance taken (including loans and equity)	1,773.55	-	489.00	-	**2,262.55**
Finance taken, paid back (including loans and equity)	1,746.80	-	489.00	-	**2,235.80**
Assets/deposits given as security	2.35	-	-	-	**2.35**
Amounts receivable in respect of loans and interest thereon	637.37	-	-	-	**637.37**
Amounts payable in respect of loans and interest thereon	147.75	-	56.00	2.10	**205.85**
Trade and other receivables	564.28	-	61.18	61.59	**687.05**
Trade payables	1,592.08	184.81	149.57	67.43	**1,993.89**
Acceptances	-	-	-	220.16	**220.16**
Assets / deposits given as security	2.54	-	-	3.00	**5.54**
Deposit taken as security	3.31	-	-	-	**3.31**
Provision for amount receivable (including loans)	639.49	-	-	-	**639.49**

Note: With the introduction of GST from July 01, 2017, the related party transactions reported does not include indirect tax component. The previous period figures to that extent is not comparable.

Details of significant transactions are given below:

Name of Related Party		Nature of relationship	Year ended March 31, 2019	Year ended March 31, 2018
i)	**Bill discounted**			
	Tata Capital	Tata Sons Pvt Ltd, its subsidiaries and joint arrangements	5,493.78	4,135.03
ii)	**Dividend Income**			
	TML Holding Pte Ltd, Singapore	Subsidiaries	1,336.25	789.85
iii)	**Sale of investments**			
	Tata Advanced Systems Ltd	Tata Sons Pvt Ltd, its subsidiaries and joint arrangements	533.35	-

Notes Forming Part of Financial Statements

Compensation of key management personnel:

(₹ in crores)

	Year ended March 31, 2019	Year ended March 31, 2018
Short-term benefits	36.35	39.49
Post-employment benefits*	0.68	1.88
Employees stock option plan	0.44	-

The compensation of CEO and Managing Director is ₹**26.32 crores** and ₹26.42 crores for the year ended March 31,2019 and 2018, respectively.

* Excludes provision for encashable leave and gratuity for certain key management personnel as a separate actuarial valuation is not available.

Refer note 47 for information on transactions with post employment benefit plans.

45. 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 as at March 31, 2019, on a standalone basis.

(₹ in crores)

	Outstanding as at March 31, 2019/ March 31, 2018	Maximum amount outstanding during the year
Name of the Company		
(i) **Subsidiaries:**		
Tata Motors European Technical Centre Plc., UK	**38.46**	**38.46**
[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 Land rover Ltd and carried an interest rate of 12 months LIBOR+ 3% prevailing rate (5.9808% p.a- 7.1358% p.a]	39.22	39.22
Tata Hispano Motors Carrocera S.A.	**539.40**	**539.40**
(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
Tata Hispano Motors Carroceries Maghreb SA	**58.39**	**58.39**
(Tata Hispano Motors Carroceries Maghreb SA has utilised this loan for general corporate purposes, which is partly provided).	58.39	58.39
Tata Precision Industries Pte Ltd	**0.51**	**0.51**
(Tata Precision Industries Ltd has utilised this loan for general corporate purposes and carried an interest rate of 5% p.a.)	-	-
(ii) **Joint arrangement:**		
JT Special Vehicle (P) Ltd	**3.75**	**3.75**
(JT Special Vehicle (P) Ltd has utilised this loan for general corporate purposes and carried an interest rate of 9.76% p.a.)	-	-
JT Special Vehicle (P) Ltd	**2.00**	**2.00**
(Inter corporate deposit utilised for working capital finance at the rate of interest of 10% having call/put option)	-	-

(b) Details of Investments made are given in notes 6, 7, 8 and 9.

Notes Forming Part of Financial Statements

46. Details of significant investments in subsidiaries, joint ventures and associates

Name of the Company	Country of incorporation/ Place of business	% direct holding	
		As at March 31, 2019	as at March 31, 2018
Subsidiaries			
TAL Manufacturing Solutions Ltd (ceased to be subsidiary w.e.f March 29, 2019)	India	-	100.00
Concorde Motors (India) Ltd	India	100.00	100.00
Tata Motors Insurance Broking & Advisory Services Ltd	India	100.00	100.00
Tata Motors European Technical Centre Plc	UK	100.00	100.00
Tata Technologies Ltd	India	72.28	72.29
TMF Holdings Ltd	India	100.00	100.00
Tata Marcopolo Motors Ltd	India	51.00	51.00
TML Holdings Pte Ltd	Singapore	100.00	100.00
TML Distribution Company Ltd	India	100.00	100.00
Tata Hispano Motors Carrocera S.A	Spain	100.00	100.00
Tata Hispano Motors Carroceries Maghreb S.A	Morocco	100.00	100.00
Trilix S.r.l	Italy	100.00	80.00
Tata Precision Industries Pte Ltd	Singapore	78.39	78.39
Joint Ventures			
JT Special Vehicle (P) Ltd.	India	50.00	50.00
Associates			
Automobile Corporation of Goa Ltd	India	46.44	46.44
Nita Co. Ltd	Bangladesh	40.00	40.00
Tata AutoComp Systems Ltd	India	26.00	26.00
Tata Hitachi Construction Machinery Company Private Ltd	India	39.74	39.74

47. Employee benefits

Defined Benefit Plan

Pension and post retirement medical plans

The following table sets out the funded and unfunded status and the amounts recognised in the financial statements for the pension and the post retirement medical plans in respect of Tata Motors and joint operations:

(₹ in crores)

	Pension Benefits		Post retirement medical Benefits	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Change in defined benefit obligations :				
Defined benefit obligation, beginning of the year	898.18	860.35	138.55	169.31
Current service cost	59.49	56.64	6.76	8.89
Interest cost	66.56	60.26	10.33	12.01
Remeasurements (gains) / losses				
Actuarial (gains) / losses arising from changes in demographic assumptions	0.28	(11.28)	-	(11.17)

Notes Forming Part of Financial Statements

(₹ in crores)

	Pension Benefits		Post retirement medical Benefits	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Actuarial (gains) / losses arising from changes in financial assumptions	15.70	25.21	9.91	(2.65)
Actuarial (gains) / losses arising from changes in experience adjustments	55.64	8.70	(14.62)	(28.24)
Transfer in/(out) of liability	6.88	1.58	2.30	-
Benefits paid from plan assets	(59.37)	(105.49)	-	-
Benefits paid directly by employer	(5.54)	(5.34)	(9.00)	(9.60)
Past service cost- plan amendments	0.39	7.55	-	-
Defined benefit obligation, end of the year	**1,038.21**	**898.18**	**144.23**	**138.55**
Change in plan assets:				
Fair value of plan assets, beginning of the year	799.73	738.53	-	-
Interest income	63.23	55.42	-	-
Remeasurements gains / (losses)				
Return on plan assets, (excluding amount included in net Interest expense)	(0.23)	(0.59)	-	-
Employer's contributions	105.36	110.28	-	-
Transfer in/(out) of assets	5.89	1.58	-	-
Benefits paid	(59.37)	(105.49)	-	-
Fair value of plan assets, end of the year	**914.61**	**799.73**	**-**	**-**

(₹ in crores)

	Pension Benefits		Post retirement medical Benefits	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Amount recognised in the balance sheet consists of				
Present value of defined benefit obligation	1,038.21	898.18	144.23	138.55
Fair value of plan assets	914.61	799.73	-	-
Net liability	**(123.60)**	**(98.45)**	**(144.23)**	**(138.55)**
Amounts in the balance sheet:				
Non–current assets	0.87	0.82	-	-
Non–current liabilities	(124.47)	(99.27)	(144.23)	(138.55)
Net liability	**(123.60)**	**(98.45)**	**(144.23)**	**(138.55)**

Notes Forming Part of Financial Statements

Total amount recognised in other comprehensive income consists of:

(₹ in crores)

	Pension Benefits		Post retirement medical Benefits	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Remeasurements (gains) / losses	66.86	(4.99)	(44.91)	(40.20)
	66.86	**(4.99)**	**(44.91)**	**(40.20)**

Information for funded plans with a defined benefit obligation in excess of plan assets:

(₹ in crores)

	Pension Benefits	
	As at March 31, 2019	As at March 31, 2018
Defined benefit obligation	905.33	44.71
Fair value of plan assets	894.09	41.99

Information for funded plans with a defined benefit obligation less than plan assets:

(₹ in crores)

	Pension Benefits	
	As at March 31, 2019	As at March 31, 2018
Defined benefit obligation	19.65	756.92
Fair value of plan assets	20.52	757.74

Information for unfunded plans:

(₹ in crores)

	Pension Benefits		Post retirement medical Benefits	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Defined benefit obligation	113.23	96.55	144.23	138.55

Net pension and post retirement medical cost consist of the following components:

(₹ in crores)

	Pension Benefits		Post retirement medical Benefits	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Service cost	59.49	56.64	6.76	8.89
Net interest cost / (income)	3.33	4.84	10.33	12.01
Past service cost- plan amendments	0.39	7.55	-	-
Net periodic cost	**63.21**	**69.03**	**17.09**	**20.90**

Notes Forming Part of Financial Statements

Other changes in plan assets and benefit obligation recognised in other comprehensive income.

(₹ in crores)

	Pension Benefits		Post retirement medical Benefits	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Remeasurements				
Return on plan assets, (excluding amount included in net Interest expense)	0.23	0.59	-	-
Actuarial (gains) / losses arising from changes in demographic assumptions	0.28	(11.28)	-	(11.17)
Actuarial (gains) / losses arising from changes in financial assumptions	15.70	25.21	9.91	(2.65)
Actuarial (gains) / losses arising from changes in experience adjustments on plan liabilities	55.64	8.70	(14.62)	(28.24)
Total recognised in other comprehensive income	**71.85**	**23.22**	**(4.71)**	**(42.06)**
Total recognised in statement of profit and loss and other comprehensive income	**135.06**	**92.25**	**12.38**	**(21.16)**

The assumptions used in accounting for the pension and post retirement medical plans are set out below:

	Pension Benefits		Post retirement medical Benefits	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Discount rate	6.75%-7.70%	6.75%-7.70%	7.60%	7.70%
Rate of increase in compensation level of covered employees	6.00% - 10.00%	6.00% - 8.00%	NA	NA
Increase in health care cost	NA	NA	6.00%	6.00%

Plan Assets

The fair value of Company's pension plan asset as of March 31, 2019 and 2018 by category are as follows:

	Pension Benefits	
	As at March 31, 2019	As at March 31, 2018
Asset category:		
Cash and cash equivalents	7.2%	6.5%
Debt instruments (quoted)	66.4%	65.2%
Debt instruments (unquoted)	0.8%	0.9%
Equity instruments (quoted)	2.9%	1.9%
Deposits with Insurance companies	22.7%	25.5%
	100.0%	**100.0%**

Notes Forming Part of Financial Statements

The Company's policy is driven by considerations of maximising returns while ensuring credit quality of the debt instruments. The asset allocation for plan assets is determined based on investment criteria prescribed under the Indian Income Tax Act, 1961, and is also subject to other exposure limitations. The Company evaluates the risks, transaction costs and liquidity for potential investments. To measure plan asset performance, the Company compares actual returns for each asset category with published bench marks.

The weighted average duration of the defined benefit obligation as at March 31, 2019 is **14.4 years** (March 31, 2018 : 14.5 years).

The Company expects to contribute ₹**87.58 crores** to the funded pension plans during the year ended March 31, 2020.

The table below outlines the effect on the service cost, the interest cost and the defined benefit obligation in the event of a decrease/increase of 1% in the assumed rate of discount rate, salary escalation and health care cost:

Assumption	**Change in assumption**	**Impact on defined benefit obligation**	**Impact on service cost and interest cost**
Discount rate	Increase by 1%	Decrease by ₹ 89.32 crores	Decrease by ₹ 18.30 crores
	Decrease by 1%	Increase by ₹ 101.15 crores	Increase by ₹ 19.09 crores
Salary escalation rate	Increase by 1%	Increase by ₹ 80.52 crores	Increase by ₹ 18.08 crores
	Decrease by 1%	Decrease by ₹ 71.56 crores	Decrease by ₹ 15.98 crores
Health care cost	Increase by 1%	Increase by ₹ 17.36 crores	Increase by ₹ 3.64 crores
	Decrease by 1%	Decrease by ₹ 14.69 crores	Decrease by ₹ 3.49 crores

The Company's contribution to defined contribution plan aggregated to ₹**184.80 crores** and ₹182.20 crores for the years ended March 31, 2019 and 2018 respectively.

Notes Forming Part of Financial Statements

48 Additional information

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

A. Balance Sheet

(₹ in crores)

Particulars	As at March 31, 2019	As at March 31, 2018
I. ASSETS		
(1) NON-CURRENT ASSETS		
(a) Property, plant and equipment	16,353.39	16,030.88
(b) Capital work-in-progress	2,018.21	1,337.89
(c) Other intangible assets	3,731.44	3,198.53
(d) Intangible assets under development	4,119.15	3,811.03
(e) Investments in subsidiaries, joint arrangements and associates	16,427.86	15,607.64
(f) Financial assets		
(i) Investments	663.38	310.19
(ii) Loans and advances	142.51	143.36
(iii) Other financial assets	1,015.44	784.46
(g) Non-current tax assets (net)	660.20	650.46
(h) Other non-current assets	1,648.04	1,419.52
	46,779.62	**43,293.96**
(2) CURRENT ASSETS		
(a) Inventories	4,022.41	4,925.47
(b) Investments in subsidiaries and associates (held-for-sale)	257.81	681.91
(c) Financial assets		
(i) Investments	1,102.17	1,820.87
(ii) Trade receivables	2,940.49	2,960.93
(iii) Cash and cash equivalents	416.72	499.65
(iv) Bank balances other than (iii) above	763.64	180.38
(v) Loans and advances	161.61	136.37
(vi) Other financial assets	1,112.36	525.36
(d) Current tax assets (net)	-	73.88
(e) Assets classified as held-for-sale	162.24	223.33
(f) Other current assets	774.25	1,172.45
	11,713.70	**13,200.60**
TOTAL ASSETS	**58,493.32**	**56,494.56**
II. EQUITY AND LIABILITIES		
EQUITY		
(a) Equity share capital	679.22	679.22
(b) Other equity	20,879.27	19,004.01
	21,558.49	**19,683.23**
LIABILITIES		
(1) NON-CURRENT LIABILITIES		
(a) Financial liabilities		
(i) Borrowings	13,330.00	12,517.97
(ii) Other financial liabilities	180.80	211.28
(b) Provisions	1,251.44	983.55
(c) Other non-current liabilities	142.96	97.90
	14,905.20	**13,810.70**
(2) CURRENT LIABILITIES		
(a) Financial liabilities		
(i) Borrowings	3,529.50	2,880.34
(ii) Trade payables		
(a) Total outstanding dues of micro and small enterprises	123.09	123.27
(b) Total outstanding dues of creditors other than micro and small enterprises	9,780.42	8,543.86
(iii) Acceptances	3,093.28	4,814.58
(iv) Other financial liabilities	2,057.07	3,936.77
(b) Provisions	1,149.31	852.93
(c) Current tax liabilities (net)	55.10	14.76
(d) Other current liabilities	2,241.86	1,834.12
	22,029.63	**23,000.63**
TOTAL EQUITY AND LIABILITIES	**58,493.32**	**56,494.56**

Notes Forming Part of Financial Statements

B. Statement of Profit and Loss

(₹ in crores)

	Particulars		Year ended March 31, 2019	Year ended March 31, 2018
	Revenue from operations			
	Revenue		67,209.22	56,081.36
	Other operating revenue		401.85	451.84
I.	Total revenue from operations		**67,611.07**	**56,533.20**
II.	Other Income		2,381.45	2,283.40
III.	**Total Income (I+II)**		**69,992.52**	**58,816.60**
IV.	**Expenses**			
	(a) Cost of materials consumed		41,843.32	35,011.52
	(b) Purchases of products for sale		8,181.65	5,724.01
	(c) Changes in inventories of finished goods, work-in-progress and products for sale		118.52	845.67
	(d) Excise duty		-	733.95
	(e) Employee benefits expense		4,054.14	3,767.86
	(f) Finance costs		1,743.64	1,686.59
	(g) Foreign exchange loss (net)		180.88	10.99
	(h) Depreciation and amortisation expense		2,758.58	2,851.27
	(i) Product development/Engineering expenses		571.32	474.55
	(j) Other expenses		9,302.16	8,907.44
	(k) Amount transferred to capital and other accounts		(1,093.54)	(855.08)
	Total Expenses (IV)		**67,660.67**	**59,158.77**
V.	**Profit/(loss) before exceptional items and tax (III-IV)**		2,331.85	(342.17)
VI.	Exceptional items			
	(a) Employee separation cost		4.23	3.68
	(b) Write off/provision of capital work-in-progress and intangibles under development (net)		180.66	962.98
	(c) Provision for impairment of investments in subsidiary companies		241.86	-
	(d) Profit on sale of investment in a subsidiary company		(332.95)	-
	(e) Others		109.27	-
VII.	**Profit/(loss) before tax (V-VI)**		**2,128.78**	**(1,308.83)**
VIII.	**Tax expense (net)**			
	(a) Current tax (including Minimum Alternate Tax)		190.96	6.00
	(b) Deferred tax		33.88	(48.64)
	Total tax expense		**224.84**	**(42.64)**
IX.	**Profit/(loss) for the year from continuing operations (VII-VIII)**		**1,903.94**	**(1,266.19)**
X.	**Other comprehensive income/(loss):**			
	(A) (i) Items that will not be reclassified to profit and loss:			
	(a) Remeasurement gains and (losses) on defined benefit obligations (net)		(66.64)	16.71
	(b) Quoted equity instruments through other comprehensive income		55.44	44.04
	(ii) Income tax relating to items that will not be reclassified to profit and loss		17.95	(5.78)
	(B) (i) Items that will be reclassified to profit and loss - gains and (losses) in cash flow hedges		(45.72)	(19.56)
	(ii) Income tax relating to items that will be reclassified to profit and loss		15.92	6.77
	Total other comprehensive income/(loss), net of taxes		**(23.05)**	**42.18**
XI.	**Total comprehensive income/(loss) for the year (IX+X)**		**1,880.89**	**(1,224.01)**
XII.	**Earnings per equity share (EPS)**			
	(a) Ordinary shares:			
	(i) Basic	₹	5.59	(3.73)
	(ii) Diluted	₹	5.59	(3.73)
	(b) 'A' Ordinary shares:			
	(i) Basic	₹	5.69	(3.73)
	(ii) Diluted	₹	5.69	(3.73)

Notes Forming Part of Financial Statements

C. Statement of Changes in Equity for the year ended March 31, 2019

i) Equity Share Capital

(₹ in crores)

Particulars	
Balance as at April 1, 2018	679.22
Proceeds from issue of shares held in abeyance	-
Balance as at March 31, 2019	**679.22**

ii) Other Equity

(₹ in crores)

Particulars	Securities premium	Share based payments reserve	Capital redemption reserve	Debenture redemption	Capital reserve	Retained earnings		Other components of equity (OCI)			Total other equity
						Undistributable (Ind AS 101)	Distributable	Equity instruments through OCI	Hedging reserve	Cost of hedging reserve	
Balance as at April 1, 2018	19,213.93	-	2.28	1,085.94	(345.30)	627.03	(1,606.64)	16.92	(3.14)	12.99	**19,004.01**
Purchase of business from a subsidiary company	-	-	-	-	(14.07)	-	-	-	-	-	**(14.07)**
Profit for the year	-	-	-	-	-	-	1,903.94	-	-	-	**1,903.94**
Other comprehensive income /(loss) for the year	-	-	-	-	-	-	(43.52)	50.27	(23.26)	(6.54)	**(23.05)**
Total comprehensive income/(loss) for the year	**-**	**-**	**-**	**-**	**-**	**-**	**1,860.42**	**50.27**	**(23.26)**	**(6.54)**	**1,880.89**
Realised gain on investments held at fair value through Other comprehensive income	-	-	-	-	-	-	4.93	(4.93)	-	-	**-**
Share-based payments	-	8.44	-	-	-	-	-	-	-	-	**8.44**
Balance as at March 31, 2019	**19,213.93**	**8.44**	**2.28**	**1,085.94**	**(359.37)**	**627.03**	**258.71**	**62.26**	**(26.40)**	**6.45**	**20,879.27**

Notes Forming Part of Financial Statements

D. Statement of Changes in Equity for the period ended March 31, 2018

i) Equity Share Capital

(₹ in crores)

Particulars	Equity Share Capital
Balance as at April 1, 2017	679.22
Proceeds from issue of shares held in abeyance	0.00*
Balance as at March 31, 2018	**679.22**

* *less than ₹ 50,000/-*

ii) Other Equity

(₹ in crores)

Particulars	Securities premium	Capital redemption reserve	Debenture redemption reserve	Capital reserve	Retained earnings		Other components of equity (OCI)			Total other equity
					Undistributable (Ind AS 101)	Distributable	Equity instruments through OCI	Hedging reserve	Cost of hedging reserve	
Balance as at April 1, 2017	19,213.93	2.28	1,085.94	(345.30)	627.03	(351.38)	(27.12)	11.26	11.38	**20,228.02**
Loss for the year	-	-	-	-	-	(1,266.19)	-	-	-	**(1,266.19)**
Other comprehensive income /(loss) for the year	-	-	-	-	-	10.93	44.04	(14.40)	1.61	**42.18**
Total comprehensive income/(loss) for the year	**-**	**-**	**-**	**-**	**-**	**(1,255.26)**	**44.04**	**(14.40)**	**1.61**	**(1,224.01)**
Proceeds from issue of shares held in abeyance	0.00*	-	-	-	-	-	-	-	-	**0.00***
Balance as at March 31, 2018	**19,213.93**	**2.28**	**1,085.94**	**(345.30)**	**627.03**	**(1,606.64)**	**16.92**	**(3.14)**	**12.99**	**19,004.01**

* *less than ₹ 50,000/-*

Notes Forming Part of Financial Statements

49. Other notes:

i) Micro, Small and Medium Enterprises Development Act, 2006

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

(₹ in crores)

			As at March 31, 2019	As at March 31, 2018
(a)	Amounts outstanding but not due as at March 31,		126.96	141.59
(b)	Amounts due but unpaid as at March 31,	- Principal	7.16	0.69
(c)	Amounts paid after appointed date during the year	- Principal	56.06	95.50
(d)	Amount of interest accrued and unpaid as at March 31,	- Interest	3.50	2.55
(e)	Amount of estimated interest due and payable for the period from April 1, 2019 to actual date of payment or May 20, 2019 (whichever is earlier)	- Interest	0.13	0.17

ii) Expenditure incurred on Research and Development by Tata Motors Ltd on standalone basis excluding interest in the joint operations

(₹ in crores)

		Year ended March 31, 2019	Year ended March 31, 2018
(a)	Revenue expenditure charged to statement of profit and loss (Product development/ Engineering expenses, exceptional items and works, operations & other expenses)	825.06	923.10
(b)	Revenue expenditure capitalised to intangibles under development during the year	1,864.41	1,362.51
(c)	Capital expenditure in relation to tangible fixed assets	275.78	111.91
		2,965.25	**2,397.52**

iii) On March 29, 2019, TAL Manufacturing Solutions Limited (TAL) has transferred the Non-aerospace business to the Company including but not limited to the transfer of (i) all the employees (ii) all assets related to non-aerospace business and (iii) all past, present and future liabilities in respect of the non-aerospace business. The transaction is between entities within the Group (common control business combination). Hence, the financial statements in respect of prior periods should be restated as if the business combination had occurred from the beginning of the earliest period presented in the financial statements. However, as the amounts are not material, previous year financial statements are not restated.

(iv) 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 books of account.

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

YEZDI NAGPOREWALLA
Partner
Membership No. 049265

Mumbai, May 20, 2019

For and on behalf of the Board

N CHANDRASEKARAN *[DIN: 00121863]*
Chairman

N MUNJEE *[DIN:00010180]*

F S NAYAR *[DIN:00003633]*

V K JAIRATH *[DIN:00391684]*

O P BHATT *[DIN:00548091]*

R SPETH *[DIN:03318908]*

Directors

GUENTER BUTSCHEK *[DIN: 07427375]*
CEO and Managing Director

S B BORWANKAR *[DIN: 01793948]*
ED and Chief Operating Officer

P B BALAJI
Group Chief Financial Officer

H K SETHNA *[FCS: 3507]*
Company Secretary

Mumbai, May 20, 2019

Independent Auditors' Report

To the Members of
Tata Motors Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Tata Motors Limited (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associates and its joint ventures and joint operations, which comprise the consolidated balance sheet as at 31 March 2019, and the consolidated statement of Profit and Loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries, associates, joint ventures and joint operations as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("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, joint ventures and joint operations as at 31 March 2019, of its consolidated loss and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment and based on the consideration of reports of other auditors on separate financial statements of components audited by them, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter

1. **The impact of uncertainties due to the United Kingdom exiting the European Union (Brexit), reported by the component auditor of Jaguar Land Rover Automotive Plc (hereinafter referred to as JLR Group)**

All audits assess and challenge the reasonableness of estimates, in particular as described in the key audit matters on the valuation of long-life intangible assets and capitalisation of product engineering costs (together referred to as "the key audit matters affected" and explained in section 4 and 5 below) and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements (see section 7 below). All of these depend on assessments of the future economic environment and the JLR Group's future prospects and performance.

Brexit is one of the most significant economic events for the UK and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown.

How the matter was addressed in the audit

The component auditor developed a standardised approach to the consideration of the uncertainties arising from Brexit in planning and performing the audit. Their procedures included:

- **Brexit knowledge:** The component auditor considered the JLR Group's directors' assessment of Brexit-related sources of risk for the JLR Group's business and financial resources compared with their own understanding of the risks. They considered the directors' plans to take action to mitigate the risks;
- **Sensitivity analysis:** When addressing the key audit matters affected and other areas that depend on forecasts, they compared the directors' analysis to their assessment of the full range of reasonably possible scenarios resulting from Brexit uncertainty and, where forecast cash flows are required to be discounted, considered adjustments to discount rates for the level of remaining uncertainty;
- **Assessing transparency:** Other than assessing individual disclosures as part of their procedures on the key audit matters affected, the component auditor considered all of the Brexit related disclosures together, comparing the overall picture against their understanding of the risks.

However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Description of Key Audit Matter

2. **Impairment testing of long-life property, plant and equipment and intangible assets of passenger vehicles cash generating unit**

The Holding Company has identified passenger vehicle segment as a separate cash generating unit ('CGU'). The history of losses in the passenger vehicle business led the

Holding Company to perform an impairment assessment as at 31 March 2019.

The annual impairment testing of passenger vehicle CGU involves significant judgements and estimates in assessing the recoverable value. The recoverable value is considered to be the higher of the Holding Company's assessment of the value in use (VIU) and fair value less cost of disposal (FVLCD).

There is a risk over the Holding Company's assessment and measurement of impairment due to:

- VIU: uncertainties involved in forecasting of cash flows, including key assumptions such as future sales volumes, prices, margins, overheads, growth rates and weighted average cost of capital.
- FVLCD: uncertainties involved in identifying appropriate comparable companies, estimating their market multiple and estimating the depreciated replacement cost of fixed assets.

(Refer note 2(r) of the consolidated financial statements)

How the matter was addressed in the audit

The audit procedures included:

– **Identification:** Obtained an understanding of Holding Company's evaluation of identification of passenger vehicles segment as a cash generating unit;

– **Controls:** Tested management review controls on the assumptions including underlying cash flow forecasts and impact of macro-economic factors on the forecasts. Tested management's review of the discounted cash flow calculations performed to support the impairment assessment including benchmarking of key assumptions (discount rates, growth rate) and assessment of sensitivities;

– **Completeness and accuracy of the VIU model:** Obtained valuation computation performed by the Holding Company for its impairment assessment and agreed the mathematical accuracy of the VIU by recalculating the cash flow build up;

– **Cash flow forecast assumptions:** Involved independent valuation specialists to assist in the evaluation of the assumptions (discount rate which included comparing the weighted average cost of capital with sector averages for the relevant markets in which the CGU operates and long-term growth rate) and challenged the key assumptions and judgements within the build - up of the cash flow forecast (such as future sales volumes and prices, margins, overheads etc.) and methodologies used by the Holding Company and its experts;

– **Sensitivity analysis:** Assessed the sensitivity of the outcome of impairment assessment to changes in key assumptions such as volumes and margins;

– **FVLCD assumptions:** Compared the market multiple used in the FVLCD to comparative companies and to market data sources with the assistance of specialists.

Description of Key Audit Matter

3. Capitalisation of product development cost by the Holding Company

Product development costs incurred on new vehicle platforms, engines, transaxles and new vehicles are recognised as intangible assets only when technical feasibility has been established, the Holding Company has committed technical and commercial resources to complete the development and use the intangible asset and it is probable that the asset will generate future economic benefits.

The costs capitalised during the year include the cost of technical know-how expenses, materials, direct labour, inspecting and testing charges, designing cost, software expenses and directly attributable overhead expenditure incurred up to the date the intangible asset is available for use including interest capitalised.

The capitalisation of product development cost is considered to be a key audit matter given that the assessment of the capitalisation criteria set out in Ind AS 38 'Intangible Assets' is made at an early stage of product development and there are inherent challenges with accurately predicting the future economic benefit, which must be assessed as 'probable' for capitalisation to commence. There is a risk therefore that development cost may get capitalised where the relevant criteria has not been met.

(Refer note 2(p) and note 6 of the consolidated financial statements)

How the matter was addressed in the audit

The audit procedures included:

– **Controls:** Tested the Holding Company's design and implementation and operating effectiveness of controls around initiation of capitalisation of the product development cost including:

  - management review controls over calculations of the future economic benefit of the projects;
  - observed management's validation of relevant data elements and benchmarking the assumptions;
  - evaluating management's assessment of whether costs recorded meet the capitalisation criteria;
  - observed management's assessment of sensitivity of the impact of the changes in key assumptions;
  - discussed with senior management and challenged management assumptions including key inputs such as volumes, expected revenues and associated costs on projects which have lower headroom.

- **Test of details**: On selected sample of amounts capitalised, we tested:
  - costs incurred towards projects;
  - inspected the technical team's approvals for initiation of capitalisation;
  - reviewed the central cost allocation for the year and determined costs capitalised are 'directly attributable' including the interest capitalised.

Description of Key audit matter

4. Impairment testing of long-life intangible assets, reported by the component auditor of JLR Group

The JLR Group holds a significant amount of long-life intangible assets in a separate cash generating unit. The weak trading performance in China and the falling market capitalisation of the Holding Company, led JLR Group to perform an impairment assessment at both 31 December 2018 and 31 March 2019.

The JLR Group recognised an impairment of ₹27,837.91 crores during the year ended 31 March 2019 in connection with the aforesaid CGU.

The recoverable value is considered to be the higher of the JLR Group's assessment of the value in use ("VIU") methodology and fair value less costs of disposal ("FVLCD") methodology. There is a risk over the JLR Group's assessment and measurement of impairment and therefore the impairment of long-life intangible assets due to:

- VIU Model using optimistic expectations of key assumptions such as future sales volumes, gross margins, overheads and capital expenditure.
- FVLCD Model using optimistic adjustments to those cashflows used within the VIU model to reflect a market valuation of the JLR Group.

(Refer note 2{r} and note 7 of the consolidated financial statements)

How the matter was addressed in the audit

The audit procedures applied by the auditor of the component (JLR Group) included:

- **Historical accuracy:** Evaluated historical forecasting accuracy of key inputs, including cash forecasts by comparing the historical forecasts to the actual results;
- **Historical comparisons:** Assessed appropriateness of JLR Group's assumptions used in the cash flow projections by comparing those, where appropriate, to historical trends in volumes and margins.
- **Benchmarking assumptions:** Assessed appropriateness of the JLR Group's assumptions used in the cash flow projections by comparing to externally derived data in relation to key inputs such as sales volumes and cost inflation and where appropriate taking into consideration historical trends in volumes and margins.
- **Benchmarking assumptions:** Compared the JLR Group's discount rate and long-term growth rate calculation to external benchmark data and comparative companies' rates and reperformed the discount rate calculation using the Capital Asset Pricing Model with the assistance of their valuation specialists;
- **Sensitivity analysis:** Performed a sensitivity analysis over the reasonably possible combination of changes in the forecasts including the impact of potential downside scenarios including a hard Brexit, US tariffs and a slower-than-expected resurgence in the China market;
- **Comparing valuations:** Assessed the JLR Group's reconciliation between the estimated share of the Holding Company's market valuation and its VIU and FVLCD;
- **Benchmarking assumptions:** Compared the earnings multiple used in the FVLCD to comparative companies and to market data sources with the assistance of specialists;
- **Assessing transparency:** Assessed the completeness and accuracy of the disclosures in the consolidated financial statements and ensured that the disclosure reflects the impact of reasonably possible downside assumptions on the amount of impairment.

Description of Key audit matter

5. Capitalisation of product engineering costs, reported by the component auditor of JLR Group

The application of the capitalisation criteria set out in IAS 38 by the JLR Group involves key judgements around the date capitalisation commences.

As a result of noting that the JLR Group capitalises a high proportion of costs related to its product development spend compared to its peers and the JLR group recognising an impairment charge of ₹27,837.91 crores over long-life assets during the year, the component auditor assessed that there is a risk of material misstatement.

The application of the capitalisation criteria set out in IAS 38 by the JLR Group involves key judgements whether the nature of costs capitalised are directly attributable.

(Refer note 2{p} and note 6 of the consolidated financial statements)

How the matter was addressed in the audit

The audit procedures applied by the auditor of the component (JLR Group) included:

- **Controls:** Tested the control over the JLR Group's retrospective review of historically forecast material production costs at the point capitalisation commenced against actual costs observed in manufacture, being a key input to management's assessment of whether future economic benefit of development projects is probable; and the control over the JLR Group's judgements as to whether indirect personnel and overhead costs are considered directly attributable.

- **Benchmarking assumptions:** Compared the assumptions applied in JLR Group's assessment of economic viability to externally derived data in relation to key inputs such as projected volume sales;
- **Assessing forecasts:** Assessed the JLR Group's economic viability calculation by comparing relevant factors to source documentation, application of downside sensitivities to stress test assumptions; and work over the JLR Group's overall forecasts;
- **Historical comparison:** Performed a retrospective review to compare and assess previous economic viability assumptions against the actual outturn;
- **Comparing valuations:** Compared the volumes used in the economic viability forecast produced by the JLR Group to the value in use model used in the impairment of long-life assets' assessment for consistency;

Description of Key audit matter

6. Valuation of pension liabilities, as reported by the component auditor of JLR Group

Small changes in the key assumptions applied to the valuation of the liabilities being the discount rate, inflation rate and mortality / life expectancy used to value the JLR Group's pension obligation (before deducting scheme assets) would have a significant effect on the JLR Group's net pension deficit. The risk is that these assumptions are inappropriate resulting in an inappropriate valuation of scheme liabilities.

(Refer note 2(s) and note 37 of the consolidated financial statements)

How the matter was addressed in the audit

The audit procedures applied by the auditor of the component (JLR Group) included:

- **Controls:** Tested the controls over the assumptions applied in the valuation and inspected the JLR Group's annual validation of the assumptions used by its actuarial expert. Tested the controls operating over selection and monitoring of its actuarial expert for competence and objectivity;
- **Benchmarking assumptions:** Challenged, with the support of their own actuarial specialists, the key assumptions applied to the valuation of the liabilities, being the discount rate, inflation rate and mortality/ life expectancy against externally derived data;
- **Assessing transparency:** Considered the adequacy of the Group's disclosures in the consolidated financial statements in respect of the sensitivity of the deficit to these assumptions.

Description of Key audit matter

7. Going concern, as reported by the component auditor of JLR Group

The financial statements of JLR Group have been prepared on a Going Concern basis.

That judgement is based on an evaluation of the inherent risks to the JLR Group's business model, in particular, risks associated with political uncertainty, and how those risks might affect the JLR Group's financial resources or ability to continue operations over a period of at least a year from the date of approval of the financial statements of the JLR Group.

The risks most likely to adversely affect the JLR Group's available financial resources over this period were:

- The impact of trading disputes between the US and China and the US and EU (leading to potential tariff changes), which are disrupting sales behaviour and consumer confidence in China and the US, and with the potential to cause significant costs to the export of goods;
- The impact of Brexit on the JLR Group's supply chain and on the export of goods by not maintaining free and frictionless trade.

How the matter was addressed in the audit

The audit procedures applied by the auditor of the component (JLR Group) included:

- **Funding assessment:** Evaluated JLR Group's financing terms;
- **Key dependency assessment:** Assessed sufficiency of JLR Group's resources to repay the debt falling due in at least the 18 months from the date of approval of the financial statements.
- **Historical accuracy:** Evaluated historical forecasting accuracy of key inputs, including cash forecasts by comparing to the actual results.
- **Historical comparisons:** Assessed appropriateness of assumptions used in the cash flow projections by comparing those, where appropriate, to historical trends in volumes and margins.
- **Benchmarking assumptions:** Assessed appropriateness of assumptions used in the cash flow projections by comparing to externally derived data in relation to key inputs such as sales volumes and cost inflation and where appropriate taking into consideration historical trends in volumes and margins.
- **Sensitivity analysis:** Considered sensitivities over the level of available financial resources indicated by the JLR Group's financial forecasts taking account of reasonably possible (but not unrealistic) adverse effects that could arise from these risks individually and collectively, such as increased tariffs as a result of Brexit, the US-EU and US-China trade disputes and tariff challenges;

Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associates and joint ventures and joint operations in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures and joint operations are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group and of its associates, joint ventures and joint operations are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates, joint ventures and joint operations is responsible for overseeing the financial reporting process of each company.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group (company and subsidiaries) as well as associates and joint ventures and joint operations to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its associates and joint ventures and joint operations to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors 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.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements / financial information of three subsidiaries, seventy-seven step-down subsidiaries and one joint operation, whose financial statements / financial information reflect total assets of ₹225,217.80 crores as at 31 March 2019, total revenues of ₹234,568.66 crores and net cash flows amounting to ₹5,632.82 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 (and other comprehensive income) of ₹22.16 crores for the year ended 31 March 2019, in respect of six associates and two jointly controlled entities, whose financial statements / financial information have 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, step-down subsidiaries, joint operation, associates and jointly controlled entities is based solely on the reports of the other auditors.

Certain of these subsidiaries and step-down subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's Management has converted the financial statements of such subsidiaries and step-down subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's Management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries and step-down subsidiaries located outside India is based on the reports of other auditors and the conversion adjustments prepared by the Management of the Holding Company and audited by us.

(b) The financial statements / financial information of four subsidiaries and six step-down subsidiaries, whose financial statements / financial information reflect total assets of ₹19,393.52 crores as at 31 March 2019, total revenues of ₹1,548.83 crores and net cash flows amounting to ₹181.42 crores for the year ended on that date, as considered in the consolidated financial statements have not been audited either by us or by other auditors. The consolidated financial statements also include the Group's share of net profit (and other comprehensive income) of ₹3.41 crores for the year ended 31 March 2019, as considered in the consolidated financial statements, in respect of one associate and one jointly controlled entity, whose financial statements / financial information have not been audited by us or by other auditors. These unaudited financial statements / financial information 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, step-down subsidiaries, associate and jointly controlled entity, 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

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries, step-down subsidiaries, joint operations, associates, and jointly controlled entities as were audited by other auditors, as noted in the 'Other Matters' paragraph, 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 (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows 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.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, joint operations, associates, and jointly controlled entities incorporated in India, none of the directors of the Group companies, its joint operations, associates, and jointly controlled entities incorporated in India is disqualified as on 31 March 2019 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 with reference to financial statements of the Holding Company, its subsidiary companies, joint operations, associates and jointly controlled entities incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

B. With respect to the other matters to be included in the Auditors' 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 and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, joint operations, associates and jointly controlled entities, as noted in the 'Other Matters' paragraph:

   i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2019 on the consolidated financial position of the Group, its joint operations, associates and jointly controlled entities. Refer note 38 to the consolidated financial statements.

   ii. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer note 46(j) to the consolidated financial statements in respect of such items as it relates to the Group, its joint operations, associates and jointly controlled entities.

   iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies, joint operations, associates and jointly controlled entities incorporated in India during the year ended 31 March 2019.

   iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2019.

