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, 2020, Tata Sons Private Limited together with its subsidiaries, owns 42.32% of the Ordinary shares and 5.35% 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 June 15, 2020.

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.

Interests in joint arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Joint operations

Certain of the Company's activities, are conducted through joint operations, which are joint arrangements whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The Company recognizes, in the consolidated financial statements, its share of the assets, liabilities, income and expenses of these joint operations incurred jointly with the other partners, along with its share of income from the sale of the output and any assets, liabilities and expenses that it has incurred in relation to the joint operation.

Notes Forming Part of Consolidated Financial Statements

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. Going Concern

These financial statements have been prepared on a going concern basis. The management has, given the significant uncertainties arising out of the outbreak of COVID-19, as explained in Note (f) (ix), assessed the cash flow projections and available liquidity for a period of twenty four months from the date of these financial statements. Based on this evaluation, management believes that the Company will be able to continue as a 'going concern' in the foreseeable future and for a period of at least twelve months from the date of these financial statements based on the following:

i) As at March 31, 2020, the Company reviewed its business and operations to take into consideration the estimated impacts and effects of the COVID-19 pandemic, including the estimated impact on the macroeconomic environment, the market outlook and the Company's operations. Expected future cash flows from operating activities and capital expenditure is based on the undermentioned key assumptions in the business projections:

- Revenues based on latest total industry forecasts/estimates.

  Indian automobile industry volume forecast of about 2.78 million units and 3.18 million units for the financial year ending March 31, 2021 and 2022, representing decreases of about 21% and 9%, respectively compared to year ended March 31, 2020 industry volumes of about 3.50 million units. A decrease in the Company volumes is somewhat less for the year ending March 31, 2021 and 2022, compared to the industry assumptions referenced.

- Reduction in capital expenditure considering the macroeconomic environment by suspending certain prog. Estimated capital expenditure for the year ending March 31, 2021 is ₹1,500 crores for the Company.

- Working capital cash inflows due to lower levels of inventory and trade receivables along with increase in acceptances with more suppliers/vendors opting for the same resulting in a net cash inflow of ₹1,500 crores in the year ending March 31, 2021 as compared to year ended March 31, 2020

ii) Available credit facilities

- Long term borrowings subsequent to March 31, 2020 raised of ₹1,000 crores (Note 47(i)) and borrowings agreed with lenders of ₹3,000 crores.

- Various undrawn limits available with the Company amounting to ₹4,065 crores, under Revolving credit facility and limits with Consortium banks as at March 31, 2020.

- Exercise of options by Tata Sons Private Limited (Note 23)

Notes Forming Part of Consolidated Financial Statements

Based on the above factors, Management has concluded that the 'going concern' assumption is appropriate. Accordingly, the financial statements do not include any adjustments regarding the recoverability and classification of the carrying amount of assets and classification of liabilities that might result, should the Company be unable to continue as a Going Concern.

Going concern for Jaguar Land Rover business

Jaguar Land Rover business (JLR) has adopted Going concern basis following a rigorous assessment of the financial position and forecasts of the JLR through to September 30, 2021. In particular, careful consideration has been given to the impact of COVID-19, in recognition of the impact it has had on the global economy and automotive industry. The impact has been significant, requiring temporary plant and retailer shutdowns, thereby impacting production and sales, and creating substantial uncertainty over the timeframe for economies and the automotive industry to recover.

Liquidity and funding

JLR ended the financial year March 31, 2020, with substantial liquidity of GBP 5.6 billion (₹52,379.38 crores), including GBP 3.7 billion (₹34,607.80 crores) of cash and other highly liquid investments and a GBP 1.9 billion (₹17,771.57 crores) undrawn revolving credit facility. Net debt was GBP 2.2 billion (₹20,577.61 crores) after GBP 5.9 billion (₹55,185.41 crores) of gross debt and net assets stood at GBP 6.6 billion (₹61,732.84 crores).

The GBP 5.9 billion (₹55,185.41 crores) of gross debt consists mainly of long-dated bonds (face value GBP 3.8 billion (₹35,543.15 crores) outstanding as at March 31, 2020) with various maturities out to 2027, a US$1 billion (₹7,562.75 crores) syndicated bank loan with final maturity in 2025, a GBP 625 million (₹5,845.91 crores) amortising UKEF facility with final maturity in 2024 (face value GBP 573 million (₹5,359.53 crores) outstanding at March 31, 2020), a GBP 100 million (₹935.35 crores) short term secured fleet buy back working capital facility and GBP 540 million (₹5,050.87 crores) of leases. The only contractual debt maturities over the review period are a GBP 300 million (₹2,806.04 crores) bond maturity in January 2021 and the amortisation of GBP 188 million (₹1,758.45 crores) of the UKEF facility as well as the Black Horse fleet buy back facility maturing in Q3 FY21. The undrawn revolving credit facility matures in July 2022. The debt and revolving credit facility have no financial covenant requirements, with the exception of the UKEF facility, which has a GBP 1 billion (₹9,353.46 crores) global liquidity requirement, measured at Quarter ends. This is not projected to be breached in any of the downside scenarios assessed and summarised later in this disclosure. See note 27, Interest Bearing Loans and Borrowings, for additional detail.

Subsequent to the year end, JLR increased an existing short-term working capital facility from GBP 100 million (₹935.35 crores) to GBP 163 million (₹1,524.61 crores) and a wholly-owned Chinese subsidiary completed a GBP 170million (₹1,590.09 crores) equivalent 1-year loan with a Chinese bank. The GBP 170 million (₹1,590.09 crores) equivalent loan was then repaid in June and replaced with a new 3-year GBP 567 million (₹5,303.41 crores) equivalent facility with a syndicate of 5 Chinese banks. The GBP 567 million (₹5,303.41 crores) equivalent syndicated loan is subject to an annual review customary in the Chinese banking market and a profitability and leverage covenant applicable only to JLR's Chinese subsidiary, which are not expected to be breached in any of the scenarios tested. JLR has a strong track record of raising funding in the bond and bank markets and continues to expect it will have opportunities to issue new funding in the future as evidenced by the completion of the Chinese GBP 567 million (₹5,303.41 crores) syndicated loan in June 2020. In addition, JLR has had discussions to access part of the GBP 330 billion (₹3,086,641.80 crores) of guarantees announced by the UK government to assist companies with COVID-19 but nothing has been agreed so the going concern analysis does not assume anything for this.

JLR generally requires payment from retailers on or shortly after delivery of the vehicle. Most dealers use wholesale financing arrangements in place to pay for vehicles. These facilities do not involve recourse to JLR in general and as such are not accounted as JLR debt. JLR expect these facilities to continue over the going concern review period in all scenarios. In the event any of these facilities were not to continue and retailers were unable to settle invoices immediately, working capital would be negatively impacted, possibly significantly, but this risk is considered remote. In addition, JLR has in place US$700 million (₹5,293.93 crores) debt factoring facility for selected retailers and distributors without such wholesale financing arrangements in place. At March 31, 2020, GBP 392 million (₹3,666.56 crores) of the facility was utilised. The facility matures in March 2021 and JLR expect this to be renewed at that time. In the event any of these facilities were not to continue, working capital would be negatively impacted, possibly significantly, but this risk is considered remote.

Update on trading performance since year end

The COVID-19 pandemic and resulting lockdowns resulted in a sharp drop in sales first in China in late January and then other regions in late March with a peak sales decrease in April. JLR responded quickly to the COVID-19 pandemic with temporary plant shutdowns and rigorous cost and investment controls to conserve cash as much as possible. The China joint venture production plant was shut down in late January and reopened in late February. All plants outside of China were shutdown from late March with most plants restarting from late May and production is expected to gradually increase as sales recover.

As a result of the impact of COVID-19 on sales and production, JLR had negative free cash in April and May of about GBP 1.5 billion (₹14,030.19 crores). This includes a GBP 1.2 billion (₹11,224.15 crores) unwind of working capital resulting from the plant shutdowns. The working capital unwind primarily reflects the runoff of payments to suppliers for vehicles built before the plant shutdowns, offset partially by the sale of vehicles in inventory. Cash

Notes Forming Part of Consolidated Financial Statements

at the end of May was about GBP 2.4 billion (₹22,448.30 crores), including about GBP 278 million (₹2,600.26 crores) in international subsidiaries and the revolving credit facility of GBP 1.9 billion (₹17,771.57 crores) remained available and undrawn. A free cash outflow of less than GBP 2 billion (₹18,706.92 crores) is now expected in Q1 of FY21.

JLR is planning for a gradual recovery in the business as lockdowns are relaxed and economies recover. The pick-up in China has been encouraging with all retailers now open and retail sales of 6,828 vehicles in April 2020 (down 3.1% compared to April 2019) and 8,068 in May 2020 (up 4.2% compared to May 2019). The sales of Range Rover and Range Rover Sport have been particularly encouraging.

Other regions have seen peak lockdowns in April with total worldwide retail sales of 14,709 vehicles in April (down 62.5% year-on-year), improving somewhat in May to 20,024 units (down 43.3%). Sales are expected to gradually recover in other regions following the reopening of retailers. Most recently, over 97% of retailers worldwide are open or partially open.

JLR plans to resume production gradually to meet demand as it recovers. The Solihull and Halewood assembly plants and engine plant in the UK, the Slovakia plant and contract manufacturing line in Graz (Austria) restarted from late May. The Castle Bromwich plant will reopen in due course while the joint venture plant in China has been open since late February. Given the present uncertainties, Jaguar Land Rover will continue to manage costs and investment spending rigorously to protect liquidity. JLR has announced the Project Charge (now Charge+) transformation programme achieved a further GBP 600 million (₹5,612.08 crores) of cash improvements in the Q4 of FY20, increasing lifetime savings under the programme to GBP 3.5 billion (₹32,737.11 crores) since launch in the Q2 of FY19, including investment saving of GBP 1.9 billion (₹17,771.57 crores) measured relative to original planning targets. (All savings attributed to Project Charge+ are unaudited pro forma analytical estimates)

JLR has announced a Charge+ saving target for FY21 of GBP 1.5 billion (₹14,030.19 crores) across investment spending, inventory, and selling and administrative as well as material and warranty costs.

JLR has also implemented enhanced cost and investment reduction processes and controls complementing Project Charge in response to COVID-19. This includes reductions in non product spending and lower margin and non-critical investment spending and numerous other cost control measures.

As discussed, the outlook beyond Q1 this year remains uncertain. However, JLR presently expects a gradual recovery of sales consistent with external industry estimates and improving cash flow boosted by the recovery of working capital as a result of the resumption of production, lower investment and other Project Charge+ cost reductions.

Going concern forecast scenarios

For the purposes of assessing going concern over the period from the date of signing of accounts to September 30, 2021, JLR has considered 3 scenarios: 1) Base Case, 2) Severe and 3) Extreme Severe. These scenarios are summarised below with more detailed assumptions provided in the appendix at the end of this disclosure.

As indicated, JLR had about GBP 2.4 billion (₹22,448.30 crores) of cash and short-term liquid investments at the end of May 2020. This includes the GBP 63 million (₹589.27 crores) increase in short term working capital facility and GBP 170 million (₹1,590.09 crores) equivalent 1-year loan with a Chinese Bank which were complete after March 2020 and excludes the GBP 567 million (₹5,303.41 crores) equivalent three-year loan facility which replaced the 1 year China loan. As a result, total debt at the end of May was about GBP 6.5 billion (₹60,797.49 crores).

Scenario 1: base case

The base case scenario assumes:

- A global industry volume forecast of about 71 million units for calendar year 2020 and 81 million units for 2021, representing decreases of about 21% and 10% respectively compared to 2019 industry volumes of about 90 million units based on a number of external industry volume forecasts.
- A decrease in JLR wholesale volumes somewhat greater for FY21 and somewhat less for FY22 compared to the industry assumptions referenced
- Investment, inventory and cost improvements are broadly consistent with the GBP 1.5 billion (₹14,030.19 crores) Project Charge target described above in FY21. There is not yet a Charge target for FY22 and so not all of the saving in FY21 are assumed to continue at the same level in FY22 for the purposes of this going concern analysis.
- Total liquidity including the revolving credit facility is forecast to remain more than adequate with significant headroom in this scenario.

Scenario 2: severe scenario

The severe scenario assumes:

- Global Industry volumes of about 55 million units for calendar year 2020 and about 65 million units for calendar year 2021, representing decreases of about 39% and 28% respectively compared to calendar year 2019. This represents a more L shaped recovery from COVID-19, based on selected external industry downside forecasts.
- A decline in JLR wholesale volumes for FY21 and FY22 broadly similar to the assumed industry decline referenced.
- Investment, inventory and cost improvements broadly consistent with Project Charge targets indicated above but increased by about 15% in FY21

Notes Forming Part of Consolidated Financial Statements

[and about 5% in FY22] to partially mitigate the lower volumes in this scenario.

- Total liquidity including the revolving credit facility was forecast to remain adequate in this scenario but with lower headroom than in the base case.

Scenario 3: extreme severe scenario

An extreme severe scenario was assessed which is the same as Scenario 2 but with the following further sensitivities applied:

- A further volume reduction of about 5% in FY21 resulting in JLR wholesale volumes down about 35% in FY21 and about 27% in H1 FY22, compared to FY20.
- Partial non-achievement of target Charge+ targets with respect to inventory and cost savings including material costs, overheads and warranty
- Modest incremental supply chain cash impacts results from COVID-19
- A hard Brexit resulting in 10% WTO tariffs on UK vehicle exports to EU countries and increased logistics and other associated costs from January 1, 2021 offset partially by the impact of a weaker pound expected in such a scenario
- A number of smaller other sensitivities.

  In this more severe scenario, JLR has identified a number of "tough choice" mitigating actions within their control that would be implemented to maintain sufficient liquidity in the business to remain a going concern. These actions include:

- Further significant reductions in investment spending
- Reductions in fixed marketing and other marketing related costs
- Certain other discretionary costs.

  In this more severe scenario, and taking into account these controllable mitigating actions, total liquidity including the revolving credit facility was forecast to remain adequate (without breaching the UKEF quarter –end liquidity covenant) but with more limited headroom.

Going concern conclusions

As described above, JLR have considered going concern in three scenarios: 1) Base Case, 2) Severe and 3) Extreme Severe.

In each of these scenarios, sufficient liquidity is forecast for JLR to operate and discharge its liabilities as they fall due, taking into account only cash generated from operations, controllable mitigating actions and the funding facilities existing on the date of authorisation of these financial statements and as at March 31, 2020, including the presently undrawn revolving credit facility. In practice, management also expect JLR will be able to raise additional funding facilities over the assessment period to increase available liquidity, considering the strong track record of raising funding in the bond and bank markets.

Management do not consider more extreme scenarios than the ones assessed to be plausible.

As described above, management, after reviewing JLR's Operating budgets, investment plans and financing arrangements, consider that JLR has sufficient funding available at the date of approval of these financial statements.

Appendix: detailed assumptions

This going concern analysis is based on detailed assumptions on how the business normally operates and how COVID-19 might impact the business. The assumptions include but are not limited to the following considerations. Except where stated otherwise, the assumptions are the same for all scenarios.

Dealer network

Currently, over 97% of retailers worldwide are open or partially open although this varies by region and some dealers are open on a constrained basis. The shutdown of dealers during the pandemic has undoubtedly decreased the financial strength of the retailer network with announcements of layoffs and other actions to reduce costs. Jaguar Land Rover is continuously engaging with its retailers and at present is not assuming material risks associated with retailer distress in any of the scenarios.

Supplier base

The business is carefully monitoring the impact of the COVID-19 shutdown on the supply base and readiness of suppliers to support the gradual resumption of production underway. Many of our suppliers are large well-capitalized companies, with others being smaller and medium sized suppliers who tend to have less financial flexibility. At present there are a limited number of known supplier issues, which at this point are not materially different to historically experienced levels. JLR is therefore not presently assuming these represent a material risk compared to historically experienced levels in the Base Case and Severe Scenarios – supplier claims in May 2020 are below prior year levels in terms of number and value. The Extreme Severe Scenario assumes a modest increase in supply chain cash costs related to COVID-19.

Suppliers are on payment terms ranging from 7 to 64 days, with the standard terms being 60 days and the average 58 days. No change in supplier terms is assumed in the going concern analysis compared to historical experience.

Covid-19 and Production Restart Considerations

JLR's production facilities have been modified to protect the safety of our employees and to comply with social distancing legislation. Production ramp up post lockdown has been managed to ensure that these changes within the facilities are embedded quickly and JLR don't expect them to have a lasting impact of the variable costs of production. Restart plans have been coordinated with our supply base

Notes Forming Part of Consolidated Financial Statements

to ensure that all our suppliers can support the production schedule effectively.

Production facility restarts have been demand led in order to ensure that JLR manage the impact on variable profit margins. Given the high level of uncertainty JLR has ensured that they remain flexible and react to changes swiftly.

Employees

For the purposes of this going concern analysis, no structural changes are assumed to the permanent employee base in any of the scenarios. JLR has participated in the UK job retention scheme whereby the government partially reimburses the wage and salary costs of furloughed workers. At its peak about 20,000 employees were furloughed providing about GBP 50 million (₹467.67 crores) of monthly subsidy. However participation is now decreasing with plants reopening and it is assumed the programme will not continue after October.

Working capital

Working capital movements in cash flow are significantly driven by volume levels and changes. This is because supplier payment terms are about 58 days on average although payment terms for individual suppliers can be longer or shorter, while payments for vehicles are received in most countries within a few days of dealers being invoiced. Inventories can also vary to the extent wholesale volumes deviate from forecast before production can be adjusted but in general JLR has set a Charge+ inventory target of GBP 3 billion (₹28,060.38 crores) or lower.

JLR had negative free flow in April and May of about GBP 1.5 billion (₹14,030.19 crores). This includes a GBP 1.2 billion (₹11,224.15 crores) unwind of working capital resulting from the plant shutdowns. The working capital unwind primarily reflects the runoff of payments to suppliers for vehicles built before the plant shutdowns, offset partially by the sale of vehicles in inventory. Cash at the end of May was about GBP 2.4 billion (₹22,448.30 crores), including about GBP 278 million (₹2,600.26 crores) in international subsidiaries and the revolving credit facility of GBP 1.9 billion (₹17,771.57 crores) remained available and undrawn. A free cash outflow of less than GBP 2 billion (₹18,706.92 crores) is now expected in Q1 of FY21.

As production volumes resume, this effect is assumed to reverse and wholesale revenues are assumed to increase while payments to suppliers will lag because of the difference between supplier and dealer payment terms described.

Intra-period volatility

There is a certain degree of volatility in cashflows by month and within months. Historically this has averaged about GBP 188 million (₹1,758.45 crores) intra-month with only a very limited number of exceptions over GBP 400 million (₹3,741.38 crores). It is assumed this level of volatility varies with sales and production volumes and so would be smaller in lower volume scenarios. While not assumed, this could be reduced through more active day to day management of receipts and payments.

Brexit

The Scenario 1 and Scenario 2 assumption for Brexit is that a deal is agreed to avoid a hard Brexit. Scenario 3 assumes a hard Brexit. A hard Brexit is assumed to result in 10% WTO tariffs on UK vehicle exports to EU countries and increased logistics and other associated costs from January 1, 2021, offset partially by the impact of a weaker pound expected in such a scenario.

f. 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 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 - Impairment of indefinite life intangible assets

iv) Note 22 - Recoverability / recognition of deferred tax assets

v) Note 30 - Provision for product warranty

vi) Note 38 - Assets and obligations relating to employee benefits

vii) Note 18 - Allowances for credit losses for finance receivables

viii) Estimated discounts / incentives required to be paid to dealers on retail of vehicles

ix) Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):

The COVID-19 pandemic has been rapidly spreading throughout the world, including India and other countries where the Group has its operations. Governments around the world have been taking significant measures to curb the spread of the virus including imposing mandatory lockdowns and restrictions in activities. Consequently, many of the Group's manufacturing plants and offices had to be closed down for a considerable period of time, including after the year end. As a result of the lockdown, the likely revenue from the quarter ended March 31, 2020 has been impacted. Continued lockdowns are likely to impact the Group

Notes Forming Part of Consolidated Financial Statements

operationally including on supply chain matters. The Company is monitoring the situation closely taking into account directives from the Governments. Further, the Reserve Bank of India (RBI) has announced moratorium on loan repayments for specific borrower segments which impacts Group's vehicle financing business in India. Management believes that it has taken into account all the possible impacts of known events arising from COVID-19 pandemic and the resultant lockdowns in the preparation of the financial statements including but not limited to its assessment of Group's liquidity and going concern, recoverable values of its property, plant and equipment, intangible assets, intangible assets under development, allowance for losses for finance receivables and the net realisable values of other assets. However, given the effect of these lockdowns on the overall economic activity globally and in particular the countries where the Group operates and in particular on the global automotive industry, the impact assessment of COVID-19 on the abovementioned financial statement captions is subject to significant estimation uncertainties given its nature and duration and, accordingly, the actual impacts in future may be different from those estimated as at the date of approval of these financial statements. The Company will continue to monitor any material changes to future economic conditions and consequential impact on its financial results.

g. 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 recognizes revenues on the sale of products, net of discounts, sales incentives, customer bonuses and rebates granted, when products are delivered to dealers or when delivered to a carrier for export sales, which is when 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 recognized net of their costs within revenues in the income statement.

Revenues are recognized 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 recognized 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 recognized as a contract liability until the service obligation has been met.

The Company operates certain customer loyalty prog 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 recognized 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 recognized 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 recognized as Deferred income liability and (ii) the agreed buy back price is recognized as Buy back liability. Deferred income liability is recognized 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 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.

h. 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.

Notes Forming Part of Consolidated Financial Statements

These are recognised in the consolidated statement of profit and loss, either on a systematic basis when the Company recognizes, 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.

i. 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.

j. 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 a separate asset.

ii) Provision for onerous obligations

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting its obligations under the contract. It is recognized when the Company has entered into a binding legal agreement for the purchase of components from suppliers that exceeds the benefits from the expected future use of the components and the Company sells the finished goods using the components at a loss.

iii) 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.

iv) 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.

v) 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.

k. Foreign currency

These consolidated financial statements are presented in Indian rupees, which is the functional currency of Tata Motors Limited. Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Foreign currency denominated monetary assets and liabilities are re-measured into the functional currency at the exchange rate prevailing on the balance sheet date. Exchange differences are 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.

l. 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

Notes Forming Part of Consolidated Financial Statements

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.

m. 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.

n. 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.

o. 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.

p. 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.

q. 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.