C. With respect to the matter to be included in the Auditors' report under section 197(16):

   In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies, joint operations, associates and jointly controlled entities incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company, its subsidiary companies, joint operations, associates and jointly controlled entities to its directors is in accordance with the provisions of Section 197 of the Act, as applicable. The remuneration paid to any director by the Holding Company, its subsidiary companies, joint operations, associates and jointly controlled entities is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Yezdi Nagporewalla
Partner
Membership No: 049265

Place: Mumbai
Date: 20 May 2019

Annexure A to the Independent Auditors' Report - 31 March 2019

Report on the Internal Financial Controls with reference to the aforesaid Consolidated Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

(Referred to in paragraph A(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2019, we have audited the internal financial controls with reference to consolidated financial statements of Tata Motors Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies, its joint operations, its associates and its jointly controlled entities, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, its joint operations, its associates and its jointly controlled entities, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. 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 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. 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 with reference to consolidated financial statements 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 relevant joint operation, associates and jointly controlled entity in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to consolidated financial statements

A company's internal financial control with reference to consolidated financial statements 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 with reference to consolidated financial statements 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 with reference to consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements in so far as it relates to one joint operation, two associates and one jointly controlled entity, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not modified in respect of this matter.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Yezdi Nagporewalla
Partner
Membership No: 049265

Mumbai
20 May 2019

Consolidated Balance Sheet

(₹ in crores)

	Notes	As at March 31, 2019	As at March 31, 2018
I. ASSETS			
(1) NON-CURRENT ASSETS			
(a) Property, plant and equipment	3	72,619.86	73,867.84
(b) Capital work-in-progress		8,538.17	16,142.94
(c) Goodwill	5	747.87	116.45
(d) Other intangible assets	6 (a)	37,866.74	47,429.57
(e) Intangible assets under development	6 (b)	23,345.67	23,890.56
(f) Investment in equity accounted investees	8	4,743.38	4,887.89
(g) Financial assets:			
(i) Other investments	9	1,497.51	763.76
(ii) Finance receivables	17	22,073.17	15,479.53
(iii) Loans and advances	11	407.42	495.41
(iv) Other financial assets	12	2,809.18	4,563.87
(h) Deferred tax assets (net)	21	5,151.11	4,158.70
(i) Non-current tax assets (net)		1,024.56	899.90
(j) Other non-current assets	19	2,938.73	2,681.25
		183,763.37	**195,377.67**
(2) CURRENT ASSETS			
(a) Inventories	13	39,013.73	42,137.63
(b) Investment in equity accounted investees (held for sale)	8 (c)	591.50	497.35
(c) Financial assets:			
(i) Other investments	10	8,938.33	14,663.75
(ii) Trade receivables	14	18,996.17	19,893.30
(iii) Cash and cash equivalents	15	21,559.80	14,716.75
(iv) Bank balances other than (iii) above	16	11,089.02	19,897.16
(v) Finance receivables	17	11,551.52	8,401.65
(vi) Loans and advances	11	1,268.70	1,451.14
(vii) Other financial assets	12	3,213.56	3,857.64
(d) Current tax assets (net)		184.37	208.91
(e) Assets classified as held-for-sale	46 (b)	162.24	2,585.19
(f) Other current assets	20	6,862.22	7,662.37
		123,431.16	**135,972.84**
TOTAL ASSETS		**307,194.53**	**331,350.51**
II. EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	22	679.22	679.22
(b) Other equity *	23	59,500.34	94,748.69
Equity attributable to owners of Tata Motors Ltd		60,179.56	95,427.91
Non-controlling interests		523.06	525.06
		60,702.62	**95,952.97**
LIABILITIES			
(1) NON-CURRENT LIABILITIES			
(a) Financial liabilities:			
(i) Borrowings	25	70,973.67	61,199.50
(ii) Other financial liabilities	27	2,792.71	2,739.14
(b) Provisions	29	11,854.85	10,948.44
(c) Deferred tax liabilities (net)	21	1,491.04	6,125.80
(d) Other non-current liabilities	30	13,922.21	11,165.19
		101,034.48	**92,178.07**
(2) CURRENT LIABILITIES			
(a) Financial liabilities:			
(i) Borrowings	26	20,150.26	16,794.85
(ii) Trade payables			
(a) Total outstanding dues of micro and small enterprises		130.69	144.24
(b) Total outstanding dues of creditors other than micro and small enterprises		68,382.84	71,894.17
(iii) Acceptances		3,177.14	4,901.42
(iv) Other financial liabilities	28	32,855.65	31,267.49
(b) Provisions	29	10,196.75	7,953.50
(c) Current tax liabilities (net)		1,017.64	1,559.07
(d) Liabilities directly associated with Assets held-for-sale	46 (b)	-	1,070.18
(e) Other current liabilities	31	9,546.46	7,634.55
		145,457.43	**143,219.47**
TOTAL EQUITY AND LIABILITIES		**307,194.53**	**331,350.51**

* Includes other comprehensive income relating to assets held for sale amounting to ₹ (6.64) crores as at March 31, 2018.
See accompanying notes to consolidated financial statements

In terms of our report attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

YEZDI NAGPOREWALLA
Partner
Membership No. 049265

Mumbai, May 20, 2019

N CHANDRASEKARAN *[DIN: 00121863]*
Chairman

For and on behalf of the Board

N MUNJEE *[DIN:00010180]*

F S NAYAR *[DIN:00003633]*

V K JAIRATH *[DIN:00391684]*

O P BHATT *[DIN:00548091]*

R SPETH *[DIN:03318908]*

Directors

GUENTER BUTSCHEK *[DIN: 07427375]*
CEO and Managing Director

S B BORWANKAR *[DIN: 01793948]*
ED and Chief Operating Officer

P B BALAJI
Group Chief Financial Officer

H K SETHNA *[FCS: 3507]*
Company Secretary

Mumbai, May 20, 2019

Consolidated Statement of Profit and Loss

(₹ in crores)

	Notes	Year ended March 31, 2019	Year ended March 31, 2018
I. Revenue from operations	32		
(a) Revenue		299,190.59	289,386.25
(b) Other Operating Revenues		2,747.81	2,954.39
Total revenue from operations		**301,938.40**	**292,340.64**
II. Other income (includes Government grants)	33	**2,965.31**	**3,957.59**
III. Total Income (I+II)		**304,903.71**	**296,298.23**
IV. Expenses:			
(a) Cost of materials consumed			
(i) Cost of materials consumed		182,254.45	173,371.19
(ii) Basis adjustment on hedge accounted derivatives		(1,245.37)	(1,378.60)
(b) Purchase of products for sale		13,258.83	15,903.99
(c) Changes in inventories of finished goods, work-in-progress and products for sale		2,053.28	(2,046.58)
(d) Excise duty		-	790.16
(e) Employee benefits expense	34	33,243.87	30,300.09
(f) Finance costs	35	5,758.60	4,681.79
(g) Foreign exchange (gain)/loss (net)		905.91	(1,185.28)
(h) Depreciation and amortisation expense		23,590.63	21,553.59
(i) Product development/Engineering expenses		4,224.57	3,531.87
(j) Other expenses	36	62,238.12	60,184.21
(k) Amount transferred to capital and other account		(19,659.59)	(18,588.09)
Total Expenses (IV)		**306,623.30**	**287,118.34**
V. Profit before exceptional items and tax (III-IV)		(1,719.59)	9,179.89
VI. Exceptional Items:			
(a) Defined benefit pension plan amendment past service cost/(credit)	46 (d)	147.93	(3,609.01)
(b) Employee separation cost	46 (f)	1,371.45	3.68
(c) Provision for / impairment of capital work-in-progress and intangibles under development (net)	46 (c)	180.97	1,641.38
(d) Provision for costs of closure of operation of a subsidiary company	46 (e)	381.01	-
(e) Provision for impairment in Jaguar Land Rover	7	27,837.91	-
(f) Profit on sale of investment in a subsidiary company	46 (g)	(376.98)	-
(g) Others	46 (i)	109.27	(11.19)
VII. Profit/(Loss) before tax (V-VI)		**(31,371.15)**	**11,155.03**
VIII. Tax expense/(credit) (net):	21		
(a) Current tax (including Minimum Alternate Tax)		2,225.23	3,303.46
(b) Deferred tax		(4,662.68)	1,038.47
Total tax expense/(credit)		**(2,437.45)**	**4,341.93**
IX. Profit/(loss) for the year from continuing operations (VII-VIII)		(28,933.70)	6,813.10
X. Share of profit of joint ventures and associates (net)	8	209.50	2,278.26
XI. Profit/(loss) for the year (IX+X)		**(28,724.20)**	**9,091.36**
Attributable to:			
(a) Shareholders of the Company		(28,826.23)	8,988.91
(b) Non-controlling interests		102.03	102.45
XII. Other comprehensive income/(loss):			
(A) (i) Items that will not be reclassified to profit or loss:			
(a) Remeasurement gains and (losses) on defined benefit obligations (net)		(2,561.26)	4,676.51
(b) Equity instruments at fair value through other comprehensive income (net)		35.60	42.86
(c) Share of other comprehensive income in equity accounted investees (net)		11.15	(7.16)
(d) Gains and (losses) in cash flow hedges of forecast inventory purchases		(1,746.24)	1,227.74
(ii) Income tax (expense)/credit relating to items that will not be reclassified to profit or loss		697.41	(991.02)
(B) (i) Items that will be reclassified to profit or loss:			
(a) Exchange differences in translating the financial statements of foreign operations		(2,010.22)	9,518.15
(b) Gains and (losses) in cash flow hedges		52.82	18,069.71
(c) Share of other comprehensive income in equity accounted investees (net)		(58.61)	429.41
(ii) Income tax (expense)/credit relating to items that will be reclassified to profit or loss		3.58	(3,403.69)
Total other comprehensive income/(loss) for the period (net of tax)		**(5,575.77)**	**29,562.51**
Attributable to:			
(a) Shareholders of the Company		(5,575.50)	29,535.61
(b) Non-controlling interests		(0.27)	26.90
XIII. Total comprehensive income/(loss) for the period (net of tax) (XI+XII)		**(34,299.97)**	**38,653.87**
Attributable to:			
(a) Shareholders of the Company		(34,401.73)	38,524.52
(b) Non-controlling interests		101.76	129.35
XIV. Earnings per equity share (EPS)	44		
(a) Ordinary shares (face value of 2 each):			
(i) Basic EPS	₹	(84.89)	26.46
(ii) Diluted EPS	₹	(84.89)	26.45
(b) 'A' Ordinary shares (face value of 2 each):			
(i) Basic EPS	₹	(84.89)	26.56
(ii) Diluted EPS	₹	(84.89)	26.55

See accompanying notes to consolidated financial statements

In terms of our report attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

YEZDI NAGPOREWALLA
Partner
Membership No. 049265

Mumbai, May 20, 2019

N CHANDRASEKARAN *[DIN: 00121863]*
Chairman

For and on behalf of the Board
N MUNJEE *[DIN:00010180]*
F S NAYAR *[DIN:00003633]*
V K JAIRATH *[DIN:00391684]*
O P BHATT *[DIN:00548091]*
R SPETH *[DIN:03318908]*
Directors

GUENTER BUTSCHEK *[DIN: 07427375]*
CEO and Managing Director

S B BORWANKAR *[DIN: 01793948]*
ED and Chief Operating Officer

P B BALAJI
Group Chief Financial Officer

H K SETHNA *[FCS: 3507]*
Company Secretary

Mumbai, May 20, 2019

Consolidated Cash Flow Statement

(₹ in crores)

	Year ended March 31, 2019	Year ended March 31, 2018
Cash flows from operating activities:		
Profit/(Loss) for the year	(28,724.20)	9,091.36
Adjustments for:		
Depreciation and amortisation expense	23,590.63	21,553.59
Allowances for finance receivables	320.24	43.30
Allowances for trade and other receivables	214.19	14.57
Inventory write-down	608.63	607.42
Provision for costs of closure of operations of a subsidiary company	381.01	-
Provision for impairment in Jaguar Land Rover	27,837.91	-
Defined benefit pension plan amendment past service cost/(credit)	147.93	(3,609.01)
Employee separation cost	1,367.22	-
Exceptional items- Others	109.27	(11.19)
Marked-to-market on investments measured at fair value through profit or loss	(238.54)	(32.05)
Loss on sale of assets/impairment (including assets scrapped/written off) (net)	1,106.56	2,382.55
Profit on sale of investments (net)	(128.61)	(129.26)
Profit on sale of investment in a subsidiary	(376.98)	-
Gain on fair value of below market interest loans	(13.37)	(6.02)
Fair value gain on disposal of joint venture	-	(19.06)
Share of profit of joint ventures and associates (net)	(209.50)	(2,278.26)
Tax expense (net)	(2,437.45)	4,341.93
Finance costs	5,758.60	4,681.79
Interest income	(786.46)	(711.81)
Dividend income	(17.28)	(15.77)
Foreign exchange (gain) / loss (net)	252.63	(2,591.80)
Cash flows from operating activities before changes in following assets and liabilities	**28,762.43**	**33,312.28**
Finance receivables	(10,063.79)	(6,361.22)
Trade receivables	954.70	(4,326.58)
Loans and advances and other financial assets	230.13	(3,343.38)
Other current and non-current assets	294.88	151.25
Inventories	2,068.64	(3,560.43)
Trade payables and acceptances	(4,683.69)	7,320.34
Other current and non-current liabilities	4,365.55	(4,756.95)
Other financial liabilities	(30.01)	1,541.98
Provisions	(348.66)	6,901.29
Cash generated from operations	**21,550.18**	**26,878.58**
Income tax paid (net)	(2,659.43)	(3,021.16)
Net cash from operating activities	**18,890.75**	**23,857.42**
Cash flows from investing activities:		
Payments for property, plant and equipment	(17,419.55)	(19,865.43)
Payments for other intangible assets	(17,883.97)	(15,213.49)
Proceeds from sale of property, plant and equipment	67.23	30.30
Investments in Mutual Fund (purchased)/sold (net)	5,639.02	2,361.09
Excess of cash acquired on acquisition of subsidiary company	-	14.45
Investment in equity accounted investees	(9.31)	(4.21)
Investments in others	(130.01)	(328.78)
Loans given to others	(3.42)	-
Loans given to joint ventures and associates	(3.75)	-
Proceeds from sale of investments in a subsidiary company	532.96	-
Proceeds from sale of investments in other companies	5.18	19.43
Interest received	760.52	690.47

Consolidated Cash Flow Statement

(₹ in crores)

	Year ended March 31, 2019	Year ended March 31, 2018
Dividend received	17.28	15.77
Dividend received from equity accounted investees	214.98	1,781.64
Deposits with financial institution	(500.03)	-
Deposits/restricted deposits with banks	(24,331.07)	(48,260.05)
Realisation of deposits/restricted deposits with banks	33,342.59	52,557.20
(Increase) / decrease in short term Inter-corporate deposits	(1.98)	-
Payments for acquisition of minority stake of subsidiary	(7.76)	-
Net cash used in investing activities	**(19,711.09)**	**(26,201.61)**
Cash flows from financing activities:		
Proceeds from issue of shares held in abeyance (net of issue expenses)	-	0.00*
Proceeds from long-term borrowings	26,101.86	15,145.21
Repayment of long-term borrowings	(13,345.89)	(10,587.25)
Proceeds from short-term borrowings	20,112.46	15,008.73
Repayment of short-term borrowings	(21,852.13)	(19,376.62)
Net change in other short-term borrowings (with maturity up to three months)	4,913.90	7,328.24
Dividend paid to non-controlling interests shareholders of subsidiaries (including dividend distribution tax)	(94.74)	(95.96)
Interest paid [including discounting charges paid ₹1,201.20 crores (March 31, 2018 ₹918.90 crores)]	(7,005.09)	(5,410.64)
Net cash from financing activities	**8,830.37**	**2,011.71**
Net increase / (decrease) in cash and cash equivalents	8,010.03	(332.48)
Cash and cash equivalents as at April 01, (opening balance)	14,716.75	13,986.76
Reversal of/(classified as) held for sale	243.94	(243.94)
Effect of foreign exchange on cash and cash equivalents	(1,410.92)	1,306.41
Cash and cash equivalents as at March 31, (closing balance)	**21,559.80**	**14,716.75**
Non-cash transactions:		
Liability towards property, plant and equipment and intangible assets purchased on credit/deferred credit	7,286.32	8,346.54
Increase/(decrease) in liabilities arising from financing activities on account of non-cash transactions:		
Exchange differences	1,120.15	2,768.03
Classified as held for sale	-	(142.55)
Amortisation of prepaid discounting charges	158.19	202.70
See accompanying notes to the consolidated financial statements		
* less than ₹50,000/-		

In terms of our report attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

YEZDI NAGPOREWALLA
Partner
Membership No. 049265

Mumbai, May 20, 2019

For and on behalf of the Board

N CHANDRASEKARAN *[DIN: 00121863]*
Chairman

N MUNJEE *[DIN:00010180]*

F S NAYAR *[DIN:00003633]*

V K JAIRATH *[DIN:00391684]*

O P BHATT *[DIN:00548091]*

R SPETH *[DIN:03318908]*

Directors

GUENTER BUTSCHEK *[DIN: 07427375]*
CEO and Managing Director

S B BORWANKAR *[DIN: 01793948]*
ED and Chief Operating Officer

P B BALAJI
Group Chief Financial Officer

H K SETHNA *[FCS: 3507]*
Company Secretary

Mumbai, May 20, 2019

Consolidated Statement of Changes in Equity

for the year ended March 31, 2019

A. Equity Share Capital

(₹ in crores)

Particulars	Equity Share Capital
Balance as at April 1, 2018	679.22
Proceeds from issue of shares held in abeyance	-
Balance as at March 31, 2019	**679.22**

B. Other Equity

(₹ in crores)

Particulars	Reserves									Other components of equity						
	Securities Premium	Share-based payments reserve	Capital redemption reserve	Debenture redemption reserve	Reserve for research and human resource development	Special reserve	Earned surplus reserve	Capital Reserve	Retained earnings	Equity instruments through Other Comprehensive Income	Hedging Reserve	Cost of hedging reserve	Currency translation reserve	Attributable to Owners of Tata Motors Limited	Non-controlling interests	Total other equity
Balance as at April 1, 2018	18,891.93	-	2.28	1,085.94	200.74	379.43	44.06	1,164.20	71,818.12	22.82	(3,626.04)	143.98	4,621.23	94,748.69	525.06	**95,273.75**
Effect of transition to Ind AS115	-	-	-	-	-	-	-	-	(41.80)	-	-	-	-	(41.80)	-	**(41.80)**
Profit/(loss) for the year	-	-	-	-	-	-	-	-	(28,826.23)	-	-	-	-	(28,826.23)	102.03	**(28,724.20)**
Other comprehensive income /(loss) for the year	-	-	-	-	-	-	-	-	(2,174.01)	44.19	(1,150.98)	(225.86)	(2,068.84)	(5,575.50)	(0.27)	**(5,575.77)**
Total comprehensive income/ (loss) for the year	-	-	-	-	-	-	-	-	(31,000.24)	44.19	(1,150.98)	(225.86)	(2,068.84)	(34,401.73)	101.76	**(34,299.97)**
Amounts recognised in inventory	-	-	-	-	-	-	-	-	-	-	(825.60)	11.08	-	(814.52)	-	**(814.52)**
Acquisition of minority	-	-	-	-	-	-	-	-	1.26	-	-	-	-	1.26	(9.02)	**(7.76)**
Realised gain on investments held at fair value through Other comprehensive income	-	-	-	-	-	-	-	-	4.93	(4.93)	-	-	-	-	-	**-**
Dividend paid (including dividend tax)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(94.74)	**(94.74)**
Share-based payments	-	8.44	-	-	-	-	-	-	-	-	-	-	-	8.44	-	**8.44**
Transfer (from)/to retained earnings	-	-	-	-	-	61.40	1.59	-	(62.99)	-	-	-	-	-	-	**-**
Balance as at March 31, 2019	**18,891.93**	**8.44**	**2.28**	**1,085.94**	**200.74**	**440.83**	**45.65**	**1,164.20**	**40,719.28**	**62.08**	**(5,602.62)**	**(70.80)**	**2,552.39**	**59,500.34**	**523.06**	**60,023.40**

See accompanying notes to consolidated financial statements

For and on behalf of the Board

In terms of our report attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

YEZDI NAGPOREWALLA
Partner
Membership No. 049265

Mumbai, May 20, 2019

N CHANDRASEKARAN *[DIN: 00121863]*
Chairman

N MUNJEE *[DIN:00010180]*

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Group Chief Financial Officer

H K SETHNA *[FCS: 3507]*
Company Secretary

Mumbai, May 20, 2019

Consolidated Statement of Changes in Equity

for the year ended March 31, 2018

A. Equity Share Capital

(₹ in crores)

Particulars	Equity Share Capital
Balance as at April 1, 2017	679.22
Proceeds from issue of shares held in abeyance	- *
Balance as at March 31, 2018	679.22

*less than ₹50,000/-

B. Other Equity

(₹ in crores)

Particulars	Reserves								Other components of equity						
	Securities Premium	Capital redemption reserve	Debenture redemption reserve	Reserve for research and human resource development	Special reserve	Earned surplus reserve	Capital Reserve	Retained earnings	Equity instruments through Other Comprehensive Income	Hedging Reserve	Cost of hedging reserve	Currency translation reserve	Attributable to Owners of Tata Motors Limited	Non-controlling interests	Total other equity
Balance as at April 1, 2017	18,891.93	2.28	1,085.94	165.78	292.46	32.18	1,164.20	59,053.14	(19.26)	(17,911.63)	(74.22)	(5,300.13)	57,382.67	453.17	**57,835.84**
Profit / (loss) for the period	-	-	-	-	-	-	-	8,988.91	-	-	-	-	8,988.91	102.45	**9,091.36**
Other comprehensive income / (loss) for the year	-	-	-	-	-	-	-	3,909.10	42.86	15,444.99	217.30	9,921.36	29,535.61	26.90	**29,562.51**
Total comprehensive income/ (loss) for the year	-	-	-	-	-	-	-	12,898.01	42.86	15,444.99	217.30	9,921.36	38,524.52	129.35	**38,653.87**
Amounts recognised in inventory	-	-	-	-	-	-	-	-	-	(1,159.40)	0.90	-	(1,158.50)	-	**(1,158.50)**
Proceeds from issue of shares held in abeyance	0.00*	-	-	-	-	-	-	-	-	-	-	-	-	-	**0.00***
Minority interest on acquisitions during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	98.62	**98.62**
Distribution to Minority	-	-	-	-	-	-	-	-	-	-	-	-	-	(39.99)	**(39.99)**
Minority interest changes during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	(60.12)	**(60.12)**
Realised gain on investments held at fair value through Other comprehensive income	-	-	-	-	-	-	-	0.78	(0.78)	-	-	-	-	-	**-**
Dividend paid (including dividend tax)	-	-	-	-	-	-	-	-	-	-	-	-	-	(55.97)	**(55.97)**
Transfer (from)/to retained earnings	-	-	-	34.96	86.97	11.88	-	(133.81)	-	-	-	-	-*	-	**-**
Balance as at March 31, 2018	**18,891.93**	**2.28**	**1,085.94**	**200.74**	**379.43**	**44.06**	**1,164.20**	**71,818.12**	**22.82**	**(3,626.04)**	**143.98**	**4,621.23**	**94,748.69**	**525.06**	**95,273.75**

* less than ₹50,000/-

See accompanying notes to consolidated financial statements

For and on behalf of the Board

In terms of our report attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

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Company Secretary

YEZDI NAGPOREWALLA
Partner
Membership No. 049265

Mumbai, May 20, 2019

Mumbai, May 20, 2019

Notes Forming Part of Consolidated Financial Statements

1. Background and operations

Tata Motors Limited and its subsidiaries and joint operations, (collectively referred to as "the Company" or "Tata Motors"), designs, manufactures and sells a wide range of automotive vehicles. The Company provides financing for the vehicles sold by dealers of the Company in certain markets. The Company also manufactures engines for industrial and marine applications, aggregates such as axles and transmissions for commercial vehicles and factory automation equipment, and provides information technology services.

Tata Motors Limited is a public limited Company incorporated and domiciled in India and has its registered office in Mumbai, India. As at March 31, 2019, Tata Sons Private Limited together with its subsidiaries, owns 38.52% of the Ordinary shares and 0.09% of 'A' Ordinary shares of the Company, and has the ability to significantly influence the Company's operation.

The Company's operations include the Jaguar Land Rover business (referred to as JLR or Jaguar Land Rover).

The consolidated financial statements were approved by the Board of Directors and authorised for issue on May 20, 2019.

2. Significant Accounting Policies

a. Statement of compliance

These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 ("the Act").

b. Basis of preparation

The consolidated financial statements have been prepared on historical cost basis except for certain financial instruments measured at fair value at the end of each reporting period as explained in the accounting policies below.

c. Basis of consolidation

Subsidiaries

The consolidated financial statements include Tata Motors Limited and its subsidiaries. Subsidiaries are entities controlled by the Company. Control exists when the Company (a) has power over the investee, (b) it is exposed, or has rights, to variable returns from its involvement with the investee and (c) has the ability to affect those returns through its power over the investee. The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements listed above. In assessing control, potential voting rights that currently are exercisable are taken into account. The results of subsidiaries acquired or disposed of during the year are included in the consolidated financial statements from the effective date of acquisition and up to the effective date of disposal, as appropriate.

Inter-company transactions and balances including unrealised profits are eliminated in full on consolidation.

Non-controlling interests in the net assets (excluding goodwill) of consolidated subsidiaries are identified separately from the Company's equity. The interest of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if it results in the non-controlling interest having a deficit balance. Changes in the Company's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Company's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company. When the Company loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e., reclassified to profit or loss) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind-AS 109 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

Notes Forming Part of Consolidated Financial Statements

Interests in joint arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Joint operations

Certain of the Company's activities, are conducted through joint operations, which are joint arrangements whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The Company recognises, in the consolidated financial statements, its share of the assets, liabilities, income and expenses of these joint operations incurred jointly with the other partners, along with its share of income from the sale of the output and any assets, liabilities and expenses that it has incurred in relation to the joint operation.

Joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. The results, assets and liabilities of a joint venture are incorporated in these financial statements using the equity method of accounting as described below.

Associates

Associates are those entities in which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control those policies. Significant influence is presumed to exist when the Company holds between 20 and 50 percent of the voting power of another entity. The results, assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting as described below.

Equity method of accounting (equity accounted investees)

An interest in an associate or joint venture is accounted for using the equity method from the date in which the investee becomes an associate or a joint venture and are recognised initially at cost. The Company's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. The consolidated financial statements include the Company's share of profits or losses and equity movements of equity accounted investees, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases. When the Company's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments in the nature of net investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Company has an obligation or has made payments on behalf of the investee.

When the Company transacts with an associate or joint venture of the Company, unrealised profits and losses are eliminated to the extent of the Company's interest in its associate or joint venture.

d. Business combination

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. Acquisition related costs are recognised in profit or loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition are recognised at their fair value at the acquisition date, except certain assets and liabilities required to be measured as per the applicable standard.

Purchase consideration in excess of the Company's interest in the acquiree's net fair value of identifiable assets, liabilities and contingent liabilities is recognised as goodwill. Excess of the Company's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the purchase consideration is recognised, after reassessment of fair value of net assets acquired, in the Capital Reserve.

e. Use of estimates and judgments

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

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected. In particular, information about significant areas

Notes Forming Part of Consolidated Financial Statements

of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included in the following notes:

i) Note 3 and 6 - Property, plant and equipment and intangible assets – Useful lives and impairment

ii) Note 5 - Impairment of goodwill

iii) Note 6 and 7 - Impairment of indefinite life intangible assets

iv) Note 21 - Recoverability/recognition of deferred tax assets

v) Note 29 - Provision for product warranty

vi) Note 37 - Assets and obligations relating to employee benefits

vii) Note 17 - Allowances for credit losses for finance receivables

f. Revenue recognition

The Company generates revenue principally from –

a) Sale of products – (i) commercial and passenger vehicles and vehicle parts and (ii) Sales of other products - certain software products and other automotive products

The Company recognises revenues on the sale of products, net of discounts, sales incentives, customer bonuses and rebates granted, when products are delivered to dealers or when delivered to a carrier for export sales, which is when control including risks and rewards and title of ownership pass to the customer. Sale of products is presented net of excise duty where applicable and other indirect taxes.

The consideration received in respect of transport arrangements for delivering of vehicles to the customers are recognised net of their costs within revenues in the income statement.

Revenues are recognised when collectability of the resulting receivable is reasonably assured.

b) Sale of services - maintenance service and extended warranties for commercial and passenger vehicles, software support services and insurance broking services.

Income from sale of maintenance services and extended warranties, including software services are recognised as income over the relevant period of service or extended warranty.

When the Company sells products that are bundled with maintenance service or extended period of warranty, such services are treated as a separate performance obligation only if the service or warranty is optional to the customer or includes an additional service component. In such cases, the transaction price allocated towards such maintenance service or extended period of warranty is recognised as a contract liability until the service obligation has been met.

The Company operates certain customer loyalty programs under which customer is entitled to reward points on the spend towards Company's products. The reward points earned by customers can be redeemed to claim discounts on future purchase of certain products or services. Transaction price allocated towards reward points granted to customers is recognised as a deferred income liability and transferred to income when customers redeem their reward points.

For certain sale of services wherein performance obligation is satisfied over a period of time, any amount received in advance is recorded as contract liability and recognised as revenue when service is rendered to customers. Any amount of income accrued but not billed to customers in respect of such contracts is recorded as a contract asset. Such contract assets are transferred to Trade receivables on actual billing to customers.

Refund liabilities comprise of obligation towards customers to pay for discounts and sales incentives.

Proceeds from sale of vehicles for which the Company or any of its subsidiaries have retained buy back obligation in future is recorded as a liabilities – (i) Proceeds received in excess of agreed buy back price is recognised as Deferred income liability and (ii) the agreed buy back price is recognised as Buy back liability. Deferred income liability is recognised as operating lease income on time proportionate basis over date of sale and date of buy back.

c) Financing revenues - Interest income from financing transactions and income from leasing of vehicles to customers.

d) Finance and service charges are accrued on the unpaid principal balance of finance receivables using the effective interest method.

g. Government grants and incentives

Other income includes export and other recurring and non-recurring incentives from Government (referred as "incentives").

Government grants are recognised when there is reasonable assurance that the Company will comply with the relevant conditions and the grant will be received.

These are recognised in the consolidated statement of Profit and Loss, either on a systematic basis when the Company recognises, as expenses, the related costs that the grants are intended to compensate or, immediately if the costs have already been incurred. Government grants related to assets are deferred and amortised over the useful life of the asset. Government grants related to income are presented as an offset against the related expenditure, and government grants that are awarded as incentives with no ongoing performance obligations to the Company are recognised as income in the period in which the grant is received.

h. Cost recognition

Costs and expenses are recognised when incurred and are classified according to their nature.

Expenditure capitalised represents employee costs, stores and other manufacturing supplies, and other expenses incurred for construction including product development undertaken by the Company.

i. Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

i) Product warranty expenses

The estimated liability for product warranties are recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidences based on actions on product failures. The timing of outflows will vary as and when warranty claim will arise, being typically up to six years. The Company also has back-to-back contractual arrangement with its suppliers in the event that a vehicle fault is proven to be a supplier's fault.

Estimates are made of the expected reimbursement claim based upon historical levels of recoveries from supplier, adjusted for inflation and applied to the population of vehicles under warranty as on balance sheet date. Supplier reimbursements are recognised as separate asset.

ii) Residual risk

In certain markets, the Company is responsible for the residual risk arising on vehicles sold by dealers under leasing arrangements. The provision is based on the latest available market expectations of future residual value trends. The timing of the outflows will be at the end of the lease arrangements being typically up to three years.

iii) Legal and product liability

Legal and product liability provision is recorded in respect of compliance with regulations and known litigations which impact the Company. The product liability claim primarily relates to motor accident claims, consumer complaints, dealer terminations, personal injury claims and compliance with regulations.

iv) Environmental liability

Environmental liability relates to various environmental remediation cost such as asbestos removal and land clean up. The timing of when these costs will be incurred is not known with certainty.

j. Foreign currency

These consolidated financial statements are presented in Indian rupees, which is the functional currency of Tata Motors Limited. Transactions in foreign currencies are recorded at the exchange rate prevailing on the

Notes Forming Part of Consolidated Financial Statements

date of transaction. Foreign currency denominated monetary assets and liabilities are re-measured into the functional currency at the exchange rate prevailing on the balance sheet date. Exchange differences are recognised in the statement of Profit and Loss except to the extent, exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings, are capitalised as part of borrowing costs.

For the purpose of consolidation, the assets and liabilities of the Company's foreign operations are translated to Indian rupees at the exchange rate prevailing on the balance sheet date, and the income and expenses at the average rate of exchange for the respective months. Exchange differences arising on such translation are recognised as currency translation reserve under equity. Exchange differences arising from the translation of a foreign operation previously recognised in currency translation reserve in equity are not reclassified from equity to profit or loss until the disposal of the operation.

k. Income taxes

Income tax expense comprises current and deferred taxes. Income tax expense is recognised in the statement of Profit and Loss except when they relate to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity), in which case tax is also recognised outside profit or loss, or where they arise from the initial accounting for business combination. In the case of a business combination the tax effect is included in the accounting for the business combination. Current income taxes are determined based on respective taxable income of each taxable entity and tax rules applicable for respective tax jurisdictions.

Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilised business loss and depreciation carry-forwards and tax credits. Such deferred tax assets and liabilities are computed separately for each taxable entity and for each taxable jurisdiction. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry forwards and unused tax credits could be utilised.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when the 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. Current and deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

l. Cash & cash equivalents

Cash and cash equivalents are short-term (three months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

m. Earnings per share

Basic earnings per share has been computed by dividing profit for the year by the weighted average number of shares outstanding during the year. Partly paid up shares are included as fully paid equivalents according to the fraction paid up. Diluted earnings per share has been computed using the weighted average number of shares and dilutive potential shares, except where the result would be anti-dilutive.

n. Inventories

Inventories (other than those recognised consequent to the sale of vehicles subject to repurchase arrangements) are valued at the lower of cost and net realisable value. Cost of raw materials, components and consumables are ascertained on a first in first out basis. Cost, including fixed and variable production overheads, are allocated to work-in-progress and finished goods determined on a full absorption cost basis. Net realisable value is the estimated selling price in the ordinary course of business less estimated cost of completion and selling expenses. Inventories include vehicles sold subject to repurchase arrangements. These vehicles are carried at cost to the Company and are amortised in changes in inventories of finished goods to their residual values (i.e., estimated second hand sale value) over the term of the arrangement.

o. Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any. Freehold land is measured at cost and is not depreciated. Heritage assets, comprising antique vehicles purchased by the Company, are not depreciated as they are considered to have a residual value in excess of cost. Residual values are re-assessed on an annual basis. Cost includes purchase price, taxes and duties, labour cost and direct overheads for self-constructed assets and other direct costs incurred up to the date the asset is ready for its intended use.

Interest cost incurred for constructed assets is capitalised up to the date the asset is ready for its intended use, based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings, if no specific borrowings have been incurred for the asset. Depreciation is provided on the Straight Line Method (SLM) over the estimated useful lives of the assets considering the nature, estimated usage, operating conditions, past history of replacement, anticipated technological changes, manufacturer's 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 property, plant and equipment, which are different from those prescribed in Schedule II of the Act.

Estimated useful lives of the assets are as follows:

Type of Asset	Estimated useful life
Buildings, Roads, Bridge and culverts	4 to 60 years
Plant, machinery and equipment	3 to 30 years
Computers and other IT assets	3 to 6 years
Vehicles	3 to 11 years
Furniture, fixtures and office appliances	3 to 21 years

The useful lives and method of deprecation is reviewed at least at each year-end. Changes in expected useful lives are treated as change in accounting estimates. Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use.

p. Other intangible assets

Intangible assets purchased, including those acquired in business combinations, are measured at cost or fair value as of the date of acquisition where applicable less accumulated amortisation and accumulated impairment, if any. Intangible assets with indefinite lives are reviewed annually to determine whether indefinite-life assessment continues to be supportable. If not, the change in the useful-life assessment from indefinite to finite is made on a prospective basis.

Estimated useful lives of assets are as follows:

Type of Asset	Estimated useful life
Patents and technological knowhow	2 to 12 years
Computer software	1 to 8 years
Customer related intangibles - dealer network	20 years
Intellectual property rights	3 to 10 years

The amortisation period for intangible assets with finite useful lives is reviewed at least at each year-end. Changes in expected useful lives are treated as changes in accounting estimates.

Internally generated intangible asset

Research costs are charged to the statement of Profit and Loss in the year in which they are incurred. Product development costs incurred on new vehicle platform, engines, transmission and new products are recognised as intangible assets, when feasibility has been established, the Company has committed technical, financial and other resources to complete the development and it is probable that asset will generate probable future economic benefits. The costs capitalised include the cost of materials, direct labour and directly attributable overhead expenditure incurred up to the date the asset is available for use. Interest cost incurred is capitalised up to the date the asset is ready for its intended use, based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings if no specific borrowings have been incurred for the asset. Product development cost is amortised on a straight line basis over a period of 24 months to 120 months. Product development expenditure is measured at cost less accumulated amortisation and accumulated impairment, if any.

q. Leases

At the inception of a lease, the lease arrangement is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

Assets taken on finance lease

A finance lease is recognised as an asset and a liability at the commencement of the lease, at the lower of the fair value of the asset and the present value of

Notes Forming Part of Consolidated Financial Statements

the minimum lease payments. Initial direct costs, if any, are also capitalised and, subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Assets taken on operating lease

Leases other than finance leases are operating leases, and the leased assets are not recognised on the Company's balance sheet. Payments made under operating leases are recognised in the statement of Profit and Loss on a straight-line basis over the term of the lease.

r. Impairment

i) Goodwill

Cash generating units to which goodwill is allocated are tested for impairment annually at each balance sheet date, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to that unit and then to the other assets of the unit pro rata on the basis of carrying amount of each asset in the unit. Goodwill impairment loss recognised is not reversed in subsequent period.

ii) Property, plant and equipment and other intangible assets

At each balance sheet date, the Company assesses whether there is any indication that any property, plant and equipment and intangible assets with finite lives may be impaired. If any such impairment exists the recoverable amount of an asset is estimated to determine the extent of impairment, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use, are tested for impairment annually at each balance sheet date, or earlier, if there is an indication that the asset may be impaired. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of Profit and Loss.

s. Employee benefits

i) Pension plans

Jaguar Land Rover operate defined benefit pension plans for certain of its subsidiaries, which are contracted out of the second state pension scheme until April 5, 2016. The assets of the plan are held in separate trustee administered funds. The plans provide for monthly pension after retirement as per salary drawn and service period as set out in rules of each fund.

Contributions to the plans by the Jaguar Land Rover subsidiaries 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. A separate defined contribution plan is available to employees of Jaguar Land Rover. Costs in respect of this plan are charged to the statement of Profit and Loss as incurred.

ii) Gratuity

Tata Motors Limited and its subsidiaries and joint operations in India have an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. Tata Motors Limited and such subsidiaries make annual contributions to gratuity funds established as trusts or insurance companies. Tata Motors Limited and its subsidiaries in India account for the liability for gratuity benefits payable in the future based on an actuarial valuation.

iii) Superannuation

Tata Motors Limited and some of its subsidiaries in India have two superannuation plans, a defined benefit plan and a defined contribution plan. An eligible employee as on April 1, 1996 could elect to be a member of either plan. Employees who are members of the defined benefit superannuation plan are entitled to benefits depending on the years of service and salary drawn. The monthly pension benefits after retirement range from 0.75% to 2% of the annual basic salary for each year of service. Tata Motors Limited and such subsidiaries account for superannuation benefits payable in future under the plan based on an actuarial valuation.

With effect from April 1, 2003, this plan was amended and benefits earned by covered employees have been protected as at March 31, 2003. Employees covered by this plan are prospectively entitled to benefits computed on a basis that ensures that the annual cost of providing the pension benefits would not exceed 15% of salary. During the year ended March 31, 2015, the employees covered by this plan were given a one-time option to exit from the plan prospectively. Furthermore, the employees who opted for exit were given one- time option to withdraw accumulated balances from the superannuation plan. Separate irrevocable trusts are maintained for employees covered and entitled to benefits. Tata Motors Limited and its subsidiaries contribute up to 15% or ₹ 150,000, whichever is lower, of the eligible employees' salary to the trust every year. Such contributions are recognised as an expense when incurred. Tata Motors Limited and such subsidiaries have no further obligation beyond this contribution.

iv) Bhavishya Kalyan Yojana (BKY)

Bhavishya Kalyan Yojana is an unfunded defined benefit plan for employees of Tata Motors Limited and some of its subsidiaries. The benefits of the plan include pension in certain cases, payable up to the date of normal superannuation had the employee been in service, to an eligible employee at the time of death or permanent disablement, while in service, either as a result of an injury or as certified by the appropriate authority. The monthly payment to dependents of the deceased/disabled employee under the plan equals 50% of the salary drawn at the time of death or accident or a specified amount, whichever is greater. Tata Motors Limited and these subsidiaries account for the liability for BKY benefits payable in the future based on an actuarial valuation.

v) Provident fund and family pension

In accordance with Indian law, eligible employees of Tata Motors Limited and some of its subsidiaries and joint operations are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary). The contributions, as specified under the law, are made to the provident fund and pension fund set up as an irrevocable trust by Tata Motors Limited and its subsidiaries or to respective Regional Provident Fund Commissioner and the Central Provident Fund under the State Pension scheme. The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company. The embedded interest rate guarantee is considered to be defined benefit. The liability in respect of the short fall of interest earnings of the Fund is determined on the basis of an actuarial valuation. There is no shortfall as at March 31, 2019.

vi) Severance indemnity

Tata Daewoo Commercial Vehicle Company Limited, or TDCV, a subsidiary company incorporated in Korea; has an obligation towards severance indemnity, a defined benefit retirement plan, covering eligible employees. The plan provides for a lump sum payment to all employees with more than one year of employment equivalent to 30 days' salary payable for each completed year of service.

Notes Forming Part of Consolidated Financial Statements

vii) Post-retirement medicare scheme

Under this unfunded scheme, employees of Tata Motors Limited and some of its subsidiaries receive medical benefits subject to certain limits on amounts of benefits, periods after retirement and types of benefits, depending on their grade and location at the time of retirement. Employees separated from the Company as part of an Early Separation Scheme, on medical grounds or due to permanent disablement are also covered under the scheme.

Tata Motors Limited and such subsidiaries account for the liability for post-retirement medical scheme based on an actuarial valuation.

viii) Compensated absences

Tata Motors Limited and some of its subsidiaries and joint operations provide 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 actuarial valuation.

ix) Remeasurement gains and losses

Remeasurement comprising actuarial gains and losses, the effect of the asset ceiling and the return on assets (excluding interest) relating to retirement benefit plans, are recognised directly in other comprehensive income in the period in which they arise. Remeasurement recorded in other comprehensive income is not reclassified to statement of Profit and Loss. Actuarial gains and losses relating to long-term employee benefits are recognised in the statement of Profit and Loss in the period in which they arise.

x) Measurement date

The measurement date of retirement plans is March 31.

xi) The present value of the defined benefit liability and the related current service cost and past service cost are measured using projected unit credit method.

t. Dividends

Any dividend declared by Tata Motors Limited is based on the profits available for distribution as reported in the statutory financial statements of Tata Motors Limited (Standalone) prepared in accordance with Generally Accepted Accounting Principles in India or Ind AS. Indian law permits the declaration and payment of dividend out of profits for the year or previous financial year(s) as stated in the statutory financial statements of Tata Motors Limited (Standalone) prepared in accordance with Generally Accepted Accounting Principles in India, or Ind AS after providing for depreciation in accordance with the provisions of Schedule II to the Companies Act.

However, in the absence or inadequacy of the said profits, it may declare dividend out of free reserves, subject to certain conditions as prescribed under the Companies (Declaration and Payment of Dividend) Rules, 2014. Accordingly, in certain years the net income reported in these financial statements may not be fully distributable. The amount available for distribution is ₹ Nil as at March 31, 2019 (₹ Nil as at March 31, 2018).

u. Segments

The Company primarily operates in the automotive segment. The automotive segment comprises of four reportable sub-segments i.e. Tata Commercial Vehicles, Tata Passenger Vehicles, Jaguar Land Rover and Vehicle Financing. Other operating segments do not meet the quantitative thresholds for disclosure and have been aggregated.

v. Financial instruments

i) Classification, initial recognition and measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets other than equity instruments are classified into categories: financial assets at fair value through profit or loss and at amortised cost. Financial assets that are equity instruments are classified as fair value through profit or loss or fair value through other comprehensive income. Financial liabilities are classified into financial liabilities at fair value through profit or loss and other financial liabilities. Financial instruments are recognised on the balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Initially, a financial instrument is recognised at its fair value. Transaction costs directly attributable to the acquisition or issue of financial instruments are recognised in determining the carrying amount, if it is not classified as at fair value through profit or loss. Subsequently, financial instruments are measured according to the category in which they are classified.

Financial assets at amortised cost: Financial assets having contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding and that are held within a business model whose objective is to hold such assets in order to collect such contractual cash flows are classified in this category. Subsequently, these are measured at amortised cost using the effective interest method less any impairment losses.

Equity investments at fair value through other comprehensive income: These include financial assets that are equity instruments and are designated as such upon initial recognition irrevocably. Subsequently, these are measured at fair value and changes therein, are recognised directly in other comprehensive income, net of applicable deferred income taxes. Dividends from these equity investments are recognised in the statement of Profit and Loss when the right to receive payment has been established. When the equity investment is derecognised, the cumulative gain or loss in equity is transferred to retained earnings.

Financial assets at fair value through profit or loss: Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss. Derivatives, unless they are designated as hedging instruments, for which hedge accounting is applied, financial assets which have contractual cash flows which are not in the nature of solely principal and interest payments (like hybrid instruments having embedded derivatives) are classified into this category. These are measured at fair value with changes in fair value recognised in the statement of Profit and Loss.

Equity instruments: An equity instrument is any contract that evidences residual interests in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Financial liabilities at fair value through profit or loss: Derivatives, including embedded derivatives separated from the host contract, unless they are designated as hedging instruments, for which hedge accounting is applied, are classified into this category. These are measured at fair value with changes in fair value recognised in the statement of Profit and Loss.

Other financial liabilities: These are measured at amortised cost using the effective interest method.

ii) Determination of fair value

The fair value of a financial instrument on initial recognition is normally the transaction price (fair value of the consideration given or received).

Subsequent to initial recognition, the Company determines the fair value of financial instruments that are quoted in active markets using the quoted bid prices (financial assets held) or quoted ask prices (financial liabilities held) and using valuation techniques for other instruments. Valuation techniques include discounted cash flow method and other valuation models.

iii) Derecognition of financial assets and financial liabilities

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities are derecognised when these are extinguished, that is when the obligation is discharged, cancelled or has expired.

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iv) Impairment of financial assets

The Company recognises a loss allowance for expected credit losses on a financial asset that is at amortised cost. Loss allowance in respect of financial assets other than finance receivables is measured at an amount equal to life time expected credit losses and is calculated as the difference between their carrying amount and the present value of the expected future cash flows discounted at the original effective interest rate. Loss allowance for finance receivables is measured at an amount equal to twelve month expected losses if credit risk on such assets has not increased significantly since initial recognition. An allowance equal to life time expected losses is provided if credit risk has increased significantly from the date of initial recognition. Credit risk is determined to have increased significantly when a finance receivable contract becomes sixty/ninety days past due. Such impairment loss is recognised in the statement of Profit and Loss. If the amount of an impairment loss decreases in a subsequent period, and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. The reversal is recognised in the statement of Profit and Loss.

v) Hedge accounting

The Company uses foreign currency forward and option contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable forecast transactions. The Company designates these forward and option contracts in a cash flow hedging relationship by applying the hedge accounting principles. These forward and option contracts are stated at fair value at each reporting date. Changes in the fair value of these forward and option contracts that are designated and effective as hedges of future cash flows are recognised in other comprehensive income (net of tax) and the ineffective portion is recognised immediately in the consolidated statement of Profit and Loss. Amounts accumulated in equity are reclassified to the consolidated statement of Profit and Loss in the periods in which the forecasted transaction occurs. For forwards and options, forward premium and the time value are not considered part of the hedge.

These are treated as cost of hedge and the changes in fair value attributable to time value is recognised in the other comprehensive income along with the changes in fair value determined to be effective portion of the hedge. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecast transactions, any cumulative gain or loss on the hedging instrument recognised in equity is retained there until the forecast transaction occurs. If the forecast transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is immediately transferred to the consolidated statement of Profit and Loss for the year.

w. Recent accounting pronouncements

i) New accounting pronouncements adopted by the Company during the current financial year

Ind AS 115 – Revenue from Contracts with Customers

The standard outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersede most revenue recognition guidance, including industry-specific guidance applicable for previous periods. The core principle of the new standard is for companies to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which company expects to be entitled to exchange for those goods or services. The new standard also requires entities to give enhanced disclosures about revenue and provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements. The Company adopted Ind AS 115 effective from April 1, 2018, with a modified retrospective approach. The figures for the comparative periods are not restated. There is no significant impact on Company's profit after tax as a result of adoption of Ind AS 115.

There is a change in the basis of measurement of revenue for certain contracts in which performance obligation is satisfied over a period of time and revenue is measured as a percentage to the work completed. For such contracts, revenue is measured in accordance with Ind AS 115, when the Company has satisfied a performance obligation by transferring the promised good or service (i.e. an asset) to the customer i.e. when the customer obtains control of the asset and establishes an unconditional right to receive the consideration. There is impact of ₹**41.80 crores** to the opening retained earnings on account of this change in measurement.

The Company makes transport arrangements for delivering its vehicles to the dealers. In accordance with the principles of Ind AS 115, the Company has determined itself to be acting as agent under these arrangements. Freight costs which were previously recognised as costs are netted off from revenue in accordance with the guidance under Ind AS 115.

Certain pay-outs made to dealers such as infrastructure support payments are treated as variable components of consideration and therefore in accordance with Ind AS 115, are recognised as revenue deductions. These costs were previously reported as other expenses.

These changes in presentation in the income statement resulted in decrease in both revenues and expenses by ₹**3,809.03 crores** for the year ended March 31, 2019.

Adoption of the standard has given rise to new financial statement categories in the statement of financial position, being "contract assets" and "contract liabilities." These items arise through advance payment received from customers or advance delivery of goods and services in excess of or ahead of billing at the contract level. In addition, disclosure requirements are extended.

Incentives received from Government are included under other income, which were previously presented under other operating income under revenue from operations.