Notes Forming Part of Consolidated Financial Statements

Estimated useful lives of assets are as follows:

Type of Asset	Estimated useful life
Patents and technological know how	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 costs 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.

r. Leases [refer note 2 (x) (i)]

The Company determines that a contract is or contains a lease, if the contract conveys right to control the use of an identified asset for a period of time in exchange for a consideration. At the inception of a contract which is or contains a lease, the Company recognises lease liability at the present value of the future lease payments for non-cancellable period of a lease which is not short term in nature, except for lease of low value items. The future lease payments for such non-cancellable period is discounted using the Company's incremental borrowing rate. Lease payments include fixed payments, i.e. amounts expected to be payable by the Company under residual value guarantee, the exercise price of a purchase option, if the Company is reasonably certain to exercise that option and payment of penalties for terminating the lease, if the lease term considered reflects that the Company shall exercise termination option. The Company also recognises a right of use asset, which comprises of amount of initial measurement of the lease liability, any initial direct cost incurred by the Company and estimated dilapidation costs.

Right of use assets is amortised over the period of lease or useful life of underlying assets.

Payment made towards short term leases (leases for which non-cancellable term is 12 months or lesser) and low value assets (lease of assets worth less than ₹0.03 crores) are recognised in the statement of Profit and loss as rental expenses over the tenor of such leases.

s. 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.

t. 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.

Notes Forming Part of Consolidated Financial Statements

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 ₹1,50,000, 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.

Given the investment pattern prescribed by the authorities, most investments of provident fund has historically been in debt securities, thereby giving secure returns. However, during the year ended March 31, 2020, due to a ratings downgrade and potential bond default of some of the companies, the total liability of principal and interest guarantee has been actuarially valued as a defined benefit.

Notes Forming Part of Consolidated Financial Statements

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.

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.

u. 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 Indian GAAP 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, 2020 (₹ Nil as at March 31, 2019).

v. 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.

w. 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

Notes Forming Part of Consolidated Financial Statements

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 derecognizes a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a 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.

iv) Impairment of financial assets

The Company recognizes 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.

Notes Forming Part of Consolidated Financial Statements

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.

x. Recent accounting pronouncements

i) New accounting pronouncements adopted by the Company during the current financial year

Ind AS 116 – Leases (refer note 4 - Right-of-use assets)

The Company adopted Ind AS 116 with effect from April1, 2019. In accordance with Ind AS 116, at the inception of a contract, the Company assessed whether the contract is or contains a lease.

The Company used following practical expedients on date of initial application of Ind AS 116.

1. With leases previously classified as operating leases according to Ind AS 17, the lease liability was 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 was recognised at an amount equal to the lease liability;
2. Regardless of their original lease term, leases for which the lease term ends latest on March 31, 2020, were recognised as short-term leases;
3. At the date of initial application, the measurement of a right-of-use asset excluded the initial direct costs; and
4. Hindsight was considered when determining the lease term if the contract contains options to extend or terminate the leases.

The Company has recognized ₹5,583.62 crores as right of use assets and lease liability of ₹5,779.76 crores as on the date of transition i.e. April 1, 2019. Further, an amount of ₹1,035.97 crores has been reclassified from non- current / current assets to right of use assets for prepaid operating lease rentals.

Lease payments of short term leases and leases of low value items are recognized as expense equally over the period of lease. Any lease for which non-cancellable period is less than 12 months is classified as short term lease. Any lease for an asset whose initial value is less than ₹ 0.03 crores is classified as a low value item.

ii) Amendments issued by MCA to existing standards

The Company adopted following amendments issued by MCA effective from financial year beginning April 1, 2019.

i) 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 & loss, other comprehensive income or equity, as the case may be. Currently, the Company is recognizing dividend distribution tax on dividends paid to Shareholders in the statement of changes in equity, as per the amendment, the Company will recognize dividend distribution tax on dividend distributed to Shareholders as income tax expense in its statement of profit or 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.

Notes Forming Part of Consolidated Financial Statements

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.

ii) 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.

iii) Amendments 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.

There were no significant impact on the Company's financial statements upon adoption of the above amendments issued by MCA.

Notes Forming Part of Consolidated Financial Statements

(y) 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, 2020	As at March 31, 2019
	Direct Subsidiaries			
1	TML Business Services Limited [name changed from Concorde Motors (India) Limited]	India	100.00	100.00
2	Tata Motors Insurance Broking and Advisory Services Limited	India	100.00	100.00
3	Tata Motors European Technical Centre PLC	UK	100.00	100.00
4	Tata Technologies Limited	India	72.48	72.28
5	TMF Holdings Limited	India	100.00	100.00
6	Tata Marcopolo Motors Limited	India	51.00	51.00
7	TML Holdings Pte. Limited	Singapore	100.00	100.00
8	TML Distribution Company Limited	India	100.00	100.00
9	Tata Hispano Motors Carrocera S.A.	Spain	100.00	100.00
10	Tata Hispano Motors Carrocerries Maghreb SA	Morocco	100.00	100.00
11	Trilix S.r.l.	Italy	100.00	100.00
12	Tata Precision Industries Pte. Limited	Singapore	78.39	78.39
13	Brabo Robotics and Automation Limited (Incorporated w.e.f July 17, 2019)	India	100.00	-
	Indirect subsidiaries *			
14	Tata Daewoo Commercial Vehicle Company Limited	South Korea	100.00	100.00
15	Tata Daewoo Commercial Vehicle Sales and Distribution Company Limited	South Korea	100.00	100.00
16	Tata Motors (Thailand) Limited	Thailand	97.17	95.87
17	Tata Motors (SA) (Proprietary) Limited	South Africa	60.00	60.00
18	PT Tata Motors Indonesia	Indonesia	100.00	100.00
19	Tata Technologies (Thailand) Limited	Thailand	72.48	72.28
20	Tata Technologies Pte Limited	Singapore	72.48	72.28
21	INCAT International Plc.	UK	72.48	72.28
22	Tata Technologies Europe Limited	UK	72.48	72.28
23	Escenda Engineering AB	UK	72.48	72.28
24	INCAT GmbH.	Germany	72.48	72.28
25	Tata Technologies Inc.	USA	72.48	72.34
26	Tata Technologies de Mexico, S.A. de C.V.	Mexico	72.48	72.34
27	Cambric Limited	USA	72.48	72.31
28	Cambric GmbH	Germany	72.48	72.34
29	Tata Technologies SRL Romania	Romania	72.48	72.31
30	Tata Manufacturing Technologies (Shanghai) Limited	China	72.48	72.28
31	Jaguar Land Rover Automotive Plc	UK	100.00	100.00
32	Jaguar Land Rover Limited	UK	100.00	100.00
33	Jaguar Land Rover Austria GmbH	Austria	100.00	100.00
34	Jaguar Land Rover Belux NV	Belgium	100.00	100.00
35	Jaguar Land Rover Japan Limited	Japan	100.00	100.00
36	Jaguar Cars South Africa (Pty) Limited	South Africa	100.00	100.00
37	JLR Nominee Company Limited	UK	100.00	100.00
38	The Daimler Motor Company Limited	UK	100.00	100.00
39	Daimler Transport Vehicles Limited	UK	100.00	100.00
40	S.S. Cars Limited	UK	100.00	100.00
41	The Lanchester Motor Company Limited	UK	100.00	100.00
42	Jaguar Land Rover Deutschland GmbH	Germany	100.00	100.00
43	Jaguar Land Rover Classic Deutschland GmbH	Germany	100.00	100.00
44	Jaguar Land Rover Holdings Limited	UK	100.00	100.00

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, 2020	As at March 31, 2019
45	Jaguar Land Rover North America LLC	USA	100.00	100.00
46	Land Rover Ireland Limited	Ireland	100.00	100.00
47	Jaguar Land Rover Nederland BV	Netherlands	100.00	100.00
48	Jaguar Land Rover Portugal - Veiculos e Pecas, Lda.	Portugal	100.00	100.00
49	Jaguar Land Rover Australia Pty Limited	Australia	100.00	100.00
50	Jaguar Land Rover Italia Spa	Italy	100.00	100.00
51	Jaguar Land Rover Espana SL	Spain	100.00	100.00
52	Jaguar Land Rover Korea Company Limited	South Korea	100.00	100.00
53	Jaguar Land Rover (China) Investment Co. Limited	China	100.00	100.00
54	Jaguar Land Rover Canada ULC	Canada	100.00	100.00
55	Jaguar Land Rover France, SAS	France	100.00	100.00
56	Jaguar Land Rover (South Africa) (Pty) Limited	South Africa	100.00	100.00
57	Jaguar e Land Rover Brasil industria e Comercio de Veiculos LTDA	Brazil	100.00	100.00
58	Limited Liability Company "Jaguar Land Rover" (Russia)	Russia	100.00	100.00
59	Jaguar Land Rover (South Africa) Holdings Limited	UK	100.00	100.00
60	Jaguar Land Rover India Limited	India	100.00	100.00
61	Jaguar Cars Limited	UK	100.00	100.00
62	Land Rover Exports Limited	UK	100.00	100.00
63	Jaguar Land Rover Pension Trustees Limited	UK	100.00	100.00
64	Jaguar Racing Limited	UK	100.00	100.00
65	InMotion Ventures Limited	UK	100.00	100.00
66	Lenny Insurance Limited (Name changed from InMotion Ventures 1 Limited w.e.f. September 6, 2019)	UK	100.00	100.00
67	InMotion Ventures 2 Limited	UK	100.00	100.00
68	InMotion Ventures 3 Limited	UK	100.00	100.00
69	InMotion Ventures 4 Limited	UK	100.00	100.00
70	Shanghai Jaguar Land Rover Automotive Services Company Limited	China	100.00	100.00
71	Jaguar Land Rover Slovakia s.r.o	Slovakia	100.00	100.00
72	Jaguar Land Rover Singapore Pte. Ltd.	Singapore	100.00	100.00
73	Jaguar Land Rover Columbia S.A.S	Columbia	100.00	100.00
74	PT Tata Motors Distribusi Indonesia	Indonesia	100.00	100.00
75	Tata Motors Finance Solutions Limited	India	100.00	100.00
76	Tata Motors Finance Limited	India	100.00	100.00
77	TMNL Motor Services Nigeria Limited	Nigeria	100.00	100.00
78	Jaguar Land Rover Ireland (Services) Limited	Ireland	100.00	100.00
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 Seoul Limited	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

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, 2020	As at March 31, 2019
94	Spark44 Colombia S.A.S.	Columbia	50.50	50.50
95	Spark44 Taiwan Limited	Taiwan	50.50	50.50
96	Jaguar Land Rover Taiwan Company Limited	Taiwan	100.00	100.00
97	Jaguar Land Rover Servicios Mexico,S.A. de C.V.	Mexico	100.00	100.00
98	Jaguar Land Rover Mexico,S.A.P.I. de C.V.	Mexico	100.00	100.00
99	Jaguar Land Rover Hungary KFT	Hungary	100.00	100.00
100	Jaguar Land Rover Classic USA LLC	USA	100.00	100.00
101	Jaguar Land Rover Ventures Limited (Incorporated w.e.f. May 16, 2019)	UK	100.00	-
102	Bowler Motors Limited (Name changed from Jaguar Land Rover Auto Ventures Limited)	UK	100.00	-
103	Jaguar Land Rover (Ningbo) Trading Co. Limited (Incorporated w.e.f. November 4, 2019)	China	100.00	-
*	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, 2020	As at March 31, 2019
JOINT OPERATIONS				
1	Fiat India Automobiles Private Limited	India	50.00	50.00
2	Tata Cummins Private Limited	India	50.00	50.00
JOINT VENTURES				
3	Tata HAL Technologies Limited **	India	36.24	36.14
4	Chery Jaguar Land Rover Automotive Company Limited	China	50.00	50.00
5	JT Special Vehicles Pvt. Limited	India	50.00	50.00
6	Loginomic Tech Solutions Private Limited ('TruckEasy')	India	26.00	26.00

** 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 associate Company	Country of incorporation	% of holding either directly or through subsidiaries	
			As at March 31, 2020	As at March 31, 2019
1	Automobile Corporation of Goa Limited	India	49.77	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	37.50
9	DriveClubService Pte. Ltd.	Singapore	25.07	25.07

Notes Forming Part of Consolidated Financial Statements

3. PROPERTY, PLANT AND EQUIPMENT

(₹ in crores)

	Owned assets							Given on lease				Taken on lease				
	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	Total
Cost as at April 1, 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
Effect of transition on adoption of Ind AS 116	-	(76.01)	-	-	-	-	-	-	-	-	-	(97.38)	(192.34)	(4.31)	(186.15)	(556.19)
Additions	27.53	2,989.01	11,246.74	133.33	145.76	346.89	-	-	-	-	64.79	-	-	-	-	14,954.05
Additions through acquisitions	-	5.30	1.16	0.60	0.03	-	-	-	-	-	-	-	-	-	-	7.09
Disposal/Adjustments	-	(19.47)	(673.06)	(46.65)	(40.55)	(29.48)	(8.67)	-	(0.38)	-	(11.14)	-	-	-	-	(829.40)
Currency translation differences	87.70	921.99	3,181.89	48.69	5.85	65.43	12.12	0.64	1.06	-	-	-	-	-	-	4,325.37
Cost as at March 31, 2020	**7,401.49**	**26,661.69**	**122,979.80**	**1,757.39**	**498.40**	**2,717.94**	**376.22**	**23.50**	**33.96**	**5.16**	**116.40**	-	-	-	-	**162,571.95**
Accumulated depreciation as at April 1, 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**
Effect of transition on adoption of Ind AS 116	-	-	-	-	-	-	-	-	-	-	-	(42.08)	(144.43)	(2.37)	(180.57)	(369.45)
Depreciation for the period	-	1,123.58	9,072.75	119.71	79.04	200.35	-	-	0.34	-	14.35	-	-	-	-	10,610.12
Disposal/Adjustments	-	(12.96)	(513.76)	(25.28)	(40.55)	(29.48)	-	-	(0.30)	-	(7.05)	-	-	-	-	(629.38)
Writeoff/impairment of assets	-	60.28	826.43	13.09	1.97	12.49	-	-	-	-	-	-	-	-	-	914.26
Currency translation differences	-	182.84	1,862.75	26.70	2.82	31.96	5.40	-	(0.07)	-	-	-	-	-	-	2,112.39
Accumulated depreciation as at March 31, 2020	-	**5,502.00**	**76,027.00**	**1,093.04**	**257.71**	**1,619.34**	**167.09**	-	**3.55**	**4.12**	**15.27**	-	-	-	-	**84,689.12**
Net carrying amount as at March 31, 2020	**7,401.49**	**21,159.69**	**46,952.81**	**664.35**	**240.69**	**1,098.60**	**209.13**	**23.50**	**30.41**	**1.04**	**101.13**	-	-	-	-	**77,882.83**
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
Reversal of assets classified as Held for sale	-	27.11	45.55	36.89	3.88	156.82	-	-	-	-	-	36.78	0.63	-	-	307.66
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)
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**

Notes Forming Part of Consolidated Financial Statements

4. (a) RIGHT-OF-USE ASSETS

On transition to Ind AS 116, the Group recognized right of use assets for leases of any assets, other than low value items or whichever are short term in nature. Lease liabilities were recognized for such right of use assets equal to the amount of discounted value of all future lease payments from the date of transition, except for certain leases for which right of use assets and lease liabilities were measured at the inception date of lease and carrying amount equivalent to depreciated value of right of use assets and amortised cost of the liability as of the date of transition were recorded.

The reconciliation of the Group's commitments towards all its Future minimum rental payments under non cancellable operating leases as at March 31, 2019 and lease liability recognized as per Ind AS 116 as at April 1, 2019 is as follows:

(₹ in crores)

Future minimum rental payments under non cancellable operating leases as at March 31, 2019	6,222.37
Operating leases with renewal and termination options, others, etc. recorded on transition	3,274.72
Extension and termination options in lease contract considered in lease liability recognized under Ind AS 116	64.84
Operating lease commitments for which no lease liabilities have been recorded on transition	(437.59)
Gross lease liabilities for former operating leases as at April 1, 2019	**9,124.34**
Discounting impact	(3,428.28)
Lease liabilities for former operating leases as at April 1, 2019	**5,696.06**
Present value of finance lease liabilities as at 31 March, 2019	83.70
Total lease liabilities as at April 1, 2019	**5,779.76**

When measuring lease liability, the Group discounted lease payments using its incremental borrowing rate at 1 April 2019. The weighted-average rate applied is 7.92%.

The following amounts are included in the Consolidated Balance Sheet as at 31 March 2020: (₹ in crores)

	2020
Current lease liabilities	814.18
Non-current lease liabilities	5,162.94
Total lease liabilities	**5,977.12**

The following amounts are recognised in the consolidated income statement for the year ended 31 March 2020: (₹ in crores)

	2020
Interest expense on lease liabilities	469.25
Variable lease payment not included in the measurement of lease liabilities	2.98
Income from sub-leasing of right-of-use assets	-
Expenses related to short-term leases	155.34
Expenses related to low-value assets, excluding short-term leases of low-value assets	69.56
Gains or losses arising from sale-and-leaseback transactions	-

(₹ in crores)

	Land	Buildings	Plant, machinery and equipments	Furniture, Fixtures and Office Appliances	Vehicles	Computers & other IT assets	Other Assets	Total
Cost as at April 1, 2019	-	-	-	-	-	-	-	-
Effect of transition on adoption of Ind AS 116	267.39	5,204.99	786.70	4.33	17.86	303.34	34.98	6,619.59
Additions	-	757.82	368.41	119.92	82.30	28.11	-	1,356.56
Disposals/adjustments	-	(144.30)	-	-	(1.41)	-	-	(145.71)
Currency translation differences	5.75	184.65	22.60	8.76	3.60	4.70	1.17	231.23
Cost as at March 31, 2020	**273.14**	**6,003.16**	**1,177.71**	**133.01**	**102.35**	**336.15**	**36.15**	**8,061.67**
Accumulated amortisation as at April 1, 2019	-	-	-	-	-	-	-	-
Effect of transition on adoption of Ind AS 116	0.15	39.65	142.70	2.37	-	180.57	-	365.44
Amortisation for the period	33.90	710.19	244.46	10.99	33.61	74.51	8.83	1,116.49
Impairment of Asset	-	260.36	36.56	-	-	0.08	-	297.00
Disposal/adjustments	-	(29.96)	-	-	(0.86)	-	-	(30.82)
Currency translation differences	1.33	22.24	9.50	0.62	1.34	2.83	0.36	38.22
Accumulated amortisation as at March 31, 2020	**35.38**	**1,002.48**	**433.22**	**13.98**	**34.09**	**257.99**	**9.19**	**1,786.33**
Net carrying amount as at March 31, 2020	**237.76**	**5,000.68**	**744.49**	**119.03**	**68.26**	**78.16**	**26.96**	**6,275.34**

The Company has committed towards leases of Plant Machinery and Equipments which has not yet commenced for ₹171 crores as on March 31, 2020.

Notes Forming Part of Consolidated Financial Statements

Note:

The Company has adopted Ind AS 116 with modified retrospective approach, with effect from April 1, 2019. Accordingly, the comparative periods have not been restated. The cumulative effect of initial application of the standard of ₹196.14 crores has been recognised as an adjustment to the opening balance of retained earnings as at April 1, 2019. The Company has recognized ₹5,583.62 crores as Right of use assets and lease liability of ₹5,779.76 crores as on the date of transition i.e. April 1, 2019. Further, an amount of ₹1,035.97 crores has been reclassified from non-current/current assets to Right of use assets for prepaid operating lease rentals. In the statement of profit and loss account for the year ended March 31, 2020 the nature of expenses in respect of operating leases has changed from lease rent in previous period to depreciation for the right of use asset and finance cost for interest accrued on lease liability. In respect of leases that were classified as finance lease, applying Ind AS 17, an amount of ₹415.43 crores has been reclassified from property, plant and equipment to Right of use assets. There is no material impact on profit/(loss) after tax and earnings per share for the quarter and year ended March 31, 2020, on adoption of Ind AS 116.

4 (b) LEASES AS A LESSEE UNDER IND AS 17

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		
	Operating	Finance	
	Minimum Lease Payments	Minimum Lease Payments	Present value of minimum lease payments
Not later than one year	1,099.41	33.00	29.59
Later than one year but not later than five years	2,626.12	97.09	79.12
Later than five years	2,496.83	249.25	64.76
Total minimum lease commitments	**6,222.36**	**379.34**	**173.47**
Less: future finance charges		(205.87)	
Present value of minimum lease payments		**173.47**	
Included in the financial statements as:			
Other financial liabilities - current (refer note 29)			17.30
Long-term borrowings (refer note 26)			156.17
			173.47

Total operating lease rent expenses were ₹1,077.42 crores for the year ended March 31, 2019.

5. GOODWILL

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
Balance at the beginning	747.87	116.45
Impairment	(8.31)	(8.11)
Reversal of held for sale	-	639.92
Currency translation differences	37.50	(0.39)
Balance at the end	**777.06**	**747.87**

As at March 31, 2020, goodwill of ₹**99.09 crores** and ₹**677.97 crores** relates to the passenger vehicles - automotive and related activity segment (Tata and other brand vehicles) and "others" segment, respectively. 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, 2020, goodwill of ₹**677.97 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, 2020, the estimated cash flows for a period of 5 years were developed using internal forecasts, and a pre-tax discount rate of 13.30%.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, 2019	**6,768.17**	**1,459.50**	**598.01**	**354.96**	**5,596.61**	**72,320.83**	**87,098.08**
Additions	1,179.17	120.81	-	0.22	-	12,019.33	13,319.53
Additions through acquisitions	-	-	-	10.32	-	-	10.32
Fully amortized not in use	(40.46)	-	-	-	-	(4,159.76)	(4,200.22)
Currency translation differences	265.41	44.53	18.11	5.67	186.99	2,419.46	2,940.17
Cost as at March 31, 2020	**8,172.29**	**1,624.84**	**616.12**	**371.17**	**5,783.60**	**82,599.86**	**99,167.88**
Accumulated amortisation/impairment as at April 1, 2019	**4,630.45**	**1,397.21**	**369.97**	**174.49**	**1,330.99**	**41,328.22**	**49,231.33**
Amortization for the year	907.58	39.93	22.89	25.36	-	8,703.06	9,698.82
Writeoff/impairment of assets	0.45					542.00	542.45
Asset fully amortised not in use	(40.46)	-	-	-	-	(4,159.76)	(4,200.22)
Currency translation differences	166.50	44.44	12.54	2.54	44.46	1,453.11	1,723.59
Accumulated amortisation/impairment as at March 31, 2020	**5,664.52**	**1,481.58**	**405.40**	**202.39**	**1,375.45**	**47,866.63**	**6,995.97**
Net carrying amount as at March 31, 2020	**2,507.77**	**143.26**	**210.72**	**168.78**	**4,408.15**	**34,733.23**	**42,171.91**
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**	**228.04**	**180.47**	**4,265.62**	**30,992.61**	**37,866.75**

(b) INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31, 2019
Balance at the beginning	23,345.67	23,890.56
Additions	16,222.16*	18,235.26
Transferred to cost of other intangible assets	(13,198.50)	(12,898.28)
Reversal of assets classified as held for sale	-	12.54
Write off/impairment	(162.69)	(5,386.48)
Currency translation impact	816.09	(507.93)
Balance at the end	**27,022.73**	**23,345.67**

* the additions during the year include allocation of central overheads amounting to ₹1,094.35 crores.

(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.

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) represents a single cash-generating unit ('CGU')

In response to the annual requirement of Ind AS 36, and also the economic impact of COVID-19, management performed an impairment assessment as at March 31, 2020.

For the current year assessment, the recoverable value was determined using the value in use ('VIU') approach outlined in Ind AS 36. No impairment was identified as the CGU recoverable amount exceeded its carrying amount by ₹ 3,554.31 crores (GBP 380 million). The impairment loss recorded in the previous year was not reversed because it was considered that there was no significant change in the headroom associated with the CGU.

The Company has considered it appropriate to undertake the impairment assessment with reference to the latest business plan that was in effect as at the reporting date. This plan has been updated to reflect management's best estimate of the impact of all relevant adjusting post balance sheet events, with consideration given to those arising due to the economic impact of COVID-19. The business plan includes a five-year cash flow forecast and contains growth rates that are primarily a function of the JLR's Cycle Plan assumptions, historic performance and management's expectation of future market developments through to 2024/25. In forecasting the future cash flows management have given due consideration to the risks that have arisen due to the current economic uncertainty.

The Company has assessed the impact of COVID-19 and adjusted the cash flow forecast to reflect the latest Cycle Plan changes, including investment spend and new vehicle volume forecast. Additionally, the Company has assessed the potential impacts of changes, if any, of a severe downside on volume in the short term impacted by COVID-19 pandemic. The potential impact of reasonably possible outcomes of volume scenarios has been included in the VIU calculations through an adjustment in the discount rate.

The key assumptions used to determine the CGU VIU were as follows:

Growth rate applied beyond approved forecast period - calculated based on the weighted average long term GDP forecasts based on JLRs geographical sales footprint.

Discount rate - the discount rate is calculated with reference to a weighted average cost of capital (WACC) calculated by reference to an industry peer Group. Inputs include risk-free rate, equity risk premium and risk adjustments based on Company-specific risk factors including risks associated with uncertainty in relation to the short-term impact of COVID-19, Brexit and possible US tariffs.

Forecast vehicles volumes –the 5-year volumes have been validated against industry standard external data for market segment and geography and adjusted to reflect historical experience and latest Cycle Plan assumptions;

Terminal value variable profit – the 5-year variable profit forecasts are comprised of revenue, variable marketing, warranty costs, material costs and other variable costs. These values have been validated against historical performance rather than internal targets and adjusted for execution risk by further constraining cash flow estimates. The business has a range of vehicles and models at different stages in their product lifecycle. This variability drives different contribution levels for each product throughout the assessment period. When considering the cash flows to model into perpetuity, it is therefore necessary to derive a steady-state variable profit value based on the 5-year volume set and associated implied variable profit levels;

Terminal value SG&A expenses - SG&A expenses comprise a combination of fixed and variable costs and are subject to ambitious current business plans. For the 5-year cash flow forecasts the ambition has been constrained by adjusting cashflows to reflect historical levels i.e. not including all of management's planned actions for continued cost control. The terminal value assumption is held at similar levels to the 5-year forecast period;

Terminal value capital expenditure – the 5-year cash flows timing and amount are prepared based on the latest Cycle Plan. The terminal value has been derived based the Company's best estimate of a maintenance levels of capital expenditure which has been derived from depreciation and amortisation expectations and longer-term trends which are included in the VIU calculation. Expenditure on new models is excluded as "expansionary capital" unless expenditure is committed and substantively incurred as at the reporting date.

Sensitivity to Key Assumptions

The key assumptions that impact the value in use are considered to be those that (i) involve a significant amount of judgement and estimation and (ii) drive significant changes to the recoverable amount when flexed under reasonably possible outcomes. As noted above, with a small level of headroom the VIU is sensitive to many reasonably possible changes, however, as a significant portion of the recoverable amount lies in the VIU terminal value, management have focussed disclosures on reasonably possible changes that impact the terminal value.

Given the inherent uncertainty about how risk may arise, and the interaction of volumes and cost management, management consider a net impact on terminal period cash flows to be the best means of indicating the sensitivity of the model to such changes in the terminal period.

Notes Forming Part of Consolidated Financial Statements

The value of key assumptions used to calculate the recoverable amount are as follows:

	As at March 31,	
	2020	2019
Growth rate applied beyond approved forecast period	1.9%	1.9%
Pre-tax discount rate	12.5%	11.8%
Terminal value variable profit (%GVR)	19.7%	22.6%
Terminal value capital expenditures (%GVR)	9.1%	11.0%

The table below shows the amount by which the value assigned to the key assumptions must change for the recoverable amount of the CGU to be equal to its carrying amount:

As at March 31 *	% Change	Revised Assumption
Growth rate applied beyond approved forecast period	-17.8%	1.6%
Pre-tax discount rate	2.8%	12.9%
Terminal value variable profit (%GVR)	-0.9%	19.5%
Terminal value capital expenditures (%GVR)	1.9%	9.3%

* For the year ended March 31, 2019, the recoverable amount of the CGU was equal to its carrying amount, therefore the above disclosure is not applicable.

In the impairment assessment performed by the Company as at March 31, 2019, the recoverable value was determined based on 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 exceptional impairment charge of ₹ 27,837.91 crores (GBP 3,105 million) being recognised within "Exceptional Items" as at March 31,2019.

The impairment loss of ₹ 27,837.91 crores (GBP 3,105 million) has been allocated initially against goodwill of ₹ 8.11 crores (GBP 1 million) and the relevant assets, and thereafter the residual amount has been allocated on a pro-rated basis. This has resulted in ₹12,513.09 crores (GBP 1,396 million) allocated against tangible assets and ₹15,316.71 crores (GBP 1,709 million) allocated against intangible assets.

8. IMPAIRMENT OF PASSENGER VEHICLE SEGMENT AND OTHER PROVISIONS

(a) Impairment of Passenger Vehicle segment

The Company assessed recoverable value for the Passenger Vehicle segment of Tata Motors Limited which represent a separate cash-generating unit (CGU) for the Company as at March 31, 2020, due to change in market conditions. The recoverable value of ₹ 9,120.31 crores was determined by Fair Value less Cost of Disposal ('FVLCD'), which was marginally higher than the Value in Use ('VIU') of the relevant assets of the CGU. The recoverable amount was lower than the carrying value of the CGU of ₹ 10,538.95 crores and this resulted in an impairment charge of ₹ 1,418.64 crores recognised within 'Exceptional items' as at March 31, 2020.

CGU's FVLCD has been valued using Comparable Company Market Multiple method (CCM). The average of enterprise value to sales multiple of Comparable Companies applied to actual sales of the CGU for years ended March 31 2019, March 31, 2020 and forecasted sales for the year ended March 31, 2021 has been considered as the FVLCD as per CCM.

The approach and key (unobservable) assumptions used to determine the CGU's FVLCD were as follows:

	As at March 31, 2020
Enterprise value to Sales multiple	0.75

The impairment loss of ₹**1,418.64 crores** has been allocated initially to the carrying value of non-current assets on a pro-rated basis as follows:

(₹ in crores)

	As at March 31, 2020
Property, plant and equipment (refer note 3)	634.15
Capital work-in-progress	71.21
Right of use assets (refer note 4)	45.94
Other intangible assets (refer note 6 (a))	542.00
Intangible assets under development (refer note 6 (b))	125.34
Total	**1,418.64**

Notes Forming Part of Consolidated Financial Statements

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, 2020 (although it should be noted that these sensitivities do not take account of potential mitigating actions):

	(₹ in crores)
Decrease in Enterprise value (EV) to Sales multiple by 10%	912.00

(b) Other provisions

During the quarter and year ended March 31, 2020, a provision has been recognized for certain make it supplier contracts ranging from 5 to 10 years, which have become onerous, as the Company estimates that it will procure lower quantities than committed and the costs will exceed the future economic benefit.

9. INVESTMENTS IN EQUITY ACCOUNTED INVESTEES:

(a) Associates:

The Company has no material associates as at March 31, 2020. The aggregate summarized 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, 2020	As at March 31, 2019
Carrying amount of the Company's interest in associates	1,036.26	1,039.34

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
Company's share of profit/(loss) in associates*	16.32	111.06
Company's share of other comprehensive income in associates	(3.37)	8.32
Company's share of total comprehensive income in associates	12.95	119.38

Fair value of investment in an equity accounted associate for which published price quotation is available, which is a level 1 input, was ₹**89.01 crores** and ₹169.69 crores as at March 31, 2020 and 2019, respectively. The carrying amount as at March 31, 2020 and 2019 was ₹**143.11 crores** and ₹138.70 crores, respectively.

(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, 2020	% holding As at March 31, 2019
Chery Jaguar Land Rover Automotive Co. Limited (Chery)	Manufacture and assembly of vehicles	China	50%	50%

Notes Forming Part of Consolidated Financial Statements

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 summarized financial information in respect of Chery that is accounted for using the equity method is set forth below.

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
Current assets	5,606.63	6,770.19
Non-current assets	14,686.38	13,024.47
Current liabilities	(12,616.20)	(9,992.36)
Non-current liabilities	(770.37)	(1,104.24)
The above amounts of assets and liabilities include the following:		
Cash and cash equivalents	2,602.83	2,860.13
Current financial liabilities (excluding trade and other payables and provisions)	(5,463.58)	(2,516.19)
Non-current financial liabilities (excluding trade and other payables and provisions)	(770.37)	(1,104.23)
Share of net assets of material joint venture	3,453.22	4,349.03
Other consolidation adjustments	(70.59)	(53.49)
Carrying amount of the Company's interest in joint venture	3,382.63	4,295.54

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31, 2019
Revenue	11,609.02	15,571.50
Net income/(loss)	(2,005.40)	111.95
Total comprehensive income for the year	**(2,005.40)**	**111.95**
The above net income includes the following:		
Depreciation and amortization	(1,804.73)	1,885.76
Interest income	122.37	(109.20)
Interest expense (net)	(222.34)	126.63
income tax expense/(credit)	505.36	57.81

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, 2020	As at March 31, 2019
Net assets of the joint venture	6,906.44	8,698.06
Proportion of the Company's interest in joint venture	3,453.22	4,349.03
Other consolidation adjustments	(70.59)	(53.49)
Carrying amount of the Company's interest in joint venture	3,382.63	4,295.54

During the year ended March 31, 2020, a dividend of **GBP 67.3 million** (₹**606.40 crores**) was received by a subsidiary in UK from Chery Jaguar Land Rover Automotive Co. Ltd. (2019 : GBP 21.69 million, ₹199.03 crores) and an amount of **GBP 67.3 million** (₹**606.40 crores**) was invested by UK subsidiary in Chery Jaguar Land Rover Automotive Co. Ltd.

Notes Forming Part of Consolidated Financial Statements

(ii) The aggregate summarized 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, 2020	As at March 31, 2019
Company's share of profit/(loss) in immaterial joint ventures*	-	(2.50)
Company's share of other comprehensive income in immaterial joint ventures	-	-
Company's share of total comprehensive income in immaterial joint ventures	-	(2.50)

(c) Summary of carrying amount of the Company's interest in equity accounted investees:

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
Carrying amount in immaterial associates	1,036.26	447.84
Carrying amount in immaterial associates (held for sale)	-	591.50
Carrying amount in material joint venture	3,382.63	4,295.54
TOTAL	**4,418.89**	**5,334.88**
Current (held for sale)	-	591.50
Non current	4,418.89	4,743.38
TOTAL	**4,418.89**	**5,334.88**

(d) Summary of Company's share of profit/(loss) in equity accounted investees:

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31, 2019
Share of profit/(loss) in immaterial associates	16.32	111.06
Share of profit/(loss) in material joint venture	(1,002.70)	55.98
Share of profit/(loss) on other adjustments in material joint venture	(13.62)	44.96
Share of profit/(loss) in immaterial joint ventures	-	(2.50)
	(1,000.00)	**209.50**

(e) Summary of Company's share of other comprehensive income in equity accounted investees:

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31, 2019
Share of other comprehensive income in immaterial associates	(2.48)	11.15
Currency translation differences-immaterial associates	(0.89)	(2.83)
Currency translation differences-material joint venture	103.50	(55.78)
	100.13	**(47.46)**

* 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

10. OTHER INVESTMENTS - NON-CURRENT

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
(a) Investments - measured at Fair value through Other Comprehensive Income		
Quoted:		
Equity shares	158.68	303.39
Unquoted:		
Equity shares	450.51	437.90
TOTAL	**609.19**	**741.29**
(b) Investments - measured at Fair value through profit or loss		
Quoted:		
(i) Equity shares	157.78	423.14
(ii) Mutual funds	-	28.84
Unquoted:		
(i) Non-cumulative redeemable preference shares	0.40	5.40
(ii) Cumulative redeemable preference shares	1.50	2.50
(iii) Equity shares	160.39	124.28
(iv) Convertible debentures	87.72	149.08
(v) Others	11.07	19.10
TOTAL	**418.86**	**752.34**
(c) Investments - measured at amortised cost		
Unquoted:		
Non-convertible debentures	-	3.88
TOTAL	**-**	**3.88**
TOTAL (A+B+C)	**1,028.05**	**1,497.51**
Aggregate book value of quoted investments	316.46	726.53
Aggregate market value of quoted investments	316.46	726.53
Aggregate book value of unquoted investments	711.59	770.98

11. OTHER INVESTMENTS - CURRENT

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
(a) Investments - measured at Fair value through Other Comprehensive Income		
Quoted:		
Equity Shares	-	0.92
(b) Investments - measured at Fair value through profit and loss		
Unquoted:		
Mutual funds	1,506.93	1,191.90
TOTAL	**1,506.93**	**1,191.90**
(c) Investments - measured at amortised cost		
Unquoted:		
Mutual funds	9,354.61	7,745.51
TOTAL	**9,354.61**	**7,745.51**
Total (a+b+c)	**10,861.54**	**8,938.33**
Aggregate book value of unquoted investments	10,861.54	8,937.41
Aggregate book value of quoted investments	-	0.92
Aggregate market value of quoted investments	-	0.92

Notes Forming Part of Consolidated Financial Statements

12. LOANS AND ADVANCES

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
Non-current		
Secured, considered good:		
(a) Loans to channel partners (Net of allowances for credit impaired balances ₹**7.75 crores** and ₹Nil as at March 31, 2020 and March 31, 2019, respectively.)	549.67	180.49
Unsecured, considered good:		
(a) Loans to employees	28.67	26.29
(b) Loan to joint arrangements (Net of allowances for credit impaired balances ₹**3.75 crores** and ₹Nil as at March 31, 2020 and March 31, 2019, respectively.)	-	3.75
(c) Deposits (Net of allowances for credit impaired balances ₹**0.49 crores** and ₹1.84 crores as at March 31, 2020 and March 31, 2019, respectively.)	136.14	136.69
(d) Advances to channel partners (Net of allowances for credit impaired balances ₹**18.28 crores** and ₹8.46 crores as at March 31, 2020 and March 31, 2019, respectively.)	60.23	42.59
(e) Others	8.07	17.61
TOTAL	**782.78**	**407.42**
Current		
Secured, considered good:		
(a) Loans to channel partners	113.14	74.06
Unsecured, considered good:		
(a) Advances to supplier, contractors etc. (Net of allowances for credit impaired balances ₹**98.06 crores** and ₹ 179.86 crores as at March 31, 2020 and 2019, respectively)	781.80	1,177.87
(b) Loans to channel partners	35.62	14.46
(c) Inter corporate deposits (Net of allowances for credit impaired balances ₹**12.07 crores** and ₹Nil as at March 31, 2020 and March 31, 2019, respectively.)	4.69	2.31
TOTAL	**935.25**	**1,268.70**

13. OTHER FINANCIAL ASSETS

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
Non-current		
(a) Derivative financial instruments	2,291.16	911.14
(b) Interest accrued on loans and deposits	28.19	9.03
(c) Restricted deposits	83.95	75.11
(d) Margin money / cash collateral with banks	786.51	329.07
(e) Government grant receivables	578.19	508.08
(f) Recoverable from suppliers	974.70	968.23
(g) Other deposits	6.87	8.52
TOTAL	**4,749.57**	**2,809.18**

Margin money with banks in restricted cash deposits consists of collateral provided for transfer of finance receivables. Restricted deposits as at March 31, 2020 and 2019 includes ₹**56.12 crores** and ₹45.26 crores, respectively, held as a deposit in relation to ongoing legal cases.

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
Current		
(a) Derivative financial instruments	2,391.30	1,235.54
(b) Interest accrued on loans and deposits	47.45	17.37
(c) Government grant receivable	429.69	500.31
(d) Deposit with financial institutions	750.00	500.00
(e) Recoverable from suppliers	942.18	959.05
(f) Lease receivables	0.60	1.29
(g) Others	25.26	-
TOTAL	**4,586.48**	**3,213.56**

Notes Forming Part of Consolidated Financial Statements

14. INVENTORIES

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
(a) Raw materials and components	2,103.36	2,328.44
(b) Work-in-progress	4,550.29	3,891.76
(c) Finished goods	29,631.77	31,512.70
(d) Stores and spare parts	189.84	201.38
(e) Consumable tools	518.53	500.23
(f) Goods-in-transit - Raw materials and components	463.09	579.22
TOTAL	**37,456.88**	**39,013.73**

Note:

(i) Inventories of finished goods include ₹**4,358.71 crores** and ₹4,380.71 crores as at March 31, 2020 and 2019 respectively, relating to vehicles sold subject to repurchase arrangements.

(ii) Cost of inventories (including cost of purchased products) recognized as expense during the year ended March 31, 2020 and 2019 amounted to ₹**1,96,621.07** crores and ₹2,28,342.42 crores, respectively.

(iii) During the year ended March 31, 2020 and 2019, the Company recorded inventory write-down expense of ₹**320.81 crores** and ₹608.63 crores, respectively.

15. TRADE RECEIVABLES (UNSECURED)

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
Receivables considered good	11,172.69	18,996.17
Credit impaired receivables	1,114.00	970.10
	12,286.69	19,966.27
Less : Allowance for credit impaired receivables	(1,114.00)	(970.10)
TOTAL	**11,172.69**	**18,996.17**

16. CASH AND CASH EQUIVALENTS

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
(a) Cash on hand	6.96	29.21
(b) Cheques on hand	45.07	385.60
(c) Balances with banks	8,994.82	7,885.13
(d) Deposit with banks	9,420.95	13,259.86
	18,467.80	**21,559.80**

17. BANK BALANCES

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
With upto 12 months maturity:		
(a) Earmarked balances with banks (refer note below)	429.70	365.23
(b) Margin money / cash collateral with banks	-	149.58
(c) Bank deposits	14,829.47	10,574.21
TOTAL	**15,259.17**	**11,089.02**

Note:

Earmarked balances with bank includes ₹**299.70 crores** and ₹250.93 crores as at March 31, 2020 and 2019, respectively held as security in relation to interest and repayment of bank borrowings. Out of these deposits, ₹**101.51 crores** and ₹94.27 crores as at March 31, 2020 and 2019, respectively are pledged till the maturity of the respective borrowings.

Notes Forming Part of Consolidated Financial Statements

18. FINANCE RECEIVABLES

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
Finance receivables	31,730.45	34,457.74
Less: allowance for credit losses	(651.38)	(833.05)
TOTAL	**31,079.07**	**33,624.69**
Current portion	14,245.30	11,551.52
Non-current portion	16,833.77	22,073.17
TOTAL	**31,079.07**	**33,624.69**

Changes in the allowance for credit losses in finance receivables are as follows:

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31, 2019
Balance at the beginning	833.05	1,189.57
Allowances made during the year	660.21	320.24
Written off	(841.88)	(676.76)
Balance at the end	**651.38**	**833.05**

19. ALLOWANCE FOR TRADE AND OTHER RECEIVABLES

Change in the allowances for trade and other receivables are as follows:

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31, 2019
Balance at the beginning	1,272.09	1,477.62
Allowances made during the year	137.03*	214.19
Provision for loan given to a Joint venture	15.82	-
Written off	(74.19)	(397.44)
Foreign exchange translation differences	9.93	(35.33)
Reversal of Assets classified as held for sale	-	13.05
Balance at the end	**1,360.68**	**1,272.09**

* Includes ₹**34.44 crores** and ₹42.40 crores netted off in revenues as at March 31, 2020 and 2019, respectively.