Ind AS 21 - The Effect of Changes in Foreign Exchange Rates

The amendment effective April 1, 2018, clarifies on the accounting of transaction that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. There is no impact in the consolidated financial statements on adoption of this amendment.

ii) New accounting standards not yet adopted

Ind AS 116 Leases

In March 2019, MCA issued Ind AS 116 - Leases which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract and replaces the previous standard on leasing, Ind AS 17 -Leases. Ind AS 116, which is not applicable to service contracts, but only applicable to leases or lease components of a contract, defines a lease as a contract that conveys to the customer (lessee) the right to use an asset for a period of time in exchange for consideration. Ind AS 116 eliminates the classification of leases for the lessee as either operating leases or finance leases as required by Ind AS 17 and instead, introduces a single lessee accounting model whereby a lessee is required to recognise assets and liabilities for all leases with a term that is greater than 12 months, unless the underlying asset is of low value, and to recognise depreciation of leased assets separately from interest on lease liabilities in the Statement of Profit and Loss. As Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17, a lessor will continue to classify its leases as operating leases or finance leases and to account for those two types of leases differently.

The Company will be adopting Ind AS 116 with a modified retrospective approach with effect from April 1, 2019. The cumulative effect of initially applying this Standard will be recorded as an adjustment to the opening balance of retained earnings. Figures for comparative periods will not be restated.

The Company will use the exemption option available for existing leases and apply the available exemptions regarding the recognition of short term leases and low value leasing assets. Basis assessment, the Company arrangements under operating leases, which are currently off Balance sheet, will be recorded as right to use assets and the future obligations in respect of such leases will be recorded as a liability in the Balance sheet as at April 1, 2019. The Company

Notes Forming Part of Consolidated Financial Statements

will use following practical expedients of Ind AS 116 at the date of initial application:

1. With leases previously classified as operating leases according to Ind AS 17, the lease liability will be measured at the present value of the outstanding lease payments, discounted by the incremental borrowing rate at April 1, 2019. The respective right-of-use asset is generally recognised at an amount equal to the lease liability;

2. An impairment review is not performed for right of use assets. Instead, right-of-use asset is adjusted by the amount of any provision for onerous leases recognised in the Balance sheet.

3. Regardless of their original lease term, leases for which the lease term ends latest on March 31, 2020, are recognised as short-term leases;

4. At the date of initial application, the measurement of a right-to-use asset excludes the initial direct costs; and

5. Hindsight is considered when determining the lease term if the contract contains options to extend or terminate the leases.

Amendments issued by MCA to existing standards

MCA issued following amendments to certain standards which will be effective from financial year beginning April 1, 2019.

i) Amendments to Ind AS 109, Financial Instruments: Prepayment of loans

The amendments notified in Ind AS 109 pertain to classification of a financial instruments with prepayment feature with negative compensation. Negative compensation arises where the terms of the contract of the financial instrument permit the holder to make repayment or permit the lender or issuer to put the instrument to the borrower for repayment before the maturity at an amount less than the unpaid amounts of principal and interest. Earlier, there was no guidance on classification of such instruments.

According to the amendments, these types of instruments can be classified as measured at amortised cost, or measured at fair value through profit or loss, or measured at fair value through other comprehensive income by the lender or issuer if the respective conditions specified under Ind AS 109 are satisfied. Similarly, the holder may classify them either measured at fair value through profit or loss or measured at amortised cost in accordance with conditions of Ind AS 109.

ii) Amendments to Ind AS 12, Income Taxes - Deferred taxes on Dividends and uncertain tax treatment

An entity is required to create a corresponding liability for payment of Dividend Distribution Tax (DDT) when it recognises a liability to pay a dividend. The liability for DDT shall be recorded in statement of Profit and Loss, other comprehensive income or equity, as the case may be. Currently, the Company is recognising dividend distribution tax on dividends paid to shareholders in the statement of changes in equity, as per the amendment, the Company will recognise dividend distribution tax on dividend distributed to shareholders as income tax expense in its statement of Profit and Loss.

Another amendment relates to tax consequence of an item whose tax treatment is uncertain. Tax treatment of an item is considered as uncertain when there is uncertainty whether the relevant taxation authority will accept the tax treatment of that item or not. For example, if an entity has not included a particular income in taxable profit, it will be considered as uncertain tax treatment if its acceptability by taxation authority is uncertain. The amendment has been brought by introducing a new Appendix C to Ind AS 12.

If there is uncertainty over tax treatment of an item:

1. An entity should determine an approach or method that predicts the resolution of the uncertainty. Based on the approach, the entity shall determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments.

2. It shall assess whether it is probable that the taxation authority will accept the uncertain tax treatment, assuming that the authority has full right to examine the treatment and has full knowledge of all related information.

3. If it is probable that the taxation authority will accept the tax treatment, there will be no impact on the amount of taxable profits/losses, tax bases, unused tax losses/credits and tax rates. In vice-versa case, the entity shall show the effect of the uncertainty for each uncertain tax treatment on amount of related aforesaid items by using either the most likely outcome or the expected outcome of the uncertainty.

iii) Amendment to Ind AS 19, Employee Benefits: Changes in Employee benefit plan

When a change to a plan by way of either an amendment, curtailment or settlement takes place, Ind AS 19 requires a company to remeasure its net defined benefit liability or asset.

The amendments to Ind AS 19 require a company to use the updated assumptions from this remeasurement to determine current service cost and net interest for the remainder of the reporting period after the change to the plan. Until now, Ind AS 19 did not specify how to determine these expenses for the period after the change to the plan.

iv) Amendments to Ind AS 28, Investments in Associates and Joint Ventures

Ind AS 109 excludes interest in associates and joint ventures that are accounted for in accordance with Ind AS 28, Investments in Associates and Joint Ventures from its scope. This amendment to Ind AS 28 clarifies that Ind AS 109 should be applied to financial instruments, including long-term interests in associates and joint venture, that, in substance, form part of an entity's net investment in associate or joint venture, to which the equity method is not applied.

The Company is evaluating impact of above amendments issued by MCA to existing accounting standards.

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(x) The following subsidiary companies are considered in the consolidated financial statements:

Sr No.	Name of the Subsidiary company	Country of incorporation	% of holding either directly or through subsidiaries As at March 31, 2019	As at March 31, 2018
	Direct Subsidiaries			
1	TAL Manufacturing Solutions Limited (ceased to be subsidiary w.e.f. March 29, 2019)	India	-	100
2	Concorde Motors (India) Limited	India	100	100
3	Tata Motors Insurance Broking & Advisory Services Limited	India	100	100
4	Tata Motors European Technical Centre PLC	UK	100	100
5	Tata Technologies Limited	India	72.28	72.29
6	TMF Holdings Limited (formerly known as Tata Motors Finance Limited)	India	100	100
7	Tata Marcopolo Motors Limited	India	51	51
8	TML Holdings Pte. Limited	Singapore	100	100
9	TML Distribution Company Limited	India	100	100
10	Tata Hispano Motors Carrocera S.A.	Spain	100	100
11	Tata Hispano Motors Carrocerries Maghreb SA	Morocco	100	100
12	Trilix S.r.l. (Shareholding increased from 80% to 100% w.e.f. December 6, 2018)	Italy	100	80
13	Tata Precision Industries Pte. Limited	Singapore	78.39	78.39
	Indirect subsidiaries *			
14	Tata Daewoo Commercial Vehicle Company Limited	South Korea	100	100
15	Tata Daewoo Commercial Vehicle Sales and Distribution Company Limited	South Korea	100	100
16	Tata Motors (Thailand) Limited	Thailand	95.87	95.49
17	Tata Motors (SA) (Proprietary) Limited	South Africa	60	60
18	PT Tata Motors Indonesia	Indonesia	100	100
19	Tata Technologies (Thailand) Limited	Thailand	72.28	72.29
20	Tata Technologies Pte Limited	Singapore	72.28	72.29
21	INCAT International Plc.	UK	72.28	72.29
22	Tata Technologies Europe Limited	UK	72.28	72.29
23	Escenda Engineering AB	UK	72.28	72.29
24	INCAT GmbH.	Germany	72.28	72.29
25	Tata Technologies Inc.	USA	72.34	72.35
26	Tata Technologies de Mexico, S.A. de C.V.	Mexico	72.34	72.35
27	Cambric Limited	USA	72.31	72.32
28	Cambric GmbH	Germany	72.34	72.35
29	Tata Technologies SRL Romania	Romania	72.31	72.32

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Sr No.	Name of the Subsidiary company	Country of incorporation	% of holding either directly or through subsidiaries	
			As at March 31, 2019	As at March 31, 2018
30	Tata Manufacturing Technologies (Shanghai) Limited	China	72.28	72.29
31	Jaguar Land Rover Automotive Plc	UK	100	100
32	Jaguar Land Rover Limited	UK	100	100
33	Jaguar Land Rover Austria GmbH	Austria	100	100
34	Jaguar Land Rover Belux NV	Belgium	100	100
35	Jaguar Land Rover Japan Limited	Japan	100	100
36	Jaguar Cars South Africa (Pty) Limited	South Africa	100	100
37	JLR Nominee Company Limited	UK	100	100
38	The Daimler Motor Company Limited	UK	100	100
39	Daimler Transport Vehicles Limited	UK	100	100
40	S.S. Cars Limited	UK	100	100
41	The Lanchester Motor Company Limited	UK	100	100
42	Jaguar Land Rover Deutschland GmbH	Germany	100	100
43	Jaguar Land Rover Classic Deutschland GmbH (Incorporated w.e.f. August 10, 2018)	Germany	100	-
44	Jaguar Land Rover Holdings Limited	UK	100	100
45	Jaguar Land Rover North America LLC	USA	100	100
46	Land Rover Ireland Limited	Ireland	100	100
47	Jaguar Land Rover Nederland BV	Netherlands	100	100
48	Jaguar Land Rover Portugal - Veiculos e Pecas, Lda.	Portugal	100	100
49	Jaguar Land Rover Australia Pty Limited	Australia	100	100
50	Jaguar Land Rover Italia Spa	Italy	100	100
51	Jaguar Land Rover Espana SL	Spain	100	100
52	Jaguar Land Rover Korea Company Limited	South Korea	100	100
53	Jaguar Land Rover (China) Investment Co. Limited	China	100	100
54	Jaguar Land Rover Canada ULC	Canada	100	100
55	Jaguar Land Rover France, SAS	France	100	100
56	Jaguar Land Rover (South Africa) (pty) Limited	South Africa	100	100
57	Jaguar e Land Rover Brasil industria e Comercio de Veiculos LTDA	Brazil	100	100
58	Limited Liability Company "Jaguar Land Rover" (Russia)	Russia	100	100
59	Jaguar Land Rover (South Africa) Holdings Limited	UK	100	100
60	Jaguar Land Rover India Limited	India	100	100
61	Jaguar Cars Limited	UK	100	100
62	Land Rover Exports Limited	UK	100	100

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Sr No.	Name of the Subsidiary company	Country of incorporation	% of holding either directly or through subsidiaries	
			As at March 31, 2019	As at March 31, 2018
63	Jaguar Land Rover Pension Trustees Limited	UK	100	100
64	Jaguar Racing Limited	UK	100	100
65	InMotion Ventures Limited	UK	100	100
66	InMotion Ventures 1 Limited	UK	100	100
67	InMotion Ventures 2 Limited	UK	100	100
68	InMotion Ventures 3 Limited	UK	100	100
69	InMotion Ventures 4 Limited (Incorporated w.e.f January 4, 2019)	UK	100	-
70	Shanghai Jaguar Land Rover Automotive Services Company Limited	China	100	100
71	Jaguar Land Rover Slovakia S.R.O	Slovakia	100	100
72	Jaguar Land Rover Singapore Pte. Ltd	Singapore	100	100
73	Jaguar Land Rover Columbia S.A.S	Columbia	100	100
74	PT Tata Motors Distribusi Indonesia	Indonesia	100	100
75	Tata Motors Finance Solutions Limited	India	100	100
76	Tata Motors Finance Limited (formerly known as Sheba Properties Limited)	India	100	100
77	TMNL Motor Services Nigeria Limited	Nigeria	100	100
78	Jaguar Land Rover Ireland (Services) Limited	Ireland	100	100
79	Spark44 (JV) Limited	UK	50.50	50.50
80	Spark44 Pty. Ltd.	Australia	50.50	50.50
81	Spark44 GMBH	Germany	50.50	50.50
82	Spark44 LLC	USA	50.50	50.50
83	Spark44 (Shanghai) Limited	China	50.50	50.50
84	Spark44 DMCC	UAE	50.50	50.50
85	Spark44 Demand Creation Partners Limited	India	50.50	50.50
86	Spark44 Limited (London & Birmingham)	UK	50.50	50.50
87	Spark44 Pte Ltd	Singapore	50.50	50.50
88	Spark44 Communication SL	Spain	50.50	50.50
89	Spark44 SRL	Italy	50.50	50.50
90	Spark44 Limited (Seoul Ltd)	Korea	50.50	50.50
91	Spark44 Japan KK	Japan	50.50	50.50
92	Spark44 Canada Inc	Canada	50.50	50.50
93	Spark44 South Africa (Pty) Limited	South Africa	50.50	50.50
94	Spark44 Colombia S.A.S. (Incorporated w.e.f. May 10, 2018)	Columbia	50.50	-

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, 2019	As at March 31, 2018
95	Spark44 Taiwan Limited (Incorporated w.e.f. May 7, 2018)	Taiwan	50.50	-
96	Jaguar Land Rover Taiwan Company Limited	Taiwan	100	100
97	Jaguar Land Rover Servicios Mexico,S.A. de C.V.	Mexico	100	100
98	Jaguar Land Rover Mexico,S.A.P.I. de C.V.	Mexico	100	100
99	Jaguar Land Rover Hungary KFT (Incorporated w.e.f. July 30, 2018)	Hungary	100	-
100	Jaguar Land Rover Classic USA LLC (Incorporated w.e.f. June 1, 2018)	USA	100	-

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

The following Jointly controlled companies are considered in the consolidated financial statements:

Sr No.	Name of the Subsidiary company	Country of incorporation	% of holding either directly or through subsidiaries	
			As at March 31, 2019	As at March 31, 2018
Joint Operations				
1	Fiat India Automobiles Private Limited	India	50	50
2	Tata Cummins Private Limited	India	50	50
Joint Ventures				
3	Tata HAL Technologies Limited **	India	36.14	36.16
4	Chery Jaguar Land Rover Automotive Company Limited	China	50	50
5	JT Special Vehicles Pvt. Limited	India	50	50

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

The following associates companies are considered in the consolidated financial statements:

Sr No.	Name of the Subsidiary company	Country of incorporation	% of holding either directly or through subsidiaries	
			As at March 31, 2019	As at March 31, 2018
1	Automobile Corporation of Goa Limited	India	47.19	47.19
2	Nita Company Limited	Bangladesh	40.00	40.00
3	Tata Hitachi Construction Machinery Company Private Limited	India	39.99	39.99
4	Tata Precision Industries (India) Limited	India	39.19	39.19
5	Tata AutoComp Systems Limited	India	26.00	26.00
6	Jaguar Cars Finance Limited	UK	49.90	49.90
7	Cloud Car Inc	USA	26.30	26.30
8	Synaptiv Limited	UK	37.50	33.33
9	DriveClubService Pte. Ltd.	Singapore	25.07	25.07
10	Loginomic Tech Solutions Private Limited ("TruckEasy") (Acquired stake w.e.f. July 10, 2018)	India	26.00	-

Notes Forming Part of Consolidated Financial Statements

3. Property, plant and equipment

(₹ in crores)

	Owned assets							Given on lease				Taken on lease				Total
	Land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Computers	Heritage Assets	Land	Buildings	Plant and equipment	Vehicles	Buildings	Plant and equipment	Furniture and fixtures	Computers	
Cost as at April 1, 2018	7,338.59	16,492.94	100,067.26	1,425.29	353.12	1,943.15	354.68	23.24	33.41	5.16	31.23	59.09	158.84	4.31	186.15	128,476.46
Additions	-	6,827.03	16,309.96	225.51	75.63	537.45	24.38	-	0.49	-	33.88	8.15	38.11	-	-	24,080.59
Currency translation differences	(47.36)	(474.78)	(1,628.70)	(19.90)	(0.64)	(29.94)	(4.92)	(0.38)	(0.62)	-	-	(0.41)	(5.24)	-	-	(2,212.89)
Reversal of assets classified as Held for sale	-	27.11	45.55	36.89	3.88	156.82	-	-	-	-	-	36.78	0.63	-	-	307.66
Disposal	(4.97)	(31.43)	(5,571.00)	(46.37)	(44.68)	(272.38)	(1.37)	-	-	-	(2.36)	(6.23)	-	-	-	(5,980.79)
Cost as at March 31, 2019	**7,286.26**	**22,840.87**	**109,223.07**	**1,621.42**	**387.31**	**2,335.10**	**372.77**	**22.86**	**33.28**	**5.16**	**62.75**	**97.38**	**192.34**	**4.31**	**186.15**	**144,671.03**
Accumulated depreciation/impairment as at April 1, 2018	-	3,299.91	49,073.11	718.35	179.83	1,058.69	-	-	0.93	4.12	6.06	20.99	71.06	1.51	174.06	54,608.62
Depreciation for the year	-	908.24	10,815.73	125.50	64.55	247.97	-	-	2.66	-	3.04	9.08	16.28	0.86	6.51	12,200.42
Writeoff/impairment of assets	-	-	10,515.08	144.34	6.05	234.82	161.69	-	-	-	-	-	56.72	-	-	11,118.70
Currency translation differences	-	(49.09)	(445.69)	(7.02)	(0.03)	(6.76)	-	-	(0.01)	-	-	0.29	(0.23)	-	-	(508.54)
Reversal of assets classified as Held for sale	-	12.11	13.12	16.70	2.18	101.50	-	-	-	-	-	13.93	0.60	-	-	160.14
Disposal	-	(22.91)	(5,192.52)	(39.05)	(38.15)	(232.20)	-	-	-	-	(1.13)	(2.21)	-	-	-	(5,528.17)
Accumulated depreciation/impairment as at March 31, 2019	**-**	**4,148.26**	**64,778.83**	**958.82**	**214.43**	**1,404.02**	**161.69**	**-**	**3.58**	**4.12**	**7.97**	**42.08**	**144.43**	**2.37**	**180.57**	**72,051.17**
Net carrying amount as at March 31, 2019	**7,286.26**	**18,692.61**	**44,444.24**	**662.60**	**172.88**	**931.08**	**211.08**	**22.86**	**29.70**	**1.04**	**54.78**	**55.30**	**47.91**	**1.94**	**5.58**	**72,619.86**
Cost as at April 1, 2017	6,761.98	12,014.30	79,560.14	1,218.13	290.95	1,766.77	423.35	20.11	29.46	8.95	8.14	149.57	416.15	4.31	178.87	102,851.18
Additions	294.61	3,155.56	15,698.18	146.43	109.02	263.54	-	0.72	-	-	25.00	8.50	3.52	-	7.28	19,712.36
Asset acquired in Business Combination	-	2.06	0.22	42.73	-	13.12	-	-	-	-	-	0.10	-	-	-	58.23
Assets classified as held for sale	-	(27.11)	(366.90)	(40.73)	(3.88)	(160.69)	-	-	-	-	-	(100.20)	(0.63)	-	-	(700.14)
Currency translation differences	282.00	1,355.91	8,374.91	121.91	11.47	143.85	50.00	2.41	3.98	-	-	2.68	39.67	-	-	10,388.79
Write off of assets	-	-	(536.82)	-	-	-	(110.06)	-	-	-	-	-	-	-	-	(646.88)
Disposal	-	(7.78)	(2,662.47)	(63.18)	(54.44)	(83.44)	(8.61)	-	(0.03)	(3.79)	1.91	(1.56)	(299.87)	-	-	(3,187.08)
Cost as at March 31, 2018	**7,338.59**	**16,492.94**	**100,067.26**	**1,425.29**	**353.12**	**1,943.15**	**354.68**	**23.24**	**33.41**	**5.16**	**31.23**	**59.09**	**158.84**	**4.31**	**186.15**	**128,476.46**
Accumulated depreciation as at April 1, 2017	**-**	**2,445.47**	**38,476.07**	**600.90**	**179.59**	**1,003.48**	**-**	**-**	**0.73**	**3.08**	**3.66**	**35.59**	**344.04**	**0.65**	**163.36**	**43,256.62**
Depreciation for the year	-	652.15	9,838.20	133.52	44.68	176.24	-	-	0.13	1.32	3.70	5.60	7.24	0.86	10.70	10,874.34
Write off of assets	-	-	(389.08)	-	-	-	-	-	-	-	-	-	-	-	-	(389.08)
Assets classified as held for sale	-	(13.07)	(115.43)	(13.36)	(2.58)	(95.56)	-	-	-	-	-	(20.98)	(0.60)	-	-	(261.58)
Currency translation differences	-	218.14	3,718.80	54.38	6.19	51.96	-	-	0.07	-	-	0.78	20.25	-	-	4,070.57
Disposal	-	(2.78)	(2,455.45)	(57.09)	(48.05)	(77.43)	-	-	-	(0.28)	(1.30)	-	(299.87)	-	-	(2,942.25)
Accumulated depreciation as at March 31, 2018	**-**	**3,299.91**	**49,073.11**	**718.35**	**179.83**	**1,058.69**	**-**	**-**	**0.93**	**4.12**	**6.06**	**20.99**	**71.06**	**1.51**	**174.06**	**54,608.62**
Net carrying amount as at March 31, 2018	**7,338.59**	**13,193.03**	**50,994.15**	**706.94**	**173.29**	**884.46**	**354.68**	**23.24**	**32.48**	**1.04**	**25.17**	**38.10**	**87.78**	**2.80**	**12.09**	**73,867.84**

Notes Forming Part of Consolidated Financial Statements

4. Leases

The Company has taken land, buildings, plant and equipment, computers and furniture and fixtures under operating and finance leases. The following is the summary of future minimum lease rental payments under non-cancellable operating leases and finance leases entered into by the Company:

(₹ in crores)

	As at March 31, 2019			As at March 31, 2018		
	Operating	Finance		Operating	Finance	
	Minimum Lease Payments	Minimum Lease Payments	Present value of minimum lease payments	Minimum Lease Payments	Minimum Lease Payments	Present value of minimum lease payments
Not later than one year	1,099.41	33.00	29.59	880.80	25.39	22.23
Later than one year but not later than five years	2,626.12	97.09	79.12	2,152.78	28.25	22.19
Later than five years	2,496.83	249.25	64.76	2,334.29	38.06	24.56
Total minimum lease commitments	**6,222.36**	**379.34**	**173.47**	**5,367.87**	**91.70**	**68.98**
Less: future finance charges		(205.87)			(22.72)	
Present value of minimum lease payments		**173.47**			**68.98**	
Included in the financial statements as:						
Other financial liabilities - current (refer note 28)			17.30			22.23
Long-term borrowings (refer note 25)			156.17			46.75
			173.47			**68.98**

Total operating lease rent expenses were ₹**1,077.42 crores** and ₹1,022.39 crores for the years ended March 31, 2019 and 2018, respectively.

5. Goodwill

(₹ in crores)

	As at March 31, 2019	As at March 31, 2018
Balance at the beginning	116.45	673.32
Impairment	(8.11)	-
Classified as held for sale	-	(557.91)
Reversal of held for sale	639.92	-
Currency translation differences	(0.39)	1.04
Balance at the end	**747.87**	**116.45**

As at March 31, 2019, goodwill of ₹**107.95 crores** and ₹**639.92 crores** relates to the passenger vehicles - automotive and related activity segment (Tata and other brand vehicles) and "others" segment, respectively. As at March 31, 2018, goodwill of ₹108.10 crores and ₹8.35 crores relates to the passenger vehicles - automotive and related activity segment (Tata and other brand vehicles) and Jaguar Land Rover Segment, respectively.

As at March 31, 2019, goodwill of ₹**639.92 crores** has been allocated to software consultancy and service cash generating unit. The recoverable amount of the cash generating unit has been determined based on value in use. Value in use has been determined based on future cash flows, after considering current economic conditions and trends, estimated future operating results, growth rates and anticipated future economic conditions.

As at March 31, 2019, the estimated cash flows for a period of 5 years were developed using internal forecasts, and a pre-tax discount rate of 12.72% The cash flows beyond 5 years have been extrapolated assuming 2% growth rates. The management believes that any reasonably possible change in the key assumptions would not cause the carrying amount to exceed the recoverable amount of the cash generating unit.

Notes Forming Part of Consolidated Financial Statements

6. (a) Other intangible assets

(₹ in crores)

	Software	Patents and technological know how	Customer related	Intellectual property rights and other intangibles	Indefinite life trade marks and patents	Product development	Total
Cost as at April 1, 2018	6,301.52	1,522.12	561.28	327.10	5,706.31	70,197.81	84,616.14
Additions	844.69	2.18	-	44.59	-	12,053.59	12,945.05
Fully amortised not in use	(434.51)	(38.20)	-	(8.28)	-	(8,651.82)	(9,132.81)
Reversal of Assets classified as Held for sale	248.83	1.75	48.69	-	-	-	299.27
Currency translation differences	(192.36)	(28.35)	(11.96)	(8.45)	(109.70)	(1,278.75)	(1,629.57)
Cost as at March 31, 2019	**6,768.17**	**1,459.50**	**598.01**	**354.96**	**5,596.61**	**72,320.83**	**87,098.08**
Accumulated amortisation/impairment as at April 1, 2018	**3,235.38**	**1,383.86**	**273.12**	**98.12**	**-**	**32,196.09**	**37,186.57**
Amortisation for the year	1,043.48	76.83	29.35	39.57	-	10,200.98	11,390.21
Write off/Impairment of assets	669.40	-	61.73	47.40	1,316.88	8,092.86	10,188.27
Reversal of Assets classified as Held for sale	170.63	0.48	11.00	-	-	-	182.11
Asset fully amortised not in use	(434.51)	(38.20)	-	(8.28)	-	(8,651.82)	(9,132.81)
Currency translation differences	(53.93)	(25.76)	(5.23)	(2.32)	14.11	(509.89)	(583.02)
Accumulated amortisation/impairment as at March 31, 2019	**4,630.45**	**1,397.21**	**369.97**	**174.49**	**1,330.99**	**41,328.22**	**49,231.33**
Net carrying amount as at March 31, 2019	**2,137.72**	**62.29**	**228.03**	**180.47**	**4,265.62**	**30,992.61**	**37,866.74**
Cost as at April 1, 2017	5,212.84	1,313.68	516.61	194.99	5,003.50	47,746.09	59,987.71
Additions	847.20	42.75	22.31	61.53	-	16,464.77	17,438.56
Asset acquired in Business Combination	12.62	-	-	33.59	-	-	46.21
Assets classified as held for sale	(248.83)	(1.68)	(48.69)	-	-	-	(299.20)
Currency translation differences	694.31	167.37	71.05	36.99	702.81	7,217.99	8,890.52
Write off assets	-	-	-	-	-	-	-
Fully amortised not in use	(216.62)	-	-	-	-	(1,231.04)	(1,447.66)
Cost as at March 31, 2018	**6,301.52**	**1,522.12**	**561.28**	**327.10**	**5,706.31**	**70,197.81**	**84,616.14**
Accumulated amortisation as at April 1, 2017	**2,214.78**	**1,096.05**	**225.43**	**39.62**	**-**	**20,735.63**	**24,311.51**
Amortisation for the year	997.26	135.07	26.09	53.67	-	9,467.16	10,679.25
Assets Held for Sale	(170.05)	(0.64)	(10.96)	-	-	-	(181.65)
Fully amortised not in use	(216.62)	-	-	-	-	(1,231.04)	(1,447.66)
Currency translation differences	297.30	153.38	32.56	4.83	-	3,224.34	3,712.41
Write off assets	112.71	-	-	-	-	-	112.71
Accumulated amortisation as at March 31, 2018	**3,235.38**	**1,383.86**	**273.12**	**98.12**	**-**	**32,196.09**	**37,186.57**
Net carrying amount as at March 31, 2018	**3,066.14**	**138.26**	**288.16**	**228.98**	**5,706.31**	**38,001.72**	**47,429.57**

Notes Forming Part of Consolidated Financial Statements

6. (b) Intangible assets under development

(₹ in crores)

	Year ended March 31, 2019	Year ended March 31, 2018
Balance at the beginning	23,890.56	23,512.01
Additions	18,235.26	16,877.22
Transferred to cost of other intangible assets	(12,898.28)	(17,286.12)
Transferred to Held for Sale	-	(190.10)
Reversal of Held for Sale	12.54	-
Write off/impairment	(5,386.48)	(1,596.26)
Currency translation impact	(507.93)	2,573.81
Balance at the end	**23,345.67**	**23,890.56**

(c) The useful life of trademarks and brands in respect of the acquired Jaguar Land Rover businesses have been determined to be indefinite as the Company expects to generate future economic benefits indefinitely from these assets.

(d) 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, ₹835.06 crores and ₹871.75 crores, for the year ended March 31, 2019 and 2018, respectively, the proportion relating to capitalised product development expenditure, have been off set against intangibles under development.

Notes Forming Part of Consolidated Financial Statements

7. Impairment of Jaguar Land Rover Business

The Company is of the view that the operations of its subsidiary Jaguar Land Rover (JLR) represent a single cash-generating unit ('CGU'). Management performed an impairment assessment as at March 31, 2019. The recoverable value was determined by Value in Use ('VIU'), which was marginally higher than the Fair Value less Cost of Disposal ('FVLCD') of the relevant assets of the CGU. The recoverable amount was lower than the carrying value of the CGU and this resulted in an impairment charge of ₹**27,837.91 crores** recognised within 'Exceptional items' as at March 31, 2019.

The approach and key (unobservable) assumptions used to determine the CGU's VIU were as follows:

	As at March 31, 2019	As at March 31, 2018
Growth rate applied beyond approved forecast period	1.90%	2.00%
Pre-tax discount rate	11.80%	8.70%

The Company has considered it appropriate to undertake the impairment assessment with reference to the latest business plan which includes a 5 year cash flow forecast. The growth rates used in the value in use calculation reflect those inherent within the JLR's business plan, which is primarily a function of the JLR's cycle plan assumptions, past performance and management's expectation of future market developments through to 2023/24. The future cash flows consider potential risks given the current economic environment and key assumptions, such as volume forecasts and margins. The Company has assessed the potential impacts of changes, if any, in tax and treaty arrangements globally, including proposed exit of the United Kingdom from European Union (Brexit) and the US Tariffs. The potential impact of reasonably possible outcomes of these events has been included in the VIU calculations.

The cash flows for the year 2023/24 are extrapolated into perpetuity assuming a growth rate as stated above which is set with reference to weighted-average GDP growth of the countries in which JLR operates.

The impairment loss of ₹**27,837.91 crores** has been allocated initially against goodwill of ₹**8.11 crores** and thereafter the residual amount has been allocated on a pro-rated basis as follows:

(₹ in crores)

	As at March 31, 2019
Property, plant and equipment	10,857.01
Capital work-in-progress	1,656.08
Goodwill	8.11
Other intangible assets	10,187.34
Intangible assets under development	5,129.37
Total	**27,837.91**

Sensitivity to key assumptions

The change in the following assumptions used in the impairment review would, in isolation, lead to an increase to the aggregate impairment loss recognised as at March 31, 2019 (although it should be noted that these sensitivities do not take account of potential mitigating actions):

(₹ in crores)

	As at March 31, 2019
Increase in discount rate by 1%	10,082.87
Decrease in long-term growth rate applied beyond approved forecast period by 0.5%	4,371.66
Decrease in projected volume by 5%	38,892.37
Decrease in projected gross margin by 1%	18,898.60

Notes Forming Part of Consolidated Financial Statements

8. Investments in equity accounted investees:

(a) Associates:

The Company has no material associates as at March 31, 2019. The aggregate summarised financial information in respect of the Company's immaterial associates that are accounted for using the equity method is set forth below.

(₹ in crores)

	As at March 31, 2019	As at March 31, 2018
Carrying amount of the Company's interest in associates	1,039.34	933.34

(₹ in crores)

	As at March 31, 2019	As at March 31, 2018
Company's share of profit/(loss) in associates*	111.06	118.30
Company's share of other comprehensive income in associates	8.32	(1.90)
Company's share of total comprehensive income in associates	119.38	116.40

(i) Fair value of investment in an equity accounted associate for which published price quotation is available, which is a level 1 input, was ₹**169.69 crores** and ₹338.04 crores as at March 31, 2019 and 2018, respectively. The carrying amount as at March 31, 2019 and 2018 was ₹**138.70 crores** and ₹141.48 crores, respectively.

(ii) During the year ended March 31, 2019, the Group purchased 26% of the share capital of Loginomic Tech Solutions Pvt. Limited for ₹2.66 crores. The investment is accounted for as equity accounted investments as the Group has significant influence.

(b) Joint ventures:

(i) Details of the Company's material joint venture is as follows:

Name of joint venture	Principal activity	Principal place of the business	% holding	
			As at March 31, 2019	As at March 31, 2018
Chery Jaguar Land Rover Automotive Co. Limited (Chery)	Manufacture and assembly of vehicles	China	50%	50%

Chery is a limited liability company, whose legal form confers separation between the parties to the joint arrangement. There is no contractual arrangement or any other facts and circumstances that indicate that the parties to the joint venture have rights to the assets and obligations for the liabilities of the joint arrangement. Accordingly, Chery is classified as a joint venture. The summarised financial information in respect of Chery that is accounted for using the equity method is set forth below.

(₹ in crores)

	As at March 31, 2019	As at March 31, 2018
Current assets	6,770.19	8,231.79
Non-current assets	13,024.47	12,218.49
Current liabilities	(9,992.36)	(9,929.83)
Non-current liabilities	(1,104.24)	(1,418.41)

Notes Forming Part of Consolidated Financial Statements

(₹ in crores)

	As at March 31, 2019	As at March 31, 2018
The above amounts of assets and liabilities include the following:		
Cash and cash equivalents	2,860.13	4,046.68
Current financial liabilities (excluding trade and other payables and provisions)	(2,516.19)	(388.52)
Non-current financial liabilities (excluding trade and other payables and provisions)	(1,104.23)	(1,399.96)
Share of net assets of material joint venture	4,349.03	4,551.02
Other consolidation adjustments	(53.49)	(101.62)
Carrying amount of the Company's interest in joint venture	4,295.54	4,449.40

(₹ in crores)

	Year ended March 31, 2019	Year ended March 31, 2018
Revenue	15,571.50	23,787.61
Net income/(loss)	111.95	4,338.13
Other comprehensive income	-	121.79
Total comprehensive income for the year	111.95	4,459.92
The above net income includes the following:		
Depreciation and amortisation	1,885.76	1,194.78
Interest income	(109.20)	(229.87)
Interest expense (net)	126.63	60.90
income tax expense/(credit)	57.81	1,163.05

Reconciliation of above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements:

(₹ in crores)

	As at March 31, 2019	As at March 31, 2018
Net assets of the joint venture	8,698.06	9,102.04
Proportion of the Company's interest in joint venture	4,349.03	4,551.02
Other consolidation adjustments	(53.49)	(101.62)
Carrying amount of the Company's interest in joint venture	4,295.54	4,449.40

During the year ended March 31, 2019, a dividend of GBP 21.69 Million (**₹199.03 crores**) was received by a subsidiary in UK from Chery Jaguar Land Rover Automotive Co. Ltd. (2018 : GBP 206.46 Million, ₹1,764.49 crores)

(ii) The aggregate summarised financial information in respect of the Company's immaterial joint ventures that are accounted for using the equity method is set forth below.

(₹ in crores)

	As at March 31, 2019	As at March 31, 2018
Carrying amount of the Company's interest in joint ventures	-	2.50

Notes Forming Part of Consolidated Financial Statements

(₹ in crores)

	As at March 31, 2019	As at March 31, 2018
Company's share of profit/(loss) in immaterial joint ventures*	(2.50)	16.25
Company's share of other comprehensive income in immaterial joint ventures	-	-
Company's share of total comprehensive income in immaterial joint ventures	(2.50)	16.25

(c) Summary of carrying amount of the Company's interest in equity accounted investees:

(₹ in crores)

	As at March 31, 2019	As at March 31, 2018
Carrying amount in immaterial associates	447.84	435.99
Carrying amount in immaterial associates (held for sale)	591.50	497.35
Carrying amount in material joint venture	4,295.54	4,449.40
Carrying amount in immaterial joint ventures	-	2.50
Total	**5,334.88**	**5,385.24**
Current (held for sale)	591.50	497.35
Non current	4,743.38	4,887.89
Total	**5,334.88**	**5,385.24**

(d) Summary of Company's share of profit/(loss) in equity accounted investees:

(₹ in crores)

	Year ended March 31, 2019	Year ended March 31, 2018
Share of profit/(loss) in immaterial associates	111.06	118.30
Share of profit/(loss) in material joint venture	55.98	2,169.07
Share of profit/(loss) on other adjustments in material joint venture	44.96	(25.36)
Share of profit/(loss) in immaterial joint ventures	(2.50)	16.25
	209.50	**2,278.26**

(e) Summary of Company's share of other comprehensive income in equity accounted investees:

(₹ in crores)

	Year ended March 31, 2019	Year ended March 31, 2018
Share of other comprehensive income in immaterial associates	11.15	(10.96)
Currency translation differences-immaterial associates	(2.83)	9.06
Currency translation differences-material joint venture	(55.78)	420.35
	(47.46)	**418.45**

* Company's share of profit/(loss) of the equity accounted investees has been determined after giving effect for the subsequent amortisation/depreciation and other adjustments arising on account of fair value adjustments made to the identifiable net assets of the equity accounted investee as at the date of acquisition and other adjustment arising under the equity method of accounting.

Notes Forming Part of Consolidated Financial Statements

9. Other Investments - non-current

(₹ in crores)

	As at March 31, 2019	As at March 31, 2018
(a) Investments - measured at Fair value through Other Comprehensive Income		
Quoted:		
Equity shares	303.39	36.64
Unquoted:		
Equity shares	437.90	371.26
Total	**741.29**	**407.90**
(b) Investments - measured at Fair value through profit or loss		
Quoted:		
(i) Equity shares (refer note below)	423.14	-
(ii) Mutual funds	28.84	-
Unquoted:		
(i) Non-cumulative redeemable preference shares	5.40	0.40
(ii) Cumulative redeemable preference shares	2.50	2.50
(iii) Equity shares (refer note below)	124.28	246.82
(iv) Convertible debentures	149.08	85.40
(v) Others	19.10	16.86
Total	**752.34**	**351.98**
(c) Investments - measured at amortised cost		
Unquoted:		
Non-convertible debentures	3.88	3.88
Total	**3.88**	**3.88**
Total (a+b+c)	**1,497.51**	**763.76**
Aggregate book value of quoted investments	726.53	36.64
Aggregate market value of quoted investments	726.53	36.64
Aggregate book value of unquoted investments	770.98	727.12

Note:

During the year ended March 31, 2019, the Company's investments in Lyft Incorporated got listed in NASDAQ stock exchange. The carrying value of these equity shares are **₹423.14 crores** and ₹204.70 crores as at March 31, 2019 and 2018, respectively.

Notes Forming Part of Consolidated Financial Statements

10. Other Investments - current

(₹ in crores)

	As at March 31, 2019	As at March 31, 2018
(a) Investments - measured at Fair value through Other Comprehensive Income		
Quoted:		
Equity Shares	0.92	303.28
(b) Investments - measured at Fair value through profit and loss		
Unquoted:		
Mutual funds	1,191.90	1,601.00
Total	**1,191.90**	**1,601.00**
(c) Investments - measured at amortised cost		
Unquoted:		
Mutual funds	7,745.51	12,759.47
Total	**7,745.51**	**12,759.47**
Total (a+b+c)	**8,938.33**	**14,663.75**
Aggregate book value of unquoted investments	8,937.41	14,360.47
Aggregate book value of quoted investments	0.92	303.28
Aggregate market value of quoted investments	0.92	303.28

Notes Forming Part of Consolidated Financial Statements

11. Loans and advances

(₹ in crores)

	As at March 31, 2019	As at March 31, 2018
Non-current		
Secured, considered good:		
(a) Loans to channel partners (Net of allowances for credit impaired balances ₹**Nil** and ₹7.30 crores as at March 31, 2019 and 2018, respectively).	180.49	237.03
Unsecured, considered good:		
(a) Loans to employees	26.29	28.06
(b) Loan to joint arrangements	3.75	-
(c) Others (Net of allowances for credit impaired balances ₹**8.46 crores** and ₹41.68 crores as at March 31, 2019 and 2018, respectively.)	196.89	230.32
Total	**407.42**	**495.41**
Current		
Secured, considered good:		
(a) Loans to channel partners	74.06	18.84
Unsecured, considered good:		
(a) Advances to supplier, contractors etc. (Net of allowances for credit impaired balances ₹**179.86 crores** and ₹165.10 crores as at March 31, 2019 and 2018, respectively)	1,177.87	1,431.98
(b) Loans to channel partners (Net of allowances for credit impaired balances ₹**9.90 crores** and ₹Nil as at March 31, 2019 and 2018, respectively.)	14.46	-
(c) Inter corporate deposits	2.31	0.32
Total	**1,268.70**	**1,451.14**

Notes Forming Part of Consolidated Financial Statements

12. Other Financial Assets

(₹ in crores)

	As at March 31, 2019	As at March 31, 2018
Non-current		
(a) Derivative financial instruments	911.14	2,846.90
(b) Interest accrued on loans and deposits	9.03	2.60
(c) Restricted deposits	75.11	69.06
(d) Margin money / cash collateral with banks	329.07	104.80
(e) Government grant receivables	508.08	467.14
(f) Recoverable from suppliers	968.23	1,072.19
(g) Other deposits	8.52	1.18
Total	**2,809.18**	**4,563.87**

Margin money with banks in restricted cash deposits consists of collateral provided for transfer of finance receivables. Restricted deposits as at March 31, 2019 and 2018 includes **₹45.26 crores** and ₹50.76 crores, respectively, held as a deposit in relation to ongoing legal cases.

(₹ in crores)

	As at March 31, 2019	As at March 31, 2018
Current		
(a) Derivative financial instruments	1,235.54	2,476.13
(b) Interest accrued on loans and deposits	17.37	3.89
(c) Government grant receivable	500.31	411.39
(d) Deposit with financial institutions	500.00	-
(e) Recoverable from suppliers	959.05	966.23
(f) Lease receivables	1.29	-
Total	**3,213.56**	**3,857.64**

Notes Forming Part of Consolidated Financial Statements

13. Inventories*

(₹ in crores)

	As at March 31, 2019	As at March 31, 2018
(a) Raw materials and components	2,328.44	3,019.28
(b) Work-in-progress	3,891.76	4,043.17
(c) Finished goods	31,512.70	33,875.53
(d) Stores and spare parts	201.38	208.72
(e) Consumable tools	500.23	375.56
(f) Goods-in-transit - Raw materials and components	579.22	615.37
Total	**39,013.73**	**42,137.63**

Note:

(i) Inventories of finished goods include ₹**4,380.71 crores** and ₹4,023.61 crores as at March 31, 2019 and 2018 respectively, relating to vehicles sold subject to repurchase arrangements.

(ii) Cost of inventories (including cost of purchased products) recognised as expense during the year ended March 31, 2019 and 2018 amounted to ₹**228,342.42 crores** and ₹217,338.62 crores, respectively.

(iii) During the year ended March 31, 2019 and 2018, the Company recorded inventory write-down expense of ₹**608.63 crores** and ₹607.42 crores, respectively.

* Excludes ₹95.80 crores classified as held for sale as at March 31, 2018.

14. Trade receivables (Unsecured)*

(₹ in crores)

	As at March 31, 2019	As at March 31, 2018
Receivables considered good	18,996.17	19,893.30
Credit impaired receivables	970.10	1,261.67
	19,966.27	21,154.97
Less : Allowance for credit impaired receivables	(970.10)	(1,261.67)
Total	**18,996.17**	**19,893.30**

* Excludes ₹524.58 crores classified as held for sale as at March 31, 2018.

15. Cash and cash equivalents

(₹ in crores)

	As at March 31, 2019	As at March 31, 2018
(a) Cash on hand	29.21	31.42
(b) Cheques on hand	385.60	399.44
(c) Balances with banks	7,885.13	8,907.19
(d) Deposit with banks	13,259.86	5,378.70
	21,559.80	**14,716.75**

Notes Forming Part of Consolidated Financial Statements

16. Bank Balances

(₹ in crores)

	As at March 31, 2019	As at March 31, 2018
With upto 12 months maturity:		
(a) Earmarked balances with banks (refer note below)	365.23	493.87
(b) Margin money / cash collateral with banks	149.58	41.71
(c) Bank deposits	10,574.21	19,361.58
Total	**11,089.02**	**19,897.16**

Note:

Earmarked balances with bank includes ₹**250.93 crores** and ₹248.60 crores as at March 31, 2019 and 2018, respectively held as security in relation to interest and repayment of bank borrowings. Out of these deposits, ₹**94.27 crores** and ₹85.09 crores as at March 31, 2019 and 2018, respectively are pledged till the maturity of the respective borrowings.

17. Finance Receivables

(₹ in crores)

	As at March 31, 2019	As at March 31, 2018
Finance receivables	34,457.74	25,070.75
Less: allowance for credit losses	(833.05)	(1,189.57)
Total	**33,624.69**	**23,881.18**
Current portion	11,551.52	8,401.65
Non-current portion	22,073.17	15,479.53
Total	**33,624.69**	**23,881.18**

Changes in the allowance for credit losses in finance receivables are as follows:

(₹ in crores)

	Year ended March 31, 2019	Year ended March 31, 2018
Balance at the beginning	1,189.57	3,597.51
Allowances made during the year	320.24	43.30
Written off	(676.76)	(2,451.24)
Balance at the end	**833.05**	**1,189.57**

Notes Forming Part of Consolidated Financial Statements

18. Allowance for trade and other receivables

Change in the allowances for trade and other receivables are as follows:

(₹ in crores)

	Year ended March 31, 2019	Year ended March 31, 2018
Balance at the beginning	1,477.62	1,517.03
Assets classified as held for sale	-	(13.05)
Allowances made during the year	214.19	14.57
Written off	(397.44)	(45.49)
Foreign exchange translation differences	(35.33)	4.56
Reversal of Assets classified as held for sale	13.05	-
Balance at the end	**1,272.09**	**1,477.62**

19. Other non-current assets *

(₹ in crores)

	As at March 31, 2019	As at March 31, 2018
(a) Capital advances	385.88	284.53
(b) Taxes recoverable, statutory deposits and dues from government (Net of allowances for credit impaired balances ₹**1.84 crores** and ₹Nil as at March 31, 2019 and 2018, respectively.)	1,081.90	1,049.63
(c) Prepaid rentals on operating leases	362.57	381.72
(d) Prepaid expenses	768.42	762.59
(e) Recoverable from insurance companies	318.80	185.99
(f) Others	21.16	16.79
Total	**2,938.73**	**2,681.25**

* Excludes ₹83.56 crores classified as held for sale as at March 31, 2018.

20. Other Current Assets *

(₹ in crores)

	As at March 31, 2019	As at March 31, 2018
(a) Advances and other receivables (Net of allowances for credit impaired balances ₹**43.87 crores** and ₹Nil as at March 31, 2019 and 2018, respectively.)	434.07	364.02
(b) GST/VAT, other Taxes recoverable, statutory deposits and dues from government (Net of allowances for credit impaired balances ₹**58.06 crores** and ₹1.86 crores as at March 31, 2019 and 2018, respectively.)	5,071.95	5,674.80
(c) Prepaid expenses	1,210.68	1,440.35
(d) Recoverable from insurance companies	35.75	26.97
(e) Others	109.77	156.23
Total	**6,862.22**	**7,662.37**

* Excludes ₹33.75 crores classified as held for sale as at March 31, 2018.

21. Income taxes

The domestic and foreign components of profit/(loss) before income tax is as follows:

(₹ in crores)

	Year ended March 31, 2019	Year ended March 31, 2018
Profit/(loss) before income taxes		
India	2,641.69	(963.60)
Other than India	(34,012.84)	12,118.63
Total	**(31,371.15)**	**11,155.03**

The domestic and foreign components of income tax expense is as follows:

(₹ in crores)

	Year ended March 31, 2019	Year ended March 31, 2018
Current taxes		
India	503.43	242.00
Other than India	1,721.80	3,061.46
Deferred taxes		
India	(323.75)	48.49
Other than India	(4,338.93)	989.98
Total income tax expense	**(2,437.45)**	**4,341.93**

The reconciliation of estimated income tax to income tax expense is as follows:

(₹ in crores)

	Year ended March 31, 2019	Year ended March 31, 2018
Profit/(Loss) before tax	(31,371.15)	11,155.03
Income tax expense at tax rates applicable to individual entities	(5,390.45)	2,248.91
Additional deduction for patent, research and product development cost	(189.12)	(409.98)
Items (net) not deductible for tax/not liable to tax :		
- foreign currency (gain)/loss relating to loans and deposits (net)	(8.28)	133.62
- interest and other expenses relating to borrowings for investment	62.16	33.78
- Dividend from subsidiaries, joint operations, equity accounted investees and other investments	(1.55)	(5.01)
Undistributed earnings of subsidiaries, joint operations and equity accounted investees	127.78	917.01
Deferred tax assets not recognised because realisation is not probable	473.87	990.23
Previously recognised deferred tax assets written down on account of impairment of Jaguar Land Rover business	2,698.15	-
Utilisation/credit of unrecognised tax losses, unabsorbed depreciation and other tax benefits	(701.64)	(358.33)
Impact of change in statutory tax rates	454.04	539.26
Profit on sale of investments-subsidiaries and Others	(93.20)	-
Others	130.79	252.44
Income tax expense reported	**(2,437.45)**	**4,341.93**

The UK Finance Act 2016 was enacted during the year ended March 31, 2017 which included provisions for a reduction in the UK Corporation tax rate to 17% with effect from April 1, 2020. Accordingly, UK deferred tax has been provided at rates applicable when the temporary difference is expected to reverse.

Included within 'Impact of change in statutory tax rates' is a charge of ₹464.84 crores for the impact of the change in the US Federal rate from 35% to 21% on deferred tax assets for the year ended March 31, 2018.

Notes Forming Part of Consolidated Financial Statements

Significant components of deferred tax assets and liabilities for the year ended March 31, 2019 are as follows:

(₹ in crores)

	Opening balance	Adjustment on initial application of IFRS 15	Adjusted Opening Balance	Reversal of items classified as held for Sale in earlier year	Recognised in profit or loss	Recognised in/reclassified from other comprehensive income	MAT Credit Utilised	Divestment of a subsidiary company	Closing balance
Deferred tax assets:									
Unabsorbed depreciation	2,564.73	-	2,564.73	2.43	(16.12)	(0.01)	-	12.44	2,563.47
Business loss carry forwards	4,961.49	8.45	4,969.94	-	(1,925.59)	(72.39)	-	-	2,971.96
Expenses deductible in future years:								-	
- provisions, allowances for doubtful receivables and others	3,021.39	-	3,021.39	2.12	391.11	0.22	-	2.45	3,417.29
Compensated absences and retirement benefits	842.63	-	842.63	13.24	3.27	385.85	-	1.30	1,246.29
Minimum alternate tax carry-forward	38.19	-	38.19	3.78	81.78	-	(1.58)	(15.55)	106.62
Property, plant and equipment	92.65	-	92.65	-	4,825.89	10.82	-	-	4,929.36
Derivative financial instruments	755.25	-	755.25	0.39	(2.24)	471.92	-	-	1,225.32
Unrealised profit on Inventory	1,507.92	-	1,507.92	-	(381.15)	15.10	-	-	1,141.87
Others	1,140.24	-	1,140.24	1.52	168.14	(51.85)	-	0.82	1,258.87
Total deferred tax assets	**14,924.49**	**8.45**	**14,932.94**	**23.48**	**3,145.09**	**759.66**	**(1.58)**	**1.46**	**18,861.05**
Deferred tax liabilities:			-						
Property, plant and equipment	2,740.07	-	2,740.07	5.60	(114.26)	(11.97)	-	7.21	2,626.65
Intangible assets	12,183.85	-	12,183.85	(2.74)	(1,242.05)	(188.11)	-	-	10,750.95
Undistributed earnings in subsidiaries, joint operations and equity accounted investees	1,939.72	-	1,939.72	-	(233.04)*	(17.46)	-	-	1,689.22
Fair valuation of retained interest in a subsidiary subsequent to disposal of controlling equity interest	16.95	-	16.95	-	-	-	-	-	16.95
Others	11.00	-	11.00	12.10	71.76	22.35	-	-	117.21
Total deferred tax liabilities	**16,891.59**	**-**	**16,891.59**	**14.96**	**(1,517.59)**	**(195.19)**	**-**	**7.21**	**15,200.98**
Net assets/(liabilities)	**(1,967.10)**	**8.45**	**(1,958.65)**	**8.52**	**4,662.68**	**954.85**	**(1.58)**	**(5.75)**	**3,660.07**
Deferred tax assets									₹ 5,151.11
Deferred tax liabilities									₹ 1,491.04

* Net off ₹**360.82 crores** reversed on dividend distribution by subsidiaries.

Notes Forming Part of Consolidated Financial Statements

As at March 31, 2019, unrecognised deferred tax assets amount to ₹**5,393.93 crores** and ₹**5,605.09 crores**, which can be carried forward indefinitely and up to a specified period, respectively. These relate primarily to depeciation carry forwards, other deductible temporary differences and business losses. The deferred tax asset has not been recognised on the basis that its recovery is not probable in the foreseeable future.

Unrecognised deferred tax assets expire unutilised based on the year of origination as follows:

March 31,	(₹ in crores)
2020	52.50
2021	56.10
2022	69.94
2023	885.95
2024	716.14
Thereafter	3,824.46

The Company has not recognised deferred tax liability on undistributed profits of certain subsidiaries amounting to ₹**44,551.06 crores** and ₹74,589.17 crores as at March 31, 2019 and 2018 respectively, because it is able to control the timing of the reversal of temporary differences associated with such undistributed profits and it is probable that such differences will not reverse in the foreseeable future.

Significant components of deferred tax assets and liabilities for the year ended March 31, 2018 are as follows:

(₹ in crores)

	Opening balance	**Recognised in profit or loss**	**Recognised in/reclassified from other comprehensive income**	**MAT Credit Utilised**	**Classified as held for Sale**	**Closing balance**
Deferred tax assets:						
Unabsorbed depreciation	2,574.50	1.86	1.58	-	(13.21)	2,564.73
Business loss carry forwards	3,292.38	1,340.70	328.41	-	-	4,961.49
Expenses deductible in future years:						
- provisions, allowances for doubtful receivables and others	2,828.72	72.85	123.31	-	(3.49)	3,021.39
Compensated absences and retirement benefits	2,172.96	(722.47)	(594.16)	-	(13.70)	842.63
Minimum alternate tax carry-forward	74.92	1.26	-	(34.21)	(3.78)	38.19
Property, plant and equipment	111.90	(30.83)	11.58	-	-	92.65
Derivative financial instruments	4,428.94	(582.98)	(3,090.32)	-	(0.39)	755.25
Unrealised profit on inventory	1,609.40	(303.82)	202.34	-	-	1,507.92
Others	796.44	200.77	152.37	-	(9.34)	1,140.24
Total deferred tax assets	**17,890.16**	**(22.66)**	**(2,864.89)**	**(34.21)**	**(43.91)**	**14,924.49**
Deferred tax liabilities:						
Property, plant and equipment	2,702.20	8.39	45.35	-	(15.87)	2,740.07
Intangible assets	10,484.89	530.51	1,165.71	-	2.74	12,183.85
Undistributed earnings of subsidiaries joint operations and equity accounted investees	1,337.63	508.16*	93.93	-	-	1,939.72
Fair valuation of retained interest in a subsidiary subsequent to disposal of controlling equity interest	16.95	-	-	-	-	16.95
Derivative financial instruments	23.12	(23.12)	-	-	-	-
Others	42.03	(8.12)	(13.29)	-	(9.62)	11.00
Total deferred tax liabilities	**14,606.82**	**1,015.82**	**1,291.70**	**-**	**(22.75)**	**16,891.59**
Net assets/(liabilities)	**3,283.34**	**(1,038.48)**	**(4,156.59)**	**(34.21)**	**(21.17)**	**(1,967.10)**
Deferred tax assets						₹ 4,158.70
Deferred tax liabilities						₹ 6,125.80

* Net of ₹ 408.85 crores reversed on dividend distributions by subsidiaries.

Notes Forming Part of Consolidated Financial Statements

22. Equity Share Capital

(₹ in crores)

	As at March 31, 2019	As at March 31, 2018
(a) Authorised:		
(i) 400,00,00,000 Ordinary shares of ₹2 each	800.00	800.00
(as at March 31, 2018: 400,00,00,000 Ordinary shares of ₹2 each)		
(ii) 100,00,00,000 A' Ordinary shares of ₹2 each	200.00	200.00
(as at March 31, 2018: 100,00,00,000 'A' Ordinary shares of ₹2 each)		
(iii) 30,00,00,000 Convertible Cumulative Preference shares of ₹100 each	3,000.00	3,000.00
(as at March 31, 2018: 30,00,00,000 shares of ₹100 each)		
Total	**4,000.00**	**4,000.00**
(b) Issued [Note (j)]:		
(i) 288,78,43,046 Ordinary shares of ₹2 each	577.57	577.57
(as at March 31, 2018: 288,78,43,046 Ordinary shares of ₹2 each)		
(ii) 50,87,36,110 'A' Ordinary shares of ₹2 each	101.75	101.75
(as at March 31, 2018: 50,87,36,110 'A' Ordinary shares of ₹2 each)		
Total	**679.32**	**679.32**
(c) Subscribed and called up:		
(i) 288,73,48,694 Ordinary shares of ₹2 each	577.47	577.47
(as at March 31, 2018: 288,73,48,694 Ordinary shares of ₹2 each)		
(ii) 50,85,02,371 'A' Ordinary shares of ₹2 each	101.70	101.70
(as at March 31, 2018: 50,85,02,371 'A' Ordinary shares of ₹2 each)		
	679.17	**679.17**
(d) Calls unpaid - Ordinary shares	(0.00)*	(0.00)*
310 Ordinary shares of ₹2 each (₹1 outstanding on each) and 260 Ordinary shares of ₹2 each (₹0.50 outstanding on each)		
(as at March 31, 2018: 310 Ordinary shares of ₹2 each (₹1 outstanding on each) and 260 Ordinary shares of ₹2 each (₹0.50 outstanding on each)		
(e) Paid-up (c+d):	**679.17**	**679.17**
(f) Forfeited - Ordinary shares	**0.05**	**0.05**
Total (e + f)	**679.22**	**679.22**

Notes Forming Part of Consolidated Financial Statements

(g) The movement of number of shares and share capital

	Year ended March 31, 2019		Year ended March 31, 2018	
	(No. of shares)	**(₹ in crores)**	**(No. of shares)**	**(₹ in crores)**
(i) Ordinary shares				
Balance as at April 1	2,887,348,694	577.47	2,887,348,428	577.47
Add: Allotment of shares held in abeyance	-	-	266	0.00*
Balance as at March 31	2,887,348,694	577.47	2,887,348,694	577.47
(ii) 'A' Ordinary shares				
Balance as at April 1	508,502,371	101.70	508,502,291	101.70
Add: Allotment of shares held in abeyance	-	-	80	0.00*
Balance as at March 31	508,502,371	101.70	508,502,371	101.70

(h) The entitlements to **4,94,352** Ordinary shares of ₹2 each (as at March 31, 2018 : 4,94,352 Ordinary shares of ₹2 each) and **2,33,739** 'A' Ordinary shares of ₹2 each (as at March 31, 2018 : 2,33,739 '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.

* *less than ₹50,000/-*

(i) Rights, preferences and restrictions attached to shares :

(i) Ordinary shares and 'A' Ordinary shares both of ₹2 each :

- The Company has two classes of shares – the Ordinary shares and the 'A' Ordinary shares both of ₹2 each (together referred to as shares). In respect of every Ordinary share (whether fully or partly paid), voting rights shall be in the same proportion as the capital paid up on such Ordinary share bears to the total paid up Ordinary share capital of the Company. In case of every 'A' Ordinary share, if any resolution is put to vote on a poll or by postal ballot at any general meeting of shareholders, the holder shall be entitled to one vote for every ten 'A' Ordinary shares held as per the terms of its issue and if a resolution is put to vote on a show of hands, the holder of 'A' Ordinary shares shall be entitled to the same number of votes as available to holders of Ordinary shares.
- The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. Further, the Board of Directors may also declare an interim dividend. The holders of 'A' Ordinary shares shall be entitled to receive dividend for each financial year at five percentage point more than the aggregate rate of dividend declared on Ordinary shares for that financial year.
- In the event of liquidation, the shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholdings.

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

- Each ADS and GDS underlying the ADR and GDR respectively represents five Ordinary shares of ₹2 each. A holder of ADS and GDS is not entitled to attend or vote at shareholders meetings. An ADS holder is entitled to issue voting instructions to the Depositary with respect to the Ordinary shares represented by ADSs only in accordance with the provisions of the Company's ADSs deposit agreement and Indian Law. The depositary for the ADSs and GDSs shall exercise voting rights in respect of the deposited shares by issue of an appropriate proxy or power of attorney in terms of the respective deposit agreements.
- Shares issued upon conversion of ADSs and GDSs will rank pari passu with the existing Ordinary shares of ₹2 each in all respects including entitlement of the dividend declared.

Notes Forming Part of Consolidated Financial Statements

(j) Number of shares held by each shareholder holding more than 5 percent of the issued share capital :

	As at March 31, 2019		As at March 31, 2018	
	% Issued Share Capital	No. of Shares	% Issued Share Capital	No. of Shares
(i) Ordinary shares :				
(a) Tata Sons Private Limited	34.69%	1,01,91,56,523	32.72%	96,13,81,852
(b) Life Insurance Corporation of India	5.02%	14,73,73,493	5.08%	14,92,95,627
(c) Citibank N A as Depository	#	32,36,96,360	#	43,70,24,750
(ii) 'A' Ordinary shares :				
(a) ICICI Prudential Balanced Advantage Fund	11.98%	6,09,11,219	9.44%	4,79,98,379
(b) Franklin India Smaller Companies Fund	11.71%	5,95,34,740	8.74%	4,44,31,036
(c) HDFC Large Cap Fund	-	-	5.15%	2,62,02,083
(d) Government of Singapore	6.51%	3,30,82,933	6.78%	3,44,87,840

held by Citibank, N.A. as depository for American Depository Receipts (ADRs) and Global Depository Receipts (GDRs)

(k) Information regarding issue of shares in the last five years

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

(b) The Company has not issued any bonus shares.

(c) The Company has not undertaken any buy-back of shares.

23. Other components of equity

(a) The movement of Currency translation reserve is as follows:

(₹ in crores)

	Year ended March 31, 2019	Year ended March 31, 2018
Balance at the beginning	4,621.23	(5,300.13)
Exchange differences arising on translating the net assets of foreign operations (net)	(2,010.23)	9,491.95
Net change in translation reserve - equity accounted investees (net)	(58.61)	429.41
Balance at the end	**2,552.39**	**4,621.23**

(b) The movement of Equity instruments held as fair value through other comprehensive income(FVTOCI) is as follows:

(₹ in crores)

	Year ended March 31, 2019	Year ended March 31, 2018
Balance at the beginning	22.82	(19.26)
Other Comprehensive income for the year	43.80	42.86
Income tax relating to gain/(loss) recognised on equity investments, where applicable	0.39	-
Profit on sale of equity investments reclassified to retained earnings	(4.93)	(0.78)
Balance at the end	**62.08**	**22.82**

Notes Forming Part of Consolidated Financial Statements

(c) The movement of Hedging reserve is as follows:

(₹ in crores)

	Year ended March 31, 2019	Year ended March 31, 2018
Balance at the beginning	(3,626.04)	(17,911.63)
Gain/(loss) recognised on cash flow hedges	(8,485.30)	8,700.95
Income tax relating to gain/(loss) recognised on cash flow hedges	1,606.17	(1,626.88)
(Gain)/loss reclassified to profit or loss	7,077.94	10,328.81
Income tax relating to gain/(loss) reclassified to profit or loss	(1,345.20)	(1,957.86)
Amounts reclassified from hedge reserve to inventory	(1,024.92)	(1,431.40)
Income tax related to amounts reclassified from hedge reserve to inventory	194.73	271.97
Balance at the end	**(5,602.62)**	**(3,626.04)**

(d) The movement of Cost of hedging reserve is as follows:

(₹ in crores)

	Year ended March 31, 2019	Year ended March 31, 2018
Balance at the beginning	143.98	(74.22)
Gain/(loss) recognised on cash flow hedges	(262.32)	267.69
Income tax relating to gain/(loss) recognised on cash flow hedges	51.03	(50.42)
(Gain)/loss reclassified to profit or loss	(18.94)	-
Income tax relating to gain/(loss) reclassified to profit or loss	4.40	-
Amounts removed from hedge reserve and recognised in inventory	13.65	1.15
Income tax related to amounts removed from hedge reserve and recognised in inventory	(2.60)	(0.22)
Balance at the end	**(70.80)**	**143.98**

(e) Summary of Other components of equity:

(₹ in crores)

	Year ended March 31, 2019	Year ended March 31, 2018
Currency translation reserve	2,552.39	4,621.23
Equity instruments held as FVTOCI	62.08	22.82
Hedging reserve	(5,602.62)	(3,626.04)
Cost of hedging reserve	(70.80)	143.98
Total	**(3,058.95)**	**1,161.99**

Notes Forming Part of Consolidated Financial Statements

24. Notes to reserves and dividends

(a) Securities premium

The amount received in excess of face value of the equity shares is recognised in Securities premium account.

(b) Retained earnings

Retained earnings are the profits that the Company has earned till date.

(c) Capital redemption reserve

The Indian Companies Act, 2013 (the "Companies Act") requires that where a company purchases its own shares out of free reserves or securities premium account, a sum equal to the nominal value of the shares so purchased shall be transferred to a capital redemption reserve account and details of such transfer shall be disclosed in the Balance Sheet. The capital redemption reserve account may be applied by the company, in paying up unissued shares of the company to be issued to shareholders of the company as fully paid bonus shares. Tata Motors Limited established this reserve pursuant to the redemption of preference shares issued in earlier years.

(d) Debenture redemption reserve

The Companies Act requires that where a company issues debentures, it shall create a debenture redemption reserve out of profits of the company available for payment of dividend. The company is required to maintain a Debenture Redemption Reserve of 25% of the value of debentures issued, either by a public issue or on a private placement basis. The amounts credited to the debenture redemption reserve may not be utilised by the company except to redeem debentures.

(e) Reserve for research and human resource development

In terms of Article 9 of the Act on Special Taxation Restriction in Korea, Tata Daewoo Commercial Vehicle Company Limited (TDCV, a subsidiary of Tata Motors Limited) is entitled for deferment of tax in respect of expenditures incurred on product development cost subject to fulfillment of certain conditions, by way of deduction from the taxable income, provided that TDCV appropriates an equivalent amount from "Retained Earnings" to "Reserve for Research and Human Resource Development".

The deferment is for a period of three years and from the fourth year onwards one-third of the reserve is offered to tax and an equal amount is then transferred from the reserve to "Retained earnings available for appropriation".

(f) Special reserve

The special reserve represents the reserve created by two subsidiaries of Tata Motors Limited pursuant to the Reserve Bank of India Act, 1934 (the "RBI Act") and related regulations applicable to those companies. Under the RBI Act, a non-banking finance company is required to transfer an amount not less than 20% of its net profit to a reserve fund before declaring any dividend. Appropriation from this reserve fund is permitted only for the purposes specified by the RBI.

(g) Earned surplus reserve

Under the Korean commercial code, TDCV is required to appropriate at least 10% of cash dividend declared each year to a legal reserve until such reserves equal to 50% of capital stock. This reserve may not be utilised for cash dividends, but may only be used to offset against future deficits, if any, or may be transferred to capital stock.

(h) Hedge Reserve

Effective portion of fair value gain/(loss) on all financial instruments designated in cash flow hedge relationship are accumulated in hedge reserve.

(i) Cost of hedge reserve

Fair value gain/(loss) attributable to cost of hedge on all financials instruments designated in cash flow hedge relationship are accumulated in cost of hedge reserve.

(j) Capital Reserve

The capital reserve represents the excess of the Company's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the purchase consideration.

(k) Dividends

The final dividend is recommended by the Board of Directors and is recorded in the books of accounts upon its approval by the Shareholders.

For the year ended March 31, 2019 and 2018, considering the accumulated losses in the Tata Motors Limited Standalone, no dividend is permitted to be paid to the Members, as per the Companies Act, 2013 and the rules framed thereunder.

(l) Share-based payments reserve

Share-based payments reserve represents amount of fair value, as on the date of grant, of unvested options and vested options not exercised till date, that have been recognised as expense in the statement of Profit and Loss till date.

(m) Reserve for Equity instruments through other comprehensive income

Fair value gain loss arising on equity investment that are designated as held at fair value through Other comprehensive income is included here.

Notes Forming Part of Consolidated Financial Statements

25. Long-term borrowings

(₹ in crores)

		As at March 31, 2019	As at March 31, 2018
Secured:			
(a)	Privately placed Non-Convertible Debentures	1,765.40	2,005.58
(b)	Collateralised debt obligations	1,564.91	592.49
(c)	Term loans:		
	(i) from banks	9,744.57	4,909.55
	(ii) other parties	196.93	201.31
(d)	Finance lease obligations	156.17	46.75
Unsecured:			
(a)	Privately placed Non-Convertible Debentures	7,187.29	8,694.50
(b)	Term loans:		
	(i) from banks	18,182.90	8,753.12
	(ii) other parties	44.07	55.67
(c)	Senior notes	31,344.61	35,045.72
(d)	Others	786.82	894.81
	Total	**70,973.67**	**61,199.50**

26. Short-term borrowings

(₹ in crores)

		As at March 31, 2019	As at March 31, 2018
Secured:			
(a)	Loans from banks	7,990.00	5,104.30
(b)	Loans from other parties	187.87	171.11
Unsecured:			
(a)	Loans from banks	946.83	851.89
(b)	Inter corporate deposits from associates	73.00	86.00
(c)	Commercial paper	10,952.56	10,581.55
	Total	**20,150.26**	**16,794.85**

Collaterals

Inventory, trade receivables, finance receivables, other financial assets, property, plant and equipment with a carrying amount of **₹30,885.05 crores** and ₹18,196.91 crores are pledged as collateral/security against the borrowing as at March 31, 2019 and 2018, respectively.

Notes :

Nature of Security (on loans including interest accrued thereon) :

Long Term Borrowings

(A) Non convertible debentures

(i) Rated, Listed, Secured, 9.95% Coupon, Non-Convertible Debentures amounting to **₹200 crores** included within Current maturities of Long-term borrowings in note 28 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.

Notes Forming Part of Consolidated Financial Statements

(ii) Privately placed non-convertible debentures amounting to ₹**1,765.40 crores** included within Long-term borrowings in note 25 and ₹**1,956.01 crores** included within Current maturities of long-term borrowings in note 28 are fully secured by :

(a) First pari passu charge on residential flat of Tata Motors Finance Limited (TMFL) an indirect subsidiary of the Company

(b) Pari - passu charge is created in favour of debenture trustee on :

- All receivables of TMFL arising out of loan and lease transactions,
- All book debts, trade advances forming part of movable property of TML.

(c) Any other security as identified by TMFL and acceptable to the debenture trustee.

(B) Collateralised debt obligations

Collateralised debt obligation represent amount received against finance receivables securitised/assigned, which does not qualify for derecognition.The repayments are due from financial year ending March 31, 2020 to March 31, 2024.

(C) Long-term loan from banks/financial institution and Government

(i) Term loans from banks amounting to ₹**7,877.31 crores** included within long-term borrowings in note 25 and ₹**1,557.81 crores** included within current maturities of long-term borrowings in note 28 are secured by a pari-passu charge in favour of the security trustee on all receivables of TMFL arising out of loan, lease transactions and trade advances, all other book debts, receivables from pass through certifictes in which company has invested and such other current assets as may be identified by TMFL from time to time and accepted by the relevant lender/security trustee.

(ii) Term loans from banks amounting to ₹**1,279.68 crores** included within long-term borrowings in note 25 and ₹**214.59 crores** included within current maturities of long-term borrowings in note 28 are secured by way of a charge created on all receivables of Tata Motors Finance Solutions Limited (TMFSL) arising out of loan, trade advances; and all other book debts, receivables from pass through certificates in which company has invested; and such other current assets as may be identified by TMFSL from time to time and accepted by the relevant lender.

(iii) Term loan from banks of ₹**587.58 crores** included within Long-term borrowings in note 25 and ₹**88.48 crores** included within Current maturities of Long-term borrowings in note 28 is taken by joint operation Fiat India Automobiles Private Ltd which is due for repayment from June 2019 to May 2023. The loan is secured by first charge over fixed assets procured from its loan/jeep project.

(iv) The term loan from others of ₹**587.08 crores** (recorded in books at ₹**146.73 crores**) is due for repayment from the quarter ending March 31, 2033 to quarter ending March31, 2039, 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 free hold 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.

(v) The term loan from others of ₹**69.34 crores** (recorded in books at ₹**24.70 crores**) is due for repayment from the quarter ending June 30, 2030 to March 31, 2033, along with a simple interest of 0.01% p.a. The loan is secured by bank gurantee for the due performance of the conditions as per the terms of the agreement.

(vi) The term loan from others of ₹**25.50 crores** included within Long -term borrowings in note 25 and ₹**9.00 crores** included within current maturity of long-term borrowings in note 28 are secured by pari passu first charge on fixed assets of Tata Marcopolo Motors Limited.

(D) 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.

Notes Forming Part of Consolidated Financial Statements

LONG-TERM BORROWINGS: TERMS

(A) Senior notes (Euro MTF listed debt)

The senior notes of Jaguar Land Rover Automotive Plc (JLR) are listed on the Euro MTF market, which is a listed market regulated by the Luxembourg Stock Exchange.

Details of the tranches of the senior notes outstanding are as follows:

(₹ in crores)

Particulars	Currency	Amount (in million)	As at March 31, 2019		As at March 31, 2018
5.625% Senior Notes due 2023	USD	500	3,446.40		3,248.52
3.875% Senior Notes due 2023	GBP	400	3,600.58		3,666.48
5.000% Senior Notes due 2022	GBP	400	3,596.98		3,659.84
3.500% Senior Notes due 2020	USD	500	3,468.65	*	3,271.36
4.125% Senior Notes due 2018	USD	700	-		4,584.47
4.250% Senior Notes due 2019	USD	500	3,471.30	*	3,273.84
2.750% Senior Notes due 2021	GBP	300	2,703.68		2,750.46
2.200% Senior Notes due 2024	EUR	650	5,036.70		5,211.24
4.500% Senior Notes due 2027	USD	500	3,458.55		3,156.93
4.500% Senior Notes due 2026	USD	500	3,898.95		-
			32,681.79		**32,823.13**

* Classified as other current liabilities being maturity before March 31, 2020.

(B) Senior notes (SGX-ST listed debt)

The senior notes of Tata Motors Limited and TML Holdings Pte Ltd are listed on the SGX-ST market, which is a listed market regulated by the Singapore Stock Exchange.

Details of the tranches of the senior notes outstanding at March 31, 2019 are as follows:

(₹ in crores)

Particulars	Currency	Amount (in million)	As at March 31, 2019	As at March 31, 2018
5.750% Senior Notes due 2024	USD	250	1,718.73	1,619.43
5.750% Senior Notes due 2021	USD	300	2,079.16	1,948.77
4.625% Senior Notes due 2020	USD	262.532	1,804.88	3,238.86
			5,602.77	**6,807.06**

(C) Non convertible debentures amounting to ₹**8,952.69 crores** included within long-term borrowing in note 25 and ₹**3,826.69 crores** included within current maturities of long term borrowings in note 28 bear interest rate ranging from 7.28% to 11.50% and maturity ranging from April 2019 to March 2029.

(D) Loan from banks/ financial institutions consists of:

(i) Term loans amounting to ₹**12,981.94 crores** included within long-term borrowings in note 25 and ₹**2,402.28 crores** included within current maturities of long term borrowings in note 28 bearing floating interest rate based on marginal cost of funds lending rate (MCLR) of respective bank having maturity ranging from April, 2019 to March 2023.

Notes Forming Part of Consolidated Financial Statements

(ii) External commercial borrowings in foreign currencies amounting to ₹**2,229.85 crores** included within long-term borrowing in note 25 and ₹**82.70 crores** included within current maturities of long term borrowings in note 28 bearing floating interest rate based on LIBOR having maturity ranging from May 2023 to June 2025.

(iii) Foreign currency term loan amounting to ₹**5,908.63 crores** included within long-term borrowing in note 25 bearing floating interest rate that are linked to LIBOR maturity ranging from July 2020 to July 2023.

(iv) Foreign currency syndicate loan amounting to ₹**6,834.37 crores** included within long-term borrowing in note 25 bearing floating interest rate that are linked to LIBOR maturity ranging from October 2022 to January 2025.

Short Term Borrowings : Terms

(i) Short-term loan from banks and other parties(financial institutions) consists of cash credit, overdrafts, short term loan, bill discounting amounting to ₹**2,511.92 crores** bearing fixed rate of interest ranging from 8.00% to 10.25% and ₹**6,610.13 crores** bear floating rate of interest based on MCLR of respective banks and other bench mark rates.

(ii) Commercial paper are unsecured short term papers issued at discount bearing no coupon interest. The yield on commercial paper issued by the Company ranges from 7.21% to 9.10%.

27. Other financial liabilities – non-current

(₹ in crores)

		As at March 31, 2019	As at March 31, 2018
(a)	Derivative financial instruments	2,662.44	2,450.20
(b)	Liability towards employee separation scheme	79.10	85.22
(c)	Others	51.17	203.72
	Total	**2,792.71**	**2,739.14**

28. Other financial liabilities – current

(₹ in crores)

		As at March 31, 2019	As at March 31, 2018
(a)	Current maturities of long-term borrowings	15,051.41	10,956.12
(b)	Interest accrued but not due on borrowings	1,059.58	1,095.72
(c)	Liability towards vehicles sold under repurchase arrangements	4,243.65	4,423.58
(d)	Liability for capital expenditure	7,046.74	8,219.45
(e)	Deposits and retention money	407.87	202.29
(f)	Derivative financial instruments	4,742.53	6,207.66
(g)	Liability towards Investors Education and Protection Fund under Section 125 of the Companies Act, 2013 (IEPF) not due	21.08	22.79
(h)	Others	282.79	139.88
	Total	**32,855.65**	**31,267.49**
Notes:			
Current maturities of long term borrowings consist of :			
(i)	Privately placed Non-Convertible Debentures (Secured)	2,156.01	2,524.28
(ii)	Privately placed Non-Convertible Debentures (Unsecured)	1,670.68	1,586.43
(iii)	Collateralised debt obligation	1,482.42	728.09
(iv)	Finance lease obligation	17.30	22.23
(v)	Senior Notes	6,939.95	4,584.47
(vi)	Term loans from banks and others (Secured)	1,869.88	635.62
(vii)	Term loans from banks and others (Unsecured)	615.17	875.00
(viii)	Others	300.00	-
	Total	**15,051.41**	**10,956.12**

Notes Forming Part of Consolidated Financial Statements

29. Provisions

(₹ in crores)

		As at March 31, 2019	As at March 31, 2018
Non-current			
(a)	Employee benefits obligations	826.35	738.00
(b)	Product warranty	10,097.01	9,453.60
(c)	Legal and product liability	391.31	219.95
(d)	Provision for residual risk	277.62	254.76
(e)	Provision for environmental liability	138.12	150.05
(f)	Annual maintenance contract	2.90	9.26
(g)	Other provisions	121.54	122.82
	Total	**11,854.85**	**10,948.44**
Current			
(a)	Employee benefit obligations	1,107.87	106.64
(b)	Product warranty	7,404.25	6,481.50
(c)	Legal and product liability	1,395.12	1,099.92
(d)	Provision for residual risk	85.12	62.20
(e)	Provision for environmental liability	125.47	97.88
(f)	Annual maintenance contract	23.95	46.20
(g)	Other provisions	54.97	59.16
	Total	**10,196.75**	**7,953.50**

(₹ in crores)

	Year ended March 31, 2019			
	Product warranty	Legal and product Liability	Provision for residual risk	Provision for environmental liability
Balance at the beginning	15,935.10	1,319.87	316.96	247.93
Adjustment on initial application of Ind AS 115	(137.65)	-	-	-
Provision made during the year *	10,422.26	1,465.48	72.49	100.94
Provision used during the year	(8,608.77)	(985.73)	(23.95)	(79.93)
Impact of discounting	191.25	-	-	-
Impact of foreign exchange translation	(300.93)	(13.19)	(2.76)	(5.35)
Balance at the end	**17,501.26**	**1,786.43**	**362.74**	**263.59**
Current	7,404.25	1,395.12	85.12	125.47
Non-current	10,097.01	391.31	277.62	138.12

* Provision made during the year includes estimated recovery from suppliers ₹ **(2.96) crores**.

Notes Forming Part of Consolidated Financial Statements

30. Other non-current liabilities *

(₹ in crores)

		As at March 31, 2019	As at March 31, 2018
(a)	Contract liabilities (refer note below)	4,673.09	4,111.62
(b)	Government grants	3,019.48	2,890.14
(c)	Employee benefits obligations	6,110.12	4,100.76
(d)	Others	119.52	62.67
	Total	**13,922.21**	**11,165.19**

* Excludes ₹246.57 crores classified as held for sale as at March 31, 2018.

31. Other current liabilities *

(₹ in crores)

		As at March 31, 2019	As at March 31, 2018
(a)	Contract liabilities (refer note below)	4,577.38	3,756.27
(b)	Government grants	258.89	86.51
(c)	Statutory dues (VAT, Excise, Service Tax, GST, Octroi etc)	3,913.94	3,176.86
(d)	Others	796.25	614.91
	Total	**9,546.46**	**7,634.55**

Note:

(₹ in crores)

		Year ended March 31, 2019
(a)	**Opening contract liabilities (regrouped on transition to Ind AS 115)**	7,867.89
	Transition impact of Ind AS 115	276.69
	Amount recognised in revenue during the year	(3,578.39)
	Amount received in advance during the year	4,958.05
	Amount refunded to customers during the year	(217.55)
	Liabilities directly associated with assets held for sale	71.77
	Currency translation	(127.99)
	Closing contract liabilities	**9,250.47**

Performance obligations in respect of amount received for future maintenance service and extended warranty will be fulfilled over a period of 6 years from year ending March 31, 2020 till March 31, 2025.

(₹ in crores)

		As at March 31, 2019
(b)	**Contract liabilities comprise of the following:**	
	Advances received from customers - current	1,739.61
	Deferred revenue - current	2,837.77
	Deferred revenue -Non-current	4,673.09
	Total contract liabilities	**9,250.47**

Until the previous year, Advance received from customers and deferred revenue were separately presented which currently as per Ind AS 115 are presented as contract liabilities.

Government grants include:

(i) **₹245.93 crores** as at March 31, 2019 and ₹187.67 crores as at March 31, 2018 grants relating to property, plant and equipment relate to duty saved on import of capital goods and spares under the EPCG scheme. Under such scheme, the Company is committed to export prescribed times of the duty saved on import of capital goods over a specified period of time. In case such commitments are not met, the Company would be required to pay the duty saved along with interest to the regulatory authorities.

(ii) **₹2,963.01 crores** as at March 31, 2019 (₹2,702.00 crores as at March 31, 2018) relating to Research and Development Expenditure Credit (RDEC) on qualifying expenditure incurred since April 1, 2013.

* Excludes ₹174.89 crores classified as held for sale as at March 31, 2018.

Notes Forming Part of Consolidated Financial Statements

32. Revenue from Operations

(₹ in crores)

			Year ended March 31, 2019		Year ended March 31, 2018
(a)	Sale of products (refer note 1 & 2 below)				
	(i) Sale of vehicles	258,566.52		250,891.18	
	(ii) Sale of spare parts	24,031.89		19,936.23	
	(iii) Sale of miscellaneous products	10,383.46		12,920.91	
	Total Sale of products		**292,981.87**		**283,748.32**
(b)	Sale of services		2,809.17		3,033.90
(c)	Finance revenues		3,399.55		2,604.03
			299,190.59		**289,386.25**
(d)	Other operating revenues		2,747.81		2,954.39
	Total		**301,938.40**		**292,340.64**

Note:

(1)	Includes exchange gain/(loss) (net) on hedges reclassified from hedge reserve to statement of Profit and Loss	**(6,956.21)**	(10,274.11)

(2) Consequent to the introduction of Goods and Service Tax (GST) with effect from July 1, 2017, Central Excise, Value Added Tax (VAT), etc have been replaced by GST. In accordance with Ind AS 18/Ind AS 115 on Revenue/Revenue from contracts with customers and Schedule III of the Companies Act, 2013, GST, GST Compensation Cess, etc. are not included in Sale of products for applicable periods. In view of the aforesaid restructuring of indirect taxes, Sale of products for the year ended March 31, 2019 are not comparable with the previous period. Following additional information is being provided to facilitate such comparison:

Previous Period (₹ in crores)

		Year ended March 31, 2019	Year ended March 31, 2018
(a)	Sale of products	292,981.87	283,748.32
(b)	Excise duty	-	(1,166.77)
(c)	Sale of products (net of excise duty) (a)- (b)	292,981.87	282,581.55

33. Other income

(₹ in crores)

		Year ended March 31, 2019	Year ended March 31, 2018
(a)	Interest income	786.46	711.81
(b)	Dividend income	17.28	15.77
(c)	Profit on sale of investments measured at FVTPL	128.61	129.26
(d)	Incentives (refer note 1 & 2 below)	1,794.42	3,068.70
(e)	MTM on investments measured at FVTPL	238.54	32.05
Total		**2,965.31**	**3,957.59**

Note:

(1) Incentives include exports and other incentives of ₹**621.38 crores** and ₹934.88 crores, for the year ended March 31, 2019 and 2018, respectively and ₹**812.61 crores** and ₹387.67 crores, for the year ended March 31, 2019 and 2018, respectively received by foreign subsidiaries on Tax credit on qualifying expenditure for research and development.

(2) Consequent to clarifications published by the Institute of Chartered Accountants of India during the year ended March 31, 2019; various Government Grants (incentives) have been reported as "Other Income". Previously, these were reported as "Other Operating Revenue" in the Statement of Profit and Loss. The change is retrospectively applied by reclassifying the previous year to confirm to current year's presentation and is not considered material to the Company's prior period financials statements.

Notes Forming Part of Consolidated Financial Statements

34. Employee benefits expense

(₹ in crores)

		Year ended March 31, 2019	Year ended March 31, 2018
(a)	Salaries, wages and bonus	26,508.97	23,686.45
(b)	Contribution to provident fund and other funds	2,885.55	3,218.30
(c)	Staff welfare expenses	3,849.35	3,395.34
Total		**33,243.87**	**30,300.09**

Share based payments

Long Term Incentive Plan

A subsidiary of the Company operates a Long Term Incentive Plan (LTIP) arrangement for certain employees. The scheme provides a cash payment to the employee based on a specific number of phantom shares at grant and the share price of Tata Motors Limited at the vesting date. The cash payment is dependent on the performance of the underlying shares of Tata Motors Limited shares over the 3 year vesting period and continued employment at the end of the vesting period. The fair value of the awards is calculated using a Black-Scholes model at the grant date. The fair value is updated at each reporting date as the awards are accounted for as cash-settled plan. The inputs into the model are based on the Tata Motors Limited historic data, the risk-free rate and the weighted average fair value of shares, in the scheme at the reporting date. During the year ended March 31, 2016, the subsidiary company issued its final LTIP based on the share price of Tata Motors Limited. The amount released in relation to the LTIP was ₹**9.18 crores** and ₹8.55 crores for the years ended March 31, 2019 and 2018, respectively. The Company considers these amounts as not material and accordingly has not provided further disclosures as required by Ind AS 102 "Share -based payment"

During the year ended March 31, 2017, the subsidiary launched a new long-term employment benefit scheme which provides cash payment to certain employees based on subsidiary's performance against long-term business metrics. This new LTIP scheme has been accounted for in accordance with Ind AS 19 "Employee benefits".

Employee Stock Options

The Company has alloted share based incentives to certain employees during the year ended March 31, 2019, under Tata Motors Limited Employee Stock Options Scheme 2018, approved by Nomination and Remuneration Committee (NRC).

As per the scheme, the number of shares that will vest is conditional upon certain performance measures determined by NRC. The performance conditions are measured over vesting period of the options granted which ranges from 3 to 5 years. The performance measures under this scheme include growth in sales, earnings and free cash flow. The options granted under this scheme is exercisable by employees till one year from date of its vesting.

The Company has granted 78,12,427 number of options during the year ended March 31, 2019 at an exercise price of ₹345/-. Option granted will vest equally each year starting from 3 years from date of grant up to 5 years from date of grant. Number of shares that will vest range from 0.5 to 1.5 per option granted depending on performance measures.

(₹ in crores)

	Year ended March 31, 2019
Options outstanding at the beginning of the year	-
Granted during the year	7,812,427
Forfeited/Expired during the year	-
Exercised during the year	-
Outstanding at the end of the year	7,812,427
Maximum/Minimum number of shares to be issued for outstanding options (conditional on performance measures)	11,718,641/ 3,906,214

The Company has estimated fair value of options granted during the year using Black Scholes model. The following assumptions were used for calculation of fair value of options granted during the year ended March 31, 2019.

Assumption factor	Estimates
Risk free rate	7%-8%
Expected life of option	4-6 years
Expected volatility	33%-37%

Notes Forming Part of Consolidated Financial Statements

35. Finance costs

(₹ in crores)

	Year ended March 31, 2019	Year ended March 31, 2018
(a) Interest	5,970.80	4,987.93
Less: Interest capitalised*	(1,512.85)	(1,294.32)
Add: Exchange fluctuation considered as interest cost	38.10	6.19
	4,496.05	**3,699.80**
(b) Discounting charges	1,262.55	981.99
Total	**5,758.60**	**4,681.79**

* Represents borrowing costs capitalised during the year on qualifying assets (property plant and equipment and product development).

The weighted average rate for capitalisation of interest relating to general borrowings was approximately **5.45%** and 4.26% for the years ended March 31, 2019 and 2018, respectively.