20. OTHER NON-CURRENT ASSETS

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
(a) Capital advances	387.05	385.88
(b) Taxes recoverable, statutory deposits and dues from government	713.71	1,081.90
(c) Prepaid rentals on operating leases	-*	362.57
(d) Prepaid expenses	84.87	768.42
(e) Recoverable from insurance companies	371.21	318.80
(f) Employee benefits	3,821.08	4.62
(g) Others	3.65	16.54
TOTAL	**5,381.57**	**2,938.73**

* Refer note 4 (a)- Right of use assets

Notes Forming Part of Consolidated Financial Statements

21. OTHER CURRENT ASSETS

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
(a) Advances and other receivables (Net of allowances for credit impaired balances ₹**47.44 crores** and ₹43.87 crores as at March 31, 2020 and March 31, 2019, respectively.)	505.97	434.07
(b) GST/VAT, other Taxes recoverable, statutory deposits and dues from government (Net of allowances for credit impaired balances ₹**58.84 crores** and ₹58.06 crores as at March 31, 2020 and March 31, 2019, respectively.)	4,229.15	5,071.95
(c) Prepaid expenses	1,334.36	1,210.68
(d) Recoverable from insurance companies	11.58	35.75
(e) Others	183.85	109.77
TOTAL	**6,264.91**	**6,862.22**

22. INCOME TAXES

The domestic and foreign components of profit/(loss) before income tax is as follows:

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31, 2019
Profit/(loss) before income taxes		
India	(6,600.69)	2,641.69
Other than India	(3,979.29)	(34,012.84)
TOTAL	**(10,579.98)**	**(31,371.15)**

The domestic and foreign components of income tax expense is as follows:

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31, 2019
Current taxes		
India	190.06	503.43
Other than India	1,702.99	1,721.80
Deferred taxes		
India	(136.29)	(323.75)
Other than India	(1,361.51)	(4,338.93)
TOTAL INCOME TAX EXPENSE	**395.25**	**(2,437.45)**

The reconciliation of estimated income tax to income tax expense is as follows:

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31, 2019
Profit/(Loss) before tax	(10,579.98)	(31,371.15)
Income tax expense at tax rates applicable to individual entities	(2,721.46)	(5,390.45)
Additional deduction for patent, research and product development cost	(281.62)	(189.12)
Items (net) not deductible for tax/not liable to tax :		
- foreign currency (gain)/loss relating to loans and deposits (net), foreign currency (gain)/loss arising on account of Integral foreign operations.	47.45	(8.28)
- interest and other expenses relating to borrowings for investment	55.80	62.16
- Dividend from investments (other than subsidiaries, joint operations, equity accounted investees)	(6.92)	(1.55)
Undistributed earnings of subsidiaries, joint operations and equity accounted investees	(85.55)	127.78
Deferred tax assets not recognized because realisation is not probable	3,191.95	473.87
Previously recognized deferred tax assets written down on account of impairment of Jaguar Land Rover business	-	2,698.15
Previously recognised deferred tax assets written down	49.27	-
Utilization/credit of unrecognised tax losses, unabsorbed depreciation and other tax benefits	(324.02)	(701.64)
Impact of change in statutory tax rates	397.35	454.04
Profit on sale of investments-subsidiaries and Others	-	(93.20)
Others	73.00	130.79
Income Tax Expense Reported	**395.25**	**(2,437.45)**

Notes Forming Part of Consolidated Financial Statements

Note:

1. For the year ended March 31,2020, “Impact of change in statutory tax rates” includes a charge of ₹ 414.58 crores (GBP 49.2 million) with respect to JLR UK for the impact of change in the UK statutory tax rate from 17% to 19% on deferred tax assets and liabilities.

   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. Subsequently a change to the main UK corporation tax rate, announced in 2020, was substantively enacted as at March 31, 2020. The rate applicable from April 1, 2020 now remains at 19%, rather than the previously enacted reduction to 17%.

   Accordingly, JLR UK deferred tax has been provided at a rate of 19% on assets (2019: 17.6%) and 19% on liabilities (2019: 17.4%), recognising the applicable tax rate at the point when the timing difference is expected to reverse.

2. Tata Motors Limited (TML) has presently, decided not to opt for the New Tax Regime inserted as per section 115BAA of the Income-tax Act, 1961 and enacted by the Taxation Laws (Amendment) Ordinance, 2019 ('the Ordinance') which is applicable from Financial Year beginning April 1, 2019. TML has accordingly applied the existing tax rates in the financial statements for the year ended March 31, 2020.

Notes Forming Part of Consolidated Financial Statements

Significant components of deferred tax assets and liabilities for the year ended March 31, 2020 are as follows:

(₹ in crores)

	Opening balance	Adjustment on initial application of Ind AS 116	Adjusted Opening Balance	Recognised in profit or loss	Recognised in/ reclassified from other comprehensive income	MAT Credit Utilised	Closing balance
Deferred tax assets:							
Unabsorbed depreciation	2,563.47	-	2,563.47	(7.66)	0.16	-	2,555.97
Business loss carry forwards	2,971.96	-	2,971.96	437.73	30.48	-	3,440.17
Expenses deductible in future years:							
- provisions, allowances for doubtful receivables and others	3,417.29	-	3,417.29	891.21	112.81	-	4,421.31
Compensated absences and retirement benefits	1,246.29	-	1,246.29	(280.71)	(1,383.31)	-	(417.73)
Minimum alternate tax carry-forward	106.62	-	106.62	(35.69)	-	(3.78)	67.15
Property, plant and equipment	4,929.36	29.23	4,958.59	813.14	170.00	-	5,941.73
Derivative financial instruments	1,225.32	-	1,225.32	(161.98)	(287.63)	-	775.71
Unrealised profit on inventory	1,141.87	-	1,141.87	49.86	24.99	-	1,216.72
Others	1,258.87	-	1,258.87	234.97	39.85	-	1,533.69
Total deferred tax assets	**18,861.05**	**29.23**	**18,890.28**	**1,940.87**	**(1,292.66)**	**(3.78)**	**19,534.72**
Deferred tax liabilities:			-				
Property, plant and equipment	2,626.65	-	2,626.65	(614.34)	(0.97)	-	2,011.34
Intangible assets	10,750.95	-	10,750.95	1,155.74	286.89	-	12,193.58
Undistributed earnings in subsidiaries, joint operations and equity accounted investees	1,689.22	-	1,689.22	(131.76)*	30.71	-	1,588.17
Fair valuation of retained interest in a subsidiary subsequent to disposal of controlling equity interest	16.95	-	16.95	-	-	-	16.95
Others	117.21	-	117.21	33.43	58.01	-	208.65
Total deferred tax liabilities	**15,200.98**	**-**	**15,200.98**	**443.07**	**374.64**	**-**	**16,018.69**
Net assets/(liabilities)	**3,660.07**	**29.23**	**3,689.30**	**1,497.80**	**(1,667.30)**	**(3.78)**	**3,516.03**
Deferred tax assets							₹ 5,457.90
Deferred tax liabilities							₹ 1,941.87

* Net off ₹ **46.21 crores** reversed on dividend distribution by subsidiaries.

Notes Forming Part of Consolidated Financial Statements

As at March 31, 2020, unrecognized deferred tax assets amount to ₹**6,484.76 crores** and ₹**7,918.57 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 recognized on the basis that its recovery is not probable in the foreseeable future.

Unrecognized deferred tax assets expire unutilized based on the year of origination as follows:

March 31,	(₹ in crores)
2021	215.53
2022	802.98
2023	879.17
2024	715.72
2025	2,260.33
Thereafter	3,044.84

The Company has not recognized deferred tax liability on undistributed profits of certain subsidiaries amounting to ₹**47,629.56 crores** and ₹44,551.06 crores as at March 31, 2020 and 2019 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, 2019 are as follows:

(₹ in crores)

	Opening balance	Adjustment on initial application of Ind AS 115	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

23. EQUITY SHARE CAPITAL

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
(a) Authorised:		
(i) **400,00,00,000** Ordinary shares of ₹2 each	800.00	800.00
(as at March 31, 2019: 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, 2019: 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, 2019: 30,00,00,000 shares of ₹100 each)		
TOTAL	**4,000.00**	**4,000.00**
(b) Issued [Note (j)]:		
(i) **308,94,66,453** Ordinary shares of ₹2 each	617.79	577.57
(as at March 31, 2019: 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, 2019: 50,87,36,110 'A' Ordinary shares of ₹2 each)		
TOTAL	**719.59**	**679.32**
(c) Subscribed and called up:		
(i) **308,89,73,894** Ordinary shares of ₹2 each	617.79	577.47
(as at March 31, 2019: 288,73,48,694 Ordinary shares of ₹2 each)		
(ii) **50,85,02,896** 'A' Ordinary shares of ₹2 each	101.70	101.70
(as at March 31, 2019: 50,85,02,371 'A' Ordinary shares of ₹2 each)		
	719.49	**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, 2019: 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):	719.49	679.17
(f) Forfeited - Ordinary shares	0.05	0.05
TOTAL (E + F)	**719.54**	**679.22**

(g) The movement of number of shares and share capital

	Year ended March 31, 2020		Year ended March 31, 2019	
	(No. of shares)	(₹ in crores)	(No. of shares)	(₹ in crores)
(i) Ordinary shares				
Balance as at April 1	2,887,348,694	577.47	2,887,348,694	577.47
Add: Preferential allotment of shares	201,623,407	40.32	-	-
Add: Allotment of shares held in abeyance	1,793	0.00*	-	-
Balance as at March 31	**3,088,973,894**	**617.79**	**2,887,348,694**	**577.47**
(ii) 'A' Ordinary shares				
Balance as at April 1	508,502,371	101.70	508,502,371	101.70
Add: Allotment of shares held in abeyance	525	0.00 *	-	-
Balance as at March 31	**508,502,896**	**101.70**	**508,502,371**	**101.70**

* less than ₹50,000/-

(h) During the year ended March 31, 2020, the Company has allotted 20,16,23,407 Ordinary Shares at a price of ₹150 per Ordinary Share aggregating to **₹3,024.35 crores** and 23,13,33,871 Convertible Warrants ('Warrants'), each carrying a right to subscribe to one Ordinary Share per Warrant, at a price of ₹150 per Warrant ('Warrant Price'), aggregating to **₹3,470.00 crores** on a preferential basis to Tata Sons Private Limited. An amount equivalent to 25% of the Warrant Price was paid at the time of subscription and allotment of each Warrant and the balance 75% of the Warrant Price shall be payable by the Warrant holder against each Warrant at the time of allotment of Ordinary Shares pursuant to exercise of the options attached to Warrant(s) to subscribe to Ordinary Share(s).The amount of **₹3,891.85 crores** has been received and is to be utilized for repayment of debt, meeting future funding requirements and other general corporate purposes of the Company and its subsidiaries. The Company has utilised amount of **₹2,762.00 crores** as at March 31, 2020.

Notes Forming Part of Consolidated Financial Statements

(i) The entitlements to **4,92,559** Ordinary shares of ₹2 each (as at March 31, 2019 : 4,94,352 Ordinary shares of ₹2 each) and **2,33,214** 'A' Ordinary shares of ₹2 each (as at March 31, 2019: 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.

(j) 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.

(k) Number of shares held by each shareholder holding more than 5 percent of the issued share capital :

	As at March 31, 2020		As at March 31, 2019	
	% Issued Share Capital	No. of Shares	% Issued Share Capital	No. of Shares
(i) Ordinary shares :				
(a) Tata Sons Private Limited	39.52%	1,22,07,79,930	34.69%	1,01,91,56,523
(b) Life Insurance Corporation of India	*	*	5.02%	14,73,73,493
(c) Citibank N A as Depository	#	32,07,93,365	#	32,36,96,360
(ii) 'A' Ordinary shares :				
(a) Tata Sons Private Limited	5.26%	2,67,22,401	-	-
(b) ICICI Prudential Balanced Advantage Fund	11.03%	5,60,75,659	11.98%	6,09,11,219
(c) Franklin India Smaller Companies Fund	12.84%	6,52,79,915	11.71%	5,95,34,740
(d) Government of Singapore	5.74%	2,92,11,889	6.51%	3,30,82,933

\# held by Citibank, N.A. as depository for American Depository Receipts (ADRs) and Global Depository Receipts (GDRs)
* Less than 5%

(l) 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 Consolidated Financial Statements

24. OTHER COMPONENTS OF EQUITY

(a) The movement of Currency translation reserve is as follows:

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31, 2019
Balance at the beginning	2,552.39	4,621.23
Exchange differences arising on translating the net assets of foreign operations (net)	2,219.70	(2,010.23)
Net change in translation reserve - equity accounted investees (net)	102.61	(58.61)
Balance at the end	**4,874.70**	**2,552.39**

(b) The movement of Equity instruments held as fair value through other comprehensive income(FVTOCI) is as follows:

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31, 2019
Balance at the beginning	62.08	22.82
Other Comprehensive income for the year	(137.07)	43.80
Income tax relating to gain/(loss) recognised on equity investments, where applicable	(2.38)	0.39
Profit on sale of equity investments reclassified to retained earnings	-	(4.93)
Balance at the end	**(77.37)**	**62.08**

(c) The movement of Hedging reserve is as follows:

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31, 2019
Balance at the beginning	(5,602.62)	(3,626.04)
Gain/(loss) recognised on cash flow hedges	(2,400.47)	(8,485.30)
Income tax relating to gain/(loss) recognized on cash flow hedges	492.15	1,606.17
(Gain)/loss reclassified to profit or loss	4,773.17	7,077.94
Income tax relating to gain/(loss) reclassified to profit or loss	(906.47)	(1,345.20)
Amounts reclassified from hedge reserve to inventory	(305.75)	(1,024.92)
Income tax related to amounts reclassified from hedge reserve to inventory	58.09	194.73
Balance at the end	**(3,891.90)**	**(5,602.62)**
Of the above balance related to :		
Continued Hedges	(3,611.13)	(5,256.78)
Discontinued Hedges	(280.77)	(345.84)

(d) The movement of Cost of hedging reserve is as follows:

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31, 2019
Balance at the beginning	(70.80)	143.98
Gain/(loss) recognised on cash flow hedges	(127.76)	(262.32)
Income tax relating to gain/(loss) recognised on cash flow hedges	34.65	51.03
(Gain)/loss reclassified to profit or loss	(94.24)	(18.94)
Income tax relating to gain/(loss) reclassified to profit or loss	16.70	4.40
Amounts removed from hedge reserve and recognised in inventory	34.77	13.65
Income tax related to amounts removed from hedge reserve and recognised in inventory	(6.61)	(2.60)
Balance at the end	**(213.28)**	**(70.80)**
Continued Hedges	(215.65)	(76.68)
Discontinued Hedges	2.37	5.88

(e) Summary of Other components of equity:

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31, 2019
Currency translation reserve	4,874.70	2,552.39
Equity instruments held as FVTOCI	(77.37)	62.08
Hedging reserve	(3,891.90)	(5,602.62)
Cost of hedging reserve	(213.28)	(70.80)
TOTAL	**692.15**	**(3,058.95)**

Notes Forming Part of Consolidated Financial Statements

25. 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 utilized by the Company except to redeem debentures. No debenture redemption reserve is required for debenture issued after August 16, 2019.

(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 utilized 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, 2020 and 2019, 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.

Notes Forming Part of Consolidated Financial Statements

(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 or 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.

26. LONG-TERM BORROWINGS

(₹ in crores)

			As at March 31, 2020	As at March 31, 2019
Secured:				
(a)	Privately placed Non-Convertible Debentures		434.33	1,765.40
(b)	Collateralised debt obligations		2,058.76	1,564.91
(c)	Term loans:			
	(i)	from banks	11,015.94	9,744.57
	(ii)	other parties	194.64	196.93
Unsecured:				
(a)	Privately placed Non-Convertible Debentures		7,991.79	7,187.29
(b)	Term loans:			
	(i)	from banks	20,956.80	18,182.90
	(ii)	other parties	157.09	44.07
(c)	Senior notes		39,716.85	31,344.61
(d)	Others		789.42	786.82
	TOTAL		**83,315.62**	**70,817.50**

27. SHORT-TERM BORROWINGS

(₹ in crores)

		As at March 31, 2020	As at March 31, 2019
Secured:			
(a)	Loans from banks	7,110.88	7,990.00
(b)	Loans from other parties	-	187.87
Unsecured:			
(a)	Loans from banks	2,386.72	946.83
(b)	Inter corporate deposits from associates	46.00	73.00
(c)	Commercial paper	6,818.93	10,952.56
	TOTAL	**16,362.53**	**20,150.26**

COLLATERALS

Inventory, trade receivables, finance receivables, other financial assets, property, plant and equipment with a carrying amount of **₹32,130.07 crores** and ₹30,885.05 crores are pledged as collateral/security against the borrowing and commitment as at March 31, 2020 and 2019, respectively.

Notes Forming Part of Consolidated Financial Statements

Notes :

NATURE OF SECURITY (ON LOANS INCLUDING INTEREST ACCRUED THEREON) :

Long Term Borrowings

(A) Non convertible debentures

Privately placed non-convertible debentures amounting to ₹**434.33 crores** included within Long-term borrowings in note 26 and ₹**1,452.52 crores** included within Current maturities of long-term borrowings in note 29 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, 2021 to March 31, 2025.

(C) Long-term loan from banks/financial institution and Government

(i) Term loans from banks amounting to ₹**8,932.63 crores** included within long-term borrowings in note 26 and ₹**1,977.30 crores** included within current maturities of long-term borrowings in note 29 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 certificates 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 ₹**1,464.03 crores** included within long-term borrowings in note 26 and ₹**615.82 crores** included within current maturities of long-term borrowings in note 29 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 ₹**614.93 crores** included within Long-term borrowings in note 26 and ₹**160.68 crores** included within Current maturities of Long-term borrowings in note 29 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 bank of ₹**4.36 crores** included within Long -term borrowings in note 26 and ₹**0.29 crores** included within current maturity of long-term borrowings in note 29 are secured by pari passu first charge on fixed assets of Brabo Robotics and Automation Limited.

(v) The term loan from others of ₹**587.08 crores** (recorded in books at ₹**161.00 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 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.

(vi) The term loan from others of ₹**69.34 crores** (recorded in books at ₹**27.13 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 guarantee for the due performance of the conditions as per the terms of the agreement.

(vii) The term loan from others of ₹**6.50 crores** included within Long -term borrowings in note 26 and ₹**9.00 crores** included within current maturity of long-term borrowings in note 29 are secured by pari passu first charge on fixed assets of Tata Marcopolo Motors Limited.

(viii) The term loan from others of ₹**935.35 crores** included within current maturity of long-term borrowings in note 29 are secured by pari passu first charge on fixed assets of JLR.

Notes Forming Part of Consolidated Financial Statements

(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.

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, 2020	As at March 31, 2019
5.625% Senior Notes due 2023	USD	500	3,774.58	3,446.40
3.875% Senior Notes due 2023	GBP	400	3,725.82	3,600.58
5.000% Senior Notes due 2022	GBP	400	3,725.31	3,596.98
3.500% Senior Notes due 2020	USD	500	-	3,468.65
4.250% Senior Notes due 2019	USD	500	-	3,471.30
2.750% Senior Notes due 2021	GBP	300	2,800.49*	2,703.68
2.200% Senior Notes due 2024	EUR	650	5,398.43	5,036.70
4.500% Senior Notes due 2027	USD	500	4,234.69	3,458.55
4.500% Senior Notes due 2026	EUR	500	4,101.21	3,898.95
5.875% Senior Notes due 2024	EUR	500	4,139.04	-
6.875% Senior Notes due 2026	EUR	500	4,219.14	-
			36,118.71	**32,681.79**

* Classified as other current liabilities being maturity before March 31, 2021.

(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, 2020 are as follows:

(₹ in crores)

Particulars	Currency	Amount (in million)	As at March 31, 2020	As at March 31, 2019
5.750% Senior Notes due 2024	USD	250	1,876.36	1,718.73
5.750% Senior Notes due 2021	USD	300	2,267.82	2,079.16
4.625% Senior Notes due 2020	USD	262.532	1,986.28*	1,804.88
5.875% Senior Notes due 2025	USD	300	2,254.44	-
			8,384.90	**5,602.77**

* Classified as other current liabilities being maturity before March 31, 2021.

(C) Non convertible debentures amounting to **₹8,426.12 crores** included within long-term borrowing in note 26 and **₹3,473.34 crores** included within current maturities of long term borrowings in note 29 bear interest rate ranging from 7.28% to 11.50% and maturity ranging from April 2020 to March 2029.

Notes Forming Part of Consolidated Financial Statements

(D) Loan from banks/ financial institutions consists of:

(i) Term loans amounting to ₹**11,821.98 crores** included within long-term borrowings in note 26 and ₹**4,652.41 crores** included within current maturities of long term borrowings in note 29 bearing floating interest rate based on marginal cost of funds lending rate (MCLR) of respective bank having maturity ranging from September, 2020 to June 2026.

(ii) External commercial borrowings in foreign currencies amounting to ₹**2,275.53 crores** included within long-term borrowing in note 26 and ₹**135.68 crores** included within current maturities of long term borrowings in note 29 bearing floating interest rate based on LIBOR having maturity ranging from May 2023 to June 2025.

(iii) Foreign currency term loan amounting to ₹ **10,387.42 crores** included within long-term borrowing in note 26 and ₹ **3,905.45 crores** included within current maturities of long term borrowings in note 29 bearing floating interest rate that are linked to LIBOR maturity ranging from March 2021 to July 2023.

(iv) Foreign currency syndicate loan amounting to ₹**7,495.38 crores** included within long-term borrowing in note 26 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 ₹**5,150.28 crores** bearing fixed rate of interest ranging from 7.90% to 9.14% and ₹**4,347.32 crores** bear floating rate of interest based on MCLR of respective banks and other benchmark 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 **5.70% to 7.54%**.