36. Other expenses

(₹ in crores)

		Year ended March 31, 2019	Year ended March 31, 2018
(a)	Processing charges	1,634.36	1,339.08
(b)	Consumption of stores & spare parts	2,444.15	2,210.56
(c)	Power & fuel	1,585.93	1,308.08
(d)	Information Technology (IT) related/Computer expenses	2,340.45	2,143.18
(e)	Engineering expense	5,275.58	5,278.84
(f)	MTM (gain)/loss on commodity derivatives	(84.75)	214.63
(g)	Warranty and product liability expenses	11,890.70	7,700.07
(h)	Freight, transportation, port charges etc.	7,804.47	10,742.12
(i)	Publicity	8,729.63	8,968.59
(j)	Allowances for trade and other receivables	214.19	14.57
(k)	Allowances for finance receivables	320.24	43.30
(l)	Works operation and other expenses (note below)	20,083.17	20,221.19
Total		**62,238.12**	**60,184.21**

Note :

Works operation and other expenses :

(₹ in crores)

		Year ended March 31, 2019	Year ended March 31, 2018
(i)	Auditors' remuneration		
	(i) Audit fees	67.78	55.59
	(ii) Tax Audit fees	1.07	1.62
	(iii) All other fees	1.58	4.72
TOTAL		**70.43**	**61.93**

Notes Forming Part of Consolidated Financial Statements

37 Employee benefits

Defined Benefit Plan

Pension and post retirement medical plans

The following table sets out the funded and unfunded status and the amounts recognised in the financial statements for the pension and the post retirement medical plans in respect of Tata Motors, its Indian subsidiaries and joint operations:

(₹ in crores)

	Pension benefits		Post retirement medical Benefits	
	2019	**2018**	**2019**	**2018**
Change in defined benefit obligations :				
Defined benefit obligation, beginning of				
the year	1,024.79	980.76	154.05	183.86
Current service cost	74.63	72.25	8.04	10.20
Interest cost	75.70	68.76	11.51	13.06
Remeasurements (gains) / losses	-			
Actuarial (gains) / losses arising from changes in demographic assumptions	(1.19)	(16.03)	-	(11.40)
Actuarial (gains) / losses arising from changes in financial assumptions	14.19	22.88	8.11	(2.70)
Actuarial (gains) / losses arising from changes in experience adjustments	59.27	10.50	(15.03)	(28.96)
Benefits paid from plan assets	(71.31)	(116.85)		-
Benefits paid directly by employer	(5.82)	(5.98)	(9.42)	(10.01)
Past service cost - Plan amendment	0.39	8.50	(1.99)	-
Acquisition/(Divestment)	(2.39)	-	(1.87)	-
Defined benefit obligation, end of the year	**1,168.26**	**1,024.79**	**153.40**	**154.05**
Change in plan assets:				
Fair value of plan assets, beginning of the year	906.04	841.78	-	-
Acquisition/(Divestment)	(1.25)	-	-	-
Interest income	71.60	63.33	-	-
Remeasurements gains / (losses)	-	-		
Return on plan assets, (excluding amount included in net Interest cost)	2.70	(2.69)	-	-
Employer's contributions	117.26	120.47	-	-
Benefits paid	(71.31)	(116.85)	-	-
Fair value of plan assets, end of the year	**1,025.04**	**906.04**	**-**	**-**
Amount recognised in the balance sheet consists of:				
Present value of defined benefit obligation	1,168.26	1,024.79	153.40	154.05
Fair value of plan assets	1,025.04	906.04	-	-
Net liability	**(143.22)**	**(118.75)**	**(153.40)**	**(154.05)**
Amounts in the balance sheet:				
Non–current assets	1.64	1.57	-	-
Non–current liabilities	(144.86)	(106.98)	(153.40)	(142.01)
Liabilities for asset classified as held for sale	-	(13.34)	-	(12.04)
Net liability	**(143.22)**	**(118.75)**	**(153.40)**	**(154.05)**

Notes Forming Part of Consolidated Financial Statements

Total amount recognised in other comprehensive income consists of:

(₹ in crores)

	Pension benefits		Post retirement medical benefits	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Remeasurements (gains)/losses	62.91	(6.66)	(45.14)	(38.22)
	62.91	**(6.66)**	**(45.14)**	**(38.22)**

Information for funded plans with a defined benefit obligation in excess of plan assets:

(₹ in crores)

	Pension benefits	
	As at March 31, 2019	As at March 31, 2018
Defined benefit obligation	983.70	141.08
Fair value of plan assets	961.23	126.29

Information for funded plans with a defined benefit obligation less than plan assets:

(₹ in crores)

	Pension benefits	
	As at March 31, 2019	As at March 31, 2018
Defined benefit obligation	62.17	778.18
Fair value of plan assets	63.81	779.75

Information for unfunded plans:

(₹ in crores)

	Pension benefits		Post retirement medical benefits	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Defined benefit obligation	122.39	105.53	153.40	154.05

Net pension and post retirement medical cost consist of the following components:

(₹ in crores)

	Pension benefits		Post retirement medical benefits	
	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
Service cost	74.63	72.25	8.04	10.20
Net interest cost/(income)	4.10	5.43	11.51	13.06
Past service cost - Plan amendment	0.39	8.50	(1.99)	-
Net periodic cost	**79.12**	**86.18**	**17.56**	**23.26**

Notes Forming Part of Consolidated Financial Statements

Other changes in plan assets and benefit obligation recognised in other comprehensive income.

(₹ in crores)

	Pension benefits		Post retirement medical benefits	
	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
Remeasurements				
Return on plan assets, (excluding amount included in net Interest expense)	(2.70)	2.69	-	-
Actuarial (gains)/losses arising from changes in demographic assumptions	(1.19)	(16.03)	-	(11.40)
Actuarial (gains)/losses arising from changes in financial assumptions	14.19	22.88	8.11	(2.70)
Actuarial (gains)/losses arising from changes in experience adjustments on plan liabilities	59.27	10.50	(15.03)	(28.96)
Total recognised in other comprehensive income	**69.57**	**20.04**	**(6.92)**	**(43.06)**
Total recognised in statement of operations and other comprehensive income	**148.69**	**106.22**	**10.64**	**(19.80)**

The assumptions used in accounting for the pension and post retirement medical plans are set out below:

	Pension benefits		Post retirement medical benefits	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Discount rate	6.75% - 7.70%	7.5% - 8.0%	7.6%	8.0%
Rate of increase in compensation				
level of covered employees	5.75% - 12.0%	5.0% - 12.0%	NA	NA
Increase in health care cost	NA	NA	6.0%	6.0%

Plan Assets

The fair value of Company's pension plan asset as of March 31, 2019 and 2018 by category are as follows:

	Pension benefits	
	Plan assets as of March 31	
	2019	2018
Asset category:		
Cash and cash equivalents	6.5%	6.0%
Debt instruments (quoted)	66.9%	68.4%
Debt instruments (unquoted)	0.9%	0.3%
Equity instruments (quoted)	2.6%	1.7%
Deposits with Insurance companies	23.1%	23.6%
	100.0%	**100.0%**

The Company's policy is driven by considerations of maximising returns while ensuring credit quality of the debt instruments. The asset allocation for plan assets is determined based on investment criteria prescribed under the Indian Income Tax Act, 1961, and is also subject to other exposure limitations. The Company evaluates the risks, transaction costs and liquidity for potential investments. To measure plan asset performance, the Company compares actual returns for each asset category with published bench marks.

The weighted average duration of the defined benefit obligation as at March 31, 2019 is **14.41 years** (2018 : 14.51 years)

The Company expects to contribute ₹**96.67 crores** to the funded pension plans in FY 2019-20.

Notes Forming Part of Consolidated Financial Statements

The table below outlines the effect on the service cost, the interest cost and the defined benefit obligation in the event of a decrease/increase of 1% in the assumed rate of discount rate, salary escalation and health care cost:

Assumption	Change in assumption	Impact on defined benefit obligation	Impact on service cost and interest cost
Discount rate	Increase by 1%	**Decrease by ₹84.55 crores**	**Decrease by ₹19.34 crores**
	Decrease by 1%	**Increase by ₹95.12 crores**	**Increase by ₹20.62 crores**
Salary escalation rate	Increase by 1%	**Increase by ₹91.31 crores**	**Increase by ₹21.66 crores**
	Decrease by 1%	**Decrease by ₹81.02 crores**	**Decrease by ₹19.03 crores**
Health care cost	Increase by 1%	**Increase by ₹19.34 crores**	**Increase by ₹4.27 crores**
	Decrease by 1%	**Decrease by ₹16.26 crores**	**Decrease by ₹3.97 crores**

Severance indemnity plan

Severance indemnity is a funded plan of Tata Daewoo Commercial Vehicles Limited (TDCV), a subsidiary of Tata Motors Limited.

The following table sets out, the amounts recognised in the financial statements for the severance indemnity plan.

(₹ in crores)

	As at March 31, 2019	As at March 31, 2018
Change in defined benefit obligation:		
Defined benefit obligation, beginning of the year	425.63	348.26
Service cost	52.52	45.26
Interest cost	11.13	7.90
Remeasurements (gains) / losses		
Actuarial (gains) / losses arising from changes in financial assumptions	36.83	(0.14)
Actuarial (gains) / losses arising from changes in experience adjustments on plan liabilities	(21.34)	14.70
Benefits paid from plan assets	(73.89)	(7.08)
Benefits paid directly by employer	(8.95)	(3.49)
Foreign currency translation	0.40	20.22
Defined benefit obligation, end of the year	**422.33**	**425.63**
Change in plan assets:		
Fair value of plan assets, beginning of the year	405.36	324.53
Interest income	10.97	8.15
Remeasurements gain / (loss)		
Return on plan assets, (excluding amount included in net Interest expense)	(5.99)	(5.13)
Employer's contributions	30.92	65.64
Benefits paid	(82.84)	(7.08)
Foreign currency translation	1.65	19.25
Fair value of plan assets, end of the year	**360.07**	**405.36**

Amount recognised in the balance sheet consist of:

(₹ in crores)

	As at March 31, 2019	As at March 31, 2018
Present value of defined benefit obligation	422.32	425.63
Fair value of plan assets	360.07	405.36
Net liability	**(62.25)**	**(20.27)**
Amounts in the balance sheet:		
Non- current liabilities	**(62.25)**	**(20.27)**

Notes Forming Part of Consolidated Financial Statements

Total amount recognised in other comprehensive income for severance indemnity consists of:

(₹ in crores)

	As at March 31, 2019	As at March 31, 2018
Remeasurements (gains) / losses	(55.64)	(77.12)
	(55.64)	**(77.12)**

Net severance indemnity cost consist of the following components:

(₹ in crores)

	As at March 31, 2019	As at March 31, 2018
Service cost	52.52	45.26
Net interest cost	0.16	(0.25)
Net periodic pension cost	**52.68**	**45.01**

Other changes in plan assets and benefit obligation recognised in other comprehensive income for severance indemnity plan:

(₹ in crores)

	Year ended March 31, 2019	Year ended March 31, 2018
Remeasurements (gains) / losses		
Return on plan assets, (excluding amount included in net Interest expense)	5.99	5.13
Actuarial (gains) / losses arising from changes in financial assumptions	36.83	(0.14)
Actuarial (gains) / losses arising from changes in experience adjustments on plan liabilities	(21.34)	14.70
Total recognised in other comprehensive income	**21.48**	**19.69**
Total recognised in statement of operations and other comprehensive income	**74.16**	**64.70**

The assumptions used in accounting for the Severance indemnity plan is set out below:

(₹ in crores)

	Year ended March 31, 2019	Year ended March 31, 2018
Discount rate	2.0%	2.8%
Rate of increase in compensation level of covered employees	3.5%	3.5%

The table below outlines the effect on the service cost, the interest cost and the defined benefit obligation in the event of a decrease/increase of 1% in the assumed rate of discount rate, salary escalation rate:

Assumption	Change in assumption	Impact on scheme liabilities	Impact on service cost and interest cost
Discount rate	Increase by 1%	**Decrease by ₹ 44.01 crores**	**Decrease by ₹ 12.32 crores**
	Decrease by 1%	**Increase by ₹ 51.62 crores**	**Increase by ₹ 13.56 crores**
Salary escalation rate	Increase by 1%	**Increase by ₹ 50.30 crores**	**Increase by ₹ 14.86 crores**
	Decrease by 1%	**Decrease by ₹ 43.82 crores**	**Decrease by ₹ 12.84 crores**

Severance indemnity plans asset allocation by category is as follows:

(₹ in crores)

	As at March 31, 2019	As at March 31, 2018
Deposit with banks	**100%**	100%

The weighted average duration of the defined benefit obligation as at March 31, 2019 is **11.01 years** (2018 : 10.65 years)

The Company expects to contribute ₹ **17.91 crores** to the funded severance indemnity plans in FY 2019-20.

Jaguar Land Rover Pension plan

Jaguar Land Rover Ltd UK, have pension arrangements providing employees with defined benefits related to pay and service as set out in the rules of each fund.

The UK defined benefit schemes are administered by a separate fund that is legally separated from the Company. The trustees of the pension schemes are required by law to act in the interest of the fund and of all relevant stakeholders in the scheme is responsible for the investment policy with regard to the assets of the schemes and all other governance matters. The board of trustees must be composed of representatives of the Company and plan participants in accordance with the plan's regulations.

Through its defined benefit pension plans the Company is exposed to a number of risks, the most significant of which are detailed below :

Asset volatility

The plan liabilities are calculated using a discount rate set with references to corporate bond yields; if plan assets under perform compared to the corporate bonds discount rate, this will create or increase a deficit. The defined benefit plans hold a significant proportion of equity type assets, which are expected to outperform corporate bonds in the long-term while providing volatility and risk in the short-term.

As the plans mature, the Company intends to reduce the level of investment risk by investing more in assets that better match the liabilities.

However, the Company believes that due to the long-term nature of the plan liabilities and the strength of the supporting group, a level of continuing equity type investments is an appropriate element of the Company's long term strategy to manage the plans efficiently.

Changes in bond yields

A decrease in corporate bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plans' bond holdings and interest rate hedging instruments.

Inflation risk

Some of the Company's pension obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plan against high inflation). The plans hold a significant proportion of assets in index linked gilts, together with other inflation hedging instruments and also assets which are more closely correlated with inflation. However an increase in inflation will also increase the deficit to some degree.

Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant in the UK defined benefit plans, where inflationary increases result in higher sensitivity to changes in life expectancy.

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The following table sets out the disclosure pertaining to employee benefits of Jaguar Land Rover Limited

(₹ in crores)

	Pension benefits	
	As at March 31, 2019	As at March 31, 2018
Change in defined benefit obligation:		
Defined benefit obligation, beginning of the year	76,780.04	80,667.69
Service cost	1,449.05	1,856.13
Interest cost	1,981.47	2,058.43
Remeasurements (gains)/losses		
Actuarial (gains)/losses arising from changes in demographic assumptions	(453.31)	(1,799.04)
Actuarial (gains)/losses arising from changes in financial assumptions	4,965.37	(3,017.78)
Actuarial (gains)/losses arising from changes in experience adjustments on plan liabilities	327.69	(848.75)
Past service cost /(credit)	379.90	(3,609.01)
Plan settlement	-	(180.76)
Benefits paid	(5,657.37)	(8,444.13)
Member contributions	13.58	32.48
Foreign currency translation	(1,519.93)	10,064.78
Defined benefit obligation, end of the year	**78,266.49**	**76,780.04**
Change in plan assets:		
Fair value of plan assets, beginning of the year	72,737.89	68,845.49
Interest Income	1,904.02	1,866.13
Remeasurements gains/(losses)		
Return on plan assets, (excluding amount included in net Interest expense)	2,362.62	(997.46)
Employer's contributions	2,407.81	2,455.42
Members contributions	13.58	32.48
Plan settlement	-	(174.95)
Benefits paid	(5,657.37)	(8,444.13)
Expenses paid	(118.65)	(77.77)
Foreign currency translation	(1,409.80)	9,232.68
Fair value of plan assets, end of the year	**72,240.10**	**72,737.89**

Amount recognised in the balance sheet consist of:

(₹ in crores)

	Pension benefits	
	Year ended March 31, 2019	Year ended March 31, 2018
Present value of defined benefit obligation	78,266.49	76,780.04
Fair value of plan Assets	72,240.10	72,737.89
Net liability	**(6,026.39)**	**(4,042.15)**

Notes Forming Part of Consolidated Financial Statements

(₹ in crores)

	Pension benefits	
	Year ended March 31, 2019	Year ended March 31, 2018
Amount recognised in the balance sheet consist of:		
Non- current assets	-	-
Non -current liabilities	(6,026.39)	(4,042.15)
Net liability	**(6,026.39)**	**(4,042.15)**

Total amount recognised in other comprehensive income

(₹ in crores)

	Pension benefits	
	As at March 31, 2019	As at March 31, 2018
Remeasurements (gains)/losses	827.34	(1,649.79)
	827.34	**(1,649.79)**

Net pension and post retirement cost consist of the following components:

(₹ in crores)

	Pension benefits	
	As at March 31, 2019	As at March 31, 2018
Current service cost	1,449.05	1,856.13
Past service cost/(credit)	379.90	(3,609.01)
Administrative expenses	118.65	77.77
Plan settlement	-	(5.81)
Net interest cost/(income) (Including onerous obligations)	77.45	192.30
Net periodic pension cost	**2,025.05**	**(1,488.62)**

Amount recognised in other comprehensive income

(₹ in crores)

	Pension benefits	
	As at March 31, 2019	As at March 31, 2018
Actuarial (gains)/losses arising from changes in demographic assumptions	(453.31)	(1,799.04)
Actuarial (gains)/losses arising from changes in financial assumptions	4,965.37	(3,017.78)
Actuarial (gains)/losses arising from changes in experience adjustments on plan liabilities	327.69	(848.75)
Return on plan assets, (excluding amount included in net Interest expense)	(2,362.62)	997.46
Total recognised in other comprehensive income	**2,477.13**	**(4,668.11)**
Total recognised in statement of Profit and Loss and other comprehensive income	**4,502.18**	**(6,156.73)**

The assumptions used in accounting for the pension plans are set out below:

	Pension benefits	
	Year ended March 31, 2019	Year ended March 31, 2018
Discount rate	2.4%	2.7%
Expected rate of increase in compensation level of covered employees	2.4%	2.3%
Inflation increase	3.2%	3.1%

For the valuation as at March 31, 2019, the mortality assumptions used are the SAPS table, in particular S2PxA tables and the Light Table for members of the Jaguar Executive Pension Plan.

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For the Jaguar Pension Plan, scaling factor of 112% to 118% have been used for male members and scaling factor of 101% to 112% have been used for female members.

For the Land Rover Pension Scheme, scaling factor of 107% to 112% have been used for male members and scaling factor of 101% to 109% have been used for female members.

For the Jaguar Executive Pension Plan, an average scaling factor of 94% has been used for male members and an average scaling factor of 84% has been used for female members.

For the valuation as at March 31, 2018, the mortality assumptions used are the SAPS table, in particular S2PxA tables and the Light Table for members of the Jaguar Executive Pension Plan. A scaling factor of 113% to 119% have been used for male members and scaling factor of 102% to 114% have been used for female members for the Jaguar Pension Plan, scaling factor of 108% to 113% have been used for male members and scaling factor of 102% to 111% have been used for female members for the Land Rover Pension Scheme and 95% for males and 85% for females for Jaguar Executive Pension Plan.

There is an allowance for future improvements in line with the CMI (2018) projections and an allowance for long-term improvements of 1.25% per annum (2018, CMI (2017) projections with 1.25% per annum improvements).

The assumed life expectations on retirement at age 65 are (years)

	As at March 31, 2019	As at March 31, 2018
Retiring today :		
Males	21.0	21.3
Females	23.2	23.4
Retiring in 20 years :		
Males	22.4	22.5
Females	25.1	25.1

Pension plans asset allocation by category is as follows:

(₹ in crores)

	As at March 31, 2019			As at March 31, 2018		
	Quoted*	Unquoted	Total	Quoted*	Unquoted	Total
Equity Instruments						
Information Technology	716.65	-	716.65	1,218.16	-	1,218.16
Energy	304.75	-	304.75	516.79	-	516.79
Manufacturing	522.30	-	522.30	885.93	-	885.93
Financials	822.41	-	822.41	1,393.50	-	1,393.50
Others	2,272.41	-	2,272.41	3,848.27	-	3,848.27
	4,638.52	**-**	**4,638.52**	**7,862.65**	**-**	**7,862.65**
Debt Instruments						
Government	22,709.35	-	22,709.35	35,169.67	-	35,169.67
Corporate Bonds (Investment Grade)	1,351.98	15,328.05	16,680.03	184.57	16,943.46	17,128.03
Corporate Bonds (Non Investment Grade)	-	5,547.26	5,547.26	-	5,389.42	5,389.42
	24,061.33	**20,875.31**	**44,936.64**	**35,354.24**	**22,332.88**	**57,687.12**
Property Funds						
UK	-	2,211.26	2,211.26	-	1,522.70	1,522.70
Other	-	2,076.36	2,076.36	-	1,476.55	1,476.55
	-	**4,287.62**	**4,287.62**	**-**	**2,999.25**	**2,999.25**
Cash and Cash equivalents	**1,904.79**	**-**	**1,904.79**	**2,010.94**	**-**	**2,010.94**

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(₹ in crores)

	As at March 31, 2019			As at March 31, 2018		
	Quoted*	Unquoted	Total	Quoted*	Unquoted	Total
Other						
Hedge Funds	-	2,803.29	2,803.29	-	3,285.33	3,285.33
Private Markets	38.17	3,039.29	3,077.46	18.46	2,325.57	2,344.03
Alternatives	139.46	7,337.30	7,476.76	4,337.38	1,974.89	6,312.27
	177.63	**13,179.88**	**13,357.51**	**4,355.84**	**7,585.79**	**11,941.63**
Derivatives						
Foreign exchange contracts	-	147.82	147.82	-	9.23	9.23
Interest Rate and inflation	-	2,967.20	2,967.20	-	2,104.10	2,104.10
	-	**3,115.02**	**3,115.02**	**-**	**2,113.33**	**2,113.33**
Collateralised debt obligations	**-**	**-**	**-**	**-**	**(11,877.03)**	**(11,877.03)**
Total	**30,782.27**	**41,457.83**	**72,240.10**	**49,583.67**	**23,154.22**	**72,737.89**

* determined on the basis of quoted prices for identical assets or liabilities in active markets.

The split of Level 1 assets is 62% (2018: 71%), Level 2 assets 24% (2018: 20%) and Level 3 assets 14% (2018: 9%). Private market holdings are classified as Level 3 instruments. Included in the value for Government bonds, Interest Rate and Inflation derivatives are Repo transactions, as noted above.

The sensitivity analysis below is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the consolidated balance sheet.

Assumption	Change in assumption	Impact on scheme liabilities	Impact on service cost
Discount rate	Increase/decrease by 0.25%	Decrease/increase by ₹3,852.13 crores	Decrease/increase by ₹76.16 crores
Inflation rate	Increase/decrease by 0.25%	Increase/decrease by ₹3,339.84 crores	Increase/decrease by ₹72.49 crores
Mortality rate	Increase/decrease by 1 year	Increase/decrease by ₹2,773.24 crores	Increase/decrease by ₹46.80 crores

Jaguar Land Rover contributes towards the UK defined benefit schemes. The April 5, 2018 valuations were completed in December 2018, As a result of these valuations it is intended to eliminate the pension scheme funding deficits over the 10 years to March 31, 2028. There is currently no additional liability over the Projected benefit obligation. The current agreed contribution rate for defined benefit accrual is 22% of pensionable salaries in the UK reflecting the 2017 benefit structure.

The average duration of the benefit obligation at March 31, 2019 is **19.00** years (2018: 20.04 years).

With the new benefit structure effective April 6, 2017, the expected net periodic pension cost for the year ended March 31, 2020 is **₹1,502.48 crores**. The Company expects to pay **₹2,018.73 crores** to its defined benefit schemes in the year ended March 31, 2020.

Defined contribution plan

The Company's contribution to defined contribution plans aggregated **₹1,186.21 crores**, ₹899.59 crores for years ended March 31, 2019 and 2018, respectively.

Notes Forming Part of Consolidated Financial Statements

38. Commitments and contingencies

In the ordinary course of business, the Company faces claims and assertions by various parties. The Company assesses such claims and assertions and monitors the legal environment on an ongoing basis, with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

The following is a description of claims and assertions where a potential loss is possible, but not probable. The Company believes that none of the contingencies described below would have a material adverse effect on the Company's financial condition, results of operations or cash flows.

Litigation

The Company is involved in legal proceedings, both as plaintiff and as defendant. There are claims which the Company does not believe to be of material nature, other than those described below.

Income Tax

The Company has ongoing disputes with income tax authorities relating to tax treatment of certain items. These mainly include disallowed expenses, the tax treatment of certain expenses claimed by the Company as deductions and the computation of, or eligibility of, the Company's use of certain tax incentives or allowances.

Most of these disputes and/or disallowances, being repetitive in nature, have been raised by the income tax authorities consistently in most of the years.

The Company has a right of appeal to the Commissioner of Income Tax (Appeals), or CIT (A), the Dispute Resolution Panel, or DRP, and to the Income Tax Appellate Tribunal, or ITAT, against adverse decisions by the assessing officer, DRP or CIT (A), as applicable. The income tax authorities have similar rights of appeal to the ITAT against adverse decisions by the CIT (A) or DRP. The Company has a further right of appeal to the Bombay High Court or the Hon'ble Supreme Court against adverse decisions by the appellate authorities for matters involving substantial question of law. The income tax authorities have similar rights of appeal.

As at March 31, 2019, there are matters and/or disputes pending in appeal amounting to **₹520.48 crores**, which includes **₹75.53 crores** in respect of equity accounted investees (₹303.09 crores, which includes ₹2.18 crores in respect of equity accounted investees as at March 31, 2018).

Customs, Excise Duty and Service Tax

As at March 31, 2019, there are pending litigations for various matters relating to customs, excise duty and service tax involving demands, including interest and penalties, of **₹1,025.45 crores**, which includes **₹5.41 crores** in respect of equity accounted investees (₹1,671.71 crores, which includes ₹5.02 crores in respect of equity accounted investees as at March 31, 2018). These demands challenged the basis of valuation of the Company's products and denied the Company's claims of Central Value Added Tax, or CENVAT, credit on inputs. The details of the demands for more than ₹20 crores are as follows:

The Excise Authorities have raised a demand for **₹90.72 crores** as at March 31, 2019 (₹90.72 crores as at March 31, 2018), on account of alleged undervaluation's of ex-factory discounts given by Company on passenger vehicles through invoices. The matter is being contested by the Company before the Bombay High Court.

As at March 31, 2019, the Excise Authorities have raised a demand and penalty of **₹243.24 crores**, (₹239.95 crores as at March 31, 2018), due to the classification of certain chassis (as dumpers instead of goods transport vehicles) which were sent to automotive body builders by the Company, which the Excise Authorities claim requires the payment of the National Calamity Contingent Duty, or NCCD. The Company has obtained a technical expert certificate on the classification. The appeal is pending before the Custom Excise & Service Tax Appellate Tribunal.

The Excise Authorities had denied the Company's claim of a CENVAT credit of **₹20.14 crores** (₹36.03 crores as at March 31, 2018) claimed by the Company from Fiscal 1992 to Fiscal 2013, on technical grounds. The matter is being contested by the Company before the Appellate Authorities.

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As at March 31, 2019, the Excise Authorities had levied penalties and interest amounting to ₹**90.32 crores** (₹679.88 crores as at March 31, 2018) with respect to CENVAT credit claimed by the Company from March 2010 to June 2017, on inputs, stating that vehicles manufactured at Uttarakhand plant are "Exempted Products" and the Company may not claim a CENVAT credit on these vehicles. The Company has challenged this demand as NCCD and the automobile cess is assessed on those vehicles, which are "duties of excise". Therefore, the Company asserts that these vehicles are not "Exempted Products". The matter is being contested by the Company before the Appellate Authorities.

As at March 31, 2019, the Excise Authorities have raised a demand amounting to ₹**29.54 crores** (₹29.54 crores as at March 31, 2018) on pre-delivery inspection charges and free after-sales service charges incurred by dealers on Company's products on the alleged grounds that the pre-delivery inspection charges and free after-sales services are provided by the dealer on behalf of the Company and should be included in excisable value of the vehicle. The case is pending before Tribunal.

As at March 31, 2019, the Exicse Authorities have confirmed demand & penalty totalling to ₹**90.88 crores** (₹90.88 crores as at March 31, 2018) towards vehicles allegedly sold below cost of production with an intention to penetrate the market. The matter is being contested by the Company before the Appellate Authorities.

The Excise Authorities had denied the Company's claim of a CENVAT credit of ₹**81.51 crores** as at March 31, 2019 on various inputs services like Authorised Service Station Services, Erection, Commissioning & Installation Services, Common Services etc. claimed by the Company from financial year 2006 to 2017. The matters are being contested by the Company before the Appellate Authorities.

As at March 31, 2019, the Excise Authorities have confirmed the demand and penalty totalling to ₹**92.42 crores** alleging undervaluation of products sold by the Company. The matter is being contested by the Company before Appellate Authorities.

As at March 31, 2019, demand and penalty totalling to ₹**23.50 crores** has been confirmed for alleged non-payment of service tax on services like Event Management Services (RCM), Authorised Service Station Services, Heat Treatment Services etc. The matter is being contested by the Company before Appellate Authorities.

Sales Tax

The total sales tax demands (including interest and penalty), that are being contested by the Company amount to ₹**1,168.89 crores**, which includes ₹**12.40 crores** in respect of equity accounted investees as at March 31, 2019 (₹1,096.18 crores, which includes ₹10.85 crores in respect of equity accounted investees, as at March 31, 2018). The details of the demands for more than ₹20 crores are as follows:

The Sales Tax Authorities have raised demand of ₹**260.15 crores** (₹269.38 crores as at March 31, 2018) towards rejection of certain statutory forms for concessional lower/nil tax rate (Form F and Form C) on technical grounds such as late submission, single form issued against different months / quarters dispatches / sales, etc. and denial of exemption from tax in absence of proof of export for certain years. The Company has contended that the benefit cannot be denied on technicalities, which are being complied with. The matter is pending at various levels.

The Sales Tax authorities have denied input tax credit and levied interest and penalty thereon due to varied reasons aggregating to ₹**487.96 crores** as at March 31, 2019 (₹435.96 crores as at March 31, 2018). The reasons for disallowing credit was mainly due to taxes not paid by vendors, incorrect method of calculation of set off as per the department, alleging suppression of sales as per the department etc. The matter is contested in appeal.

Sales Tax demand aggregating ₹**80.02 crores** as at March 31, 2019 (₹95.75 crores as at March 31, 2018) has been raised by Sales Tax Authorities for non submission of Maharashtra Trial Balance. The matter is contested in appeal.

The Sales Tax Authorities have raised demand for Entry Tax liability at various states amounting to ₹**64.14 crores** as at March 31, 2019 (₹23.92 crores as at March 31, 2018). The Company is contesting this issue.

In case of one of the joint operation, Fiat India Automobiles Pvt. Ltd. (FIAPL) the Sales Tax Authorities have held back the refund of VAT on debit notes raised for Take or Pay arrangements (TOP) totaling to ₹**51.60 crores** pertaining to financial years 2009-10 to 2014-15. The department is of the view that TOP is not part of sale and hence tax to be paid. The matter is contested in appeal.

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Other Taxes and Dues

Other amounts for which the Company may contingently be liable aggregate to ₹**436.08 crores**, which includes ₹**21.54 crores** in respect of equity accounted investees as at March 31, 2019 (₹367.02 crores, which includes ₹1.76 crores in respect of equity accounted investees, as at March 31, 2018). Following are the cases involving more than ₹20 crores:

The municipal authorities in certain states levy octroi duty (a local indirect tax) on goods brought inside the municipal limits at rates based on the classification of goods. Demands aggregating ₹**61.65 crores** as at March 31, 2019 (₹61.65 crores as at March 31, 2018) had been raised demanding higher octroi duties on account of classification disputes relating to components purchased for the manufacture of vehicles and retrospective increase in octroi rates relating to past periods. The dispute relating to classification is presently pending before the Bombay High Court and the other dispute is pending before the Hon'ble Supreme Court of India.

As at March 31, 2019, property tax amounting to ₹**63.81 crores** (₹56.84 crores as at March 31, 2018) has been demanded by the local municipal authorities in respect of vacant land of the Company in the plant in Pimpri, Chinchwad and Chikali Pune. The Company has filed Special Leave Petition (SLP) before the Supreme Court against an unfavorable decision of the Bombay High Court. The Hon'ble Supreme Court has disposed of the SLP and remanded the matter back to the local municipal corporation for fresh adjudication.

As at March 31, 2019, Sales tax / VAT amounting to ₹**32.47 crores** (₹30.54 crores as at March 31, 2018) has been demanded by local authorities on dealers in respect of spare parts used for carrying out warranty repair. The dispute is pending before the Hon'ble Supreme Court.

As at March 31, 2019, possession tax amounting to ₹**36.25 crores** have been demanded in respect of motor vehicles in the possession of the manufacturer and the authorisation of trade certificate granted under the Central Motor Vehicle Rules, 1989. The matter is being contested before the Hon'ble Supreme Court of India.

Other claims

There are other claims against the Company, the majority of which pertain to government body investigations with regards to regulatory compliances, motor accident claims, product liability claims and consumer complaints. Some of the cases also relate to the replacement of parts of vehicles and/or the compensation for deficiencies in the services by the Company or its dealers.

The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal. Further, there are interpretative challenges and considerable uncertainty, including estimating the amount retrospectively. Pending the outcome of the review petition and directions from the EPFO, the impact for past periods, if any, is not ascertainable reliably and consequently no financial effect has been provided for in the consolidated financial statements. The Company has made a provision on a prospective basis, from the date of the SC order.

The Company has, consequent to an Order of the Hon'ble Supreme Court of India in the case of R.C. Gupta and Ors. Vs Regional Provident Fund Commissioner, Employees Provident Fund Organisation and Ors., evaluated the impact on its employee pension scheme and concluded that this is not applicable to the Company based on external legal opinion and hence it is not probable that there will be an outflow of resources.

Post the sale of investments of TAL Manufacturing Solutions Ltd. (TAL) to Tata Advanced Systems Ltd. (TASL), the Company has continued its performance guarantee amounting to ₹**691.49 crores** (USD 100 million) in respect of TAL's obligations to its customer to cover the event post the share sale, against a back-to-back indemnity by TASL to the Company. Steps are currently under way to transfer the said guarantee to TASL in due course.

Commitments

The Company has entered into various contracts with vendors and contractors for the acquisition of plant and machinery, equipment and various civil contracts of a capital nature amounting to ₹**11,529.23 crores**, as at March 31, 2019 (₹10,018.66 crores as at March 31, 2018), which are yet to be executed.

The Company has entered into various contracts with vendors and contractors for the acquisition of intangible assets of a capital nature amounting to ₹**567.57 crores** as at March 31, 2019, (₹581.39 crores as at March 31, 2018), which are yet to be executed.

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Under the joint venture agreement with Chery Jaguar Land Rover Automotive Co. Limited, the Company is committed to contribute ₹**3,606.40 crores** as at March 31, 2019 (₹3,622.12 crores as at March 31, 2018) towards its share in the capital of the joint venture of which ₹**2,962.40 crores** (₹2,975.31 crores as at March 31, 2018) has been contributed as at March 31, 2019. As at March 31, 2019, the Company has an outstanding commitment of ₹**644.00 crores** (₹646.81 crores as at March 31, 2018).

The Company has contractual obligation towards Purchase Commitment for ₹**20,159.77 crores** (₹13,222.63 crores as on March 31, 2018).

39. Capital Management

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long-term and short-term goals of the Company.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity, convertible and non-convertible debt securities, senior notes and other long-term/short-term borrowings. The Company's policy is aimed at combination of short-term and long-term borrowings.

The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

Total debt includes all long and short-term debts as disclosed in notes 25, 26 and 28 to the consolidated financial statements. Equity comprises all components excluding (profit)/loss on cash flow hedges and foreign currency translation reserve.

The following table summarises the capital of the Company:

(₹ in crores)

	As at March 31, 2019	As at March 31, 2018
Equity*	63,803.79	94,794.02
Short-term borrowings and current portion of long-term debt	35,201.67	27,750.97
Long-term debt	70,973.67	61,199.50
Total debt	**106,175.34**	**88,950.47**
Total capital (Debt + Equity)	**169,979.13**	**183,744.49**

* Details of equity :

(₹ in crores)

	As at March 31, 2019	As at March 31, 2018
Total equity as reported in balance sheet	60,702.62	95,952.97
Currency translation reserve attributable to		
- Shareholders of Tata Motors Limited	(2,552.39)	(4,621.23)
- Non-controlling interests	(19.86)	(19.78)
Hedging reserve	5,673.42	3,482.06
Equity as reported above	**63,803.79**	**94,794.02**

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40. Disclosure on financial instruments

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

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

(a) Financial assets and liabilities

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities as at March 31, 2019.

(₹ in crores)

Financial assets	Cash and other financial assets at amortised cost	Investments - FVTOCI	Investments - FVTPL	Investments - Amortised cost	Derivatives other than in hedging relationship	Derivatives in hedging relationship	Total carrying value	Total fair value
(a) Other investments - non-current	-	741.29	752.34	3.88	-	-	1,497.51	1,497.51
(b) Investments - current	-	0.92	1,191.90	7,745.51	-	-	8,938.33	8,938.33
(c) Trade receivables	18,996.17	-	-	-	-	-	18,996.17	18,996.17
(d) Cash and cash equivalents	21,559.80	-	-	-	-	-	21,559.80	21,559.80
(e) Other bank balances	11,089.02	-	-	-	-	-	11,089.02	11,089.02
(f) Loans and advances - non-current	407.42	-	-	-	-	-	407.42	407.42
(g) Loans and advances - current	1,268.70	-	-	-	-	-	1,268.70	1,268.70
(h) Finance receivable - current	11,551.52	-	-	-	-	-	11,551.52	11,551.52
(i) Finance receivable - non-current	22,073.17	-	-	-	-	-	22,073.17	21,877.53
(j) Other financial assets - non-current	1,898.04	-	-	-	523.23	387.91	2,809.18	2,809.18
(k) Other financial assets - current	1,978.02	-	-	-	344.57	890.97	3,213.56	3,213.56
Total	**90,821.86**	**742.21**	**1,944.24**	**7,749.39**	**867.80**	**1,278.88**	**103,404.38**	**103,208.74**

(₹ in crores)

Financial liabilities	Derivatives other than in hedging relationship	Derivatives in hedging relationship	Other financial liabilities	Total carrying value	Total fair value
(a) Long-term borrowings (including current maturities of long-term borrowings) (note below)	-	-	86,025.08	86,025.08	82,960.03
(b) Short-term borrowings	-	-	20,150.26	20,150.26	20,150.26
(c) Trade payables	-	-	68,513.53	68,513.53	68,513.53
(d) Acceptances	-	-	3,177.14	3,177.14	3,177.14
(e) Other financial liabilities - non-current	195.90	2,466.54	130.27	2,792.71	2,792.71
(f) Other financial liabilities - current	982.39	3,760.14	13,061.71	17,804.24	17,804.24
Total	**1,178.29**	**6,226.68**	**191,057.99**	**198,462.96**	**195,397.91**

Note:

1 Includes USD denominated bonds designated as cash flow hedges against forecasted USD revenue amounting to ₹**6,914.88 crores** (USD 1,000 million)

2 Includes ₹**3,458.55 crores** designated as hedged item in fair value hedge relationship. This includes a loss of ₹**44.56 crores** on account of fair value changes attributable to the hedged interest rate risk.

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The following table presents the carrying amounts and fair value of each category of financial assets and liabilities as at March 31, 2018.

(₹ in crores)

Financial assets	Cash and other financial assets at amortised cost	Investments - FVTOCI	Investments - FVTPL	Investments - Amortised cost	Derivatives other than in hedging relationship	Derivatives in hedging relationship	Total carrying value	Total fair value
(a) Other investments - non-current	-	407.90	351.98	3.88	-	-	763.76	763.76
(b) Investments - current	-	303.28	1,601.00	12,759.47	-	-	14,663.75	14,663.75
(c) Trade receivables	19,893.30	-	-	-	-	-	19,893.30	19,893.30
(d) Cash and cash equivalents	14,716.75	-	-	-	-	-	14,716.75	14,716.75
(e) Other bank balances	19,897.16	-	-	-	-	-	19,897.16	19,897.16
(f) Loans and advances - non-current	495.41	-	-	-	-	-	495.41	495.41
(g) Loans and advances - current	1,451.14	-	-	-	-	-	1,451.14	1,451.14
(h) Finance receivable - current	8,401.65	-	-	-	-	-	8,401.65	8,401.65
(i) Finance receivable - non-current	15,479.53	-	-	-	-	-	15,479.53	15,421.94
(j) Other financial assets - non-current	1,716.97	-	-	-	489.03	2,357.87	4,563.87	4,563.87
(k) Other financial assets - current	1,381.51	-	-	-	878.80	1,597.33	3,857.64	3,857.64
Total	**83,433.42**	**711.18**	**1,952.98**	**12,763.35**	**1,367.83**	**3,955.20**	**104,183.96**	**104,126.37**

(₹ in crores)

Financial liabilities	Derivatives other than in hedging relationship	Derivatives in hedging relationship	Other financial liabilities	Total carrying value	Total fair value
(a) Long-term borrowings (including current maturities of long-term borrowings) (note below)	-	-	72,155.62	72,155.62	72,871.82
(b) Short-term borrowings	-	-	16,794.85	16,794.85	16,794.85
(c) Trade payables	-	-	72,038.41	72,038.41	72,038.41
(d) Acceptances	-	-	4,901.42	4,901.42	4,901.42
(e) Other financial liabilities - non-current	177.23	2,272.97	288.94	2,739.14	2,739.14
(f) Other financial liabilities - current	1,329.43	4,878.23	14,103.71	20,311.37	20,311.37
Total	**1,506.66**	**7,151.20**	**180,282.95**	**188,940.81**	**189,657.01**

Note:

1 Includes USD denominated bonds designated as cash flow hedges against forecasted USD revenue amounting to ₹**11,166.44 crores** (USD 1,700 million)

2 Includes ₹**3,156.00 crores** designated as hedged item in fair value hedge relationship. This includes a loss of ₹**92.80 crores** on account of fair value changes attributable to the hedged interest rate risk.

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

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

Notes Forming Part of Consolidated Financial Statements

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

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

(₹ in crores)

	As at March 31, 2019			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
(a) Investments	1,948.19	-	738.26	2,686.45
(b) Derivative assets	-	2,146.68	-	2,146.68
Total	**1,948.19**	**2,146.68**	**738.26**	**4,833.13**
Financial liabilities measured at fair value				
(a) Derivative liabilities	-	7,404.97	-	7,404.97
Total	**-**	**7,404.97**	**-**	**7,404.97**

(₹ in crores)

	As at March 31, 2018			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
(a) Investments	1,940.92	-	723.24	2,664.16
(b) Derivative assets	-	5,323.03	-	5,323.03
Total	**1,940.92**	**5,323.03**	**723.24**	**7,987.19**
Financial liabilities measured at fair value				
(a) Derivative liabilities	-	8,657.86	-	8,657.86
Total	**-**	**8,657.86**	**-**	**8,657.86**

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

(₹ in crores)

	As at March 31, 2019			
	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value				
(a) Investments	7,745.51	-	3.88	7,749.39
(b) Finance receivables	-	-	33,429.05	33,429.05
Total	**7,745.51**	**-**	**33,432.93**	**41,178.44**
Financial liabilities not measured at fair value				
(a) Long-term borrowings (including current maturities of long term borrowing)	35,285.15	47,674.88	-	82,960.03
(b) Short-term borrowings	-	20,150.26	-	20,150.26
Total	**35,285.15**	**67,825.14**	**-**	**103,110.29**

Notes Forming Part of Consolidated Financial Statements

(₹ in crores)

	As at March 31, 2018			
	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value				
(a) Investments	12,759.47	-	3.88	12,763.35
(b) Finance receivables	-	-	23,823.59	23,823.59
Total	**12,759.47**	**-**	**23,827.47**	**36,586.94**
Financial liabilities not measured at fair value				
(a) Long-term borrowings (including current maturities of long term borrowing)	39,949.70	32,922.12	-	72,871.82
(b) Short-term borrowings	-	16,794.85	-	16,794.85
Total	**39,949.70**	**49,716.97**	**-**	**89,666.67**

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

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

The fair value of finance receivables has been estimated by discounting expected cash flows using rates at which loans of similar credit quality and maturity would be made and internal assumptions such as expected credit losses and estimated collateral value for repossessed vehicles as at March 31, 2019 and 2018. Since significant unobservable inputs are applied in measuring the fair value, finance receivables are classified in Level 3.

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

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

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

Offsetting

Certain financial assets and financial liabilities are subject to offsetting where there is currently a legally enforceable right to set off recognised amounts and the Company intends to either settle on a net basis, or to realise the asset and settle the liability, simultaneously.

Certain derivative financial assets and financial liabilities are subject to master netting arrangements, whereby in the case of insolvency, derivative financial assets and financial liabilities with the same countries will be settled on a net basis.