28. OTHER FINANCIAL LIABILITIES – NON-CURRENT

(₹ in crores)

		As at March 31, 2020	As at March 31, 2019
(a)	Derivative financial instruments	3,255.88	2,662.44
(b)	Liability towards employee separation scheme	75.83	79.10
(c)	Option Premium Liability	397.41	-
(d)	Others	129.36	51.17
	TOTAL	**3,858.48**	**2,792.71**

29. OTHER FINANCIAL LIABILITIES – CURRENT

(₹ in crores)

		As at March 31, 2020	As at March 31, 2019
(a)	Current maturities of long-term borrowings	19,132.37	15,034.11
(b)	Interest accrued but not due on borrowings	1,285.10	1,059.58
(c)	Liability towards vehicles sold under repurchase arrangements	4,483.38	4,243.65
(d)	Liability for capital expenditure	6,403.22	7,046.74
(e)	Deposits and retention money	537.55	407.87
(f)	Derivative financial instruments	4,280.60	4,742.53
(g)	Liability towards Investors Education and Protection Fund under Section 125 of the Companies Act, 2013 (IEPF) not due	5.42	21.08
(h)	Option Premium Liability	91.87	-
(i)	Others	324.49	282.79
	TOTAL	**36,544.00**	**32,838.35**
Notes:			
Current maturities of long term borrowings consist of :			
(i)	Privately placed Non-Convertible Debentures (Secured)	1,452.52	2,156.01
(ii)	Privately placed Non-Convertible Debentures (Unsecured)	2,020.82	1,670.68
(iii)	Collateralised debt obligation (Unsecured)	2,171.18	1,482.42
(iv)	Senior Notes (Unsecured)	4,786.77	6,939.95
(v)	Term loans from banks and others (Secured)	3,698.44	1,869.88
(vi)	Term loans from banks and others (Unsecured)	5,002.64	615.17
(vii)	Others	-	300.00
	TOTAL	**19,132.37**	**15,034.11**

Notes Forming Part of Consolidated Financial Statements

30. PROVISIONS

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
NON-CURRENT		
(a) Employee benefits obligations	1,126.61	826.35
(b) Product warranty	11,387.41	10,097.01
(c) Legal and product liability	506.59	391.31
(d) Provision for residual risk	1,064.83	277.62
(e) Provision for environmental liability	160.66	138.12
(f) Provision for Onerous Contracts	414.75	-
(g) Other provisions	75.84	124.44
TOTAL	**14,736.69**	**11,854.85**
CURRENT		
(a) Employee benefit obligations	255.54	1,107.87
(b) Product warranty	7,909.78	7,404.25
(c) Legal and product liability	1,163.07	1,395.12
(d) Provision for residual risk	572.36	85.12
(e) Provision for environmental liability	45.16	125.47
(f) Provision for Onerous Contracts	362.25	-
(g) Other provisions	20.88	78.92
TOTAL	**10,329.04**	**10,196.75**

(₹ in crores)

	Year ended March 31, 2020				
	Product warranty	Legal and product Liability	Provision for residual risk	Provision for environmental liability	Provision for Onerous Contract
Balance at the beginning	17,501.26	1,786.43	362.74	263.59	-
Provision made during the year	10,750.80	312.70	1,255.59	54.30	777.00
Provision used during the year	(9,796.20)	(490.70)	(78.65)	(118.40)	-
Impact of discounting	263.30	-	-	-	-
Impact of foreign exchange translation	578.03	61.23	97.51	6.33	-
Balance at the end	**19,297.19**	**1,669.66**	**1,637.19**	**205.82**	**777.00**
Current	7,909.78	1,163.07	572.36	45.16	362.25
Non-current	11,387.41	506.59	1,064.83	160.66	414.75

31. OTHER NON-CURRENT LIABILITIES

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
(a) Contract liabilities (refer note below)	5,015.77	4,673.09
(b) Government grants	3,332.05	3,019.48
(c) Employee benefits obligations	341.64	6,110.12
(d) Others	70.06	119.52
TOTAL	**8,759.52**	**13,922.21**

Notes Forming Part of Consolidated Financial Statements

32. OTHER CURRENT LIABILITIES

(₹ in crores)

		As at March 31, 2020	As at March 31, 2019
(a)	Contract liabilities (refer note below)	4,256.63	4,577.38
(b)	Government grants	154.46	258.89
(c)	Statutory dues (VAT, Excise, Service Tax, GST, Octroi etc)	3,655.03	3,913.94
(d)	Others	899.83	796.25
	TOTAL	**8,965.95**	**9,546.46**

Note:

(₹ in crores)

		Year ended March 31, 2020	Year ended March 31, 2019
(a)	Opening contract liabilities	9,250.47	7,867.89
	Transition impact of Ind AS 115	-	276.69
	Amount recognised in revenue	(4,466.72)	(3,578.39)
	Amount received in advance during the year	4,255.15	4,958.05
	Amount refunded to customers	(28.15)	(217.55)
	Liabilities directly associated with assets held for sale	-	71.77
	Currency translation	261.65	(127.99)
	Closing contract liabilities	**9,272.40**	**9,250.47**

(₹ in crores)

			As at March 31, 2020	Year ended March 31, 2019
(b)	Contract liabilities include			
	Advances received from customers	Current	1,125.36	1,739.61
	Deferred revenue	Current	3,131.27	2,837.77
		Non-current	5,015.77	4,673.09
	Total contract liabilities		**9,272.40**	**9,250.47**

Government grants include:

(i) Government incentives includes ₹**148.11 crores** as at March 31, 2020 (₹245.93 crores as at March 31, 2019) grants relating to property, plant and equipment related to duty saved on import of capital goods and spares under the EPCG scheme. Under such scheme, the Company is committed to export prescribed times of the duty saved on import of capital goods over a specified period of time. In case such commitments are not met, the Company would be required to pay the duty saved along with interest to the regulatory authorities.

(ii) ₹**3,269.11 crores** as at March 31, 2020 (₹2,963.01 crores as at March 31, 2019) relating to Research and Development Expenditure Credit (RDEC) on qualifying expenditure incurred since April 1, 2013.

Notes Forming Part of Consolidated Financial Statements

33. REVENUE FROM OPERATIONS

(₹ in crores)

		Year ended March 31, 2020	Year ended March 31, 2019
(a)	Sale of products (refer note 1 below)		
	(i) Sale of vehicles	2,18,982.73	2,58,566.52
	(ii) Sale of spare parts	24,099.47	24,031.89
	(iii) Sale of miscellaneous products	8,315.24	10,383.46
	Total Sale of products	**2,51,397.44**	**2,92,981.87**
(b)	Sale of services	3,384.14	2,809.17
(c)	Finance revenues	3,812.78	3,399.55
		2,58,594.36	**2,99,190.59**
(d)	Other operating revenues	2,473.61	2,747.81
	TOTAL	**2,61,067.97**	**3,01,938.40**

Note:

(1)	Includes exchange (loss) (net) on hedges reclassified from hedge reserve to statement of profit or loss	(4,814.06)	(6,956.21)

34. OTHER INCOME

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31, 2019
(a) Interest income	1,170.12	786.46
(b) Dividend income	21.13	17.28
(c) Profit on sale of investments measured at FVTPL	187.34	128.61
(d) Incentives (refer note 1 below)	1,983.61	1,794.42
(e) Gain /(loss) MTM on investments measured at FVTPL	(389.05)	238.54
TOTAL	**2,973.15**	**2,965.31**

Note:

(1) Incentives include exports and other incentives of ₹**612.65 crores** and ₹621.38 crores, for the year ended March 31, 2020 and 2019, respectively and ₹**1,090.40 crores** and ₹812.61 crores, for the year ended March 31, 2020 and 2019, respectively received by foreign subsidiaries on Tax credit on qualifying expenditure for research and development.

35. EMPLOYEE BENEFITS EXPENSE

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31, 2019
(a) Salaries, wages and bonus	24,290.30	26,508.97
(b) Contribution to provident fund and other funds	2,720.14	2,885.55
(c) Staff welfare expenses	3,428.16	3,849.35
TOTAL	**30,438.60**	**33,243.87**

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 ₹**NIL** and ₹9.18 crores for the years ended March 31, 2020 and 2019, 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".

Notes Forming Part of Consolidated Financial Statements

Employee Stock Options

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 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 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.

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31, 2019
Options outstanding at the beginning of the Year	78,12,427	-
Granted during the year	-	78,12,427
Forfeited/Expired during the year	(5,89,530)	-
Exercised during the year	-	-
Outstanding at the end of the Year	72,22,897	78,12,427
Maximum/Minimum number of shares to be issued for outstanding options (conditional on performance measures)	1,08,34,346/36,11,449	1,17,18,641/39,06,214

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, 2020.

Assumption factor	Estimates	
	Year ended March 31, 2020	Year ended March 31, 2019
Risk free rate	7%-8%	7%-8%
Expected life of option	3-5 years	4-6 years
Expected volatility	33%- 37%	33%- 37%

36. FINANCE COSTS

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31, 2019
(a) Interest	7,680.29	5,970.80
Less: Interest capitalised*	(1,446.63)	(1,512.85)
Add: Exchange fluctuation considered as interest cost	56.34	38.10
	6,290.00	**4,496.05**
(b) Discounting charges	953.33	1,262.55
TOTAL	**7,243.33**	**5,758.60**

* Represents borrowing costs capitalized during the year on qualifying assets (property plant and equipment and product development).

The weighted average rate for capitalization of interest relating to general borrowings was approximately **5.51%** and 5.45% for the years ended March 31, 2020 and 2019, respectively.

Notes Forming Part of Consolidated Financial Statements

37. OTHER EXPENSES

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31, 2019
(a) Processing charges	1,070.05	1,634.36
(b) Consumption of stores & spare parts	1,500.71	2,444.15
(c) Power & fuel	1,264.95	1,585.93
(d) Information Technology (IT) related/Computer expenses	2,372.22	2,340.45
(e) Engineering expense	6,598.53	5,275.58
(f) MTM (gain)/loss on commodity derivatives	688.18	(84.75)
(g) Warranty and product liability expenses*	10,884.59	11,890.70
(h) Freight, transportation, port charges etc.	6,484.39	7,804.47
(i) Publicity	7,614.24	8,729.63
(j) Allowances for trade and other receivables	102.59	214.19
(k) Allowances for finance receivables	660.21	320.24
(l) Works operation and other expenses (note below)	17,846.80	20,083.17
TOTAL	**57,087.46**	**62,238.12**
* Net of estimated recovery from suppliers :	(65.60)	(2.96)

Note :

(₹ in crores)

Works operation and other expenses :	Year ended March 31, 2020	Year ended March 31, 2019
(i) Auditors' remuneration		
(i) Audit fees	69.54	67.78
(ii) Tax Audit fees	1.40	1.07
(iii) All other fees	5.67*	1.58
TOTAL	**76.61**	**70.43**

* Includes ₹ **4.28 crores** fees paid for issuance of Seniors Notes.

Notes Forming Part of Consolidated Financial Statements

38. EMPLOYEE BENEFITS

Defined Benefit Plan

Pension and post retirement medical plans

The following table sets out the funded and unfunded status and the amounts recognized in the financial statements for the pension and the post retirement medical plans in respect of Tata Motors, its Indian subsidiaries and joint operations:

(₹ in crores)

	Pension benefits		Post retirement medical Benefits	
	2020	2019	2020	2019
Change in defined benefit obligations :				
Defined benefit obligation, beginning of the Year	1,168.26	1,024.79	153.40	154.05
Current service cost	82.77	74.63	8.17	8.04
Interest cost	85.95	75.70	11.30	11.51
Remeasurements (gains) / losses				
Actuarial (gains) / losses arising from changes in demographic assumptions	3.55	(1.19)	(0.67)	-
Actuarial losses arising from changes in financial assumptions	37.12	14.19	9.91	8.11
Actuarial (gains) / losses arising from changes in experience adjustments	24.66	59.27	(5.42)	(15.03)
Benefits paid from plan assets	(83.03)	(71.31)		
Benefits paid directly by employer	(5.89)	(5.82)	(7.71)	(9.42)
Past service cost - Plan amendment	(5.17)	0.39	-	(1.99)
Curtailment	0.03	-	-	-
Divestment	0.21	(2.39)	-	(1.87)
Defined benefit obligation, end of the Year	**1,308.46**	**1,168.26**	**168.98**	**153.40**
Change in plan assets:				
Fair value of plan assets, beginning of the Year	1,025.04	906.04	-	-
Divestment	-	(1.25)	-	-
Interest income	80.45	71.60	-	-
Return on plan assets, (excluding amount included in net Interest cost)	(18.04)	2.70	-	-
Employer's contributions	123.80	117.26	-	-
Benefits paid	(83.03)	(71.31)	-	-
Fair value of plan assets, end of the Year	**1,128.22**	**1,025.04**	**-**	**-**
Amount recognized in the balance sheet consists of:				
Present value of defined benefit obligation	1,308.46	1,168.26	168.98	153.40
Fair value of plan assets	1,128.22	1,025.04	-	-
Net liability	**(180.24)**	**(143.22)**	**(168.98)**	**(153.40)**
Amounts in the balance sheet:				
Non–current assets	2.11	1.64	-	-
Non–current liabilities	(182.35)	(144.86)	(168.98)	(153.40)
Net liability	**(180.24)**	**(143.22)**	**(168.98)**	**(153.40)**

Total amount recognised in other comprehensive income consists of:

(₹ in crores)

	Pension benefits		Post retirement medical benefits	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Remeasurements (gains)/losses	150.10	62.91	(41.31)	(45.14)
	150.10	**62.91**	**(41.31)**	**(45.14)**

Notes Forming Part of Consolidated Financial Statements

Information for funded plans with a defined benefit obligation in excess of plan assets:

(₹ in crores)

	Pension benefits	
	As at March 31, 2020	As at March 31, 2019
Defined benefit obligation	1,141.98	983.70
Fair value of plan assets	1,091.60	961.23

Information for funded plans with a defined benefit obligation less than plan assets:

(₹ in crores)

	Pension benefits	
	As at March 31, 2020	As at March 31, 2019
Defined benefit obligation	34.51	62.17
Fair value of plan assets	36.61	63.81

Information for unfunded plans:

(₹ in crores)

	Pension benefits		Post retirement medical benefits	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Defined benefit obligation	131.97	122.39	168.98	153.40

Net pension and post retirement medical cost consist of the following components:

(₹ in crores)

	Pension benefits		Post retirement medical benefits	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Service cost	82.77	74.63	8.17	8.04
Net interest cost	5.50	4.10	11.30	11.51
Past service cost - Plan amendment	(5.17)	0.39	-	(1.99)
Net periodic cost	**83.10**	**79.12**	**19.47**	**17.56**

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, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Remeasurements				
Return on plan assets, (excluding amount included in net Interest expense)	18.04	(2.70)	-	-
Actuarial (gains)/losses arising from changes in demographic assumptions	3.55	(1.19)	(0.67)	-
Actuarial (gains)/losses arising from changes in financial assumptions	37.12	14.19	9.91	8.11
Actuarial (gains)/losses arising from changes in experience adjustments on plan liabilities	24.66	59.27	(5.42)	(15.03)
Total recognised in other comprehensive income	**83.37**	**69.57**	**3.82**	**(6.92)**
Total recognised in statement of operations and other comprehensive income	**166.47**	**148.69**	**23.29**	**10.64**

Notes Forming Part of Consolidated Financial Statements

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, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Discount rate	6.10% - 6.90%	6.75% - 7.70%	6.90%	7.60%
Rate of increase in compensation level of covered employees	5.00% - 10.00%	6.00% - 12.00%	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, 2020 and 2019 by category are as follows:

	Pension benefits	
	Plan assets as of March 31	
	2020	2019
Asset category:		
Cash and cash equivalents	5.8%	6.5%
Debt instruments (quoted)	67.3%	66.9%
Debt instruments (unquoted)	0.7%	0.9%
Equity instruments (quoted)	2.6%	2.6%
Deposits with Insurance companies	23.6%	23.1%
	100.0%	**100.0%**

The Company's policy is driven by considerations of maximizing returns while ensuring credit quality of the debt instruments. The asset allocation for plan assets is determined based on investment criteria prescribed under the Indian Income Tax Act, 1961, and is also subject to other exposure limitations. The Company evaluates the risks, transaction costs and liquidity for potential investments. To measure plan asset performance, the Company compares actual returns for each asset category with published bench marks.

The weighted average duration of the defined benefit obligation as at March 31, 2020 is **13.97 years** (2019 : 14.41 years)

The Company expects to contribute ₹**102.78 crores** to the funded pension plans in Fiscal 2021.

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 ₹118.52 crores	Decrease by ₹23.26 crores
	Decrease by 1%	Increase by ₹137.30 crores	Increase by ₹23.95 crores
Salary escalation rate	Increase by 1%	Increase by ₹106.55 crores	Increase by ₹23.47 crores
	Decrease by 1%	Decrease by ₹95.67 crores	Decrease by ₹20.63 crores
Health care cost	Increase by 1%	Increase by ₹22.49 crores	Increase by ₹4.85 crores
	Decrease by 1%	Decrease by ₹15.26 crores	Decrease by ₹4.03 crores

Notes Forming Part of Consolidated Financial Statements

Provident Fund

The following tables set out the funded status of the defined benefit provident fund plan of Tata Motors limited and the amounts recognized in the Company's financial statements as at March 31, 2020.

(₹ in crores)

Particulars	Year Ended March 31, 2020
Change in benefit obligations:	
Defined benefit obligations at the beginning	3,693.92
Service cost	133.99
Employee contribution	307.34
Acquisitions (credit) / cost	(140.30)
Interest expense	312.54
Actuarial (gains) / losses arising from changes in experience adjustments on plan liabilities	4.57
Benefits paid	(235.68)
Defined benefit obligation, end of the Year	**4,076.38**
Change in plan assets:	
Fair value of plan assets at the beginning	3,706.28
Acquisition Adjustment	(140.30)
Interest income	318.75
Return on plan assets excluding amounts included in interest income	(30.23)
Contributions (employer and employee)	439.68
Benefits paid	(235.68)
Fair value of plan assets at the end	**4,058.50**

Amount recognised in the balance sheet consist of:

(₹ in crores)

	As at March 31, 2020
Present value of defined benefit obligation	4,076.38
Fair value of plan assets	4,058.50
	(17.88)
Effect of asset ceiling	(2.99)
Net liability	**(20.87)**

Total amount recognised in other comprehensive income for severance indemnity consists of:

(₹ in crores)

	As at March 31, 2020
Remeasurements (gains) / losses	18.03
	18.03

Net pension and post retirement medical cost consist of the following components:

(₹ in crores)

	Year Ended March 31, 2020
Service cost	133.99
Net interest cost / (income)	(6.22)
Net periodic cost	**127.78**

Other changes in plan assets and benefit obligation recognised in other comprehensive income.

(₹ in crores)

	For the year ended March 31, 2020
Remeasurements (gains) / losses	
Return on plan assets, (excluding amount included in net Interest expense)	30.23
Actuarial (gains) / losses arising from changes in experience adjustments on plan liabilities	4.57
Adjustments for limits on net asset	(16.77)
Total recognised in other comprehensive income	**18.03**
Total recognised in statement of profit and loss and other comprehensive income	**145.81**

Notes Forming Part of Consolidated Financial Statements

The assumptions used in determining the present value obligation of the Provident Fund is set out below:

(₹ in crores)

	As at March 31, 2020
Discount rate	6.90%
Expected rate of return on plan assets	8.20% to 8.60%
Remaining term to maturity of portfolio	26.91

The breakup of the plan assets into various categories as at March 31, 2020 is as follows:

Particulars	As at March 31, 2020
Central and State government bonds	44.2%
Public sector undertakings and Private sector bonds	34.1%
Others	21.7%
TOTAL	**100.0%**

The asset allocation for plan assets is determined based on investment criteria prescribed under the relevant regulations.

As at March 31, 2020, the defined benefit obligation would be affected by approximately ₹168.67 crores on account of a 0.50% decrease and ₹3.87 crores on account of a 0.50% increase in the expected rate of return on plan assets.

Severance indemnity plan

Severance indemnity is a funded plan of Tata Daewoo Commercial Vehicles Limited (TDCV), a subsidiary of Tata Motors Limited.

The following table sets out, the amounts recognized in the financial statements for the severance indemnity plan.

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
Change in defined benefit obligation:		
Defined benefit obligation, beginning of the Year	422.33	425.63
Service cost	52.72	52.52
Interest cost	6.81	11.13
Remeasurements (gains) / losses		
Actuarial losses arising from changes in financial assumptions	12.38	36.83
Actuarial (gains) arising from changes in experience adjustments on plan liabilities	(59.87)	(21.34)
Benefits paid from plan assets	(132.92)	(73.89)
Benefits paid directly by employer	(17.43)	(8.95)
Foreign currency translation	0.73	0.40
Defined benefit obligation, end of the Year	**284.75**	**422.33**
Change in plan assets:		
Fair value of plan assets, beginning of the Year	360.07	405.36
Interest income	5.76	10.97
Remeasurements (loss)		
Return on plan assets, (excluding amount included in net Interest expense)	(1.52)	(5.99)
Employer's contributions	-	30.92
Benefits paid	(132.92)	(82.84)
Foreign currency translation	0.34	1.65
Fair value of plan assets, end of the Year	**231.72**	**360.07**

Notes Forming Part of Consolidated Financial Statements

Amount recognized in the balance sheet consist of:

	As at March 31, 2020	As at March 31, 2019
Present value of defined benefit obligation	284.75	422.32
Fair value of plan assets	231.72	360.07
Net liability	**(53.02)**	**(62.25)**
Amounts in the balance sheet:		
Non- current liabilities	(53.02)	(62.25)

Total amount recognized in other comprehensive income for severance indemnity consists of:

	As at March 31, 2020	As at March 31, 2019
Remeasurements (gains) / losses	(101.61)	(55.64)
	(101.61)	**(55.64)**

Net severance indemnity cost consist of the following components:

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
Service cost	52.72	52.52
Net interest cost	1.05	0.16
Net periodic pension cost	**53.77**	**52.68**

Other changes in plan assets and benefit obligation recognized in other comprehensive income for severance indemnity plan:

	Year ended March 31, 2020	Year ended March 31, 2019
Remeasurements (gains) / losses		
Return on plan assets, (excluding amount included in net Interest expense)	1.52	5.99
Actuarial losses arising from changes in financial assumptions	12.38	36.83
Actuarial (gains) arising from changes in experience adjustments on plan liabilities	(59.87)	(21.34)
Total recognized in other comprehensive income	**(45.97)**	**21.48**
Total recognized in statement of operations and other comprehensive income	**7.80**	**74.16**

The assumptions used in accounting for the Severance indemnity plan is set out below:

	Year ended March 31, 2020	Year ended March 31, 2019
Discount rate	1.6%	2.0%
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 ₹30.36 crores	Decrease by ₹10.43 crores
	Decrease by 1%	Increase by ₹35.58 crores	Increase by ₹14.44 crores
Salary escalation rate	Increase by 1%	Increase by ₹34.52 crores	Increase by ₹13.90 crores
	Decrease by 1%	Decrease by ₹30.12 crores	Decrease by ₹10.95 crores

Notes Forming Part of Consolidated Financial Statements

Severance indemnity plans asset allocation by category is as follows:

	As at March 31, 2020	As at March 31, 2019
Deposit with banks	100%	100%

The weighted average duration of the defined benefit obligation as at March 31, 2020 is **11.05 years** (2019 : 11.01 years)

The Company expects to contribute ₹ **12.14 crores** to the funded severance indemnity plans in FY 2020-21.

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.

Notes Forming Part of Consolidated Financial Statements

Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant in the UK defined benefit plans, where inflationary increases result in higher sensitivity to changes in life expectancy.

The following table sets out the disclosure pertaining to employee benefits of Jaguar Land Rover Limited

(₹ in crores)

	Pension benefits	
	As at March 31, 2020	As at March 31, 2019
Change in defined benefit obligation:		
Defined benefit obligation, beginning of the Year	78,266.49	76,780.04
Service cost	1,198.00	1,449.05
Interest cost	1,832.79	1,981.47
Remeasurements (gains) / losses		
Actuarial (gains) arising from changes in demographic assumptions	59.49	(453.31)
Actuarial losses arising from changes in financial assumptions	(4,739.02)	4,965.37
Actuarial (gains)/losses arising from changes in experience adjustments on plan liabilities	(1,256.32)	327.69
Past service cost/(credit)	39.66	379.90
Benefits paid	(4,908.91)	(5,657.37)
Member contributions	13.34	13.58
Foreign currency translation	2,336.63	(1,519.93)
Defined benefit obligation, end of the Year	**72,842.15**	**78,266.49**
Change in plan assets:		
Fair value of plan assets, beginning of the Year	72,240.10	72,737.89
Interest Income	1,713.91	1,904.02
Remeasurements gains / (losses)		
Return on plan assets, (excluding amount included in net Interest expense)	2,926.69	2,362.62
Employer's contributions	2,079.29	2,407.81
Members contributions	13.34	13.58
Benefits paid	(4,908.91)	(5,657.37)
Expenses paid	(141.68)	(118.65)
Foreign currency translation	2,481.68	(1,409.80)
Fair value of plan assets, end of the Year	**76,404.42**	**72,240.10**

The actual return on the schemes' assets for the year ended March 31, 2020 was ₹ **4,641.68 crores** (2019: ₹ 4,267.04 crores)

(₹ in crores)

Amount recognized in the balance sheet consist of:	Pension benefits	
	Year ended March 31, 2020	Year ended March 31, 2019
Present value of defined benefit obligation	72,842.15	78,266.49
Fair value of plan Assets	76,404.42	72,240.10
Net liability / Assets	**3,562.27**	**(6,026.39)**
Amount recognised in the balance sheet consist of:		
Non- current assets	3820.14	-
Non -current liabilities	(257.87)	(6,026.39)
Net liability / Assets	**3,562.27**	**(6,026.39)**

Total amount recognised in other comprehensive income

(₹ in crores)

	Pension benefits	
	As at March 31, 2020	As at March 31, 2019
Remeasurements (gains)/losses	(8,035.20)	827.34
	(8,035.20)	**827.34**

Notes Forming Part of Consolidated Financial Statements

Net pension and post retirement cost consist of the following components:

(₹ in crores)

	Pension benefits	
	As at March 31, 2020	As at March 31, 2019
Current service cost	1,198.00	1,449.05
Past service cost/(credit)	39.66	379.90
Administrative expenses	141.68	118.65
Net interest cost/(income) (Including onerous obligations)	118.88	77.45
Net periodic pension cost	**1,498.22**	**2,025.05**

Amount recognised in other comprehensive income

(₹ in crores)

	Pension benefits	
	As at March 31, 2020	As at March 31, 2019
Actuarial (gains) arising from changes in demographic assumptions	59.49	(453.31)
Actuarial losses arising from changes in financial assumptions	(4,739.02)	4,965.37
Actuarial (gains)/losses arising from changes in experience adjustments on plan liabilities	(1,256.32)	327.69
Return on plan assets, (excluding amount included in net Interest expense)	(2,926.69)	(2,362.62)
Total recognised in other comprehensive income	**(8,862.54)**	**2,477.13**
Total recognised in statement of Profit and Loss and other comprehensive income	**(7,364.32)**	**4,502.18**

The assumptions used in accounting for the pension plans are set out below:

	Pension benefits	
	Year ended March 31, 2020	Year ended March 31, 2019
Discount rate	2.4%	2.4%
Expected rate of increase in benefit revaluation of covered employees	2.0%	2.4%
RPI Inflation rate	2.6%	3.2%

Whilst salary inflation is no longer used in the calculation of the Projected Benefit Obligation or Service Cost our assumption for this, on average over the medium term, has reduced from CPI +0.5% to CPI as at March 31, 2020.

For the valuation as at March 31, 2020, the mortality assumptions used are the SAPS table, in particular S2PxA tables and the Light Table for members of the Jaguar Executive Pension Plan.

For the Jaguar Pension Plan, scaling factor of 111% to 117% 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 111% 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, 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.

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.

Notes Forming Part of Consolidated Financial Statements

For the 2020 year end calculations there is an allowance for future improvements in line with the CMI (2019) projections and an allowance for long-term improvements of 1.25 % per annum and Sk=7.5, (2019: CMI (2018) projections with 1.25 % per annum improvements and Sk=7.5, 2018: CMI (2017) projections with 1.25 % per annum improvements).

A past service cost of ₹ 37.41 crores has been recognised in the year ended March 31, 2020. This reflects benefit improvements for certain members as part of the Group restructuring programme. A past service cost of ₹ 392.85 crores was recognised in the year ended 31 March 2019. This reflects benefit improvements for certain members as part of the Group restructuring programme and a past service cost following a High Court ruling in October 2018. As a result of the ruling, pension schemes are required to equalise male and female members' benefits for the inequalities within guaranteed minimum pension ('GMP') earned between May 17, 1990 and April 5, 1997. The Group historically made no assumptions for the equalisation of GMP and therefore considered the change to be a plan amendment.

The assumed life expectations on retirement at age 65 are (years)

	As at March 31, 2020	As at March 31, 2019
Retiring today :		
Males	21.0	21.0
Females	23.2	23.2
Retiring in 20 years :		
Males	22.5	22.4
Females	25.2	25.1

Pension plans asset allocation by category is as follows:

(₹ in crores)

	As at March 31, 2020			As at March 31, 2019		
	Quoted*	Unquoted	Total	Quoted*	Unquoted	Total
Equity Instruments						
Information Technology	1,159.83	-	1,159.83	716.65	-	716.65
Energy	93.53	-	93.53	304.75	-	304.75
Manufacturing	654.74	-	654.74	522.30	-	522.30
Financials	420.91	-	420.91	822.41	-	822.41
Others	2,340.83	-	2,340.83	2,272.41	-	2,272.41
	4,669.84	**-**	**4,669.84**	**4,638.52**	**-**	**4,638.52**
Debt Instruments						
Government	18,183.13	-	18,183.13	22,709.35	-	22,709.35
Corporate Bonds (Investment Grade)	11,645.06	3,255.00	14,900.06	1,351.98	15,328.05	16,680.03
Corporate Bonds (Non Investment Grade)	-	7,015.10	7,015.10	-	5,547.26	5,547.26
	29,828.19	**10,270.10**	**40,098.29**	**24,061.33**	**20,875.31**	**44,936.64**
Property Funds						
UK	-	2,553.49	2,553.49	-	2,211.26	2,211.26
Other	-	2,235.48	2,235.48	-	2,076.36	2,076.36
	-	**4,788.97**	**4,788.97**	**-**	**4,287.62**	**4,287.62**
Cash and Cash equivalents	**6,344.53**	**-**	**6,344.53**	1,904.79	-	1,904.79
Other						
Hedge Funds	-	4,442.89	4,442.89	-	2,803.29	2,803.29
Private Markets	-	5,256.64	5,256.64	38.17	3,039.29	3,077.46
Alternatives	-	5,555.96	5,555.96	139.46	7,337.30	7,476.76
	-	**15,255.49**	**15,255.49**	**177.63**	**13,179.88**	**13,357.51**
Derivatives						
Foreign exchange contracts	-	(336.72)	(336.72)	-	147.82	147.82
Interest Rate and inflation	-	5,097.64	5,097.64	-	2,967.20	2,967.20
Equity protection derivatives	-	486.38	486.38	-	-	-
	-	**5,247.30**	**5,247.30**	**-**	**3,115.02**	**3,115.02**
TOTAL	**40,842.56**	**35,561.86**	**76,404.42**	**30,782.27**	**41,457.83**	**72,240.10**

* determined on the basis of quoted prices for identical assets or liabilities in active markets.

As at March 31, 2020, the schemes held Gilt Repos. The net value of these transactions is included in the value of government bonds in the table above. The value of the funding obligation for the Repo transactions is ₹ **24,683.78 crores** at March 31, 2020 (2019: ₹ 14,292.09 crores).

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 methods (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.

Notes Forming Part of Consolidated Financial Statements

Assumption	Change in assumption	Impact on scheme liabilities	Impact on service cost
Discount rate	Increase/decrease by 0.25%	Decrease/increase by ₹ 3,647.85 crores	Decrease/increase by ₹ 65.47 crores
Inflation rate	Increase/decrease by 0.25%	Increase/decrease by ₹ 2,151.30 crores	Increase/decrease by ₹ 28.06 crores
Mortality rate	Increase/decrease by 1 year	Increase/decrease by ₹ 2,618.97 crores	Increase/decrease by ₹ 37.41 crores

Due to the economic effects of actions taken in response to the COVID-19 disease there is a higher degree of uncertainty in the valuations placed on some of the "unquoted" assets including property assets. In some cases the additional uncertainty will be small, however some managers have reported material uncertainty in their valuations. The Directors consider these valuations to be the best estimate of the valuation of these investments, but there is a higher degree of uncertainty compared to previous years.

Private Equity holdings have been measured using the most recent valuations, adjusted for cash and currency movements between the last valuation date and 31 March 2020. The latest valuations for these assets precede the negative impact of the COVID-19 pandemic on financial markets. Given the movements in listed equity markets, the valuation of Private Equity holdings may vary significantly. The value of the Private Equity holdings in the JLR UK Plans included above is ₹ 3,198.88 crores as at 31 March 2020.

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, 2020 is 19 years (2019: 19 years).

With the new benefit structure effective April 6, 2017, the expected net periodic pension cost for the year ended March 31, 2021 is ₹**1,309.48 crores**. The Company expects to pay ₹1,496.55 crores to its defined benefit schemes in the year ended March 31, 2021.

Deficit contributions are paid in line with the schedule of contributions at a rate of ₹ 561.21 million per year until 31 March 2024 followed by ₹233.84 million per year until 31 March 2028, although as part of JLR's response to the COVID-19 disease JLR has agreed to defer all of its contributions, payable for April, May and June 2020, until FY22. This agreement is reflected in an updated Schedule of Contributions dated 29 April 2020.

Defined contribution plan

The Company's contribution to defined contribution plans aggregated ₹**1,030.55 crores**, ₹1,186.21 crores for years ended March 31, 2020 and 2019, respectively.

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.

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.

Notes Forming Part of Consolidated Financial Statements

As at March 31, 2020, there are matters and/or disputes pending in appeal amounting to ₹**602.77 crores**, which includes ₹**77.23 crores** in respect of equity accounted investees (₹520.48 crores, which includes ₹75.53 crores in respect of equity accounted investees as at March 31, 2019).

Customs, Excise Duty and Service Tax

As at March 31, 2020, there are pending litigations for various matters relating to customs, excise duty and service tax involving demands, including interest and penalties, of ₹**665.94 crores,** which includes ₹**1.83 crores** in respect of equity accounted investees (₹1,025.45 crores, which includes ₹5.41 crores in respect of equity accounted investees as at March 31, 2019). 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:

As at March 31, 2020, the Excise Authorities have raised a demand and penalty of ₹**268.27 crores**, (₹243.24 crores as at March 31, 2019), due to the classification of certain chassis (as goods transport vehicles instead of dumpers) which were sent to automotive body builders by the Company, which the Excise Authorities claim requires the payment of the National Calamity Contingent Duty (NCCD). The Company has obtained a technical expert certificate on the classification. The appeal is pending before the Custom Excise & Service Tax Appellate Tribunal.

As at March 31, 2020, the Excise Authorities have confirmed demand & penalty totalling to ₹**90.88 crores** (₹90.88 crores as at March 31, 2019) 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 Customs, Excise and Service Tax Appellate Tribunal.

The Excise Authorities had denied the Company's claim of a CENVAT credit of ₹**53.39 crores** as at March 31, 2020 (₹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, 2020, the Excise Authorities have confirmed the demand and penalty totalling to ₹**50.05 crores** (₹92.42crores as at March 31, 2019) alleging undervaluation of products sold by the Company. The matter is being contested by the Company before Appellate Authorities.

As at March 31, 2020, demand and penalty totalling to ₹**23.50 crores** (₹23.50 crores as at March 31, 2019) has been confirmed for alleged non-payment of service tax on services like Event Management Services (RCM), Authorized Service Station Services, Heat Treatment Services etc. The matter is being contested by the Company before Appellate Authorities.

The Excise Authorities are of the view that the Company had wrongly availed CENVAT credit amounting to ₹**29.00 crores** as at March 31, 2020 (₹29.00 crores as at March 31, 2019) on various input services in relation to setting up of the factory in Singur. The Department was of the contention that since no manufacturing activity had taken place in Singur, the credit cannot be availed. The matter is contested in appeal.

Sales Tax

The total sales tax demands (including interest and penalty), that are being contested by the Company amount to ₹**963.56 crores**, which includes ₹**9.64 crores** in respect of equity accounted investees as at March 31, 2020 (₹1,168.89 crores, which includes ₹12.40 crores in respect of equity accounted investees, as at March 31, 2019). The details of the demands for more than ₹20 crores are as follows:

The Sales Tax Authorities have raised demand of ₹**207.80 crores** (₹260.15 crores as at March 31, 2019) towards rejection of certain statutory forms for concessional lower/nil tax rate (Form F and Form C) on technical grounds and few other issues 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 ₹**221.77 crores** as at March 31, 2020 (₹487.96 crores as at March 31, 2019). 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 ₹**25.25 crores** as at March 31, 2020 (₹ 80.02 crores as at March 31, 2019) 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 Check Post/ Entry Tax liability at various states amounting to ₹**65.81 crores** as at March 31, 2020 (₹64.14 crores as at March 31, 2019). The Company is contesting this issue.

The Sales Tax Authorities have raised demand of ₹**148.84 crores** as at March 31, 2020 (₹ Nil as at March 31, 2019) towards full CST liability on Chassis exported after enroot body building and interest thereon considering as CST sale. The Company has contended that the Company's manufacturing plant dispatching chassis for enroot body building to bodybuilders as bill to the Company and ship to bodybuilders is constituted as export sale after Chassis export. The matter is contested in appeal.

In case of one of the joint operation entity, Fiat India Automobiles Pvt. Ltd., the Sales Tax Authorities have held back the refund of VAT on debit notes raised for Take or Pay arrangements (TOP) totaling to ₹**67.58 crores** (₹51.60 crores as at March 31, 2019) 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.

Notes Forming Part of Consolidated Financial Statements

Other Taxes and Dues

Other amounts for which the Company may contingently be liable aggregate to ₹**723.57 crores**, which includes ₹**16.72 crores** in respect of equity accounted investees as at March 31, 2020 (₹436.08 crores, which includes ₹21.54 crores in respect of equity accounted investees, as at March 31, 2019). 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, 2020 (₹61.65 crores as at March 31, 2019) 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, 2020, property tax amounting to ₹**109.14 crores** (₹63.81 crores as at March 31, 2019) has been demanded by the local municipal authorities in respect of vacant land of the Company in the plant in Pimpri ((including residential land), Chinchwad and Chikhali Pune. The Company had filed Special Leave Petition (SLP) before the Supreme Court against an unfavorable decision of the Bombay High Court. The Hon'ble Supreme Court had disposed of the SLP and remanded the matter back to the local municipal corporation for fresh adjudication.After fresh hearing, the municipal authority again passed the same order as it had passed earlier, which the Company has challenged before the Civil Court. The Civil Court has passed an injunction order restraining the municipal authority from taking any action of recovery.

As at March 31, 2020, Sales tax / VAT amounting to ₹**34.08 crores** (₹32.47 crores as at March 31, 2019) 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 of India.

As at March 31, 2020, possession tax amounting to ₹**22.23 crores** (₹36.25 crores as at March 31, 2019) 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 Jharkhand High Court.

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. There are interpretative challenges and considerable uncertainty, including estimating the amount retrospectively. Pending the 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 complied with this 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.

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 ₹**12,634.91 crores**, as at March 31, 2020 (₹11,529.23 crores as at March 31, 2019), 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 ₹**259.79 crores** as at March 31, 2020, (₹567.57 crores as at March 31, 2019), which are yet to be executed.

Under the joint venture agreement with Chery Jaguar Land Rover Automotive Co. Limited, the Company is committed to contribute ₹**5,311.40 crores** as at March 31, 2020 (₹3,606.40 crores as at March 31, 2019) towards its share in the capital of the joint venture of which ₹**3,691.42 crores** (₹2,962.40 crores as at March 31, 2019) has been contributed as at March 31, 2020. As at March 31, 2020, the Company has an outstanding commitment of ₹**1,619.98 crores** (₹644.00 crores as at March 31, 2019).

The Company has contractual obligation towards Purchase Commitment for ₹**19,165.64 crores** as at March 31, 2020 (₹20,159.77 crores as on March 31, 2019).

Notes Forming Part of Consolidated Financial Statements

40. 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 26, 27 and 29 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, 2020	As at March 31, 2019
Equity*	63,087.37	63,803.79
Short-term borrowings and current portion of long-term debt	35,494.90	35,201.67
Long-term debt	83,315.62	70,973.67
Total debt	**1,18,810.52**	**1,06,175.34**
Total capital (Debt + Equity)	1,81,897.89	1,69,979.13

* Details of equity :

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
Total equity as reported in balance sheet	**63,892.09**	**60,702.62**
Currency translation reserve attributable to		
- Shareholders of Tata Motors Limited	(4,874.70)	(2,552.39)
- Non-controlling interests	(35.20)	(19.86)
Hedging reserve and cost of hedge reserve	4,105.18	5,673.42
Equity as reported above	**63,087.37**	**63,803.79**

Notes Forming Part of Consolidated Financial Statements

41. 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, 2020.

(₹ in crores)

Financial assets	Cash and other financial assets at amortised cost	Investments - FVTOCI	Investments - FVTPL	Investments - Amortised cost	Finance receivables - FVTOCI	Derivatives other than in hedging relationship	Derivatives in hedging relationship	Total carrying value	Total fair value
(a) Other investments - non-current	-	609.19	418.86	-	-	-	-	1,028.05	1,028.05
(b) Investments - current	-	-	1,506.93	9,354.61	-	-	-	10,861.54	10,861.54
(c) Trade receivables	11,172.69	-	-	-	-	-	-	11,172.69	11,172.69
(d) Cash and cash equivalents	18,467.80	-	-	-	-	-	-	18,467.80	18,467.80
(e) Other bank balances	15,259.17	-	-	-	-	-	-	15,259.17	15,259.17
(f) Loans and advances - non-current	782.78	-	-	-	-	-	-	782.78	782.78
(g) Loans and advances - current	935.25	-	-	-	-	-	-	935.25	935.25
(h) Finance receivable - current	10,525.51	-	-	-	3,719.79	-	-	14,245.30	14,245.30
(i) Finance receivable - non-current	16,833.77	-	-	-	-	-	-	16,833.77	16,356.14
(j) Other financial assets - non-current	2,458.41	-	-	-	-	388.93	1,902.23	4,749.57	4,749.57
(k) Other financial assets - current	2,195.18	-	-	-	-	1,566.76	824.54	4,586.48	4,586.48
TOTAL	**78,630.56**	**609.19**	**1,925.79**	**9,354.61**	**3,719.79**	**1,955.69**	**2,726.77**	**98,922.40**	**98,444.77**

(₹ 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)	-	-	1,02,447.99	1,02,447.99	92,953.58
(b) Lease Liability (including current)	-	-	5,977.12	5,977.12	6,187.86
(c) Short-term borrowings	-	-	16,362.53	16,362.53	16,362.53
(d) Trade payables	-	-	63,626.88	63,626.88	63,626.88
(e) Acceptances	-	-	2,771.33	2,771.33	2,771.33
(f) Other financial liabilities - non-current	587.96	2,667.92	602.60	3,858.48	3,858.48
(g) Other financial liabilities - current	1,926.29	2,354.31	13,131.03	17,411.63	17,411.63
TOTAL	**2,514.25**	**5,022.23**	**2,04,919.48**	**2,12,455.96**	**2,03,172.29**

Note:

1 Includes ₹**8,333.93 crores** designated as hedged item in fair value hedge relationship. This includes a loss of ₹**422.03 crores** on account of fair value changes attributable to the hedged Interest rate risk.

Notes Forming Part of Consolidated Financial Statements

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**	**1,03,404.38**	**1,03,208.74**

(₹ 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**	**1,91,057.99**	**1,98,462.96**	**1,95,397.91**

Notes:

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.

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

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

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

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.

Notes Forming Part of Consolidated Financial Statements

(₹ in crores)

	As at March 31, 2020			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
(a) Investments	1,823.39	-	711.59	2,534.98
(b) Derivative assets	-	4,682.46	-	4,682.46
(c) Finance receivables	-	-	3,719.79	3,719.79
TOTAL	**1,823.39**	**4,682.46**	**4,431.38**	**10,937.23**
Financial liabilities measured at fair value				
(a) Derivative liabilities	-	7,536.48	-	7,536.48
TOTAL	**-**	**7,536.48**	**-**	**7,536.48**

Reconciliation of financial assets measured at fair value using significant unobservable inputs (Level 3)	As at March 31, 2020
Balance at the beginning	738.26
Originated / purchased during the period	3,947.03
Interest accrued on FVOCI Loans	27.29
Proceeds during the period	(283.10)
Loan loss provision recognised	(16.89)
Fair value changes recognized through OCI	133.32
Fair value changes recognized through P& L	(121.59)
Foreign exchange translation difference	7.06
Balance at the end	**4,431.38**

(₹ 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**

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, 2020			
	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value				
(a) Investments	9,354.61	-	-	9,354.61
(b) Finance receivables	-	-	26,881.65	26,881.65
TOTAL	**9,354.61**	**-**	**26,881.65**	**36,236.26**
Financial liabilities not measured at fair value				
(a) Long-term borrowings (including current maturities of long term borrowing)	34,715.69	58,237.89	-	92,953.58
(b) Short-term borrowings	-	16,362.53	-	16,362.53
TOTAL	**34,715.69**	**74,600.42**	**-**	**1,09,316.11**

(₹ 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**	**-**	**1,03,110.29**

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

Notes Forming Part of Consolidated Financial Statements

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, 2020 and 2019. 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 realized or paid in sale transactions as of respective dates. As such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each year end.