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The following table discloses the amounts that have been offset, in arriving at the balance sheet presentation and the amounts that are available for offset only under certain conditions as at March 31, 2019:

(₹ in crores)

	Gross amount recognised	Gross amount recognised as set off in the balance sheet	Net amount presented in the balance sheet	Amounts subject to an enforceable master netting arrangement		Net amount after offsetting
				Financial instruments	Cash collateral	
Financial assets						
(a) Derivative financial instruments	2,146.68	-	2,146.68	(1,717.37)	-	429.31
(b) Trade receivables	19,105.24	(109.07)	18,996.17	-	-	18,996.17
(c) Cash and cash equivalents	25,433.47	(3,873.67)	21,559.80	-	-	21,559.80
Total	**46,685.39**	**(3,982.74)**	**42,702.65**	**(1,717.37)**	**-**	**40,985.28**
Financial liabilities						
(a) Derivative financial instruments	7,404.97	-	7,404.97	(1,717.37)	-	5,687.60
(b) Trade payable	68,622.60	(109.07)	68,513.53	-	-	68,513.53
(c) Loans from banks/financial institutions (short-term & current maturities of long term debt)	39,075.34	(3,873.67)	35,201.67	-	-	35,201.67
Total	**115,102.91**	**(3,982.74)**	**111,120.17**	**(1,717.37)**	**-**	**109,402.80**

The following table discloses the amounts that have been offset in arriving at the balance sheet presentation and the amounts that are available for offset only under certain conditions as at March 31, 2018:

(₹ in crores)

	Gross amount recognised	Gross amount recognised as set off in the balance sheet	Net amount presented in the balance sheet	Amounts subject to an enforceable master netting arrangement		Net amount after offsetting
				Financial instruments	Cash collateral	
Financial assets						
(a) Derivative financial instruments	5,323.03	-	5,323.03	(4,905.82)	-	417.21
(b) Trade receivables	19,990.57	(97.27)	19,893.30	-	-	19,893.30
(c) Cash and cash equivalents	16,384.33	(1,667.58)	14,716.75	-	-	14,716.75
Total	**41,697.93**	**(1,764.85)**	**39,933.08**	**(4,905.82)**	**-**	**35,027.26**
Financial liabilities						
(a) Derivative financial instruments	8,657.86	-	8,657.86	(4,905.82)	-	3,752.04
(b) Trade payable	72,135.68	(97.27)	72,038.41	-	-	72,038.41
(c) Loans from banks/financial institutions (short-term & current maturities of long term debt)	29,418.55	(1,667.58)	27,750.97	-	-	27,750.97
Total	**110,212.09**	**(1,764.85)**	**108,447.24**	**(4,905.82)**	**-**	**103,541.42**

(b) Transfer of financial assets

The Company transfers finance receivables in securitisation transactions and direct assignments. In such transactions the Company surrenders control over the receivables, though it continues to act as an agent for the collection of receivables. Generally in such transactions, the Company also provides credit enhancements to the transferee.

Because of the existence of credit enhancements in such transactions, the Company continues to have the obligation to pay to the transferee, limited to the extent of credit enhancement provided, even if it does not collect the equivalent amounts from the original asset and hence continues to retain substantially all risks and rewards associated with the receivables, and as a result of which such transfer or assignment does not meet the derecognition criteria, resulting in the transfer not being recorded as sale. Consequently, the proceeds received from such transfers are recorded as collateralised debt obligations.

Further the Company transfers certain trade receivables under the debt factoring arrangements. These do not qualify for derecognition, if the recourse arrangement is in place. Consequently the proceeds received from such transfers with a recourse arrangements are recorded as loans from banks / financial institutions and classified under short-term borrowings.

The carrying amount of trade receivables and finance receivables along with the associated liabilities is as follows:

Nature of Asset	As at March 31, 2019		As at March 31, 2018	
	Carrying amount of asset sold	Carrying amount of associated liabilities	Carrying amount of asset sold	Carrying amount of associated liabilities
(a) Trade receivables	1,031.46	1,031.46	1,507.44	1,507.44
(b) Finance receivables	3,033.83[1]	3,047.33	1,306.91[1]	1,320.58

[1] Net of provision of ₹**38.03 crores** and ₹22.62 crores as at March 31, 2019 and 2018, respectively.

(c) Cash flow hedges

As at March 31, 2019, the Company and its subsidiaries have a number of financial instruments designated in a hedging relationship. The Company and its subsidiaries use both foreign currency forward and option contracts, cross currency interest rate swaps and other currency options to hedge changes in future cash flows as a result of foreign currency and interest rate risk arising from sales and purchases and repayment of foreign currency bonds. The Company and its subsidiaries have also designated some of its U.S. dollar denominated bonds as hedging instruments in a cash flow hedging relationship to hedge the changes in future cash flows as a result of foreign currency risk arising from future anticipated sales.

The Company and its subsidiaries also have a number of foreign currency options and other currency options, which are entered into as an economic hedge of the financial risks of the Company. These contracts do not meet the hedge accounting criteria of Ind AS 109, hence the change in fair value of these derivatives are recognised in the statement of Profit and Loss.

Options are designated on spot discounted basis. The time value of options are identified as cost of hedge. Changes in the time value of options are recognised in Cost of Hedge reserve. Changes in the spot intrinsic value of options is recognised in Hedge reserve. Changes in fair value arising from own and counter-party credit risk in options and forward exchange contracts are considered ineffective in the hedge relationship and thus the change in fair value of forward exchange contracts attributable to changes in credit spread are recognised in the statement of Profit and Loss. Cross currency basis spread was historically included in the hedging relationship. Any ineffectiveness arising out of cross currency basis spread is recognised in the statement of Profit and Loss as it arises. Cross currency basis spread arising from forward exchange contracts entered after 1st January 2018 is identified as cost of hedge and accordingly changes in fair value attributable to this is recognised in cost of hedge reserve.

Changes in fair value of foreign currency derivative and bonds, to the extent determined to be an effective hedge, is recognised in other comprehensive income and the ineffective portion of the fair value change is recognised in statement of Profit and Loss. The fair value gain/losses recorded in Hedge reserve and Cost of Hedge reserve is recognised in the statement of Profit and Loss when the forecasted transactions occur. The accumulated gain/losses in hedge reserve and cost of hedge reserve are expected to be recognised in statement of Profit or Loss during the years ending March 31, 2020 to 2024.

Notes Forming Part of Consolidated Financial Statements

(₹ in crores)

	As at March 31,2019	As at March 31,2018
Fair value gain/(loss) of foreign currency derivative contracts entered for cash flow hedges of forecast sales recognised in hedging reserve	(6,045.46)	6,533.29
Fair value gain/(loss) of foreign currency derivative contracts entered for cash flow hedges of forecast inventory purchases recognised in hedging reserve	(1,746.28)	1,227.74
Fair value gain/(loss) of foreign currency bonds designated as cash flow hedges of forecast sales recognised in hedging reserve	(942.91)	1,243.52
Fair value gain/(loss) of cross currency interest rate swaps entered for cash flow hedges of repayment of foreign currency denominated borrowings recognised in hedging reserve	44.60	(35.91)
Fair value gain/(loss) of interest rate swaps entered for cash flow hedges of payment of interest on borrowings benchmarked to LIBOR	(57.57)	-
Fair value gain/(loss) recognised in Hedging reserve	**(8,747.62)**	**8,968.64**
Gain/(loss) reclassified from Hedging reserve and recognised in 'Revenue from operations' in the statement of Profit and Loss on occurance of forecast sales	(6,956.21)	(10,274.11)
Gain/(loss) reclassified out of Hedging reserve and recorded in Inventory in the Balance sheet on occurance of forecast purchases	1,011.27	1,430.25
Gain/(loss) reclassified from Hedging reserve and recognised in 'Foreign exchange (gain)/ loss (net)' in the statement of Profit and Loss on account of forecast transactions no longer expected to occur	(102.79)	(54.70)
Gain/(loss) reclassified from Hedging reserve	**(6,047.73)**	**(8,898.56)**
Gain/(loss) on foreign currency derivatives not hedge accounted, recognised in 'Foreign exchange (gain)/loss (net)' in the statement of Profit and Loss	(749.80)	1,176.20
Fair value gain/(loss) recognised in 'Foreign exchange (gain)/loss (net)' in the statement of Profit and Loss on account of ineffectiveness arising from foreign currency basis spread on forward contracts designated in cash flow hedge relationship	(133.64)	381.64
	(883.44)	**1,557.84**

(d) Financial risk management

In the course of its business, the Company is exposed primarily to fluctuations in foreign currency exchange rates, interest rates, equity prices, liquidity and credit risk, which may adversely impact the fair value of its financial instruments.

The Company has a risk management policy which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the board of directors. The risk management framework aims to:

- Create a stable business planning environment by reducing the impact of currency and interest rate fluctuations on the Company's business plan.
- Achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

(i) Market risk

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

(a) Foreign currency exchange rate risk:

The fluctuation in foreign currency exchange rates may have potential impact on the income statement and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the respective consolidated entities.

Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in U.S. dollar, GBP, Chinese renminbi, Japanese yen, Singapore dollar and Euro, against the respective functional currencies of Tata Motors Limited and its subsidiaries.

The Company, as per its risk management policy, uses foreign exchange and other derivative instruments primarily to hedge foreign exchange and interest rate exposure. Furthermore, any movement in the functional currencies of the various operations of the Company against major foreign currencies may impact the Company's revenues from its international operations. Any weakening of the functional currency may impact the Company's cost of imports and cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures.

The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in accordance with its risk management policies.

The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates of each currency by 10%.

The following analysis is based on the gross exposure as of the relevant balance sheet dates, which could affect the income statement. There is no exposure to the income statement on account of translation of financial statements of consolidated foreign entities. Furthermore, the exposure as indicated below is mitigated by natural hedges resulting from anticipated revenue and cost in foreign currency expected to arise in future as well as certain derivative contracts entered into by the Company.

The following table sets forth information relating to foreign currency exposure other than risk arising from derivatives contract as of March 31, 2019:

(₹ in crores)

	U.S. dollar	Euro	Chinese Renminbi	GBP	Japanese Yen	Others[1]	Total
(a) Financial assets	22,765.97	12,594.09	1,985.31	1,600.67	339.86	2,718.46	42,004.36
(b) Financial liabilities	39,089.20	32,226.04	3,850.11	5,926.98	440.59	2,828.53	84,361.45

[1] Others mainly include currencies such as the Russian rouble, Singapore dollars, Swiss franc, Australian dollars, South African rand, Thai baht and Korean won.

10% appreciation/depreciation of the respective foreign currencies with respect to functional currency of the Company would result in increase/decrease in the Company's net income before tax by approximately **₹4,200.44 crores** for financial assets and decrease/increase in Company's net income before tax by approximately **₹7,744.66 crores** for financial liabilities respectively for the year ended March 31, 2019 and decrease/increase in the Company's other comprehensive income by approximately **₹691.49 crores** in respect of financial liabilities designated in cash flow hedges for the year ended March 31, 2019.

The following table set forth information relating to foreign currency exposure (other than risk arising from derivatives) as of March 31, 2018:

(₹ in crores)

	U.S. dollar	Euro	Chinese Renminbi	GBP	Japanese Yen	Others	Total
(a) Financial assets	13,531.07	12,817.17	4,997.72	1,511.50	475.02	4,165.24	37,497.72
(b) Financial liabilities	36,909.10	31,192.69	5,398.91	6,371.66	545.65	3,538.95	83,956.96

(Note: The impact is indicated on the income/loss before tax basis).

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(b) Interest rate risk

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Company's cash flows as well as costs.

The Company is subject to variable interest rates on some of its interest bearing liabilities. The Company's interest rate exposure is mainly related to debt obligations. The Company also uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like short term non-convertible bonds and short term loans.

In its financing business, the Company enters into transactions with customers which primarily result in receivables at fixed rates. In order to manage this risk, the Company has a policy to match funding in terms of maturities and interest rates and also for certain part of the portfolio, the Company does not match funding with maturities, in order to take advantage of market opportunities.

The Company also enters into arrangements of securitisation of receivables in order to reduce the impact of interest rate movements. Further, Company also enters into interest rate swap contracts with banks to manage its interest rate risk.

As at March 31, 2019 and 2018 financial liability of ₹**30,284.89 crores** and ₹21,018.28 crores respectively, was subject to variable interest rates. Increase/decrease of 100 basis points in interest rates at the balance sheet date would result in an impact (decrease/increase in case of net income) of ₹**302.85 crores** and ₹210.18 crores on income for the year ended March 31, 2019 and 2018, respectively.

The model assumes that interest rate changes are instantaneous parallel shifts in the yield curve. Although some assets and liabilities may have similar maturities or periods to re-pricing, these may not react correspondingly to changes in market interest rates. Also, the interest rates on some types of assets and liabilities may fluctuate with changes in market interest rates, while interest rates on other types of assets may change with a lag.

The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

(Note: The impact is indicated on the income/loss before tax basis).

The Company uses cross currency interest rate swaps to hedge some of its exposure to interest rate arising from variable rate foreign currency denominated debt. The Company and its subsidiaries also uses cross currency interest rate swaps to convert some of its foreign currency denominated fixed rate debt to floating rate debt.

(c) Equity Price risk

Equity Price Risk is related to the change in market reference price of the investments in equity securities.

The fair value of some of the Company's investments in equity securities exposes the Company to equity price risks. In general, these securities are not held for trading purposes. These investments are subject to changes in the market price of securities.

The fair value of some of the Company's investment in quoted equity securities measured at FVOCI as of March 31, 2019 and 2018, was ₹**304.31 crores** and ₹340.48 crores, respectively. A 10% change in prices of these securities held as of March 31, 2019 and 2018, would result in an impact of ₹**30.43 crores** and ₹34.05 crores on equity, respectively.

The fair value of some of the Company's investments in quoted equity securities measured at FVTPL as of March 31, 2019 and 2018, was ₹**423.14 crores** and ₹Nil , respectively. A 10% change in prices of these securities measured at FVTPL held as of March 31, 2019 and 2018, would result in an impact of ₹**42.31 crores** and ₹Nil on statement of Profit and Loss, respectively.

(Note: The impact is indicated on equity and profit and loss before consequential tax impact, if any).

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(ii) Credit risk

Credit risk is the risk of financial loss arising from counter-party failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks.

Financial instruments that are subject to concentrations of credit risk, principally consist of investments in debt instruments, trade receivables, finance receivables, loans and advances and derivative financial instruments. None of the financial instruments of the Company result in material concentrations of credit risks.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹**1,02,812.99 crores** as at March 31, 2019 and ₹1,03,506.52 crores as at March 31, 2018, being the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables, finance receivables, margin money and other financial assets excluding equity investments.

Financial assets that are neither past due nor impaired

None of the Company's cash equivalents, including time deposits with banks, are past due or impaired. Regarding trade receivables and other receivables, and other loans or receivables that are neither impaired nor past due, there were no indications as at March 31, 2019, that defaults in payment obligations will occur.

Credit quality of financial assets and impairment loss

The ageing of trade receivables and finance receivables as of balance sheet date is given below. The age analysis have been considered from the due date.

Trade receivables

(₹ in crores)

	As at March 31, 2019			As at March 31, 2018		
	Gross	Allowance	Net	Gross	Allowance	Net
Period (in months)						
(a) Not due	15,089.88	(32.41)	15,057.47	15,951.89	(21.56)	15,930.33
(b) Overdue up to 3 months	3,108.65	(13.10)	3,095.55	3,281.94	(37.15)	3,244.79
(c) Overdue 3-6 months	251.69	(18.37)	233.32	224.36	(35.48)	188.88
(d) Overdue more than 6 months	1,516.05	(906.22)	609.83[1]	1,696.78	(1,167.48)	529.30
Total	**19,966.27**	**(970.10)**	**18,996.17**	**21,154.97**	**(1,261.67)**	**19,893.30**

Trade receivables consist of a large number of various types of customers, spread across geographical areas. Ongoing credit evaluation is performed on the financial condition of these trade receivables and where appropriate, allowance for losses are provided.

1 Trade receivables overdue more than six months include ₹**513.08 crores** as at March 31, 2019 (₹462.22 crores as at March 31, 2018, outstanding from state government organisations in India, which are considered recoverable.

The Company makes allowances for losses on its portfolio of finance receivable on the basis of expected future collection from receivables. The future collection are estimated on the basis of past collection trend which are adjusted for changes in current circumstances as well as expected changes in collection on account of future with respect to certain macro economic factor like GDP growth, fuel price and inflation.

Finance receivables[2]

(₹ in crores)

	As at March 31, 2019			As at March 31, 2018		
	Gross	Allowance	Net	Gross	Allowance	Net
Period (in months)						
(a) Not due[3]	33,634.95	(608.20)	33,026.75	23,914.24	(762.15)	23,152.09
(b) Overdue up to 3 months	429.47	(19.44)	410.03	452.63	(15.45)	437.18
(c) Overdue more than 3 months	393.32	(205.41)	187.91	703.88	(411.97)	291.91
Total	**34,457.74**	**(833.05)**	**33,624.69**	**25,070.75**	**(1,189.57)**	**23,881.18**

2 Finance receivables originated in India.

3 Allowance in the "Not due" category includes allowance against installments pertaining to impaired finance receivables which have not yet fallen due.

Notes Forming Part of Consolidated Financial Statements

(iii) Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company has obtained fund and non-fund based working capital lines from various banks. Furthermore, the Company has access to funds from debt markets through commercial paper programs, non-convertible debentures, fixed deposits from public, senior notes and other debt instruments. The Company invests its surplus funds in bank fixed deposit and liquid and liquid plus schemes of mutual funds, which carry no/low mark to market risks. The Company has also invested 15% of the public deposits/non-convertible debentures (taken by the Company) falling due for repayment in the next 12 months in bank deposits, to meet the regulatory norms of liquidity requirements.

The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

The table below provides details regarding the contractual maturities of financial liabilities, including estimated interest payments as at March 31, 2019:

Financial liabilities

(₹ in crores)

	Carrying amount	Due in 1st Year	Due in 2nd Year	Due in 3rd to 5th Year	Due after 5th Year	Total contractual cash flows
(a) Trade payables and acceptances	71,690.67	71,690.67	-	-	-	71,690.67
(b) Borrowings and interest thereon	107,234.92	40,893.54	18,470.53	44,033.57	19,818.26	123,215.90
(c) Derivative liabilities	7,404.97	5,369.66	2,834.10	1,364.31	300.14	9,868.21
(d) Other financial liabilities	12,132.40	12,002.13	52.55	49.40	55.64	12,159.72
Total	**198,462.96**	**129,956.00**	**21,357.18**	**45,447.28**	**20,174.04**	**216,934.50**

Contractual maturities of borrowings includes cash flows relating to collateralised debt obligations. This represents the amount received against the transfer of finance receivables in securitisation transactions and/or direct assignments, which do not qualify for derecognition. The liability of the Company in such cases is limited to the extent of credit enhancements provided. The contractual maturities of such collateralised debt obligations are as follows:

Financial liabilities

(₹ in crores)

	Carrying amount	Due in 1st Year	Due in 2nd Year	Due in 3rd to 5th Year	Total contractual cash flows
Collateralised debt obligations	3,047.33	1,482.42	1,013.40	551.51	3,047.33

The table below provides details regarding the contractual maturities of financial liabilities, including estimated interest payments as at March 31, 2018:

Financial liabilities

(₹ in crores)

	Carrying amount	Due in 1st Year	Due in 2nd Year	Due in 3rd to 5th Year	Due after 5th Year	Total contractual cash flows
(a) Trade payables and acceptances	76,939.83	76,939.83	-	-	-	76,939.83
(b) Borrowings and interest thereon	90,046.19	31,349.98	14,909.70	40,002.72	16,401.49	102,663.89
(c) Derivative liabilities	8,657.86	6,207.66	2,968.80	1,218.82	120.76	10,516.04
(d) Other financial liabilities	13,296.93	13,026.82	153.23	87.48	79.64	13,347.17
Total	**188,940.81**	**127,524.29**	**18,031.73**	**41,309.02**	**16,601.89**	**203,466.93**

Notes Forming Part of Consolidated Financial Statements

The contractual maturities of such collateralised debt obligations are as follows:

Financial liabilities

(₹ in crores)

	Carrying amount	Due in 1st Year	Due in 2nd Year	Due in 3rd to 5th Year	Total contractual cash flows
Collateralised debt obligations	1,320.58	728.09	592.49	-	1,320.58

(iv) Derivative financial instruments and risk management

The Company has entered into variety of foreign currency, interest rates and commodity forward contracts and options to manage its exposure to fluctuations in foreign exchange rates, interest rates and commodity price risk. The counterparty is generally a bank. These financial exposures are managed in accordance with the Company's risk management policies and procedures.

The Company also enters into interest rate swaps and interest rate currency swap agreements, mainly to manage exposure on its fixed rate or variable rate debt. The Company uses interest rate derivatives or currency swaps to hedge exposure to exchange rate fluctuations on principal and interest payments for borrowings denominated in foreign currencies.

Specific transactional risks include risks like liquidity and pricing risks, interest rate and exchange rate fluctuation risks, volatility risks, counter-party risks, settlement risks and gearing risks.

Fair value of derivative financial instruments are determined using valuation techniques based on information derived from observable market data.

The fair value of derivative financial instruments is as follows:

(₹ in crores)

	As at March 31, 2019	As at March 31, 2018
(a) Foreign currency forward exchange contracts and options	(5,242.65)	(3,708.93)
(b) Commodity Derivatives	101.95	(0.24)
(c) Others including interest rate and currency swaps	(117.59)	374.34
Total	**(5,258.29)**	**(3,334.83)**

The gain/(loss) on commodity derivative contracts, recognised in the statement of Profit and Loss was ₹**84.74 crores** gain and ₹214.63 crores gain for the years ended March 31, 2019 and 2018, respectively.

Foreign exchange sensitivity in respect of company's exposure to forward and option contract:

(₹ in crores)

	As at March 31, 2019	As at March 31, 2018
10% depreciation of foreign currency:		
Gain/(loss) in hedging reserve	2,316.97	4,532.90
Gain/(loss) in statement of Profit and loss	(675.27)	213.42
10% Appreciation of foreign currency:		
Gain/(loss) in hedging reserve	(2,629.28)	(5,335.38)
Gain/(loss) in statement of Profit and loss	2,179.83	(134.65)

In respect of the Company's commodity derivative contracts, a 10% depreciation/appreciation of all commodity prices underlying such contracts, would have resulted in an approximate (loss)/gain of ₹**(479.79) crores/**₹**479.79 crores** and ₹(461.42)/₹461.42 crores in the statement of Profit and Loss for the years ended March 31, 2019 and 2018, respectively.

Exposure to gain/loss on derivative instruments offset to some extent the exposure to foreign currency risk, interest rate risk as disclosed above.

(Note: The impact is indicated on the income/loss before tax basis).

Notes Forming Part of Consolidated Financial Statements

41. Disclosure on Financials instruments designated as hedging instrument in cashflow hedge

The details of cash flow hedges entered by the Company to hedge interest rate risk arising on floating rate borrowings and by one of the Company's subsidiaries to hedge the currency fluctuation of its functional currency (GBP) against foreign currencies to hedge future cash flow arising from revenue and cost of materials is as follows:

Outstanding contracts	Average strike rate		Nominal amounts (£ in million)		Carrying value (₹ in crores)	
	As at March 31 2019	As at March 31 2018	As at March 31 2019	As at March 31 2018	As at March 31 2019	As at March 31 2018
Foreign currency forwards						
Cash flow hedges - USD						
Sell - USD/ Buy - GBP						
<1 year	**0.674**	0.659	**1,356.8**	1,724.9	**(1,584.84)**	(1,148.02)
Between 1-5 years	**0.699**	0.676	**1,679.3**	2,659.9	**(1,003.76)**	(581.39)
Cash flow hedges - Chinese Yuan						
Sell - Chinese Yuan / Buy - GBP						
<1 year	**0.105**	0.102	**2,131.9**	2,974.0	**(1,381.19)**	(2,774.27)
Between 1-5 years	**0.108**	0.105	**1,298.7**	2,581.9	**(394.63)**	(767.81)
Cash flow hedges -Euro						
Buy - Euro / Sell - GBP						
<1 year	**0.863**	0.817	**2,691.4**	1,602.1	**133.96**	1,200.62
Between 1-5 years	**0.907**	0.868	**3,180.6**	2,818.8	**(642.62)**	1,108.34
Cash flow hedges - Other						
<1 year	**0.002**	-	**1,799.7**	1,748.3	**17.20**	(567.55)
Between 1-5 years	**0.004**	-	**881.1**	1,559.7	**101.37**	370.98
Foreign currency options						
Cash flow hedges - USD						
Sell - USD/ Buy - GBP						
<1 year	**0.716**	0.743	**157.6**	48.3	**(9.96)**	25.84
Between 1-5 years	**0.698**	0.706	**265.8**	258.4	**(28.06)**	113.51
Cash flow hedges - Chinese Yuan						
Sell - Chinese Yuan / Buy - GBP						
<1 year	**0.000**	0.103	**-**	10.3	**-**	-
Between 1-5 years	**-**	-	**-**	-	**-**	-
Cash flow hedges -Euro						
Buy - Euro / Sell - GBP						
<1 year	**0.966**	0.963	**806.7**	534.3	**(71.50)**	(23.07)
Between 1-5 years	**0.970**	0.969	**849.3**	1,560.4	**(21.72)**	105.20
Cash flow hedges of foreign exchange risk on recognised debt						
Cross currency interest rate swaps						
USD						
<1 year	**-**	-	**-**	-	**-**	-
Between 1-5 years	**-**	-	**-**	-	**-**	-
>5 years	**0.759**	0.759	**379.6**	379.6	**100.47**	(258.40)

TATA

Notes Forming Part of Consolidated Financial Statements

Outstanding contracts	Average strike rate		Nominal amounts (£ in million)		Carrying value (₹ in crores)	
	As at March 31 2019	As at March 31 2018	As at March 31 2019	As at March 31 2018	As at March 31 2019	As at March 31 2018
EURO						
<1 year	-	-	-	-	-	-
Between 1-5 years	-	-	-	-	-	-
>5 years	**0.891**	-	**445.6**	-	**(133.05)**	-
Total foreign currency derivative instruments			**17,924.1**	20,460.9	**(4,918.34)**	(3,196.0)
Debt instruments denominated in foreign currency						
USD						
< 1 year	**0.736**	0.673	**735.8**	471.0	**(6,950.58)**	(4,614.23)
Between 1-5 years	**0.000**	0.736	**-**	735.8	**-**	(6,561.44)
Total debt instruments denominated in foreign currency			**735.8**	1,206.8	**(6,950.58)**	(11,175.67)

Cash flow hedges of interest rate risk arising on floating rate borrowings

	Average strike rate		Nominal amounts (USD in million)		Carrying value (₹ in crores)	
	As at March 31 2019	As at March 31 2018	As at March 31 2019	As at March 31 2018	As at March 31 2019	As at March 31 2018
Interest rate swaps linked to LIBOR						
>5 years	**2.86%**	-	**237.5**	-	**(57.57)**	-
Total derivatives designated in hedge relationship					**(4,975.9)**	(3,196.0)
Total debt instruments designated in hedge relationship					**(6,950.6)**	(11,175.7)

42. Segment reporting

The Company primarily operates in the automotive segment. The automotive segment includes all activities relating to development, design, manufacture, assembly and sale of vehicles including financing thereof, as well as sale of related parts and accessories. The Company provides financing for vehicles sold by dealers in India. The vehicle financing is intended to drive sale of vehicles by providing financing to the dealers' customers and as such is an integral part of automotive business. The operating results for Vehicle Financing has been adjusted only for finance cost for the borrowings sourced by this segment.

A core recent initiative of the Company was the implementation of the Organisation Effectiveness (OE) program, a strategic program designed to overhaul and transform the Company. Pursuant to the changes implemented as a result of the OE program, the Company has drawn separate strategies for commercial vehicles, passenger vehicles and financing business from Fiscal 2019. Consequent to these changes, the automotive segments has the following four reportable segments commencing Fiscal 2019:

a) Automotive: The Automotive segment consists of four reportable sub-segments: Tata Commercial Vehicles, Tata Passenger Vehicles, Jaguar Land Rover and Vehicle Financing.

b) Others: Others consist of IT services and machine tools and factory automation solutions.

This segment information is provided to and reviewed by Chief Operating Decision Maker (CODM).

The reportable segment information for the corresponding previous preiod reported has been updated to make it comparable.

Notes Forming Part of Consolidated Financial Statements

(₹in crores)

Particulars	For the year ended/as at March 31, 2019										
	Automotive and related activity								Others	Inter-segment eliminations	Total
	Tata and other brand vehicles[1]				Vehicle Financing	Jaguar Land Rover	Intra-segment eliminations	Total			
	Commercial Vehicles	Passenger Vehicles	Unallocable	Total							
Revenues:											
External revenue	58,137.10	14,390.34	110.60	72,638.04	3,503.99	223,513.58	-	299,655.61	2,282.79	-	301,938.40
Inter-segment/intra-segment revenue	-	79.46	-	79.46	196.19	-	(275.65)	-	1,343.28	(1,343.28)	-
Total revenues	**58,137.10**	**14,469.80**	**110.60**	**72,717.50**	**3,700.18**	**223,513.58**	**(275.65)**	**299,655.61**	**3,626.07**	**(1,343.28)**	**301,938.40**
Earnings before other income (excluding incentives), finance costs, foreign exchange gain/(loss) (net), exceptional items and tax:	4,116.16	(1,387.79)	(362.97)	2,365.40	2,301.84	(1,278.47)	-	3,388.77	505.44	(120.18)	3,774.03
Finance costs pertaining to borrowings sourced by vehicle financing segment	-	-	-	-	(2,615.65)	-	-	(2,615.65)	-	-	(2,615.65)
Segment results	4,116.16	(1,387.79)	(362.97)	2,365.40	(313.81)	(1,278.47)	-	773.12	505.44	(120.18)	1,158.38
Reconciliation to Profit before tax:											
Other income(excluding incentives)											1,170.89
Finance costs (excluding pertaining to borrowings sourced by vehicle financing segment)											(3,142.95)
Foreign exchange gain/(loss) (net)											(905.91)
Exceptional items gain/(loss) (net)	(556.53)	(118.04)	376.07	(298.50)	-	(29,353.06)	-	(29,651.56)	-	-	(29,651.56)
Profit before tax											**(31,371.15)**
Depreciation and amortisation expense	1,664.87	1,416.15	152.43	3,233.45	18.65	20,212.58	-	23,464.68	161.71	(35.76)	23,590.63
Capital expenditure	2,120.38	3,032.46	76.35	5,229.19	71.96	31,268.07	-	36,569.22	66.45	-	36,635.67
Share of profit/(loss) of equity accounted investees (net)	-	-	41.67	41.67	(0.72)	75.37	-	116.32	93.18	-	209.50
Segment assets	26,927.43	19,446.38	1,648.49	48,022.30	38,261.58	170,433.61	-	256,717.49	2,003.74	(1,225.25)	257,495.98
Assets classified as held for sale	-	-	162.24	162.24	-	-	-	162.24	-	-	162.24
Investment in equity accounted investees	-	-	422.54	422.54	2.67	4,318.17	-	4,743.38	-	-	4,743.38
Investment in equity accounted investees (held for sale)	-	-	-	-	-	-	-	-	591.50	-	591.50
Reconciliation to total assets:											
Other Investments											10,435.84
Current and non-current tax assets (net)											1,208.93
Deferred tax assets (net)											5,151.11
Other unallocated financial assets[2]											27,405.55
Total assets											**307,194.53**
Segment liabilities	15,937.65	3,687.73	1,752.13	21,377.51	711.43	107,296.26	(337.65)	129,047.55	529.07	(252.06)	129,324.56
Liabilities classified as held-for-sale	-	-	-	-	-	-	-	-	-	-	-
Reconciliation to total liabilities:											
Borrowings											106,175.34
Current tax liabilities (net)											1,017.64
Deferred tax liabilities (net)											1,491.04
Other unallocated financial liabilities[3]											8,483.33
Total liabilities											**246,491.91**

1 Tata and other brand vehicles include Tata Daewoo and Fiat brand vehicles.
2 Includes interest-bearing loans and deposits and accrued interest income.
3 Includes interest accrued and other interest bearing liabilities.

Notes Forming Part of Consolidated Financial Statements

(₹in crores)

Particulars	For the year ended/as at March 31, 2018										
	Automotive and related activity								Others	Inter-segment eliminations	Total
	Tata and other brand vehicles[1]				Vehicle Financing	Jaguar Land Rover	Intra-segment eliminations	Total			
	Commercial Vehicles	Passenger Vehicles	Unallocable	Total							
Revenues:											
External revenue	49,373.55	13,190.78	169.69	62,734.02	2,800.22	224,831.05	-	290,365.29	1,975.35	-	292,340.64
Inter-segment/intra-segment revenue	-	151.26	-	151.26	-	-	(131.91)	19.35	1,277.01	(1,296.36)	-
Total revenues	**49,373.55**	**13,342.04**	**169.69**	**62,885.28**	**2,800.22**	**224,831.05**	**(131.91)**	**290,384.64**	**3,252.36**	**(1,296.36)**	**292,340.64**
Earnings before other income (excluding incentives), finance costs, foreign exchange gain/(loss) (net), exceptional items and tax:	3,595.32	(3,045.92)	(254.13)	295.27	1,808.31	9,408.80	-	11,512.38	422.32	(147.19)	11,787.51
Finance costs pertaining to borrowings sourced by vehicle financing segment	-	-	-	-	(1,905.30)	-	-	(1,905.30)	-	-	(1,905.30)
Segment results	3,595.32	(3,045.92)	(254.13)	295.27	(96.99)	9,408.80	-	9,607.08	422.32	(147.19)	**9,882.21**
Reconciliation to Profit before tax:											
Other income(excluding incentives)											888.89
Finance costs (excluding pertaining to borrowings sourced by vehicle financing segment)											(2,776.49)
Foreign exchange gain/(loss) (net)											1,185.28
Exceptional items gain/(loss) (net)	(166.66)	(800.00)	-	(966.66)	-	2,941.80	-	1,975.14	-	-	1,975.14
Profit before tax											**11,155.03**
Depreciation and amortisation expense	1,589.97	1,486.33	145.74	3,222.04	18.34	18,257.09		21,497.47	56.12	-	21,553.59
Capital expenditure	1,402.40	1,977.39	85.98	3,465.77	47.15	39,093.99		42,606.91	84.16	(18.78)	42,672.29
Share of profit/(loss) of equity accounted investees (net)	-	-	30.18	30.18	-	2,138.92	-	2,169.10	109.16	-	2,278.26
Segment assets	27,903.07	16,400.05	2,583.51	46,886.63	27,653.16	199,513.67	(1,140.94)	272,912.52	13.26	(886.02)	272,039.76
Assets classified as held for sale	-	-	223.33	223.33				223.33	2,756.91	(395.05)	2,585.19
Investment in equity accounted investees	-	-	385.50	385.50	-	4,502.39	-	4,887.89	-	-	4,887.89
Investment in equity accounted investees (held for sale)	-	-	-	-	-	-	-	-	497.35	-	497.35
Reconciliation to total assets:											
Other investments											15,427.51
Current and non-current income tax assets											1,108.81
Deferred income taxes											4,158.70
Other unallocated financial assets[2]											30,645.30
Total assets											**331,350.51**
Segment liabilities	14,714.92	3,137.17	2,719.83	20,571.92	724.40	107,864.26	(997.60)	128,162.98	84.01	(315.22)	127,931.77
Liabilities classified as held-for-sale	-	-	-	-	-	-	-	-	1,070.18	-	1,070.18
Reconciliation to total liabilities:											
Borrowings											88,950.47
Current income tax liabilities											1,559.07
Deferred income taxes											6,125.80
Other unallocated financial liabilities[3]											9,760.25
Total liabilities											**235,397.54**

1 Tata and other brand vehicles include Tata Daewoo and Fiat brand vehicles.
2 Includes interest-bearing loans and deposits and accrued interest income.
3 Includes interest accrued and other interest bearing liabilities.

Notes Forming Part of Consolidated Financial Statements

Entity-wide disclosures

Information concerning principal geographic areas is as follows:

Net sales to external customers by geographic area by location of customers:

(₹ in crores)

	Year ended March 31, 2019	Year ended March 31, 2018
(a) India	68,087.44	58,659.18
(b) United States of America	52,472.91	44,991.88
(c) United Kingdom	49,113.81	50,456.60
(d) Rest of Europe	49,814.17	46,393.27
(e) China	30,414.75	42,635.26
(f) Rest of the World	52,035.32	49,204.45
Total	**301,938.40**	**292,340.64**

Non-current assets (Property, plant and equipment, Intangible assets, other non-current assets and Goodwill) by geographic area:

(₹ in crores)

	Year ended March 31, 2019	Year ended March 31, 2018
(a) India	29,626.94	27,222.38
(b) United States of America	291.99	299.00
(c) United Kingdom	101,436.47	124,201.80
(d) Rest of Europe	9,470.80	7,242.06
(e) China	140.92	166.11
(f) Rest of the World	2,513.76	2,697.73
Total	**143,480.88**	**161,829.08**

Information about product revenues:

(₹ in crores)

	Year ended March 31, 2019	Year ended March 31, 2018
(a) Tata and Fiat vehicles	68,870.87	58,093.58
(b) Tata Daewoo commercial vehicles	3,911.66	4,828.79
(c) Finance revenues	3,399.55	2,604.03
(d) Jaguar Land Rover vehicles	223,513.58	224,831.05
(e) Others	2,242.74	1,983.19
Total	**301,938.40**	**292,340.64**

Notes Forming Part of Consolidated Financial Statements

43. Related-party transactions

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

The following table summarises related-party transactions and balances included in the consolidated financial statements for the year ended/as at March 31, 2019:

(₹ in crores)

Particulars	Associates and its subsidiaries	Joint ventures	Joint operations	Tata Sons Pvt Ltd, its subsidiaries and joint arrangements	Total
Purchase of products	2,369.10	2.46	3,940.77	202.80	**6,515.13**
Sale of products	328.40	2,946.55	825.32	828.10	**4,928.37**
Services received	46.20	1.13	-	1,866.80	**1,914.13**
Services rendered	21.70	765.32	6.04	116.30	**909.36**
Bills discounted	-	-	-	5,493.78	**5,493.78**
Purchase of property, plant and equipment	13.50	-	-	0.80	**14.30**
Purchase of Investments	7.20	-	-	-	**7.20**
Sale of Investments	-	-	-	533.35	**533.35**
Interest (income)/expense, dividend (income)/paid, (net)	(12.40)	(199.13)	(26.22)	23.10	**(214.65)**
Finance given (including loans and equity)	-	5.75	-	-	**5.75**
Finance taken (including loans and equity)	177.00	-	-	-	**177.00**
Finance taken, paid back (including loans and equity)	210.00	-	-	-	**210.00**
Amounts receivable in respect of loans and interest thereon	-	3.75	-	3.80	**7.55**
Amounts payable in respect of loans and interest thereon	23.00	-	-	3.60	**26.60**
Trade and other receivables	55.60	132.15	-	198.80	**386.55**
Trade payables	304.30	2.59	246.10	372.90	**925.89**
Acceptances	-	-	-	69.13	**69.13**

Notes Forming Part of Consolidated Financial Statements

The following table summarises related-party transactions included in the consolidated financial statements for the year ended/as at March 31, 2018:

(₹ in crores)

Particulars	Associates and its subsidiaries	Joint ventures	Joint operations	Tata Sons Pvt Ltd, its subsidiaries and joint arrangements	Total
Purchase of products	2,605.70	-	3,163.10	171.30	**5,940.10**
Sale of products	201.60	6,008.21	545.49	709.10	**7,464.40**
Services received	8.90	550.09	0.16	1,735.30	**2,294.45**
Services rendered	19.00	1,207.72	4.34	24.10	**1,255.16**
Bills discounted	-	-	-	4,135.03	**4,135.03**
Purchase of property, plant and equipment	62.40	-	-	0.20	**62.60**
Purchase of Investments	-	2.50	-	-	**2.50**
Interest (income)/expense, dividend (income)/paid, (net)	(9.50)	(1,764.49)	(4.60)	26.30	**(1,752.29)**
Finance taken (including loans and equity)	489.00	-	-	-	**489.00**
Finance taken, paid back (including loans and equity)	489.00	-	-	-	**489.00**
Amounts receivable in respect of loans and interest thereon	-	-	-	4.00	**4.00**
Amounts payable in respect of loans and interest thereon	56.00	-	-	4.80	**60.80**
Trade and other receivables	63.30	1,037.14	(0.07)	151.10	**1,251.47**
Trade payables	149.60	0.25	184.88	335.70	**670.43**
Acceptances	-	-	-	220.16	**220.16**
Deposits given as security	-	-	-	3.00	**3.00**

Note: With the introduction of GST from July 1, 2017, the related party transactions reported does not include indirect tax component. The previous year figures to that extent is not comparable.

Details of significant transactions are given below:

Particulars	Nature of relationship	Year ended March 31, 2019	Year ended March 31, 2018
i) Services rendered			
Chery Jaguar Land Rover Automotive Company Limited	Joint ventures	765.32	1,207.72
ii) Bill discounted			
Tata Capital	Tata Sons Pvt Ltd, its subsidiaries and joint arrangements	5,493.78	4,135.03
iii) Sale of Investment in a Subsidiary company			
Tata Advanced Systems Ltd. (TASL)	Tata Sons Pvt Ltd, its subsidiaries and joint arrangements	533.35	-

Notes Forming Part of Consolidated Financial Statements

Compensation of key management personnel:

(₹ in crores)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Short-term benefits	63.39	79.84
Post-employment benefits*	5.46	1.76
Share based payment	0.44	-

The compensation of CEO and Managing Director is ₹**26.32 crores** and ₹26.42 crores for the year ended March 31, 2019 and 2018, respectively.

The compensation of CEO at Jaguar Land Rover is ₹**31.82 crores** and ₹40.08 crores for the year ended March 31, 2019 and 2018, respectively.

* Excludes provision for encashable leave and gratuity for certain key management personnel as a separate actuarial valuation is not available.

Refer note 37 of information on transactions with post-employment benefit plans.

44. Earnings per Share ("EPS")

			Year ended March 31, 2019	Year ended March 31, 2018
(a)	Profit / (Loss) for the period	₹ crores	(28,826.23)	8,988.91
(b)	The weighted average number of Ordinary shares for Basic EPS	Nos.	2,887,348,474	2,887,348,357
(c)	The weighted average number of 'A' Ordinary shares for Basic EPS	Nos.	508,502,371	508,502,336
(d)	The nominal value per share (Ordinary and 'A' Ordinary)	₹	2.00	2.00
(e)	Share of profit / (loss) for Ordinary shares for Basic EPS	₹ crores	(24,509.73)	7,638.57
(f)	Share of profit / (loss) for 'A' Ordinary shares for Basic EPS*	₹ crores	(4,316.50)	1,350.34
(g)	Earnings Per Ordinary share (Basic)	₹	(84.89)	26.46
(h)	Earnings Per 'A' Ordinary share (Basic)	₹	(84.89)	26.56
(i)	Profit after tax for Diluted EPS	₹ crores	#	8,988.91
(j)	The weighted average number of Ordinary shares for Basic EPS	Nos.	#	2,887,348,357
(k)	Add: Adjustment for Options relating to warrants and shares held in abeyance	Nos.	#	494,469
(l)	The weighted average number of Ordinary shares for Diluted EPS	Nos.	#	2,887,842,826
(m)	The weighted average number of 'A' Ordinary shares for Basic EPS	Nos.	#	508,502,336
(n)	Add: Adjustment for 'A' Ordinary shares held in abeyance	Nos.	#	233,774
(o)	The weighted average number of 'A' Ordinary shares for Diluted EPS	Nos.	#	508,736,110
(p)	Share of profit for Ordinary shares for Diluted EPS	₹ crores	#	7,638.23
(q)	Share of profit for 'A' Ordinary shares for Diluted EPS*	₹ crores	#	1,350.68
(r)	Earnings Per Ordinary share (Diluted)	₹	(84.89)	26.45
(s)	Earnings Per 'A' Ordinary share (Diluted)	₹	(84.89)	26.55

* 'A' Ordinary shareholders are entitled to receive dividend at 5 percentage points more than the aggregate rate of dividend determined by the Company on Ordinary shares for the financial year.

\# Since there is a loss for the year ended March 31, 2019 potential equity shares are not considered as dilutive and hence Diluted EPS is same as Basic EPS.

Note :

Employee Stock options are not considered to be dilutive based on the average market price of ordinary shares during the period.