Offsetting

Certain financial assets and financial liabilities are subject to offsetting where there is currently a legally enforceable right to set off recognized 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.

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, 2020:

(₹ 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	4,682.46	-	4,682.46	(3,631.46)	-	1,051.00
(b) Trade receivables	11,305.13	(132.44)	11,172.69	-	-	11,172.69
(c) Cash and cash equivalents	25,112.50	(6,644.70)	18,467.80	-	-	18,467.80
TOTAL	**41,100.09**	**(6,777.14)**	**34,322.95**	**(3,631.46)**	**-**	**30,691.49**
Financial liabilities						
(a) Derivative financial instruments	7,536.48	-	7,536.48	(3,631.46)	-	3,905.02
(b) Trade payable	63,759.32	(132.44)	63,626.88	-	-	63,626.88
(c) Loans from banks/financial institutions (short-term & current maturities of long term debt)	42,139.60	(6,644.70)	35,494.90	-	-	35,494.90
TOTAL	**1,13,435.40**	**(6,777.14)**	**1,06,658.26**	**(3,631.46)**	**-**	**1,03,026.80**

Notes Forming Part of Consolidated Financial Statements

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: Financial instruments	Amounts subject to an enforceable master netting arrangement: Cash collateral	Net amount after offsetting
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	**1,15,102.91**	**(3,982.74)**	**1,11,120.17**	**(1,717.37)**	**-**	**1,09,402.80**

(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 collateralized 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, 2020: Carrying amount of asset sold	As at March 31, 2020: Carrying amount of associated liabilities	As at March 31, 2019: Carrying amount of asset sold	As at March 31, 2019: Carrying amount of associated liabilities
(a) Trade receivables	-	-	1,031.46	1,031.46
(b) Finance receivables	4,257.37[1]	4,228.24	3,033.83[1]	3,047.33

[1]Net of provision of ₹ **49.38 crores** and ₹ 38.03 crores as at March 31, 2020 and 2019 respectively.

(c) Cash flow hedges

As at March 31, 2020, 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 recognized 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 recognized in Hedge reserve. Changes in fair value arising from own and counterparty 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 January 1, 2018 is identified as cost of hedge and accordingly changes in fair value attributable to this is recognized in cost of hedge reserve.

Notes Forming Part of Consolidated Financial Statements

Changes in fair value of foreign currency derivative and bonds, to the extent determined to be an effective hedge, is recognized in other comprehensive income and the ineffective portion of the fair value change is recognized in 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 recognized in statement of profit or loss during the years ending March 31, 2021 to 2024.

(₹ in crores)

	As at March 31,2020	As at March 31,2019
Fair value gain/(loss) of foreign currency derivative contracts entered for cash flow hedges of forecast sales recognized in hedging reserve	(2,926.97)	(6,045.46)
Fair value gain/(loss) of foreign currency derivative contracts entered for cash flow hedges of forecast inventory purchases recognized in hedging reserve	695.35	(1,746.28)
Fair value gain/(loss) of foreign currency bonds designated as cash flow hedges of forecast sales recognised in hedging reserve	(61.83)	(942.91)
Fair value gain/(loss) of derivatives entered for cash flow hedges of repayment of foreign currency denominated borrowings recognized in hedging reserve	(81.89)	44.60
Fair value gain/(loss) of interest rate swaps entered for cash flow hedges of payment of interest on borrowings benchmarked to LIBOR	(152.89)	(57.57)
Fair value gain/(loss) recognized in Hedging reserve	**(2,528.23)**	**(8,747.62)**
Gain/(loss) reclassified from Hedging reserve and recognized in 'Revenue from operations' in the statement of profit and loss on occurrence of forecast sales	(4,814.06)	(6,956.21)
Gain/(loss) reclassified out of Hedging reserve and recorded in Inventory in the Balance sheet on occurrence of forecast purchases	270.97	1,011.27
Gain/(loss) reclassified from Hedging reserve and recognized in 'Foreign exchange (gain)/loss (net)' in the statament of profit and loss on account of forecast transactions no longer expected to occur	14.78	(102.79)
Gain/(loss) reclassified from Hedging reserve and recognized in 'Foreign exchange (gain)/loss (net)' in the statement of profit and loss on account of repayment of foreign currency denominated borrowings recognized in hedging reserve	120.35	-
Gain/(loss) reclassified from Cost of Hedge reserve and recognized in 'Foreign exchange (gain)/loss (net)' in the statement of profit and loss on account of forecast transactions no longer expected to occur	-	-
	(4,407.96)	**(6,047.73)**
Gain/(loss) on foreign currency derivatives not hedge accounted, recognized in 'Foreign exchange (gain)/loss (net)' in the statement of profit and loss	531.84	(749.80)
Fair value gain/(loss) recognized 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	(7.52)	(133.64)
	524.32	**(883.44)**

(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 realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

Notes Forming Part of Consolidated Financial Statements

(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, 2020:

(₹ in crores)

	U.S. dollar	Euro	Chinese Renminbi	GBP	Canadian dollar	Others [1]	Total
(a) Financial assets	18,594.94	11,414.53	4,526.86	1,313.38	1,535.41	2,412.27	39,797.39
(b) Financial liabilities	40,045.28	40,994.24	4,909.28	6,263.41	758.12	3,094.68	96,065.01

[1] Others mainly include currencies such as the Russian rouble, Singapore dollars, Swiss franc, Australian dollars, South African rand, Thai baht, Japanese Yen and Korean won.

The table below outlines the effect change in foreign currencies exposure for the year ended March 31, 2020:

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 ₹**3,979.74 crores** for financial assets and decrease/increase in Company's net income before tax by approximately ₹**9,606.50 crores** for financial liabilities respectively for the year ended March 31, 2020 and decrease/increase in the Company's other comprehensive income by approximately ₹**756.28 crores** in respect of financial liabilities designated in cash flow hedges for the year ended March 31, 2020.

The following table set forth information relating to foreign currency exposure (other than risk arising from derivatives) as of March 31, 2019:

(₹ in crores)

	U.S. dollar	Euro	Chinese Renminbi	GBP	Japanese Yen	Others	Total
(a) Financial assets	22,765.97	12,594.09	1,985.31	1,600.67	339.86	,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

(Note: The impact is indicated on the income/loss before tax basis).

Notes Forming Part of Consolidated Financial Statements

(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 securitization 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, 2020 and 2019 financial liability of **₹45,021.15 crores** and ₹30,284.89 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 **₹450.21 crores** and ₹302.85 crores on income for the year ended March 31, 2020 and 2019, 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, 2020 and 2019, was **₹158.68 crores** and ₹304.31 crores, respectively. A 10% change in prices of these securities held as of March 31, 2020 and 2019, would result in an impact of **₹15.87 crores** and ₹30.43 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, 2020 and 2019, was **₹157.78 crores** and ₹423.14 crores, respectively. A 10% change in prices of these securities measured at FVTPL held as of March 31, 2020 and 2019, would result in an impact of **₹15.78 crores** and ₹42.31 crores on statement of profit and loss, respectively.

(Note: The impact is indicated on equity and profit and loss before consequential tax impact, if any).

Notes Forming Part of Consolidated 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 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 ₹ **98,304.54 crores** as at March 31, 2020 and ₹102,812.99 crores as at March 31, 2019, 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, 2020, 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, 2020			As at March 31, 2019		
	Gross	Allowance	Net	Gross	Allowance	Net
Period (in months)						
(a) Not due	8,199.18	(33.03)	8,166.15	15,089.88	(32.41)	15,057.47
(b) Overdue up to 3 months	1,980.20	(16.38)	1,963.82	3,108.65	(13.10)	3,095.55
(c) Overdue 3-6 months	363.58	(37.21)	326.37	251.69	(18.37)	233.32
(d) Overdue more than 6 months	1,743.73	(1,027.38)	716.35[1]	1,516.05	(906.22)	609.831[1]
TOTAL	**12,286.69**	**(1,114.00)**	**11,172.69**	**19,966.27**	**(970.10)**	**18,996.17**

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 **₹471.35 crores** as at March 31, 2020 (₹513.08 crores as at March 31, 2019), 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, 2020			As at March 31, 2019		
	Gross	Allowance	Net	Gross	Allowance	Net
Period (in months)						
(a) Not due[3]	30,448.46	(529.04)	29,919.42	33,634.95	(608.20)	33,026.75
(b) Overdue up to 3 months	724.30	(31.43)	692.87	429.47	(19.44)	410.03
(c) Overdue more than 3 months	557.69	(90.91)	466.78	393.32	(205.41)	187.91
TOTAL	**31,730.45**	**(651.38)**	**31,079.07**	**34,457.74**	**(833.05)**	**33,624.69**

[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 prog, 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, 2020:

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	66,398.21	66,398.21	-	-	-	66,398.21
(b) Borrowings and interest thereon	1,20,095.62	40,654.07	21,429.66	54,775.14	20,570.21	1,37,429.08
(c) Lease Liability	5,977.12	1,312.67	1,062.61	2,305.21	4,912.07	9,592.56
(d) Derivative liabilities	7,536.48	4,635.15	2,546.11	1,361.61	219.38	8,762.25
(e) Other financial liabilities	12,448.53	11,868.04	202.33	406.95	62.52	12,539.84
TOTAL	**2,12,455.96**	**1,24,868.14**	**25,240.71**	**58,848.91**	**25,764.18**	**2,34,721.94**

Contractual maturities of borrowings includes cash flows relating to collateralized debt obligations. This represents the amount received against the transfer of finance receivables in securitization 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 collateralized 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	4,229.94	2,445.13	1,494.20	717.95	4,657.28

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	1,07,234.92	40,893.54	18,470.53	44,033.57	19,818.26	1,23,215.90
(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	**1,98,462.96**	**1,29,956.00**	**21,357.18**	**45,447.28**	**20,174.04**	**2,16,934.50**

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	3,047.33	1,482.42	1,013.40	551.51	3,047.33

(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, counterparty 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, 2020	As at March 31, 2019
(a) Foreign currency forward exchange contracts and options	(2,463.20)	(5,242.65)
(b) Commodity Derivatives	(639.47)	101.95
(c) Others including interest rate and currency swaps	248.65	(117.59)
TOTAL	**(2,854.02)**	**(5,258.29)**

The gain/(loss) on commodity derivative contracts, recognized in the statement of Profit and Loss was ₹**688.18 crores** loss and ₹84.74 crores gain for the years ended March 31, 2020 and 2019, respectively.

Foreign exchange sensitivity in respect of Company's exposure to forward and option contract:

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019
10% depreciation of foreign currency:		
Gain/(loss) in hedging reserve and cost of hedge reserve	5,585.17	2,316.97
Gain/(loss) in statement of Profit and loss	(1,023.32)	(675.27)
10% Appreciation of foreign currency:		
Gain/(loss) in hedging reserve and cost of hedge reserve	(5,585.77)	(2,629.28)
Gain/(loss) in statement of Profit and loss	1257.85	2,179.83

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 ₹**(458.32) crores**/₹**458.32 crores** and ₹(479.79) crores/₹479.79 crores in the statement of profit and loss for the years ended March 31, 2020 and 2019, 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

42. 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 crores)		Carrying value (₹in crores)	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Foreign currency forwards						
Cash flow hedges - USD						
Sell - USD/ Buy - GBP						
<1 year	0.723	0.674	16,519.0	12,280.5	(1,466.24)	(1,584.84)
Between 1-5 years	0.765	0.699	47,686.4	15,199.4	(1,778.03)	(1,003.76)
Cash flow hedges - Chinese Yuan						
Sell - Chinese Yuan / Buy - GBP						
<1 year	0.109	0.105	14,976.2	19,295.9	(552.52)	(1,381.19)
Between 1-5 years	0.110	0.108	11,120.4	11,754.6	(186.15)	(394.63)
Cash flow hedges -Euro						
Buy - Euro / Sell - GBP						
<1 year	0.911	0.863	24,647.9	24,360.0	(4.44)	133.96
Between 1-5 years	0.910	0.907	31,651.3	28,787.8	(157.47)	(642.62)
Cash flow hedges - Other						
<1 year	0.000	0.002	8,972.7	16,289.2	493.72	17.20
Between 1-5 years	0.000	0.004	11,583.6	7,974.9	361.17	101.37
Foreign currency options						
Cash flow hedges - USD						
Sell - USD/ Buy - GBP						
<1 year	0.000	0.716	-	157.6	-	(9.96)
Between 1-5 years	0.000	0.698	-	265.8	-	(28.06)
Cash flow hedges -Euro						
Buy - Euro / Sell - GBP						
<1 year	0.000	0.966	-	806.7	-	(71.50)
Between 1-5 years	0.000	0.970	-	849.3	-	(21.72)
Cash flow hedges of foreign exchange risk on recognised debt						
Cross currency interest rate swaps						
Buy - USD / Sell - GBP						
>5 years	0.759	0.759	3,550.57	3435.78	529.50	100.47
Buy - Euro / Sell - GBP						
>5 years	0.891	0.891	4,168.04	4,033.15	29.08	(133.05)
Buy - USD / Sell - INR						
>5 years	83.520	0.000	4,488.29	-	654.99	-
Total foreign currency derivative instruments			**1,79,364.41**	**1,45,490.57**	**(2,076.39)**	**(4,918.33)**
Debt instruments denominated in foreign currency						
USD						
< 1 year		0.736	-	5,564.7	-	(6,950.58)
Total debt instruments denominated in foreign currency			**-**	**5,564.7**	**-**	**(6,950.58)**

Notes Forming Part of Consolidated Financial Statements

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 2020	As at March 31 2019	As at March 31 2020	As at March 31 2019	As at March 31 2020	As at March 31 2019
Interest rate swaps linked to LIBOR						
>5 years	2.86%	2.86%	237.5	237.5	(219.08)	(57.57)
Total derivatives designated in hedge relationship						**(4,975.9)**
Total debt instruments designated in hedge relationship					**(2,295.5)**	**(6,950.6)**

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 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.

Operating segments consist of :

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.

These segment information is provided to and reviewed by Chief Operating Decision Maker (CODM).

Notes Forming Part of Consolidated Financial Statements

(₹ in crores)

	For the year ended/as at March 31, 2020										
	Automotive and related activity										
	Tata and other brand vehicle [1]				Vehicle Financing	Jaguar Land Rover	Intra-segment eliminations	Total	Others	Inter-segment eliminations	Total
	Commercial vehicle	Passenger vehicle	Unallocable	Total							
Revenues:											
External revenue	36,329.44	10,481.74	144.94	46,956.12	4,295.49	2,08,040.02		2,59,291.63	1,776.34	-	2,61,067.97
Inter-segment/intra-segment revenue	-	-	70.59	70.59	-		(70.59)	-	1,270.73	(1,270.73)	-
Total revenues	**36,329.44**	**10,481.74**	**215.53**	**47,026.71**	**4,295.49**	**2,08,040.02**	**(70.59)**	**2,59,291.63**	**3,047.07**	**(1,270.73)**	**2,61,067.97**
Earnings before other income (excluding Incentives), finance costs, foreign exchange gain/(loss) (net), exceptional items and tax :	(368.22)	(2,867.58)	(255.86)	(3,491.66)	2,854.71	594.05	-	(42.90)	382.32	(55.43)	283.99
Finance costs pertaining to borrowings sourced by vehicle financing segment	-	-	-	-	(3,079.31)	-	-	(3,079.31)	-	-	(3,079.31)
Segment results	**(368.22)**	**(2,867.58)**	**(255.86)**	**(3,491.66)**	**(224.60)**	**594.05**	**-**	**(3,122.21)**	**382.32**	**(55.43)**	**(2,795.32)**
Reconciliation to Profit before tax:											
Other income/(loss) (excluding Incentives)											989.54
Finance costs (excluding pertaining to borrowings sourced by vehicle financing segment)											(4,164.02)
Foreign exchange											(1,738.74)
Exceptional items	(10.41)	(2,576.04)	(15.91)	(2,602.36)	(9.30)	(259.78)	-	(2,871.44)	-	-	(2,871.44)
Profit before tax											**(10,579.98)**
Depreciation and amortisation expense	1,646.15	1,742.96	163.05	3,552.16	50.95	17,787.80	-	21,390.91	103.97	(69.45)	21,425.43
Capital expenditure	2,380.15	2,255.27	426.34	5,061.76	71.61	26,161.07	-	31,294.44	(72.20)	-	31,222.24
Share of profit/(loss) of equity accounted investees (net)	-	-	62.87	62.87	(1.94)	(1,033.76)	-	(972.83)	(27.17)	-	(1,000.00)
Segment assets	26,016.50	16,150.81	3,614.16	45,781.47	33,587.64	1,87,333.67	-	2,66,702.78	2,440.21	(1,394.69)	2,67,748.30
Assets classified as held for sale			194.43	194.43			-	194.43	-	-	194.43
Investment in equity accounted investees	-	-	468.96	468.96	-	3,384.36	-	3,853.32	565.57	-	4,418.89
Reconciliation to total assets:											
Other Investments											11,889.59
Current and non-current tax assets (net)											1,294.85
Deferred tax assets (net)											5,457.90
Other unallocated financial assets [2]											31,117.30
Total assets											**3,22,121.26**
Segment liabilities	13,101.11	4,962.39	1,456.84	19,520.34	528.49	107,123.37	-	127,172.20	787.93	(330.98)	1,27,629.15
Reconciliation to total liabilities:											
Borrowings											1,24,787.64
Current tax liabilities (net)											1,040.14
Deferred tax liabilities (net)											1,941.87
Other unallocated financial liabilities [3]											2,830.37
Total liabilities											**2,58,229.17**

1 Tata and other brand vehicles include Tata Daewoo and Fiat brand vehicles.
2 Includes interest-bearing 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, 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	2,23,513.58	-	2,99,655.61	2,282.79	-	3,01,938.40
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**	**2,23,513.58**	**(275.65)**	**2,99,655.61**	**3,626.07**	**(1,343.28)**	**3,01,938.40**
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	1,70,433.61	-	2,56,717.49	2,003.74	(1,225.25)	2,57,495.98
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											**3,07,194.53**
Segment liabilities	15,937.65	3,687.73	1,752.13	21,377.51	711.43	1,07,296.26	(337.65)	1,29,047.55	529.07	(252.06)	1,29,324.56
Liabilities classified as held-for-sale	-	-	-	-	-	-	-	-	-	-	-
Reconciliation to total liabilities:											
Borrowings											1,06,175.34
Current tax liabilities (net)											1,017.64
Deferred tax liabilities (net)											1,491.04
Other unallocated financial liabilities[3]											8,483.33
Total liabilities											**2,46,491.91**

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

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, 2020	Year ended March 31, 2019
(a) India	47,093.49	68,087.44
(b) United States of America	52,029.47	52,472.91
(c) United Kingdom	42,442.85	49,113.81
(d) Rest of Europe	43,227.46	49,814.17
(e) China	29,820.46	30,414.75
(f) Rest of the World	46,454.24	52,035.32
TOTAL	**2,61,067.97**	**3,01,938.40**

Non-current assets (Property, plant and equipment, Intangible assets, other non-current assets and Goodwill) by geographic area:

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31, 2019
(a) India	30,394.18	29,626.94
(b) United States of America	814.73	291.99
(c) United Kingdom	1,15,323.30	1,01,436.47
(d) Rest of Europe	11,331.42	9,470.80
(e) China	1,583.26	140.92
(f) Rest of the World	3,282.54	2,513.76
TOTAL	**1,62,729.43**	**1,43,480.88**

Information about product revenues:

(₹ in crores)

	Year ended March 31, 2020	Year ended March 31, 2019
(a) Tata and Fiat vehicles	43,932.32	68,870.87
(b) Tata Daewoo commercial vehicles	3,058.52	3,911.66
(c) Finance revenues	4,260.30	3,399.55
(d) Jaguar Land Rover vehicles	2,08,040.02	2,23,513.58
(e) Others	1,776.81	2,242.74
TOTAL	**2,61,067.97**	**3,01,938.40**

Notes Forming Part of Consolidated Financial Statements

44. RELATED-PARTY TRANSACTIONS

The Company's related parties principally consist of Tata Sons Private Limited, subsidiaries and joint arrangements 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 summarizes related-party transactions and balances included in the consolidated financial statements for the year ended/as at March 31, 2020:

(₹ in crores)

Particulars	Associates and its subsidiaries	Joint ventures	Joint operations	Tata Sons Pvt. Ltd., its subsidiaries and joint ventures	Total
Purchase of products	1,736.26	0.79	2,781.47	42.67	4,561.19
Sale of products	187.07	1,951.92	681.03	847.55	3,667.57
Services received	22.89	4.16	0.80	1,560.15	1,588.00
Services rendered	16.54	959.58	4.93	81.46	1,062.51
Bills discounted	-	-	-	3,148.52	3,148.52
Purchase of property, plant and equipment	81.00	-	-	2.37	83.37
Sale of property, plant and equipment	2.18	-	-	95.30	97.48
Interest (income)/expense, dividend (income)/paid.(net)	(13.58)	(606.43)	4.09	29.38	(586.54)
Finance given (including loans and equity)	-	618.17	-	-	618.17
Finance given, taken back (including loans and equity)	-	-	-	3.50	3.50
Finance taken (including loans and equity)	104.00	-	-	4,561.36	4,665.36
Finance taken, paid back (including loans and equity)	81.00	-	-	858.34	939.34
Borrowing towards Lease Liability	-	-	113.83	-	113.83
Repayment towards lease liability	-	-	1.83	-	1.83
Amount receivable in respect of Loans and interest thereon	-	25.13	-	4.18	29.31
Amounts payable in respect of loans and interest thereon	46.00	-	-	1.93	47.93
Amount payable in respect of Lease Liability	-	-	112.00	-	112.00
Trade and other receivables	27.45	628.66	-	189.23	845.34
Trade payables	272.61	3.19	269.59	158.17	703.56
Acceptances	-	-	-	76.90	76.90
Provision for amount receivables	-	25.12	-	-	25.12

The following table summarizes related-party transactions 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 ventures	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

Notes Forming Part of Consolidated Financial Statements

(₹ in crores)

Particulars	Associates and its subsidiaries	Joint ventures	Joint operations	Tata Sons Pvt. Ltd., its subsidiaries and joint ventures	Total
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

Details of significant transactions are given below:

Particulars	Nature of relationship	Year ended March 31, 2020	Year ended March 31, 2019
i) **Services rendered**			
Chery Jaguar Land Rover Automotive Company Limited	Joint ventures	959.00	765.32
ii) **Bill discounted**			
Tata Capital	Tata Sons Pvt. Ltd., its subsidiaries and joint arrangements	3,148.52	5,493.78
iii) **Sale of Investment in a Subsidiary Company**			
Tata Advanced Systems Ltd. (TASL)	Tata Sons Pvt. Ltd., its subsidiaries and joint arrangements	-	533.35
iv) **Preferential allotment**			
Tata Sons Pvt. Ltd.	Tata Sons Pvt Ltd, its subsidiaries and joint arrangements	3,891.85	-

Compensation of key management personnel:

(₹ in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Short-term benefits	62.26	63.39
Post-employment benefits*	7.56	5.46
Share based payment	0.62	0.44

The compensation of CEO and Managing Director is **₹16.48 crores** and **₹26.32 crores** for the year ended March 31, 2020 and 2019, respectively. This amount for the year ended March 31, 2020, excludes Performance and Long Term Incentives, which will be accrued post determination and approval by the Nomination and Remuneration Committee. Remuneration for the year ended March 31, 2020 includes **₹11.82 crores** (₹Nil for the year ended March 31, 2019) of managerial remuneration which is subject to the approval of the Shareholders.