Notes Forming Part of Consolidated Financial Statements

45. Additional information as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as subsidiary / Associates / Joint Ventures

(₹ in crores)

Name of enterprises	As % of consolidated net assets	Net Assets (total assets minus total liabilities)	As % of consolidated (profit) or loss	Share of profit or (loss)	As % of consolidated OCI	Share of OCI	As % of comprehensive income	Amount
Parent								
Tata Motors Ltd	35.82%	21,558.50	(6.60)%	1,903.94	0.41%	(23.05)	(5.47)%	1,880.89
Subsidiaries								
Indian								
TAL Manufacturing Solutions Ltd (Till March 29, 2019)	0.00%	-	(0.20)%	56.60	0.00%	-	(0.16)%	56.60
Concorde Motors (India) Ltd	0.01%	6.43	0.37%	(105.69)	(0.00)%	0.11	0.31%	(105.58)
Tata Motors Finance Ltd	4.93%	2,966.77	(0.71)%	203.88	(0.10)%	5.53	(0.61)%	209.41
Tata Technologies Ltd	1.26%	759.25	(0.66)%	191.18	(0.04)%	2.15	(0.56)%	193.33
Tata Motors Insurance Broking & Advisory Services Ltd	0.06%	33.12	(0.06)%	17.89	(0.00)%	0.20	(0.05)%	18.09
TML Distribution Company Ltd	0.67%	400.96	(0.16)%	46.50	(0.00)%	0.03	(0.14)%	46.53
TMF Holdings Limited	7.00%	4,213.78	(0.01)%	3.69	0.00%	(0.03)	(0.01)%	3.66
Tata Motors Financial Solutions Ltd	1.92%	1,158.21	(0.34)%	99.43	(0.01)%	0.51	(0.29)%	99.94
Tata Marcopolo Motors Ltd	0.22%	132.03	(0.04)%	12.97	0.03%	(1.83)	(0.03)%	11.14
Jaguar Land Rover India Limited	0.43%	259.96	0.08%	(23.00)	(0.31)%	17.02	0.02%	(5.98)
Foreign								
Tata Daewoo Commercial Vehicle Co. Ltd	3.80%	2,284.59	0.62%	(179.12)	0.17%	(9.50)	0.55%	(188.62)
Tata Motors European Technical Centre Plc	0.51%	308.20	0.10%	(27.81)	0.00%	-	0.08%	(27.81)
Tata Motors (SA) (Proprietary) Ltd	0.02%	14.43	(0.00)%	1.34	(0.02)%	1.37	(0.01)%	2.71
Tata Motors (Thailand) Ltd	(1.09)%	(658.14)	1.74%	(501.18)	0.49%	(27.05)	1.54%	(528.23)
TML Holdings Pte Ltd, Singapore	15.85%	9,540.38	(4.65)%	1,339.07	(6.81)%	379.80	(5.00)%	1,718.87
Tata Hispano Motors Carrocera S.A	(1.26)%	(755.61)	0.07%	(20.12)	0.00%	-	0.06%	(20.12)
Tata Hispano Motors Carroceries Maghreb	(0.06)%	(36.25)	0.00%	(0.55)	0.00%	-	0.00%	(0.55)
Trilix S.r.l	0.04%	26.37	0.07%	(21.26)	0.00%	-	0.06%	(21.26)
Tata Precision Industries Pte Ltd	(0.00)%	(0.21)	0.00%	(1.08)	0.00%	-	0.00%	(1.08)
PT Tata Motors Indonesia	0.35%	213.03	0.01%	(2.11)	0.00%	-	0.01%	(2.11)
INCAT International Plc.	0.07%	44.18	(0.00)%	0.84	0.02%	(0.87)	0.00%	(0.03)
Tata Technologies Inc.	0.64%	386.62	(0.04)%	11.39	(0.37)%	20.87	(0.09)%	32.26
Tata Technologies de Mexico, S.A. de C.V.	0.01%	5.80	0.00%	(0.56)	0.01%	(0.48)	0.00%	(1.04)

Notes Forming Part of Consolidated Financial Statements

(₹ in crores)

Name of enterprises	As % of consolidated net assets	Net Assets (total assets minus total liabilities)	As % of consolidated (profit) or loss	Share of profit or (loss)	As % of consolidated OCI	Share of OCI	As % of comprehensive income	Amount
Cambric Limited, Bahamas	0.03%	19.35	0.00%	(0.89)	0.00%	-	0.00%	(0.89)
Cambric GmbH (in process of liquidation)	0.00%	1.83	0.00%	(0.06)	0.00%	(0.20)	0.00%	(0.26)
Tata Technolgies SRL, Romania	0.07%	39.61	(0.05)%	14.31	0.06%	(3.09)	(0.03)%	11.21
Tata Manufacturing Technologies Consulting (Shanghai) Limited	0.10%	60.50	(0.08)%	22.06	0.01%	(0.45)	(0.06)%	21.61
Tata Technologies Europe Limited	1.35%	813.07	(0.40)%	114.94	0.36%	(19.92)	(0.28)%	95.02
Escenda Engineering AB	0.00%	0.48	0.01%	(2.45)	(0.05)%	2.76	(0.00)%	0.31
INCAT GmbH (in process of liquidation)	0.03%	17.68	(0.00)%	0.28	0.01%	(0.71)	0.00%	(0.44)
Tata Technologies (Thailand) Limited	0.02%	11.90	(0.00)%	1.28	(0.01)%	0.52	(0.01)%	1.80
TATA Technologies Pte Ltd.	1.28%	771.88	(0.01)%	1.78	(0.79)%	43.93	(0.13)%	45.71
Jaguar Land Rover Automotive plc	31.84%	19,162.09	(0.14)%	40.02	0.00%	-	(0.12)%	40.02
Jaguar Land Rover Limited (formerly knwon as Land Rover Holdings Ltd.)	119.88%	72,146.08	108.05%	(31,146.30)	64.61%	(3,602.44)	101.01%	(34,748.74)
Jaguar Land Rover Holdings Limited	67.91%	40,868.11	(0.72)%	206.76	0.00%	-	(0.60)%	206.76
JLR Nominee Company Limited	0.00%	0.00	0.00%	-	0.00%	-	0.00%	-
Jaguar Land Rover (South Africa) Holdings Limited	3.02%	1,819.27	(0.43)%	123.09	0.00%	-	(0.36)%	123.09
Jaguar Cars Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Land Rover Exports Limited (Business transferred to Jaguar Land Rover Exports Ltd)	0.00%	-	0.00%	-	0.00%	-	0.00%	-
The Lanchester Motor Company Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
The Daimler Motor Company Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
S S Cars Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Daimler Transport Vehicles Limited	0.02%	13.58	0.00%	-	0.00%	-	0.00%	-
The Jaguar Collection Limited (Dissolved June 19, 2018)	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Jaguar Land Rover Pension Trustees Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Jaguar Cars (South Africa) (Pty) Ltd	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Jaguar Land Rover Slovakia s.r.o.	8.44%	5,079.43	(0.60)%	173.81	1.89%	(105.12)	(0.20)%	68.69
Jaguar Racing Limited	0.02%	14.30	(0.01)%	4.31	0.00%	-	(0.01)%	4.31
InMotion Ventures Limited	0.18%	107.50	(0.60)%	171.72	0.00%	-	(0.50)%	171.72
InMotion Ventures 1 Limited	(0.00)%	(1.35)	0.00%	(1.33)	0.00%	-	0.00%	(1.33)

Notes Forming Part of Consolidated Financial Statements

(₹ in crores)

Name of enterprises	As % of consolidated net assets	Net Assets (total assets minus total liabilities)	As % of consolidated (profit) or loss	Share of profit or (loss)	As % of consolidated OCI	Share of OCI	As % of comprehensive income	Amount
InMotion Ventures 2 Limited	(0.03)%	(16.00)	0.05%	(15.53)	0.00%	-	0.05%	(15.53)
InMotion Ventures 3 Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
InMotion Ventures 4 Limited (Incorporated w.e.f January 4, 2019)	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Land Rover Ireland (Services) Limited	0.01%	6.25	(0.02)%	4.44	(0.00)%	0.21	(0.01)%	4.65
Spark44 (JV) Ltd	0.41%	248.89	0.02%	(4.43)	0.00%	-	0.01%	(4.43)
Spark44 Limited (London & Birmingham)	0.00%	-	(0.10)%	29.70	0.00%	-	(0.09)%	29.70
Spark44 Pty Ltd (Sydney)	0.00%	-	(0.01)%	2.32	(0.01)%	0.44	(0.01)%	2.76
Spark44 GmbH (Frankfurt)	0.00%	-	(0.02)%	5.90	(0.02)%	1.12	(0.02)%	7.02
Spark44 GLLC (LA & NYC)	0.00%	-	(0.02)%	6.68	(0.02)%	1.27	(0.02)%	7.95
Spark44 Limited (Shanghai)	0.00%	-	(0.03)%	7.35	(0.03)%	1.40	(0.03)%	8.75
Spark44 Middle East DMCC (Dubai)	0.00%	-	(0.05)%	15.11	(0.05)%	2.87	(0.05)%	17.98
Spark44 Demand Creation Partners Pte Ltd (Mumbai)	0.00%	-	0.00%	(0.26)	0.00%	(0.05)	0.00%	(0.31)
Spark44 Pte Ltd (Singapore)	0.00%	-	(0.00)%	1.17	(0.00)%	0.22	(0.00)%	1.39
Spark44 Communications SL (Madrid)	0.00%	-	(0.01)%	2.08	(0.01)%	0.40	(0.01)%	2.48
Spark44 SRL (Rome)	0.00%	-	0.00%	(0.85)	0.00%	(0.16)	0.00%	(1.01)
Spark44 Limited (Seoul)	0.00%	-	(0.00)%	1.33	(0.00)%	0.25	(0.00)%	1.58
Spark44 K.K. (Tokyo)	0.00%	-	(0.00)%	1.18	(0.00)%	0.22	(0.00)%	1.40
Spark44 Canada Inc (Toronto)	0.00%	-	(0.00)%	0.43	(0.00)%	0.08	(0.00)%	0.51
Spark44 South Africa (Pty) Limited	0.00%	-	(0.00)%	0.40	(0.00)%	0.08	(0.00)%	0.48
Spark44 Colombia S.A.S (Colombia) (Incorporated w.e.f. May 10,2018)	(0.00)%	(0.20)	0.00%	(0.20)	0.00%	(0.23)	0.00%	(0.43)
Spark44 Taiwan Limited (Taiwan) (Incorporated w.e.f. May 7,2018)	0.00%	0.19	(0.00)%	0.19	(0.00)%	0.22	(0.00)%	0.41
Limited Liability Company Jaguar Land Rover (Russia)	1.01%	610.74	(0.67)%	193.52	0.00%	-	(0.56)%	193.52
Jaguar Land Rover (China) Investment Co Ltd (previously Jaguar Land Rover Automotive Trading (Shanghai) Co. Ltd)	24.85%	14,954.59	(2.60)%	750.16	0.00%	-	(2.18)%	750.16
Shanghai Jaguar Land Rover Automotive Service Co. Ltd	(0.01)%	(4.84)	(0.04)%	11.61	0.00%	-	(0.03)%	11.61
Jaguar Land Rover Colombia SAS	(0.03)%	(20.94)	0.01%	(2.61)	0.00%	-	0.01%	(2.61)
Jaguar Landrover Mexico S.A.P I de C.V	0.07%	43.85	(0.03)%	7.21	0.00%	-	(0.02)%	7.21

Notes Forming Part of Consolidated Financial Statements

(₹ in crores)

Name of enterprises	As % of consolidated net assets	Net Assets (total assets minus total liabilities)	As % of consolidated (profit) or loss	Share of profit or (loss)	As % of consolidated OCI	Share of OCI	As % of comprehensive income	Amount
Jaguar Landrover Services Mexico S.A C.V	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Jaguar Land Rover France SAS	0.09%	52.52	(0.05)%	14.82	0.00%	-	(0.04)%	14.82
Jaguar Land Rover Portugal-Veiculos e Pecas, Lda.	0.07%	42.10	(0.08)%	24.17	0.00%	-	(0.07)%	24.17
Jaguar Land Rover Espana SL (merged company following the absorption of Jaguar Hispania, S.L.U by Land Rover Espana, S.L.U)	0.67%	405.44	(0.09)%	25.82	(0.03)%	1.53	(0.08)%	27.35
Jaguar Land Rover Italia SpA	0.40%	242.34	(0.09)%	24.81	0.00%	-	(0.07)%	24.81
Land Rover Ireland Limited - (no longer a trading NSC)	0.01%	6.02	0.00%	(0.43)	(0.03)%	1.86	(0.00)%	1.43
Jaguar Land Rover Korea Co. Ltd.	0.37%	220.16	(0.30)%	87.56	0.00%	-	(0.25)%	87.56
Jaguar Land Rover Deutschland GmbH	0.93%	556.98	(0.30)%	86.03	0.00%	-	(0.25)%	86.03
Jaguar Land Rover Austria GmbH	0.09%	54.53	(0.06)%	17.27	0.00%	-	(0.05)%	17.27
Jaguar Land Rover Australia Pty Limited	0.41%	249.36	(0.37)%	106.99	0.00%	-	(0.31)%	106.99
Jaguar Land Rover North America, LLC.	3.89%	2,342.29	(2.64)%	760.11	(0.00)%	0.02	(2.21)%	760.13
Jaguar Land Rover Japan Limited	0.47%	282.16	(0.24)%	68.53	0.00%	-	(0.20)%	68.53
Jaguar Land Rover Canada, ULC	0.41%	247.31	(0.19)%	54.24	0.00%	-	(0.16)%	54.24
Jaguar e Land Rover Brasil Indústria e Comércio de Veículos LTDA	0.86%	518.73	(0.18)%	50.91	0.00%	-	(0.15)%	50.91
Jaguar Land Rover Belux N.V. (following the merger of Jaguar Belux and Land Rover Belux)	0.08%	48.51	(0.08)%	24.26	0.00%	-	(0.07)%	24.26
Jaguar Land Rover Nederland BV	0.05%	30.06	(0.08)%	24.30	0.00%	-	(0.07)%	24.30
Jaguar Land Rover (South Africa) (Pty) Limited	0.07%	40.41	0.05%	(14.67)	0.00%	-	0.04%	(14.67)
Jaguar Land Rover Singapore Pte. Ltd	0.03%	20.22	(0.05)%	15.10	0.00%	-	(0.04)%	15.10
Jaguar Land Rover Taiwan Company Pte. Ltd	(0.04)%	(22.60)	0.10%	(29.17)	0.00%	-	0.08%	(29.17)
Jaguar Land Rover Hungary KFT (Incorporated w.e.f July 30, 2018)	0.00%	0.58	(0.00)%	0.46	(0.00)%	0.03	(0.00)%	0.49
Jaguar Land Rover Classic Deutschland GmbH (Incorporated w.e.f. August 10,2018)	0.03%	16.76	0.01%	(2.81)	0.01%	(0.57)	0.01%	(3.38)
Jaguar Land Rover Classic USA LLC (Incorporated w.e.f June 1, 2018)	0.00%	-	0.00%	-	0.00%	-	0.00%	-

Notes Forming Part of Consolidated Financial Statements

(₹ in crores)

Name of enterprises	As % of consolidated net assets	Net Assets (total assets minus total liabilities)	As % of consolidated (profit) or loss	Share of profit or (loss)	As % of consolidated OCI	Share of OCI	As % of comprehensive income	Amount
Tata Daewoo Commercial Vehicle Sales and Distribution Co. Ltd.	0.03%	20.88	0.00%	(1.07)	(0.04)%	2.16	(0.00)%	1.09
PT Tata Motors Distribusi Indonesia	(0.01)%	(8.03)	0.09%	(25.09)	0.00%	-	0.07%	(25.09)
TMNL Motor Services Nigeria Ltd	(0.00)%	(0.18)	0.00%	(0.14)	0.00%	-	0.00%	(0.14)
Minority Interests in all subsidiaries								
Indian								
Tata Marcopolo Motors Ltd	(0.11)%	(64.54)	0.02%	(6.36)	(0.02)%	0.89	0.02%	(5.47)
Tata Technologies Ltd	(0.74)%	(442.56)	0.29%	(82.79)	0.05%	(2.59)	0.25%	(85.38)
Foreign								
Tata Motors (SA) (Proprietary) Ltd	(0.01)%	(5.78)	0.00%	(0.53)	(0.02)%	0.84	(0.00)%	0.31
Tata Precision Industries Pte Ltd	0.00%	0.03	(0.00)%	0.23	0.00%	-	(0.00)%	0.23
Spark 44 Ltd	(0.10)%	(59.77)	0.12%	(33.28)	0.00%	-	0.10%	(33.28)
Tata Motors (Thailand) Limited	0.08%	49.56	(0.07)%	20.70	(0.02)%	1.13	(0.06)%	21.83
Joint operations								
Indian								
Fiat India Automobiles Private Limited	2.96%	1,782.30	(0.33)%	95.10	0.01%	(0.32)	(0.28)%	94.78
Tata Cummins Private Ltd	0.87%	523.25	(0.44)%	127.80	0.00%	(0.05)	(0.37)%	127.75
Adjustments arising out of consolidation	(252.47)%	(151,934.59)	14.62%	(4,215.09)	39.84%	(2,221.38)	18.71%	(6,436.47)
Sub - total (a)		**54,844.68**		**(29,035.73)**		**(5,528.04)**		**(34,563.77)**
Joint ventures (as per proportionate consolidation / investment as per the equity method								
Indian								
JT Special Vehicle (P) Ltd	0.00%	-	0.01%	(2.50)	0.00%	-	0.01%	(2.50)
Tata HAL Technologies Ltd.	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Foreign								
Chery Jaguar Land Rover Automotive Co Ltd	7.14%	4,295.54	(0.35)%	100.94	1.00%	(55.78)	(0.13)%	45.16
Sub - total (b)		**4,295.54**		**98.44**		**(55.78)**		**42.66**

Notes Forming Part of Consolidated Financial Statements

(₹ in crores)

Name of enterprises	As % of consolidated net assets	Net Assets (total assets minus total liabilities)	As % of consolidated (profit) or loss	Share of profit or (loss)	As % of consolidated OCI	Share of OCI	As % of comprehensive income	Amount
Associates (Investment as per the equity method)								
Indian								
Tata AutoComp Systems Ltd	0.41%	243.88	(0.11)%	31.90	(0.19)%	10.54	(0.12)%	42.44
Automobile Corporation of Goa Ltd	0.24%	144.60	(0.03)%	9.06	0.01%	(0.35)	(0.03)%	8.71
Tata Hitachi Construction Machinery Company Private Ltd	0.98%	591.50	(0.32)%	93.18	(0.02)%	0.96	(0.27)%	94.14
Loginomic Tech Solutions Private Limited (TruckEasy) (Acquired stake w.e.f. July 10, 2018)	0.00%	1.94	0.00%	(0.72)	0.00%	-	0.00%	(0.72)
Foreign								
Nita Company Ltd	0.06%	34.80	(0.01)%	3.22	(0.04)%	2.30	(0.02)%	5.52
Tata Precision Industries (India) Ltd	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Synaptiv Limited	0.00%	1.41	0.00%	-	0.00%	(0.03)	0.00%	(0.03)
CloudCar Inc	0.03%	16.35	0.09%	(25.69)	0.09%	(5.01)	0.09%	(30.70)
DriveClubService Pte. Ltd.	0.00%	1.74	(0.00)%	0.11	0.00%	(0.03)	(0.00)%	0.08
Jaguar Cars Finance Limited	0.01%	3.12	0.00%	-	0.00%	(0.06)	0.00%	(0.06)
Sub - total (c)		**1,039.34**		**111.06**		**8.32**		**119.38**
Total (b + c)		**5,334.88**	**100.00%**	**209.50**	**100.00%**	**(47.46)**	**100.00%**	**162.04**
Total (a + b + c)	**100.00%**	**60,179.56**	**100.00%**	**(28,826.23)**	**100.00%**	**(5,575.50)**	**100.00%**	**(34,401.73)**

Notes Forming Part of Consolidated Financial Statements

46. Other Notes

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

(₹ in crores)

Particulars	Net Worth As at March 31, 2019	Total Revenue for the year ended March 31, 2019	Net Increase/ (Decrease) in Cash & Cash equivalent during 2018-2019
Subsidiaries :			
Trilix S.r.l	26.37	56.26	(17.65)
TML Holding Pte Ltd	9,540.38	-	97.28
Concorde Motors India Limited	6.43	1,215.08	94.58
Tata Motors European Technical Centre PLC	308.20	183.46	(1.38)
Tata Technologies de Mexico, S.A. de C.V.	5.80	18.96	(1.42)
INCAT International Plc.	44.18	-	(0.03)
INCAT GmbH.	17.68	-	(0.07)
Cambric Limited	19.35	-	1.37
Tata Technologies SRL Romania	39.61	75.06	8.86
Cambric GmbH	1.83	-	(0.12)
Total	**10,009.83**	**1,548.82**	**181.42**
For the year ended / as at March 31, 2018	9,714.24	1,305.66	568.38

(b) As at March 31, 2019, certain assets of the Company related to defence business and investment in Tata Hitachi Construction Machinery Company Private Limited (equity accounted investees) are classified as "Held for Sale" as they meet the criteria laid out under Ind AS 105. Given the delay in completing the sale, the Company has reassessed the position on "Held for Sale" for the assets and liabilities of Tata Technologies Ltd. Accordingly, the Company concluded that these assets and liabilities no longer meets the criteria of "Held for Sale" as per Ind AS 105.

(c) Exceptional debit of ₹**180.97 crores** and ₹1,641.38 crores for the year ended March 31, 2019 and 2018, respectively, relates to provision for impairment of certain intangibles under development and capital work-in-progress.

(d) (i) The exceptional credit of ₹3,609.01 crores (GBP 437.40 million) for the year ended March 31, 2018, relates to the amendment of the Defined Benefit scheme of Jaguar Land Rover Automotive Plc. On April 3, 2017, Jaguar Land Rover Automotive Plc approved and communicated to its Defined Benefit scheme members that the Defined Benefit Scheme rules were to be amended with effect from April 6, 2017 so that amongst other changes, retirement benefit will be calculated on a career average basis rather than based upon a member's final salary at retirement. These changes were effective from April 6, 2017 and as a result of the re-measurement of the scheme's liabilities, the past service credit has been recognised in year ended March 31, 2018.

(ii) During quarter ended December 31, 2018, the High Court in United Kingdom ruled that pension scheme are required to equalise male and female member's benefit for the inequalities within guaranteed minimum pension (GMP) earned between May 17, 1990 and April 5, 1997. Based on this, the Company reassessed its obligations under its existing Jaguar Land Rover pension plans and recorded an additional liability of an amount of ₹147.93 crores (GBP 16.5 million) as past services during the year ended March 31, 2019.

(e) On July 31, 2018, the Company decided to cease its current manufacturing operations of Tata Motors Thailand Ltd. Accordingly, the relevant restructuring costs of ₹**381.01 crores** have been accounted in the year ended March 31, 2019.

Notes Forming Part of Consolidated Financial Statements

(f) During the year ended March 31, 2019, Jaguar Land Rover has announced a voluntary redundancy programme and accordingly had an exceptional charge of ₹**1,367.22 crores** (GBP 149.40 million).

(g) During the year ended March 31, 2019, the Company has sold investment in TAL Manufacturing Solutions Limited to Tata Advanced Systems Ltd (TASL).

(h) Warranty cost recoverable from suppliers has been reclassified as other financial asset from Loans and Advances. Accordingly, previous year comparative amount of ₹**828.52 crores** have also been reclassified. This change is not considered material and does not affect the accompanying statement of Profit and Loss, total comprehensive income and cash flows of the Company.

(i) The Company has entered into an agreement for transfer of its Defence undertaking, which had a value of ₹**209.27 crores** as at December 31, 2017 to Tata Advanced Systems Ltd (transferee company), for an upfront consideration of ₹**100 crores** and a future consideration of 3% of the revenue generated from identified Specialised Defence Projects for upto 15 years from the financial year ended FY 2020 subject to a maximum of ₹**1,750 crores**. The future consideration of 3% of revenue depends on future revenue to be generated from the said projects by the transferee company. On account of the same, the Company has recognised a provision of ₹**109.27 crores**, which may get reversed in future once projects start getting executed from FY 2020 onwards. The assets related to defence undertaking are classified as "Held for Sale" as they meet the criteria laid out under Ind AS 105

(j) 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.

In terms of our report attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

YEZDI NAGPOREWALLA
Partner
Membership No. 049265

Mumbai, May 20, 2019

For and on behalf of the Board

N CHANDRASEKARAN *[DIN: 00121863]*
Chairman

N MUNJEE *[DIN:00010180]*

F S NAYAR *[DIN:00003633]*

V K JAIRATH *[DIN:00391684]*

O P BHATT *[DIN:00548091]*

R SPETH *[DIN:03318908]*

Directors

GUENTER BUTSCHEK *[DIN: 07427375]*
CEO and Managing Director

S B BORWANKAR *[DIN: 01793948]*
ED and Chief Operating Officer

P B BALAJI
Group Chief Financial Officer

H K SETHNA *[FCS: 3507]*
Company Secretary

Mumbai, May 20, 2019

Summarised Statement of Assets and Liabilities (CONSOLIDATED)

(₹ in crores)

		As at March 31, 2019	As at March 31, 2018
WHAT THE COMPANY OWNED			
(1)	Property, plant and equipment and Other intangible assets	1,42,370.44	161,330.91
(2)	Goodwill	747.87	116.45
(3)	Non-current Investments	6,240.89	5,651.65
(4)	Non-current Finance receivables	22,073.17	15,479.53
(5)	Non-current tax assets (net)	6,175.67	5,058.60
(6)	Other non-current assets	6,155.33	7,740.53
(7)	Current assets	1,23,431.16	135,972.84
	TOTAL ASSETS	**3,07,194.53**	**331,350.51**

(₹ in crores)

		As at March 31, 2019	As at March 31, 2018
WHAT THE COMPANY OWED			
(1)	Net worth		
	Equity share capital	679.22	679.22
	Other equity	59,500.34	94,748.69
(2)	Non-controlling interests	523.06	525.06
(3)	Non-current borrowings	70,973.67	61,199.50
(4)	Non-current provisions	11,854.85	10,948.44
(5)	Deferred tax liabilities (net)	1,491.04	6,125.80
(6)	Other non-current liabilities	16,714.92	13,904.33
(7)	Current liabilities	1,45,457.43	143,219.47
	TOTAL LIABILITIES	**3,07,194.53**	**331,350.51**

Summarised Statement of Profit and Loss (CONSOLIDATED)

(₹ in crores)

		2018-2019	2017-2018
1	**INCOME**		
	Revenue from operations	3,01,938.40	292,340.64
	Other income	2,965.31	3,957.59
	Total	**3,04,903.71**	**296,298.23**
2	**EXPENDITURE**		
	Cost of materials consumed	1,81,009.08	171,992.59
	Purchase of products for sale	13,258.83	15,903.99
	Changes in inventories of finished goods, work-in-progress and products for sale	2,053.28	(2,046.58)
	Excise duty	-	790.16
	Employee benefits expense	33,243.87	30,300.09
	Finance costs	5,758.60	4,681.79
	Foreign exchange (gain)/loss (net)	905.91	(1,185.28)
	Depreciation and amortisation expense	23,590.63	21,553.59
	Product development/Engineering expenses	4,224.57	3,531.87
	Other expenses	62,238.12	60,184.21
	Amount transferred to capital and other account	(19,659.59)	(18,588.09)
	Total Expenses	3,06,623.30	287,118.34
	Profit/(loss) before exceptional items and tax	(1,719.59)	9,179.89
	Defined benefit pension plan amendment past service cost / (credit)	147.93	(3,609.01)
	Employee separation cost	1,371.45	3.68
	Provision for / impairment of capital work-in-progress and intangibles under development (net)	180.97	1,641.38
	Provision for costs of closure of operation of a Subsidiary Company	381.01	-
	Provision for impairment in Jaguar Land Rover	27,837.91	-
	Profit on sale of Investment in as Subsidiary Company	(376.98)	-
	Others	109.27	(11.19)
3	**PROFIT / (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS**	(31,371.15)	11,155.03
4	**Tax expense/(credit) (net)**	(2,437.45)	4,341.93
5	**PROFIT / (LOSS) AFTER TAX FROM CONTINUING OPERATIONS (3-4)**	(28,933.70)	6,813.10
6	**Share of profit of joint ventures and associates (net)**	209.50	2,278.26
7	**PROFIT / (LOSS) FOR THE YEAR**	(28,724.20)	9,091.36
8	**TOTAL OTHER COMPREHENSIVE INCOME/(LOSS)**	(5,575.77)	29,562.51
9	**TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR**	(34,299.97)	38,653.87

FINANCIAL STATISTICS - CONSOLIDATED

Year	CAPITAL ACCOUNTS (₹ in lakhs)						REVENUE ACCOUNTS (₹ in lakhs)						RATIOS					
	Capital	Reserves and Surplus	Borrowings	Gross Block	Accumulated Depreciation	Net Block	Turnover	Depreciation	Profit/ (Loss) Before Taxes	Taxes	Profit/ (Loss) After Taxes	Dividend including tax	PAT to Sales	Earnings Per Share (Basic)* (₹) Ordinary Share	Earnings Per Share (Basic)* (₹) 'A' Ordinary Share	Dividend Per Share*# (₹) Ordinary Share	Dividend Per Share*# (₹) 'A' Ordinary Share	Net Worth Per 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	5,371,571	12,158,556	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 +++
2016-17	67,922	5,738,267	7,860,398	19,653,773	6,756,813	12,896,960	27,524,666	1,790,499	931,479	325,123	745,436	-	2.7%	21.94	22.04	-	-	171 ^^^
2017-18	67,922	9,474,869	8,895,047	25,312,610	9,179,519	16,133,091	29,629,823	2,155,359	1,115,503	434,193	898,891	-	3.0%	26.46	26.56	-	-	281
2018-19	67,922	5,950,034	10,617,534	26,365,294	12,128,250	14,237,044	30,490,371	2,359,063	(3,137,115)	(243,745)	(2,882,623)	-	(9.5%)	(84.89)	(84.89)	-	-	177

Notes :

- @ On increased capital base due to conversion of Bonds / Convertible Debentures / Warrants / FCCN into shares.
- * To a face value of ₹10/- per share upto 2011-12.
- # 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
- ^^^ The figures of FY 2016-17 onwards is as per Ind AS
- +++ On increased capital base due to rights issue

Summarised Statement of Assets and Liabilities (STANDALONE)

(₹ in crores)

		As at March 31, 2019	As at March 31, 2018
WHAT THE COMPANY OWNED			
(1)	Property, plant and equipment and Other intangible assets	28,474.33	26,701.26
(2)	Goodwill	99.09	99.09
(3)	Non-current Investments	15,434.19	14,260.79
(4)	Non-current tax assets (net)	715.30	695.75
(5)	Other non-current assets	2,957.42	2,483.75
(6)	Current assets	13,229.30	14,971.66
	TOTAL ASSETS	**60,909.63**	**59,212.30**
WHAT THE COMPANY OWED			
(1)	Net worth		
	Equity share capital	679.22	679.22
	Other equity	21,483.30	19,491.76
(2)	Non-current borrowings	13,919.81	13,155.91
(3)	Non-current provisions	1,281.59	1,009.48
(4)	Deferred tax liabilities (net)	205.86	154.61
(5)	Other non-current liabilities	399.04	502.37
(6)	Current liabilities	22,940.81	24,218.95
	TOTAL LIABILITIES	**60,909.63**	**59,212.30**

Summarised Statement of Profit and Loss (STANDALONE)

(₹ in crores)

		2018-2019	2017-2018
1	**INCOME**		
	Revenue from operations	69,202.76	58,689.81
	Other income	2,554.66	2,492.48
	Total	**71,757.42**	**61,182.29**
2	**EXPENDITURE**		
	Cost of materials consumed	43,748.77	37,080.45
	Purchase of products for sale	6,722.32	4,762.41
	Changes in inventories of finished goods, work-in-progress and products for sale	144.69	842.05
	Excise duty	-	793.28
	Employee benefits expense	4,273.10	3,966.73
	Finance costs	1,793.57	1,744.43
	Foreign exchange loss (net)	215.22	17.14
	Depreciation and amortisation expense	3,098.64	3,101.89
	Product development/Engineering expense	571.76	474.98
	Other expenses	9,680.46	9,234.27
	Amount transferred to capital and other account	(1,093.11)	(855.08)
	Total Expenses	69,155.42	61,162.55
	Profit before exceptional items and tax	2,602.00	19.74
	Employee seperation cost	4.23	3.68
	Write off / Provision of capital work-in-progress and intangibles under development (net)	180.66	962.98
	Provision for impairment of investments in subsidiary companies	241.86	-
	Profit on sale of investment in a subsidiary company	(332.95)	-
	Others	109.27	-
3	**PROFIT / (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS**	2,398.93	(946.92)
4	**Tax expense (net)**	378.33	87.93
5	**PROFIT/(LOSS) AFTER TAX FROM CONTINUING OPERATIONS (3-4)**	2,020.60	(1,034.85)
6	**TOTAL OTHER COMPREHENSIVE INCOME/(LOSS)**	(23.43)	43.22
7	**TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR**	1,997.17	(991.63)

FINANCIAL STATISTICS - 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)* (₹) Ordinary Share	Earnings Per Share (Basic)* (₹) 'A' Ordinary Share	Dividend Per Share*# (₹) Ordinary Share	Dividend Per Share*# (₹) 'A' Ordinary Share	Net Worth Per 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 @
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 +++
2016-17	67,922	2,012,993	1,957,398	4,591,464	1,853,922	2,737,542	5,007,925	296,939	(242,077)	5,922	(247,999)	-	(5.0%)	(7.30)	(7.30)	-	-	61 ^^^
2017-18	67,922	1,949,176	1,846,384	4,826,322	2,156,196	2,670,126	6,118,229	310,189	(94,692)	8,793	(103,485)	-	(1.7%)	(3.05)	(3.05)	-	-	59
2018-19	67,922	2,148,330	1,863,963	5,158,440	2,311,007	2,847,433	7,175,742	309,864	239,893	37,833	202,060	-	2.8%	5.94	6.04	-	-	65

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.

+ 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.

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

^^^ The figures of FY 2016-17 is as per Ind AS with Joint operation

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	Concorde Motors (India) Ltd (subsidiary w.e.f July 3, 1999)	India	INR	1.00	144.18	(137.75)	1,040.87	1,034.45	1,233.01	(105.69)	-	(105.69)	(105.69)	-	-	100.00
2	Tata Motors Finance Ltd (Name changed from Sheba Properties Limited w.e.f. June 30, 2017) (subsidiary w.e.f January 24, 1989)	India	INR	1.00	583.85	1,904.27	32,910.17	30,422.05	3,108.85	41.17	(66.00)	107.17	107.17	-	92.04	100.00
3	Tata Daewoo Commercial Vehicle Co. Ltd (subsidiary w.e.f March 30, 2004)	South Korea	KRW	0.06	57.57	2,227.02	3,964.84	1,680.25	4,089.89	(220.37)	(41.26)	(179.11)	(179.11)	-	-	100.00
4	Tata Technologies Ltd (subsidiary w.e.f September 10, 1997)	India	INR	1.00	43.05	1,698.39	2,261.60	521.12	2,978.39	417.00	118.34	298.66	298.66	-	31.79	72.28
5	Tata Motors Insurance Broking & Advisory Services Ltd (subsidiary w.e.f October 21, 2004)	India	INR	1.00	5.00	28.12	71.01	37.89	196.86	25.36	7.46	17.90	17.90	-	17.45	100.00
6	Tata Motors European Technical Centre Plc (subsidiary w.e.f September 1, 2005)	UK	GBP	90.51	474.57	(166.37)	408.63	100.44	198.46	(24.94)	2.87	(27.81)	(27.81)	-	-	100.00
7	TML Distribution Company Ltd (subsidiary w.e.f March 28, 2008)	India	INR	1.00	225.00	175.96	495.01	94.05	3,389.66	73.60	27.10	46.50	46.50	-	-	100.00
8	Tata Motors (SA) (Proprietary) Ltd (subsidiary w.e.f December 5, 2007)	South Africa	ZAR	4.78	12.98	1.45	188.85	174.42	145.91	2.04	0.70	1.34	1.34	-	-	60.00
9	TMF Holdings Ltd (Name changed from Tata Motors Finance Limited w.e.f. June 30, 2017) (subsidiary w.e.f June 1, 2006)	India	INR	1.00	1,728.28	2,244.86	7,100.14	3,126.99	76.68	5.16	(0.19)	5.35	5.35	-	50.08	100.00
10	Tata Motors Financial Solutions Ltd (subsidiary w.e.f January 19, 2015)	India	INR	1.00	1,700.50	(459.22)	7,031.95	5,790.67	522.12	91.44	-	91.44	91.44	-	1,291.32	100.00
11	Tata Marcopolo Motors Ltd (subsidiary w.e.f September 20, 2006)	India	INR	1.00	170.00	(37.97)	386.25	254.22	700.33	13.89	0.92	12.97	12.97	-	-	51.00
12	Tata Motors (Thailand) Ltd (subsidiary w.e.f February 28, 2008)	Thailand	THB	2.18	615.30	(1,273.44)	101.02	759.16	72.16	(501.18)	-	(501.18)	(501.18)	-	-	95.87
13	TML Holdings Pte Ltd, Singapore (subsidiary w.e.f February 4, 2008)	Singapore	GBP	90.51	12,691.10	(3,150.72)	17,663.54	8,123.16	-	1,345.96	6.89	1,339.07	1,339.07	-	-	100.00
14	Tata Hispano Motors Carrocera S.A (subsidiary w.e.f October 16, 2009)	Spain	EUR	77.67	2.88	(758.49)	19.97	775.58	0.60	(20.12)	-	(20.12)	(20.12)	-	-	100.00
15	Tata Hispano Motors Carroceries Maghreb (subsidiary w.e.f June 23, 2014)	Morocco	MAD	7.15	146.30	(182.55)	41.56	77.81	-	(0.55)	-	(0.55)	(0.55)	-	-	100.00
16	Trilix S.r.l (subsidiary w.e.f October 4, 2010)	Italy	EUR	77.67	0.61	25.76	74.34	47.96	56.26	(26.08)	(4.82)	(21.26)	(21.26)	-	-	100.00
17	Tata Precision Industries Pte Ltd (subsidiary w.e.f February 15, 2011)	Singapore	SGD	51.04	41.56	(41.77)	0.40	0.60	-	(1.08)	-	(1.08)	(1.08)	-	-	78.39
18	PT Tata Motors Indonesia (subsidiary w.e.f December 29, 2011)	Indonesia	IDR	0.00	269.25	(56.22)	218.70	5.67	-	(2.81)	-	(2.81)	(2.81)	-	-	100.00
19	INCAT International Plc. (subsidiary w.e.f October 3, 2005)	UK	GBP	90.51	2.07	42.11	46.06	1.88	1.23	0.84	-	0.84	0.84	-	-	72.28
20	Tata Technologies Inc. (Including Midwest Managed Services Inc.which got merged into Tata Technologies Inc. w.e.f. Feb 28, 2018) (subsidiary w.e.f October 3, 2005)	USA	USD	69.15	827.74	(441.12)	488.01	101.39	726.54	17.30	5.91	11.39	11.39	-	-	72.34
21	Tata Technologies de Mexico, S.A. de C.V. (subsidiary w.e.f October 3, 2005)	Mexico	MXN	3.57	1.07	5.28	13.66	7.31	21.05	(0.56)	-	(0.56)	(0.56)	-	-	72.34
22	Cambric Limited, Bahamas (subsidiary w.e.f May 1, 2013)	Bahamas	USD	69.15	18.67	0.68	19.35	-	0.04	(0.89)	-	(0.89)	(0.89)	-	-	72.31
23	Cambric GmbH (subsidiary w.e.f May 1, 2013)	Germany	EUR	77.67	0.21	1.62	1.84	0.01	-	(0.06)	-	(0.06)	(0.06)	-	-	72.34
24	Tata Technolgies SRL, Romania (erstwhile Cambric Consulting SRL was renamed w.e.f February 4, 2015) (subsidiary w.e.f May 1, 2013)	Romania	RON	17.23	9.37	30.24	41.07	1.46	74.98	16.49	2.18	14.31	14.31	-	-	72.31

(₹ 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
25	Tata Manufacturing Technologies Consulting (Shanghai) Limited .(subsidiary w.e.f March 10, 2014)	China	CNY	10.30	3.05	57.45	83.33	22.84	155.00	30.18	8.12	22.06	22.06	-	-	72.28
26	Tata Technologies Europe Limited (subsidiary w.e.f October 3, 2005)	UK	GBP	90.51	0.09	812.98	1,052.44	239.37	976.33	143.40	28.46	114.94	114.94	-	-	72.28
27	Escenda Engineering AB (Tata Technologies Europe Limited acquired 100% stake in the company w.e.f. May 1, 2017)	Sweden	SEK	7.44	0.16	0.32	86.33	85.85	157.93	(4.91)	(2.46)	(2.45)	(2.45)	-	-	72.28
28	INCAT GmbH (subsidiary w.e.f October 3, 2005)	Germany	EUR	77.67	0.95	16.73	17.93	0.25	0.30	0.29	0.02	0.27	0.27	-	-	72.28
29	Tata Technologies (Thailand) Limited (subsidiary w.e.f October 10, 2005)	Thailand	THB	2.18	4.58	7.33	18.70	6.80	32.98	2.43	1.15	1.28	1.28	-	-	72.28
30	TATA Technologies Pte Ltd. (subsidiary w.e.f December 7, 2005)	Singapore	USD	69.15	251.56	520.32	782.60	10.72	62.43	1.91	0.14	1.77	1.77	-	-	72.28
31	Jaguar Land Rover Automotive plc (subsidiary w.e.f June 2, 2008)	UK	GBP	90.51	13,582.39	5,579.69	59,396.74	(40,234.66)	-	41.00	-	41.00	41.00	-	-	100.00
32	Jaguar Land Rover Limited (previously Jaguar Cars Limited) (subsidiary w.e.f June 2, 2008)	UK	GBP	90.51	32,226.66	36,305.97	218,030.32	(149,497.70)	192,759.69	(21,096.97)	94.17	(21,191.14)	(21,191.14)	-	13,022.66	100.00
33	Jaguar Land Rover Holdings Limited(formally known as Land Rover) (subsidiary w.e.f June 2, 2008)	UK	GBP	90.51	45.26	41,417.62	49,898.46	(8,435.58)	-	248.68	37.62	211.06	211.06	-	-	100.00
34	JLR Nominee Company Limited (Formally known as Jaguar Land Rover Exports Limited, formerly Jaguar Cars Exports Limited) (subsidiary w.e.f June 2, 2008) (dormant)	UK	GBP	90.51	-	-	-	-	-	-	-	-	-	-	-	100.00
35	Jaguar Land Rover (South Africa) Holdings Limited (subsidiary w.e.f February 2, 2009)	UK	ZAR	4.78	933.04	332.55	1,296.21	(30.62)	-	164.43	4.58	159.85	159.85	-	-	100.00
36	Jaguar Cars Limited (subsidiary w.e.f June 2, 2008) (dormant)	UK	GBP	90.51	-	-	-	-	-	-	-	-	-	-	-	100.00
37	Land Rover Exports Limited (Business transferred to Jaguar Land Rover Exports Ltd) (subsidiary w.e.f June 2, 2008) (dormant)	UK	GBP	90.51	-	-	-	-	-	-	-	-	-	-	-	100.00
38	The Lanchester Motor Company Limited (subsidiary w.e.f June 2, 2008) (dormant)	UK	GBP	90.51	-	-	-	-	-	-	-	-	-	-	-	100.00
39	The Daimler Motor Company Limited (subsidiary w.e.f June 2, 2008) (dormant)	UK	GBP	90.51	13.58	-	13.58	-	-	-	-	-	-	-	-	100.00
40	S S Cars Limited (subsidiary w.e.f June 2, 2008) (dormant)	UK	GBP	90.51	-	-	-	-	-	-	-	-	-	-	-	100.00
41	Daimler Transport Vehicles Limited (subsidiary w.e.f June 2, 2008) (dormant)	UK	GBP	90.51	-	-	-	-	-	-	-	-	-	-	-	100.00
42	The Jaguar Collection Limited (subsidiary w.e.f June 2, 2008) (Dissolved June 19, 2018)	UK	GBP	90.51	-	-	-	-	-	-	-	-	-	-	-	100.00
43	Jaguar Land Rover Pension Trustees Limited (subsidiary w.e.f June 2, 2008) (dormant)	UK	GBP	90.51	-	-	-	-	-	-	-	-	-	-	-	100.00
44	Jaguar Cars (South Africa) (Pty) Ltd (subsidiary w.e.f June 2, 2008) (dormant)	South Africa	ZAR	4.78	-	-	-	-	-	-	-	-	-	-	-	100.00
45	Jaguar Land Rover Slovakia s.r.o. (JLRHL 0.01% and JLRL 99.99%)	Slovakia	EUR	77.67	4,168.86	190.02	7,993.95	(3,635.07)	1,383.58	160.90	3.89	157.01	157.01	-	-	100.00
46	Jaguar Racing Limited (Incorporated w.e.f. February 2, 2016) (subsidiary w.e.f February 2, 2016)	UK	GBP	90.51	-	11.80	50.74	(38.94)	93.12	4.41	(0.25)	4.66	4.66	-	-	100.00
47	InMotion Ventures Limited (Incorporated w.e.f. March 18, 2016) (subsidiary w.e.f March 18, 2016)	UK	GBP	90.51	0.00	107.50	572.68	(465.19)	-	175.92	-	175.92	175.92	-	-	100.00

(₹ 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
48	InMotion Ventures 1 Limited	UK	GBP	90.51	-	(1.35)	0.01	(1.36)	-	(1.36)	-	(1.36)	(1.36)	-	-	100.00
49	InMotion Ventures 2 Limited	UK	GBP	90.51	-	(16.00)	0.44	(16.44)	1.15	(15.91)	-	(15.91)	(15.91)	-	-	100.00
50	InMotion Ventures 3 Limited	UK	GBP	90.51	-	-	-	-	-	-	-	-	-	-	-	100.00
51	InMotion Ventures 4 Limited (Incorporated w.e.f January 4, 2019)	UK	GBP	90.51	-	-	-	-	-	-	-	-	-	-	-	100.00
52	Land Rover Ireland (Services) Limited	UK	EUR	77.67	-	5.60	102.03	(96.43)	109.49	4.89	0.61	4.28	4.28	-	-	100.00
53	Spark44 (JV) Ltd (Shareholding changed from 50% to 50.50% w.e.f. August 31, 2017)	UK	GBP	90.51	0.02	0.23	0.59	(0.34)	0.00	0.09	0.02	0.07	0.07	-	-	50.50
54	Spark44 Limited (London & Birmingham)	UK	GBP	90.51	-	-	-	-	-	-	-	-	-	-	-	50.50
55	Spark44 Pty Ltd (Sydney)	Australia	AUD	49.03	-	-	-	-	-	-	-	-	-	-	-	50.50
56	Spark44 GmbH (Frankfurt)	Germany	EUR	77.67	-	-	-	-	-	-	-	-	-	-	-	50.50
57	Spark44 LLC (LA & NYC)	USA	USD	69.15	-	-	-	-	-	-	-	-	-	-	-	50.50
58	Spark44 Limited (Shanghai)	China	CNY	10.30	-	-	-	-	-	-	-	-	-	-	-	50.50
59	Spark44 Middle East DMCC (Dubai)	UAE	USD	69.15	-	-	-	-	-	-	-	-	-	-	-	50.50
60	Spark44 Demand Creation Partners Pte Ltd (Mumbai)	India	INR	1.00	-	-	-	-	-	-	-	-	-	-	-	50.50
61	Spark44 Pte Ltd (Singapore)	Singapore	SGD	51.04	-	-	-	-	-	-	-	-	-	-	-	50.50
62	Spark44 Communicacions SL (Madrid)	Spain	EUR	77.67	-	-	-	-	-	-	-	-	-	-	-	50.50
63	Spark44 SRL (Rome)	Italy	EUR	77.67	-	-	-	-	-	-	-	-	-	-	-	50.50
64	Spark44 Limited (Seoul)	Korea	KRW	0.06	-	-	-	-	-	-	-	-	-	-	-	50.50
65	Spark44 K.K. (Tokyo)	Japan	JPY	62.46	-	-	-	-	-	-	-	-	-	-	-	50.50
66	Spark44 Canada Inc (Toronto)	Canada	CAD	51.54	-	-	-	-	-	-	-	-	-	-	-	50.50
67	Spark44 South Africa (Pty) Limited	South Africa	ZAR	4.78	-	-	-	-	-	-	-	-	-	-	-	50.50
68	Spark44 Colombia S.A.S (Colombia) (Incorporated w.e.f. May 10,2018)	Colombia	COP	0.02	-	-	-	-	-	-	-	-	-	-	-	50.50
69	Spark44 Taiwan Limited (Taiwan) (Incorporated w.e.f. May 7,2018)	Taiwan	TWD	2.24	-	-	-	-	-	-	-	-	-	-	-	50.50
70	Limited Liability Company Jaguar Land Rover (Russia) (incorporated on 25-5-2008) (subsidiary w.e.f May 15, 2009)	Russia	RUB	1.06	5.10	586.46	1,225.38	(633.81)	6,020.22	250.05	56.65	193.40	193.40	-	-	100.00
71	Jaguar Land Rover (China) Investment Co Ltd (previously Jaguar Land Rover Automotive Trading (Shanghai) Co. Ltd) (subsidiary w.e.f June 2, 2008)	China	CNY	10.30	-	1,702.48	2,266.45	(563.97)	3,412.49	106.38	19.12	87.26	87.26		-	100.00
72	Shanghai Jaguar Land Rover Automotive Service Co. Ltd (subsidiary w.e.f March 10, 2014)	China LRE	CNY	10.30	1.58	(2.30)	2.00	(2.72)	1.97	2.04	1.16	0.88	0.88	-	-	100.00
73	Jaguar Land Rover Colombia SAS (subsidiary w.e.f August 22, 2016)	Colombia	COP	0.02	7.87	(28.07)	141.80	(162.00)	150.65	(23.12)	(7.15)	(15.97)	(15.97)		-	100.00
74	Jaguar Landrover Mexico S.A.P I de C.V	Mexico	MXN	3.57	-	-	-	-	-	-	-	-	-		-	100.00
75	Jaguar Landrover Services Mexico S.A C.V	Mexico	MXN	3.57	-	-	-	-	-	-	-	-	-		-	100.00
76	Jaguar Land Rover France SAS (subsidiary w.e.f February 1, 2009)	France	EUR	77.67	33.90	18.80	1,521.67	(1,468.96)	6,299.84	53.05	37.42	15.63	15.63		-	100.00
77	Jaguar Land Rover Portugal-Veiculos e Pecas, Lda. (subsidiary w.e.f June 2, 2008)	Portugal	EUR	77.67	10.33	31.60	210.64	(168.71)	637.68	34.95	9.27	25.68	25.68		-	100.00
78	Jaguar Land Rover Espana SL (merged company following the absorption of Jaguar Hispania, S.L.U by Land Rover Espana, S.L.U) (formerly known as Land Rover Espana SL) (subsidiary w.e.f June 2, 2008)	Spain	EUR	77.67	323.43	53.38	1,295.08	(918.26)	3,703.48	39.55	8.83	30.72	30.72		-	100.00
79	Jaguar Land Rover Italia SpA (subsidiary w.e.f June 2, 2008)	Italy	EUR	77.67	9.83	232.55	2,525.55	(2,283.18)	9,299.04	103.07	63.32	39.75	39.75		-	100.00
80	Land Rover Ireland Limited - (no longer a trading NSC) (subsidiary w.e.f June 2, 2008)	Ireland	EUR	77.67	0.00	5.99	19.05	(13.06)	-	(0.34)	0.00	(0.34)	(0.34)		-	100.00
81	Jaguar Land Rover Korea Co. Ltd. (subsidiary w.e.f June 2, 2008)	Korea	KRW	0.06	0.30	117.69	3,062.52	(2,944.52)	6,394.08	107.80	23.96	83.84	83.84		-	100.00

(₹ 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
82	Jaguar Land Rover Deutschland GmbH (subsidiary w.e.fJune 2, 2008)	Germany	EUR	77.67	103.45	468.28	3,715.08	(3,143.35)	10,313.12	133.24	41.86	91.38	91.38		-	100.00
83	Jaguar Land Rover Austria GmbH (subsidiary w.e.f June 2, 2008)	Austria	EUR	77.67	1.13	52.75	473.14	(419.26)	1,811.02	18.66	3.34	15.32	15.32		-	100.00
84	Jaguar Land Rover Australia Pty Limited (subsidiary w.e.f June 2, 2008)	Australia	AUD	49.03	3.43	252.33	1,970.19	(1,714.42)	4,342.03	215.91	103.00	112.91	112.91		-	100.00
85	Jaguar Land Rover North America, LLC. (subsidiary w.e.f June 2, 2008)	USA	USD	69.15	276.60	2,020.90	13,409.83	(11,112.33)	54,718.27	789.44	198.52	590.92	590.92		-	100.00
86	Jaguar Land Rover Japan Limited (subsidiary w.e.f October 1, 2008)	Japan	JPY	62.46	2,998.08	24,560.81	125,699.44	(98,140.55)	288,245.16	5,087.83	(887.38)	5,975.21	5,975.21		-	100.00
87	Jaguar Land Rover Canada, ULC (subsidiary w.e.f June 2, 2008)	Canada	CAD	51.54	-	246.05	1,679.35	(1,433.30)	5,653.10	127.51	80.75	46.76	46.76		-	100.00
88	Jaguar e Land Rover Brasil Indústria e Comércio de Veículos LTDA (subsidiary w.e.f June 2, 2008)	Brazil	BRL	17.68	1,090.28	(639.25)	2,202.85	(1,751.81)	3,006.61	(9.66)	23.74	(33.40)	(33.40)		-	100.00
89	Jaguar Land Rover Belux N.V. (subsidiary w.e.f June 2, 2008)	Belgium	EUR	77.67	9.71	45.34	1,081.58	(1,026.54)	4,315.61	41.00	13.65	27.35	27.35		-	100.00
90	Jaguar Land Rover Nederland BV (subsidiary w.e.f June 2, 2008)	Holland	EUR	77.67	-	-	-	-	-	-	-	-	-		-	100.00
91	Jaguar Land Rover (South Africa) (Pty) Limited (subsidiary w.e.f June 2, 2008)	South Africa	ZAR	4.78	0.00	71.51	1,009.63	(938.13)	2,450.89	36.21	8.03	28.18	28.18		-	100.00
92	Jaguar Land Rover India Limited (subsidiary w.e.f October 25, 2012)	India	INR	1.00	280.25	(21.73)	1,205.57	(947.05)	1,890.05	(31.67)	(8.88)	(22.80)	(22.80)		-	100.00
93	Jaguar Land Rover Singapore Pte. Ltd (incorporated w.e.f November 25,2015)(subsidiary w.e.f November 25, 2015)	Singapore	SGD	51.04	3.83	16.31	232.40	(212.27)	314.46	21.11	5.89	15.22	15.22		-	100.00
94	Jaguar Land Rover Taiwan Company Pte. Ltd	Taiwan	TWD	2.24	8.64	(31.22)	450.11	(472.69)	675.97	(30.17)	0.00	(30.17)	(30.17)		-	100.00
95	Jaguar Land Rover Classic Deutschland GmbH (Incorporated w.e.f. August 10,2018)	Germany	EUR	77.67	19.42	(3.29)	23.09	(6.97)	6.97	(3.29)	-	(3.29)	-	-	-	100.00
96	Jaguar Land Rover Hungary KFT (Incorporated w.e.f July 30, 2018)	Hungary	HUF	0.24	-	-	0.07	(0.07)	0.01	0.34	0.05	0.29	-	-	-	100.00
97	Jaguar Land Rover Classic USA LLC (Incorporated w.e.f June 1, 2018) (dormant)	USA	USD	69.15	-	-	-	-	-	-	-	-	-	-	-	100.00
98	TMNL Motor Services Nigeria Ltd (incorporated w.e.f September 2, 2015)(subsidiary w.e.f September 2, 2015)	Nigeria	NGN	0.19	0.33	(0.51)	0.03	0.21	-	(0.14)	-	(0.14)	(0.14)	-	-	100.00
99	Tata Daewoo Commercial Vehicle Sales and Distribution Co. Ltd. (subsidiary w.e.f April 9, 2010)	South Korea	KRW	0.06	4.00	16.88	59.45	38.57	160.09	(1.00)	0.07	(1.07)	(1.07)	-	-	100.00
100	PT Tata Motors Distribusi Indonesia (subsidiary w.e.f February 11, 2013)	Indonesia	IDR	0.00	217.41	(225.44)	78.65	86.68	84.19	(24.88)	(0.07)	(24.81)	(24.81)	-	-	100.00
	Details of Direct subsidiaries, on consolidated basis including their respective subsidiaries included above															
1	Tata Technologies Limited (subsidiary w.e.f September 10, 1997)				42.09	1,698.39	2,261.60	521.12	2,978.39	417.00	118.34	298.66	308.02	-	38.84	72.28
2	Tata Motors Holdings Finance Ltd (Name changed from Tata Motors Finance Limited w.e.f. June 17, 2017) (subsidiary w.e.f June 1, 2006)				1,728.28	(108.37)	40,408.43	38,788.52	3,700.18	56.99	(42.67)	99.66	99.66	-	1,909.56	100.00
3	TML Holdings Pte Ltd, Singapore** (subsidiary w.e.f February 4, 2008)				-	-	-	-	-	-	-	-	-	-	-	100.00
4	PT Tata Motors Indonesia (subsidiary w.e.f December 29, 2011)				268.97	(281.36)	79.94	92.33	84.19	(27.29)	(0.09)	(27.20)	(27.20)	-	-	100.00
	****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 :**															
1	Jaguar Land Rover Automotive Plc Consolidated (subsidiary w.e.f June 2, 2008)				11,195.17	42,876.39	212,154.88	158,023.55	224,132.08	(32,002.82)	(2,640.29)	(29,362.52)	(29,320.44)	-	8,367.79	100.00
2	Tata Daewoo Commercial Vehicle Co. Ltd (subsidiary w.e.f March 30, 2004)				0.03	1,964.56	3,610.55	1,645.96	3,972.63	(221.37)	(41.19)	(180.18)	(180.18)	-	-	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 Venture

Part - B

(₹ in crores)

Sr. No.	Name of Associates/Joint Ventures	Shares of Associate/Joint Ventures held by the company on the year end: Latest audited Balance Sheet Date	No.	Amount of Investment in Associates/ Joint Venture	Extent of Holding %	Networth attributable to Shareholding as per latest audited Balance Sheet	Profit/(loss) for the year: Considered in Consolidation	Not Considered in Consolidation	Description of how there is significant influence	Reason why the associate/ Joint venture is not consolidated
Joint Venture										
1	Fiat India Automobiles Private Limited	March 31, 2019	122,257,983	1,567.04	50%	1,782.30	95.10	-	Note (a)	-
2	Tata Cummins Private Ltd	March 31, 2019	90,000,000	90.00	50%	523.25	127.80	-	Note (a)	-
Joint Ventures										
1	JT Special Vehicle (P) Ltd.	March 31, 2019	2,500,000	-	50%	-	(2.50)	-	Note (a)	-
2	Chery Jaguar Land Rover Automotive Co Ltd	March 31, 2019	-	1,301.11	50%	4,295.54	100.94	-	Note (a)	-
3	Tata HAL Technologies Ltd.	March 31, 2019	10,140,000	-	50%	-	-	-	Note (a)	Provision for impairment was considered in full in FY 16-17
Associates										
1	Tata AutoComp Systems Ltd	March 31, 2019	52,333,170	77.47	26%	243.88	31.90	-	Note (b)	-
2.	Nita Company Ltd	March 31, 2019	16,000	1.27	40%	34.80	3.22	-	Note (b)	-
3	Automobile Corporation of Goa Ltd	March 31, 2019	2,982,214	109.64	47.19%	144.60	9.06	-	Note (b)	-
4	Jaguar Cars Finance Limited	March 31, 2019	49,900	3.24	50%	3.12	-	-	Note (b)	-
5	Synaptiv Limited	March 31, 2019	15,600,000	1.41	38%	1.41	-	-	Note (b)	-
6	CloudCar Inc	March 31, 2019	133,255,012	109.22	26.30%	16.35	(25.69)	-	Note (b)	-
7	Drive Club Service Pte. Ltd.	March 31, 2019	251	1.81	25.07%	1.74	0.11	-	Note (b)	-
8	Tata Hitachi Construction Machinery Company Private Ltd	March 31, 2019	45,428,572	240.20	39.99%	591.50	93.18	-	Note (b)	-
9	Loginomic Tech Solutions Private Limited ("TruckEasy")	March 31, 2019	665,000	2.66	26.00%	1.94	(0.72)	-	Note (b)	-

Note : (a) - There is a significant influence by virtue of joint control.
(b) - There is a significant influence due to percentage (%) of share capital

Notice

(Pursuant to Section 101 of the Companies Act, 2013)

Dear Member,

NOTICE IS HEREBY GIVEN THAT THE SEVENTY FOURTH ANNUAL GENERAL MEETING OF TATA MOTORS LIMITED will be held on Tuesday, July 30, 2019 at 3:00 p.m. at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai 400 020 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Standalone Financial Statement of the Company for the financial year ended March 31, 2019 together with the Reports of the Board of Directors and the Auditors thereon.
2. To receive, consider and adopt the Audited Consolidated Financial Statement of the Company for the financial year ended March 31, 2019 together with the Report of the Auditors thereon.
3. To appoint a Director in place of Mr N Chandrasekaran, (DIN:00121863) who, retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

4. Appointment of Ms Vedika Bhandarkar (DIN:00033808) as a Director and as an Independent Director

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

"RESOLVED that Ms Vedika Bhandarkar (DIN:00033808), who was appointed as an Additional Director of the Company with effect from June 26, 2019 by the Board of Directors 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') and Article 132 of the Articles of Association of the Company, but who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a member proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company."

"RESOLVED FURTHER that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act read with Schedule IV to the Act [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') the appointment of Ms Vedika Bhandarkar (DIN:00033808), that meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, for a term of five years commencing from June 26, 2019 up to June 25, 2024 and who would not be liable to retire by rotation, be and is hereby approved."

5. Commission to Non-Executive Directors

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

"RESOLVED that pursuant to the provisions of Section 197 and any other applicable provisions of the Companies Act, 2013 ('the Act') [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and Regulation 17(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, consent of the Company be and is hereby accorded for payment of commission to the Non-Executive Directors, including Independent Directors, of the Company (i.e., Directors other than the Managing Director and/or Whole Time Directors) to be determined by the Board of Directors for each of such Non-Executive Director for each financial year and distributed between such Directors in such a manner as the Board of Directors may from time to time determine within the overall maximum limit of 1% (one percent) of the net profits of the Company for that financial year computed in accordance with the provisions of Section 198 of the Act or such other percentage as may be specified by the Act from time to time in this regard."

"RESOLVED FURTHER that the above remuneration shall be in addition to fees payable to the Director(s) for attending the meetings of the Board or Committees thereof or for any other purpose whatsoever as may be decided by the Board of Directors and reimbursement of expenses for participation in the Board and other meetings."

6. Appointment of Branch Auditors

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

"RESOLVED that pursuant to the provisions of Section 143(8) and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Board of Directors be and is hereby authorised to appoint as Branch Auditor(s) of any Branch Office of the Company, whether existing or which may be opened/acquired hereafter, outside India, in consultation with the Company's Auditors, any persons, qualified to act as Branch Auditors within the provisions of Section 143(8) of the Act and to fix their remuneration."

7. Ratification of Cost Auditor's Remuneration

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 other applicable provisions, if any, of the Companies Act, 2013 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the remuneration of ₹5,00,000/- (Rupees Five Lakhs Only) plus applicable taxes, travel and out-of-pocket expenses incurred in connection with the audit, as approved by the Board of Directors, payable to M/s Mani & Co., Cost Accountants (Firm Registration No. 000004) who are appointed as Cost Auditors to conduct the audit of the relevant cost records of the Company for the financial year ending March 31, 2020."

By Order of the Board of Directors

Hoshang K Sethna
Company Secretary
FCS No: 3507

Mumbai, June 26, 2019

Registered Office:
Bombay House, 24, Homi Mody Street, Mumbai 400 001
Tel: +91 22 6665 8282
Email: inv_rel@tatamotors.com; Website: www.tatamotors.com
CIN: L28920MH1945PLC004520

NOTES:

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ('the Act') in respect of the business under item nos. 4 to 7 set out above and the relevant details of the Directors seeking re-appointment/appointment at this Annual General Meeting ('AGM'/ 'the meeting') in respect of business under item nos. 3 and 4 as required under Regulations 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and Secretarial Standard on General Meetings issued by The Institute of Company Secretaries of India ('Secretarial Standard') are annexed hereto.

2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER.**

   The duly completed and signed 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 (48) hours before the time for holding the AGM. Proxies submitted on behalf of limited companies, societies, partnership firms, etc. must be supported by appropriate resolution/authority, as applicable, issued by the member organization.

   A person can act as a proxy on behalf of members not exceeding fifty (50) 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 member.

3. Corporate members intending to send their authorised representatives to attend the AGM 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 AGM.

   Members, Proxies and Authorized Representatives are requested to bring the duly completed Attendance Slip enclosed herewith to attend the AGM.

4. Only registered members (including the holders of 'A' Ordinary Shares) of the Company may attend and vote at the AGM. The holders of the American Depositary Receipts (the 'ADR') of the Company shall not be entitled to attend the said AGM. However, the ADR holders are entitled to give instructions for exercise of voting rights at the said meeting through the Depositary, to give or withhold such consent, to receive such notice or to otherwise take action to exercise their rights with respect to such underlying shares represented by each such ADR. A brief statement, as to the manner in which such voting instructions may be given, is being sent to the ADR holders by the Depositary.

5. In case of joint holders attending the AGM, only such a joint holder who is senior by the order in which the name stands in the register of members will be entitled to vote.

6. The Register of Directors and Key Managerial Personnel and their shareholding as maintained under Section 170 of the Act, the Register of Contracts or Arrangement in which the Directors are interested as maintained under Section 189 of the Act and relevant documents referred to in the Notice and the Explanatory Statement are open for inspection by the members at the Registered Office of the Company on all working days between Monday to Friday except public holidays, between 10:00 a.m. (IST) to 1:00 p.m. (IST) up to the date of the meeting and also at the venue during the meeting. The certificate from the Statutory Auditors of the Company, stating that the Company has implemented the Tata Motors Limited Employees Stock Option Scheme 2018 ('Scheme') in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the special resolution passed by the members of the Company approving the Scheme on August 3, 2018, will be available for inspection at the meeting.

7. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Members' Referencer available on the Company's website under Investor resources. Members are requested to submit the said details to their Depository Participants in case the shares are held by them in electronic form and to the Company's Registrar and Transfer Agent ('RTA') in case the shares are held by them in physical form.

8. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company's RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
9. Non-Resident Indian members are requested to inform the Company's RTA 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.
10. 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, Permanent Account Number ('PAN') details, etc. to their Depository Participant only and not to the Company's RTA. Changes intimated to the Depository Participant will then be automatically reflected in the Company's records which will help the Company and its RTA provide efficient and better service to the members.

    In case of members holding shares in physical form, such information is required to be provided to the Company's RTA.

    Members' Referencer giving guidance on securities related matters is put on the Company's website and can be accessed at link: https://www.tatamotors.com/investors/
11. **SECURITIES AND EXCHANGE BOARD OF INDIA ('SEBI') HAS MANDATED SUBMISSION OF PAN BY EVERY PARTICIPANT IN THE SECURITIES MARKET. MEMBERS HOLDING SHARES IN ELECTRONIC FORM ARE, THEREFORE, REQUESTED TO SUBMIT THEIR PAN DETAILS TO THEIR DEPOSITORY PARTICIPANTS. MEMBERS HOLDING SHARES IN PHYSICAL FORM ARE REQUESTED TO SUBMIT THEIR PAN DETAILS TO THE COMPANY'S RTA.**
12. As per Regulation 40 of the SEBI Listing Regulations and various notifications issued by SEBI in this regard, transfer of securities would be carried out in dematerialised form only with effect from April 1, 2019, except in case of transmission or transposition of securities. However, members can continue to hold shares in physical form. Accordingly, members holding securities in physical form were separately communicated by the RTA vide three letters sent on September 29, 2018, November 3, 2018 and December 3, 2018 at their registered address. In view of the same and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to demateralised form. Members can contact the Company's RTA for assistance in this regard.
13. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ('IEPF'). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, members are requested to claim their dividends from the Company, within the stipulated timeline. The members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority in Form No. IEPF-5 available on www.iepf.gov.in.
14. 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.
15. To support the 'Green Initiative' announced by the Government of India, electronic copies of the Annual Report and this Notice *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent by e-mail to those members whose e-mail addresses have been made available to the Company / Depository Participants, unless the member has specifically requested for a hard copy of the same. In other cases, hard copy of the Abridged Annual Report is being sent to the members by the permitted mode. The members who are desirous of receiving the full Annual Report may write to the Company's RTA for a copy of the same. **MEMBERS WHO HAVE NOT REGISTERED THEIR E-MAIL ADDRESSES WITH COMPANY'S RTA /DEPOSITORIES ARE REQUESTED TO CONTRIBUTE TO THE GREEN INITIATIVE BY REGISTERING THEIR E-MAIL ADDRESS, FOR RECEIVING ALL FUTURE COMMUNICATIONS THROUGH E-MAIL.**
16. Attendance Slip, Proxy Form and the Route Map showing directions to reach the venue of the AGM are annexed hereto.
17. Members may note that the Notice of AGM and Abridged & Full Annual Reports for FY2018-19 are available on the Company's website viz. www.tatamotors.com and also on the website of NSDL https://www.evoting.nsdl.com.

18. VOTING BY MEMBERS:

A. In compliance with the provisions of Section 108 of the Act, the Companies (Management and Administration) Rules, 2014, Regulation 44 of the SEBI Listing Regulations and the Secretarial Standard, the Company is pleased to provide members the facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means either by (a) remote e-voting (by using the electronic voting system provided by NSDL as explained at 'para F' herein below) or (b) Electronic Ballot at the AGM venue (as provided at 'para G' herein 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.

B. 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 Shares, the holder shall be entitled to one vote for every ten 'A' Ordinary Shares held.

C. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on July 23, 2019 ('the cut-off date'), shall be entitled to vote in respect of the shares held, by availing the facility of remote e-voting / voting through electronic ballot at the meeting. Any person who is not a member as on the cut-off date should treat this Notice for information purposes only.

D. The members can opt for only one mode of voting i.e. either by remote e-voting or voting through 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.

E. The Board of Directors has appointed Mr P N Parikh (Membership No. FCS 327) and failing him Mr Mitesh Dhabliwala (Membership No. FCS 8331) of M/s Parikh & Associates, Practicing Company Secretaries, as the Scrutinizer to scrutinize the remote e-voting and voting process at the venue, in a fair and transparent manner.

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

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 the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in.

The remote e-voting period starts on Saturday, July 27, 2019 (9.00 a.m. IST) and ends on Monday, July 29, 2019 (5.00 p.m. IST). Remote e-voting shall be disabled by NSDL at 5:00 p.m. on July 29, 2019 and members shall not be allowed to vote through remote e-voting thereafter.

The procedure for e-voting consists of two steps as detailed hereunder:

Step 1 : Log-in to NSDL e-voting system

i. Visit the e-voting website of NSDL. Open web browser by typing the URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

ii. Once the home page of e-voting system is launched, click on the icon 'Login' which is available under 'Shareholders' section.

iii. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL e-services i.e. IDeAS, you can log-in at https://eservices.nsdl.com/ with your existing IDeAS login. Once you log in to NSDL e-services after using your log in credentials, click on e-voting and you can proceed to step 2 i.e. Cast your vote electronically.

iv. Your User ID details will be as per details given below :

a) **For members who hold shares in demat account with NSDL:** 8 Character DP ID followed by 8 Digit Client ID (For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******).

b) **For members who hold shares in demat account with CDSL:** 16 Digit Beneficiary ID (For example if your Beneficiary ID is 12************** then your user ID is 12**************).

c) **For members holding shares in Physical Form:** EVEN Number followed by Folio Number registered with the Company (For example, for members holding Ordinary Shares, if folio number is 001*** and EVEN is 110670 then user ID is 110670001***. For members holding 'A' Ordinary Shares, if folio number is 001*** and EVEN is 110671 then user ID is 110671001***).

v. Your password details are given below:

a) If you are already registered for e-voting, then you can use your existing password to login and cast your vote.

b) If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

(i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, your "initial password" is communicated to you on your postal address.

vi. If you are unable to retrieve or have not received the 'initial password' or have forgotten your password:

a) Click on 'Forgot User Details/Password?' option available on www.evoting.nsdl.com (If you are holding shares in your demat account with NSDL or CDSL).

b) Click on 'Physical User Reset Password?' option available on www.evoting.nsdl.com (If you are holding shares in physical mode).

c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

vii. After entering your password, tick on 'I hereby agree to all Terms and Conditions'.

viii. Click on 'Login' button.

ix. After you click on the 'Login' button, Home page of e-voting will open.

Step 2 : Cast your vote electronically on NSDL e-voting system

i. After successful login at Step 1, you will be able to see the Home page of e-voting. Click on e-voting.

ii. Click on Active Voting Cycles. You will be able to see all the companies 'EVEN' in which you are holding shares and whose voting cycle is in active status.

iii. Select 'EVEN' of the Company for casting your vote:

a. EVEN for Ordinary Shares is 110670.

b. EVEN for 'A' Ordinary Shares is 110671.

iv. Now you are ready for e-voting as the Voting page opens.

v. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on 'Submit' and also 'Confirm' when prompted.

vi. Upon confirmation, the message 'Vote cast successfully' will be displayed.

vii. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

viii. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

- Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by email to tml.scrutinizer@gmail.com with a copy marked to evoting@nsdl.co.in.
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the 'Forgot User Details/Password?' or 'Physical User Reset Password?' option available on www.evoting.nsdl.com to reset the password.
- In case of any queries, you may refer to the Frequently Asked Questions ('FAQs') for Shareholders and e-voting user manual for Shareholders available at the 'Downloads' section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.

G. VOTING AT AGM:

Members who are present at the AGM, but have not cast their votes by availing the remote e-voting facility, would be entitled to vote at the end of the discussion on the resolutions on which voting is to be held, by way of electronic ballot.

19. DECLARATION OF RESULTS ON THE RESOLUTIONS:

- 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 and against the resolution(s), 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.
- The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.tatamotors.com and on the website of NSDL www.evoting.nsdl.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. The results shall also be displayed on the notice board at the Registered Office of the Company.
- Subject to the receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the meeting i.e. July 30, 2019.

20. ONE WAY WEBCAST FACILITY:

The members are requested to note that, pursuant to Regulation 44(6) of the SEBI Listing Regulations, the Company is providing a one way live webcast facility of the proceedings of the AGM for the convenience of those members who are unable to attend the AGM due to locational constraints. The members will be able to view the proceedings on NSDL's e-voting website www.evoting.nsdl.com. Members on the day of the AGM may login through their user ID and password on to the e-voting website. The link will be available in member login where the EVEN of Company will be displayed. On clicking this link, the member will be able to view the webcasting of the AGM proceedings. The webcast facility will be available on July 30, 2019 from 3:00 p.m. onwards till the conclusion of the meeting.

Explanatory Statement

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. 4 to 7 of the accompanying Notice dated June 26, 2019.

Item No. 4

Based on recommendation of Nomination and Remuneration Committee, the Board of Directors appointed Ms Vedika Bhandarkar (DIN:00033808) as Additional Director of the Company and also Independent Director, not liable to retire by rotation, for a term of five years i.e. from June 26, 2019 up to June 25, 2024 subject to approval of the Members.

Pursuant to the provisions of Section 161(1) of the Act and Article 132 of the Articles of Association of the Company, Ms Bhandarkar shall hold office up to the date of this Annual General Meeting ('AGM') and is eligible to be appointed as a Director. The Company has, in terms of Section 160(1) of the Act, received in writing a notice from Member, proposing her candidature for the office of Director. The profile and specific areas of expertise of Ms Bhandarkar are provided as Annexure to this Notice.

Ms Bhandarkar has given her declaration to the Board that she meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and is eligible to be appointed as a Director in terms of Section 164 of the Act. She has also given her consent to act as a Director.

In the opinion of the Board, Ms Bhandarkar is a person of integrity, possesses the relevant expertise / experience and fulfills the conditions specified in the Act and the SEBI Listing Regulations for appointment as an Independent Director and she is independent of the management.

Given her experience and the Company's adherence to policy on Board Diversity, the Board considers it desirable and in the interest of the Company to have Ms Bhandarkar on the Board of the Company and accordingly the Board recommends the appointment of Ms Bhandarkar as an Independent Director as proposed in the resolution set out at Item No. 4 for approval by the members.

The terms and conditions of appointment of the Independent Director shall be open for inspection by the members at the Registered Office of the Company on all working days, between Monday to Friday except public holidays, between 10:00 a.m. (IST) to 1:00 p.m. (IST) up to the date of the meeting and also at the venue during the meeting.

Except for Ms Bhandarkar and/or her relatives, no other Director, Key Managerial Personnel or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

Item No. 5

The members had, at the AGM held on August 21, 2013 approved, under the provisions of Section 309 and other applicable provisions of the Companies Act, 1956, payment of remuneration by way of commission to Non-Executive Directors of the Company, of a sum not exceeding 1% per annum of the net profits of the Company, calculated in accordance with the provisions of the Companies Act, 1956, for a period of five years commencing April 1, 2013. However, taking into consideration the financial performance and the profitability, no commission was paid to the Non-Executive Directors for financial years 2013-14 and onwards.

With the enhanced Corporate Governance requirements under the Act and the SEBI Listing Regulations coupled with the size, complexity and global operations of the Tata Motors Group, the role and responsibilities of the Board, particularly Independent Directors has become more onerous, requiring greater time commitments, attention and a higher level of oversight. In view of the above, the NRC and the Board of Directors at their respective meetings held on May 20, 2019 recommended and approved payment of commission not exceeding 1% of the net profits of the Company for Financial Year 2018-19 and onwards, in terms of Section 197 of the Act, computed in accordance with the provisions of Section 198 of the Act or such other percentage as may be specified from time to time. Regulation 17(6) of the SEBI Listing Regulations authorises the Board of Directors to recommend all fees and compensation, if any, paid to Non-Executive Directors, including Independent Directors and the same would require approval of members in general meeting. This commission will be distributed amongst all or some of the Non-Executive Directors, taking into consideration parameters such as attendance at Board and Committee meetings, contribution at or other than at meetings, etc. in accordance with the directions given by the Board as prescribed under the Remuneration Policy of the Company.

The above commission shall be in addition to fees payable to the Director(s) for attending meetings of the Board/Committees or for any other purpose whatsoever as may be decided by the Board and reimbursement of expenses for participation in the Board and other meetings.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the members.

Accordingly, members' approval is sought by way of an Ordinary Resolution for payment of commission to the Non-Executive Directors as set out in the said resolution.

None of the Directors, Key Managerial Personnel or their respective relatives, are concerned or interested in the Resolution mentioned at Item No. 5 of the Notice, except the Independent Directors, to the extent of the commission that may be received by them, including for Financial Year 2018-19.

Item No. 6

In line with its global aspirations, the Company has undertaken / would undertake projects/establishments in and outside India for setting up manufacturing facilities, showrooms, service centers and offices, as branch offices of the Company. Whilst generally and to the extent possible, the Company would appoint its auditors for the said branch offices, in some cases/jurisdictions it may not be possible/practical to appoint them and the Company would be required to appoint an accountant or any other person duly qualified to act as an auditor of the accounts of the said branch offices in accordance with the laws of that country. To enable the Board to appoint Branch Auditors for the purpose of auditing the accounts of the Company's Branch Offices outside India (whether now existing or as may be established), necessary authorisation of the members is being obtained in accordance with the provisions of Section 143 of the Act, in terms of the Resolution set out at Item No.6 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the members.

None of the Directors, Key Managerial Personnel or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

Item No. 7

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. Based on the recommendation of the Audit Committee, the Board had on May 20, 2019, approved the appointment and remuneration of M/s Mani & Co., Cost Auditors (Firm Registration No. 000004) to conduct the audit of the Cost records maintained by the Company, pertaining to the relevant products prescribed under the Companies (Cost Records and Audit) Rules, 2014, for the financial year ending March 31, 2020 at a remuneration of ₹5,00,000/- (Rupees Five Lakhs Only).

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 ₹20,00,000/- (Rupees Twenty Lakhs Only) for the said financial year.

In accordance with the provisions of Section 148 of the Act read 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. 7 of the Notice.

M/s Mani & Co. have furnished a certificate dated April 30, 2019 regarding their eligibility for appointment as Cost Auditors of the Company.

The Board recommends the Ordinary Resolution set out at Item No. 7 of the Notice for approval by the members.

None of the Directors, Key Managerial Personnel or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

By Order of the Board of Directors

Hoshang K Sethna
Company Secretary
FCS No: 3507

Mumbai, June 26, 2019

Registered Office:
Bombay House, 24, Homi Mody Street, Mumbai 400 001
Tel: +91 22 6665 8282
Email: inv_rel@tatamotors.com; Website: www.tatamotors.com
CIN - L28920MH1945PLC004520

ANNEXURE TO NOTICE

Details of the Directors seeking appointment/re-appointment in the forthcoming Annual General Meeting

[Pursuant to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings]

Mr N Chandrasekaran
Chairman

Mr N Chandrasekaran (DIN: 00121863) aged 56, was appointed as a Non-Executive Director and Chairman of the Company w.e.f. January 17, 2017.

Educational Qualification
Mr Chandrasekaran holds a Bachelor's degree in Applied Science. He also holds a Master's degree in Computer Applications from Regional Engineering College, Trichy, India.

Experience (including expertise in specific functional areas) / Brief Resume
Mr N Chandrasekaran is the Chairman of the Board of Tata Sons Private Limited, the holding company and promoter of more than 100 Tata operating companies with aggregate annual revenues of more than US $100 billion. He joined the Board of Tata Sons in October 2016 and was appointed Chairman in January 2017.

Mr Chandrasekaran also chairs the Boards of several group operating companies, including Tata Steel, Tata Power, Tata Global Beverages Limited, Indian Hotels Company Limited and Tata Consultancy Services (TCS) – of which he was Chief Executive Officer from 2009-17.

His appointment as Chairman followed a 30-year business career at TCS, which he joined from university. Mr Chandrasekaran rose through the ranks at TCS to become CEO and Managing Director of the leading global IT solution and consulting firm.

In addition to his professional career at Tata, Mr Chandrasekaran was also appointed as a Director on the Board of India's central bank, the Reserve Bank of India, in 2016. He has been appointed on the International Advisory Council of Singapore's Economic Development Board in 2018. He is the Chairman of Indian Institute of Management Lucknow as well as the President of the Court at Indian Institute of Science Bengaluru. He is the member of Bocconi's International Advisory Council and the Co-Chair India US CEO Forum.

Mr Chandrasekaran has been awarded several honorary doctorates by leading universities in India and internationally, including an honorary Doctor of Letters from Macquarie University, Australia and Doctor of Letters from the Regional Engineering College, Trichy, Tamil Nadu, where he completed a Masters degree in Computer Applications before joining TCS in 1987.

Particulars of experience, attributes or skills that qualify the candidate for Board Chairmanship
Under the leadership of Mr Chandrasekaran, TCS became one of the largest private sector employer in India with the highest retention rate in a globally competitive industry. Under Mr Chandrasekaran's leadership, TCS was rated as the world's most powerful brand in IT services in 2015 and was recognised as a Global Top Employer by the Top Employers Institute across 24 countries. A technopreneur known for his ability to make big bets on new technology, Mr Chandrasekaran shaped TCS's strong positioning in the emerging digital economy with a suite of innovative digital products and platforms for enterprises, some of which have since scaled into sizeable new businesses.

Mr Chandrasekaran having been the CEO of TCS brings with him valuable experience in managing the issues faced by large and complex organisations. The Company and the Board will immensely benefit by leveraging his demonstrated leadership capability, general business acumen and knowledge of complex financial and operational issues faced by the Company.

Mr Chandrasekaran also brings rich experience in various areas of business, technology, operations, societal and governance matters.

Board Meeting Attendance and Remuneration
During the year, Mr Chandrasekaran has attended all 7 Board Meetings and all 3 Nomination & Remuneration Committee Meetings and was paid sitting fees of ₹6 Lakhs during the year.

Directorships held in other public companies and listed entities
Chairman of Tata Consultancy Services Limited, Tata Steel Limited, The Indian Hotels Company Limited, The Tata Power Company Limited, Tata Global Beverages Limited and Jaguar Land Rover Automotive PLC.

Memberships/ Chairmanships of Statutory Committees of other public companies and listed entities
Chairman of Tata Consultancy Services Limited (Corporate Social Responsibility Committee).

Member of Nomination & Remuneration Committees of Tata Consultancy Services Limited, Tata Steel Limited, Tata Global Beverages Limited, The Indian Hotels Company Limited, The Tata Power Company Limited and Remuneration Committee of Jaguar Land Rover Automotive PLC.

Disclosure of Relationship inter-se between Directors, Manager and other Key Managerial Personnel
There is no relationship *inter-se* between Mr Chandrasekaran, other members of the Board and Key Managerial Personnel of the Company.

Shareholding in the Company
Mr Chandrasekaran does not hold any shares of the Company either by self or on a beneficial basis for any other person.

Ms Vedika Bhandarkar
Non-Executive, Independent Director

Ms Vedika Bhandarkar (DIN:00033808) aged 51, was appointed as Additional Director and Non-Executive, Independent Director of the Company w.e.f. June 26, 2019.

Educational Qualification

Ms Bhandarkar is MBA from the Indian Institute of Management, Ahmedabad and B.Sc from the MS University, Udaipur.

Experience (including expertise in specific functional areas) / Brief Resume

Ms Bhandarkar brings more than 25 years of experience, building teams and businesses with Indian and international financial institutions.

Since January 2016, Ms Bhandarkar has been engaged as a senior leader in India with Water.org a not-for-profit organization, overseeing the organization's strategy, growth and water and sanitation program expansion in the country. In India, Water.org continues to scale WaterCredit through direct partnerships with financial and non-financial organizations, collaborating with enabling partners and engaging with the Government's Swachh Bharat Mission. Working with implementing partners, Water.org has helped reach 1 crore people in the country with access to water and/or sanitation.

Her earlier assignments include - Vice Chairman and Managing Director at Credit Suisse Securities (India) Private Limited (2010-2015), where she was reposed with the responsibility of overseeing all investment banking, structured finance and capital market business and overseeing the onshore private banking business. She was also part of the 7 member Credit Suisse Asia Investment Banking Department ('IBD') Operating Committee and the Global IBD Management Committee. From 1998-2010 Ms Bhandarkar served as the Managing Director & Head of Investment Banking at J. P. Morgan – India. She was on the Board of Directors for JP Morgan India Pvt. Ltd. and a member of the Location Management Committee. She began her career with ICICI Bank in 1989 where she worked at ISec - a joint venture between ICICI and JPMorgan across groups including project finance, M&A and capital markets and ICICI in leading, focusing on a select set of industries.

Since early 2015, Ms Bhandarkar has dedicated her time to corporate boards and social enterprise, serving as independent director on several corporate boards, and as a volunteer, fundraiser and board member of the Jai Vakeel Foundation, an institution focused on children and adults with intellectual disability. She also serves as a part time member of the Banks Board Bureau.

Particulars of experience, attributes or skills that qualify Ms Bhandarkar for Board membership:

Ms Bhandarkar has extensive experience in variety of M&A (domestic consolidation, outbound and in-bound transactions with associated financing), equity capital market (IPO, QIP, OFS, IPP, GDR, ADR and CB transactions), private equity and debt capital market (bonds, structured financing and loans) transactions for private and public sector clients, across various industry verticals. Ms Bhandarkar's leadership skills and business acumen are demonstrated by her success in managing large enterprises. Her rich and wide experience enables her to provide valued insights and perspectives on a broad range of business, social and governance issues that are relevant to large corporations.

Directorships held in other public companies and listed entities

Member of Tata Investment Corporation Limited, L&T Infotech Limited, TMF Holdings Limited, Tata Motors Finance Limited, Tata Motors Finance Solutions Limited, Northern Arc Capital Limited and Tata Sky Limited.

Memberships/ Chairmanships of Statutory Committees of other public companies and listed entities

Chairperson of Audit Committees of Tata Motors Finance Limited and Tata Sky Limited; Stakeholders' Relationship Committees of Tata Motors Finance Limited, Tata Motors Finance Solutions Limited and L&T Infotech Limited; Corporate Social Responsibility Committees of Tata Motors Finance Limited, Tata Motors Finance Solutions Limited and Tata Sky Limited; Risk Management Committee of Tata Motors Finance Solutions Limited; and Asset Liability Committee of Tata Motors Finance Solutions Limited.

Member of Audit Committees of TMF Holdings Limited, Tata Motors Finance Solutions Limited, L&T Infotech Limited and Northern Arc Capital Limited; Stakeholders' Relationship Committee of Tata Investment Corporation Limited; Risk Management Committee of Tata Motors Finance Limited; Nomination and Remuneration Committees of Tata Motors Finance Solutions Limited, Tata Investment Corporation Limited and Tata Sky Limited; and Asset Liability Committee of Tata Investment Corporation Limited.

Disclosure of Relationship *inter-se* between Directors, Manager and other Key Managerial Personnel

There is no relationship *inter-se* between Ms Bhandarkar, other members of the Board and Key Managerial Personnel of the Company.

Shareholding in the Company

Ms Bhandarkar does not hold any shares of the Company either by self or on a beneficial basis for any other person.

Our New Vision

With the dawn of the earlier 'Vision statement in March 2016 we launched our new Vison at the 'All hands Meet' on 1st April 2019. It reads as follows:

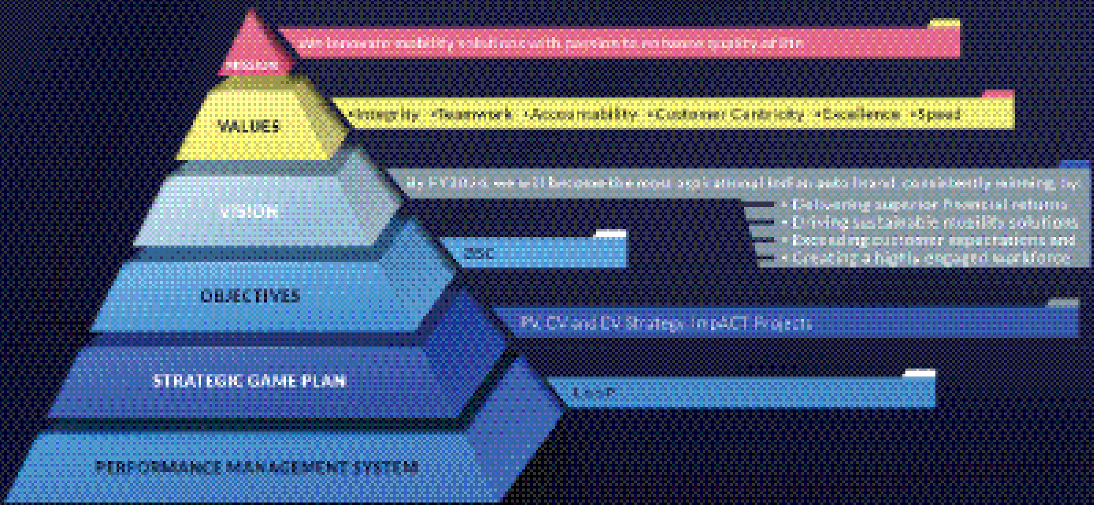
By FY2024, we will become the most aspirational Indian auto brand, consistently winning, by:

- Delivering superior financial returns
- Driving sustainable mobility solutions
- Exceeding customer expectations and
- Creating a highly engaged workforce

- The Vision is our new northern star and the guiding force behind our strategy, actions and driving performance.
- Setting a 5 year horizon for a sustainable step change of our aspirations.
- Underpins the key tenets of the organization's focus areas under the four elements of financial, customer, process and people.
- Paves the way to define concrete objectives through a well cascaded Balanced Scorecard.

PYRAMID OF PURPOSE

The foundation of connecting and cascading the top-level objectives from the busines strategies to the individual targets through the performance management system – LeaP.



The Mission and the Values remain perpetual to our existence and therefore they remain unchanged.

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