The compensation of CEO at Jaguar Land Rover is **₹40.10 crores** and ₹31.82 crores for the year ended March 31, 2020 and 2019, respectively.

* Excludes provision for encashable leave and gratuity for certain key management personnel as a separate actuarial valuation is not available.

Refer note 38 for information on transactions with post-employment benefit plans.

Notes Forming Part of Consolidated Financial Statements

45. EARNINGS PER SHARE ('EPS')

		Year ended March 31, 2020	Year ended March 31, 2019
(a) Profit / (Loss) for the period	₹ crores	(12,070.85)	(28,826.23)
(b) The weighted average number of Ordinary shares for Basic EPS	Nos.	2,95,23,53,090	2,88,73,48,474
(c) The weighted average number of 'A' Ordinary shares for Basic EPS	Nos.	50,85,02,473	50,85,02,371
(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	(10,297.28)	(24,509.73)
(f) Share of profit / (loss) for 'A' Ordinary shares for Basic EPS*	₹ crores	(1,773.57)	(4,316.50)
(g) Earnings Per Ordinary share (Basic)	₹	(34.88)	(84.89)
(h) Earnings Per 'A' Ordinary share (Basic)	₹	(34.88)	(84.89)
(i) Profit after tax for Diluted EPS	₹ crores	#	#
(j) The weighted average number of Ordinary shares for Basic EPS	Nos.	#	#
(k) Add: Adjustment for Options relating to warrants and shares held in abeyance	Nos.	#	#
(l) The weighted average number of Ordinary shares for Diluted EPS	Nos.	#	#
(m) The weighted average number of 'A' Ordinary shares for Basic EPS	Nos.	#	#
(n) Add: Adjustment for 'A' Ordinary shares held in abeyance	Nos.	#	#
(o) The weighted average number of 'A' Ordinary shares for Diluted EPS	Nos.	#	#
(p) Share of profit for Ordinary shares for Diluted EPS	₹ crores	#	#
(q) Share of profit for 'A' Ordinary shares for Diluted EPS*	₹ crores	#	#
(r) Earnings Per Ordinary share (Diluted)	₹	(34.88)	(84.89)
(s) Earnings Per 'A' Ordinary share (Diluted)	₹	(34.88)	(84.89)

* '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, 2020 potential equity shares are not considered as dilutive and hence Diluted EPS is same as Basic EPS. 'Warrants are considered as dilutive since the exercise price of ordinary shares is less than the average market price during the period. However, since there is a loss for the year ended March 31, 2020, potential warrants are not considered as dilutive and hence Diluted EPS is same as Basic EPS.

Notes Forming Part of Consolidated Financial Statements

46. 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 total comprehensive income	Share of total comprehensive income
Parent								
Tata Motors Ltd	27.95%	17,627.70	61.75%	(7,453.98)	(3.22)%	(370.42)	1351.64%	(7,824.40)
Subsidiaries								
Indian								
TML Business Services Ltd. [name changed from Concorde Motors (India) Ltd. w.e.t 31st March 2020]	0.01%	3.51	0.02%	(2.07)	0.00%	(0.17)	0.39%	(2.24)
Tata Motors Finance Ltd	4.58%	2,887.49	(0.49)%	58.76	0.26%	29.64	(15.27)%	88.40
Tata Technologies Ltd	1.21%	761.26	(2.42)%	291.93	0.00%	(0.22)	(50.39)%	291.71
Tata Motors Insurance Broking & Advisory Services Ltd	0.06%	39.89	(0.13)%	15.48	(0.01)%	(0.98)	(2.51)%	14.51
TML Distribution Company Ltd	0.57%	360.90	0.33%	(40.20)	0.00%	0.14	6.92%	(40.06)
TMF Holdings Ltd.	6.47%	4,083.49	(0.21)%	25.56	0.00%	0.03	(4.42)%	25.59
Tata Motors Financial Solutions Ltd	2.15%	1,354.68	(0.93)%	112.11	0.01%	1.29	(19.59)%	113.40
Tata Marcopolo Motors Ltd	0.24%	149.74	(0.16)%	19.68	(0.02)%	(2.17)	(3.03)%	17.51
Jaguar Land Rover India Ltd.	0.28%	177.35	0.69%	(83.68)	(0.05)%	(5.89)	15.47%	(89.57)
Brabo Robotics and Automation Ltd. (Incorporated with effect from July 17,2019)	0.00%	0.55	0.10%	(12.50)	0.00%	0.06	2.15%	(12.45)
Foreign								
Tata Daewoo Commercial Vehicle Co. Ltd	2.97%	1,874.41	3.86%	(466.01)	0.49%	55.84	70.85%	(410.17)
Tata Motors European Technical Centre Plc	0.07%	42.12	2.20%	(266.07)	0.00%	-	45.96%	(266.07)
Tata Motors (SA) (Proprietary) Ltd	0.02%	14.51	(0.02)%	1.95	(0.02)%	(1.84)	(0.02)%	0.11
Tata Motors (Thailand) Ltd	(0.99)%	(624.53)	(0.44)%	52.98	(0.31)%	(35.31)	(3.05)%	17.68
TML Holdings Pte Ltd	14.17%	8,936.45	5.00%	(603.92)	0.00%	-	104.33%	(603.92)
Tata Hispano Motors Carrocera S.A	(1.30)%	(817.42)	0.10%	(11.59)	(0.44)%	(50.21)	10.68%	(61.80)
Tata Hispano Motors Carroceries Maghreb	(0.07)%	(44.85)	0.06%	(6.96)	(0.01)%	(1.64)	1.49%	(8.60)
Trilix S.r.l	(0.05)%	(31.80)	0.49%	(59.51)	0.01%	1.33	10.05%	(58.17)
Tata Precision Industries Pte Ltd	0.01%	3.55	(0.03)%	3.74	0.00%	0.02	(0.65)%	3.76
PT Tata Motors Indonesia	0.33%	208.11	0.02%	(2.89)	0.00%	0.45	0.42%	(2.44)
INCAT International Plc.	0.07%	46.29	(0.92)%	111.65	0.01%	1.50	(19.55)%	113.15
Tata Technologies Inc.	0.61%	387.53	(0.08)%	9.72	0.33%	38.18	(8.27)%	47.90
Tata Technologies de Mexico, S.A. de C.V.	0.01%	3.52	0.02%	(2.28)	(0.01)%	(0.95)	0.56%	(3.23)
Cambric Ltd., Bahamas	0.03%	21.18	0.00%	0.02	0.00%	-	0.00%	0.02
Cambric GmbH (in process of liquidation)	0.00%	1.68	0.00%	(0.15)	0.00%	(0.07)	0.04%	(0.22)
Tata Technolgies SRL, Romania	0.08%	52.67	(0.11)%	13.06	(0.02)%	(2.35)	(1.85)%	10.71
Tata Manufacturing Technologies (Shanghai) Co. Ltd.	0.08%	50.85	0.01%	(0.72)	0.01%	1.14	(0.07)%	0.42
Tata Technologies Europe Ltd.	1.29%	815.22	(0.84)%	100.81	0.19%	21.98	(21.21)%	122.79
Escenda Engineering AB	0.00%	1.88	0.13%	(15.77)	(0.01)%	(1.70)	3.02%	(17.47)
INCAT GmbH	0.03%	19.17	0.00%	0.05	0.01%	1.44	(0.26)%	1.49
Tata Technologies (Thailand) Ltd.	0.01%	5.00	0.04%	(5.00)	0.01%	0.65	0.75%	(4.35)
TATA Technologies Pte Ltd.	1.33%	836.43	(1.10)%	132.23	0.62%	71.19	(35.14)%	203.42
Jaguar Land Rover Automotive plc	31.46%	19,841.37	(0.32)%	38.26	0.00%	-	(6.61)%	38.26
Jaguar Land Rover Ltd.	100.25%	63,238.14	41.41%	(4,998.75)	100.66%	11,567.36	(1134.70)%	6,568.61
Jaguar Land Rover Holdings Ltd.	66.60%	42,012.83	1.79%	(216.25)	10.21%	1,173.39	(165.34)%	957.14
JLR Nominee Company Ltd.	0.00%	0.00	0.00%	-	0.00%	-	0.00%	-
Jaguar Land Rover (South Africa) Holdings Ltd.	3.00%	1,889.39	(0.08)%	9.14	0.00%	-	(1.58)%	9.14
Jaguar Cars Ltd.	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Land Rover Exports Ltd.	0.00%	0.00	0.00%	-	0.00%	-	0.00%	-
The Lanchester Motor Company Ltd.	0.00%	0.00	0.00%	-	0.00%	-	0.00%	-
The Daimler Motor Company Ltd.	0.02%	14.03	0.00%	-	0.00%	-	0.00%	-
S S Cars Ltd.	0.00%	0.00	0.00%	-	0.00%	-	0.00%	-
Daimler Transport Vehicles Ltd.	0.00%	0.00	0.00%	-	0.00%	-	0.00%	-
Jaguar Land Rover Pension Trustees Ltd.	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.	8.79%	5,546.09	(0.87)%	104.72	1.65%	190.06	(50.92)%	294.78
Jaguar Racing Ltd.	0.03%	19.61	(0.04)%	4.74	0.00%	-	(0.82)%	4.74
InMotion Ventures Ltd.	(0.37)%	(234.48)	2.82%	(340.29)	0.00%	-	58.78%	(340.29)

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 total comprehensive income	Share of total comprehensive income
Lenny Insurance Ltd. (Name changed from InMotion Ventures 1 Ltd. w.e.f. September 6, 2019)	(0.02)%	(12.56)	0.09%	(10.94)	0.00%	-	1.89%	(10.94)
InMotion Ventures 2 Ltd.	(0.06)%	(40.04)	0.19%	(23.02)	0.00%	-	3.98%	(23.02)
InMotion Ventures 3 Ltd.	(0.01)%	(7.42)	0.05%	(5.53)	0.00%	-	0.96%	(5.53)
InMotion Ventures 4 Ltd. (Incorporated w.e.f January 4, 2019)	(0.02)%	(10.56)	0.09%	(10.35)	0.00%	-	1.79%	(10.35)
Jaguar Land Rover Ireland (Services) Ltd.	0.02%	12.01	(0.04)%	4.96	0.00%	0.49	(0.94)%	5.45
Spark44 (JV) Ltd	0.13%	80.35	0.01%	(1.30)	0.01%	1.30	0.00%	(0.00)
Spark44 Ltd. (London & Birmingham, UK)	0.13%	79.17	(0.17)%	20.59	0.00%	0.36	(3.62)%	20.95
Spark44 Pty. Ltd. (Sydney, Australia)	0.01%	4.46	(0.01)%	1.50	0.00%	(0.37)	(0.19)%	1.11
Spark44 GmbH (Frankfurt, Germany)	0.03%	16.67	0.00%	(0.41)	0.00%	0.44	0.00%	0.02
Spark44 LLC (LA & NYC, USA)	0.07%	43.55	(0.01)%	1.74	0.02%	2.47	(0.73)%	4.22
Spark44 Shanghai Ltd. (Shanghai, China)	0.04%	25.63	0.01%	(0.73)	0.00%	(0.37)	0.19%	(1.09)
Spark44 DMCC (Dubai, UAE)	0.02%	14.09	(0.02)%	2.06	0.01%	0.72	(0.48)%	2.78
Spark44 Demand Creation Partners Private Ltd. (Mumbai, India)	0.00%	0.80	(0.01)%	1.22	0.00%	0.06	(0.22)%	1.27
Spark44 Singapore Pte. Ltd. (Singapore)	0.01%	3.56	0.00%	0.23	0.00%	0.01	(0.04)%	0.24
Spark44 Communications SL (Madrid, Spain)	0.01%	5.79	0.00%	0.55	0.00%	0.19	(0.13)%	0.76
Spark44 S.r.l. (Rome, Italy)	0.00%	0.16	0.00%	0.05	0.01%	1.02	(0.19)%	1.07
Spark44 Seoul Ltd. (Korea)	0.01%	4.24	(0.01)%	0.84	0.00%	(0.04)	(0.14)%	0.79
Spark44 Japan K.K. (Tokyo, Japan)	0.01%	4.30	(0.01)%	0.91	0.00%	0.27	(0.20)%	1.17
Spark44 Canada Inc (Toronto, Canada)	0.01%	6.98	(0.01)%	1.11	0.00%	(0.02)	(0.19)%	1.09
Spark44 Pty. Ltd. (South Africa)	0.00%	1.31	0.00%	0.03	0.00%	(0.24)	0.03%	(0.20)
Spark44 Colombia S.A.S. (Colombia)	0.00%	(0.68)	0.00%	(0.57)	0.00%	0.14	0.07%	(0.43)
Spark44 Taiwan Ltd. (Taiwan)	0.00%	0.61	0.00%	0.31	0.00%	0.04	(0.06)%	0.35
Ltd. Liability Company "Jaguar Land Rover" (Russia)	1.07%	677.63	(0.38)%	45.54	0.00%	-	(7.87)%	45.54
Jaguar Land Rover (China) Investment Co Ltd	25.62%	16,162.89	(5.79)%	699.16	0.00%	-	(120.78)%	699.16
Shanghai Jaguar Land Rover Automotive Services Company Ltd.	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Jaguar Land Rover Colombia SAS	(0.02)%	(10.54)	0.28%	(33.48)	0.00%	-	5.78%	(33.48)
Jaguar Land Rover México, S.A.P.I. de C.V.	0.06%	40.26	0.04%	(4.95)	0.00%	-	0.86%	(4.95)
Jaguar Land Rover Servicios México, S.A. de C.V.	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Jaguar Land Rover France SAS	0.07%	46.44	(0.48)%	58.17	0.00%	-	(10.05)%	58.17
Jaguar Land Rover Portugal-Veiculos e Pecas, Lda.	0.09%	55.33	(0.10)%	11.59	0.00%	-	(2.00)%	11.59
Jaguar Land Rover Espana SL	0.73%	461.81	(0.34)%	41.27	0.01%	0.70	(7.25)%	41.96
Jaguar Land Rover Italia Spa	1.07%	672.05	(0.74)%	89.44	0.00%	-	(15.45)%	89.44
Land Rover Ireland Ltd. (non-trading)	0.01%	4.79	(0.01)%	0.73	(0.02)%	(2.18)	0.25%	(1.44)
Jaguar Land Rover Korea Company Ltd.	0.54%	340.06	(2.27)%	274.43	0.00%	-	(47.41)%	274.43
Jaguar Land Rover Deutschland GmbH	0.87%	549.15	0.21%	(25.91)	0.00%	-	4.48%	(25.91)
Jaguar Land Rover Austria GmbH	0.12%	76.20	(0.16)%	19.44	0.00%	-	(3.36)%	19.44
Jaguar Land Rover Australia Pty Ltd.	0.50%	316.34	(0.48)%	57.46	0.00%	-	(9.93)%	57.46
Jaguar Land Rover North America, LLC.	5.22%	3,290.26	(7.06)%	852.04	0.00%	0.02	(147.19)%	852.06
Jaguar Land Rover Japan Ltd.	0.57%	356.92	(0.53)%	64.00	0.00%	-	(11.06)%	64.00
Jaguar Land Rover Canada, ULC	0.86%	544.44	(2.34)%	283.00	0.00%	-	(48.89)%	283.00
Jaguar e Land Rover Brasil Indústria e Comércio de Veículos LTDA	1.05%	661.29	(1.02)%	122.68	0.00%	-	(21.19)%	122.68
Jaguar Land Rover Belux NV	0.12%	75.30	(0.20)%	24.67	0.00%	-	(4.26)%	24.67
Jaguar Land Rover Nederland BV	0.07%	46.08	(0.12)%	14.71	0.00%	-	(2.54)%	14.71
Jaguar Land Rover (South Africa) (Pty) Ltd.	0.08%	49.04	(0.44)%	52.57	0.00%	-	(9.08)%	52.57
Jaguar Land Rover Singapore Pte. Ltd	0.05%	28.46	(0.18)%	22.14	0.00%	-	(3.82)%	22.14
Jaguar Land Rover Taiwan Company Ltd.	0.01%	6.85	(0.25)%	29.60	0.00%	-	(5.11)%	29.60
Jaguar Land Rover Classic Deutschland GmbH	0.01%	8.96	0.00	(8.58)	0.00%	0.38	1.42%	(8.20)
Jaguar Land Rover Hungary KFT	0.01%	4.14	(0.03)%	3.70	0.00%	(0.23)	(0.60)%	3.46
Jaguar Land Rover Classic USA LLC	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 total comprehensive income	Share of total comprehensive income
Bowler Motors Ltd. (Name changed from Jaguar Land Rover Auto Ventures Ltd. on 28 January 2020 (Incorporated w.e.f. December 13, 2019)	(0.03)%	(19.62)	0.16%	(19.22)	0.00%	-	3.32%	(19.22)
Jaguar Land Rover Ventures Ltd. (Incorporated w.e.f. May 16, 2019)	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Jaguar Land Rover (Ningbo) Trading Co. Ltd. (Incorporated w.e.f. November 4, 2019)	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Tata Daewoo Commercial Vehicle Sales and Distribution Co. Ltd.	0.03%	16.86	0.03%	(3.22)	(0.01)%	(0.80)	0.69%	(4.02)
PT Tata Motors Distribusi Indonesia	(0.07)%	(41.87)	0.31%	(37.26)	0.03%	3.28	5.87%	(33.99)
TMNL Motor Services Nigeria Ltd.	0.00%	(0.22)	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Minority Interests in all subsidiaries								
Indian								
Tata Marcopolo Motors Ltd	(0.12)%	(73.12)	0.08%	(9.64)	0.01%	1.06	1.48%	(8.58)
Tata Technologies Ltd	(0.73)%	(460.85)	0.57%	(69.24)	(0.13)%	(15.30)	14.60%	(84.54)
Tata Motor Finance Ltd.	(0.40)%	(250.00)	0.00%	-	0.00%	-	0.00%	-
Foreign								
Tata Motors (SA) (Proprietary) Ltd	(0.01)%	(5.82)	0.01%	(0.78)	0.01%	0.73	0.01%	(0.04)
Tata Precision Industries Pte Ltd	0.00%	(0.78)	0.01%	(0.81)	0.00%	(0.00)	0.14%	(0.81)
Spark 44 Ltd	(0.12)%	(73.53)	0.13%	(15.14)	0.00%	-	2.62%	(15.14)
Tata Motors (Thailand) Ltd.	0.08%	50.56	0.00%	-	0.01%	1.00	(0.17)%	1.00
Joint operations								
Indian								
Fiat India Automobiles Private Ltd.	3.05%	1,924.73	(1.19)%	143.87	(0.01)%	(1.44)	(24.60)%	142.43
Tata Cummins Private Ltd	0.88%	556.65	(0.33)%	40.27	(0.06)%	(6.87)	(5.77)%	33.40
Adjustments arising out of consolidation	(220.73)%	(1,39,235.45)	2.44%	(294.34)	(11.11)%	(1,276.74)	271.39%	(1,571.06)
Sub - total (a)		**58,659.63**		**(11,070.85)**		**11,391.84**		**320.99**
Joint ventures (as per proportionate consolidation / investment as per the equity method								
Indian								
JT Special Vehicle (P) Ltd.	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Tata HAL Technologies Ltd.	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Loginomic Tech Solutions Private Ltd. (TruckEasy)	0.00%	0.00	0.02%	(1.94)	0.00%	-	0.33%	(1.94)
Foreign								
Chery Jaguar Land Rover Automotive Co Ltd	5.36%	3,382.63	8.42%	(1,016.32)	0.90%	103.50	157.69%	(912.83)
Sub - total (b)		**3,382.63**		**(1,018.26)**		**103.50**		**(914.77)**
Associates (Investment as per the equity method)								
Indian								
Tata AutoComp Systems Ltd	0.44%	279.35	(0.41)%	49.91	(0.03)%	(3.95)	(7.94)%	45.96
Automobile Corporation of Goa Ltd	0.23%	145.56	(0.05)%	6.42	0.00%	(0.17)	(1.08)%	6.25
Tata Hitachi Construction Machinery Company Private Ltd	0.90%	565.59	0.23%	(27.17)	0.01%	1.66	4.41%	(25.51)
Foreign								
Nita Company Ltd	0.06%	40.09	(0.02)%	2.64	0.02%	2.55	(0.90)%	5.19
Tata Precision Industries (India) Ltd	0.01%	3.91	(0.03)%	3.89	0.00%	0.02	(0.68)%	3.91
Synaptiv Ltd.	0.00%	1.46	0.00%	-	0.00%	0.05	(0.01)%	0.05

Notes Forming Part of Consolidated Financial Statements

(₹in crores)

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CloudCar Inc	0.00%	(3.06)	0.13%	(15.71)	(0.03)%	(3.62)	3.34%	(19.33)
DriveClubService Pte. Ltd.	0.00%	-	0.01%	(1.72)	0.00%	(0.02)	0.30%	(1.74)
Jaguar Cars Finance Ltd.	0.01%	3.35	0.00%	-	0.00%	0.10	(0.02)%	0.10
Sub - total (c)		**1,036.27**		**18.26**		**(3.37)**		**14.89**
Total (b + c)		**4,418.89**		**(1,000.00)**		**100.13**		**(899.88)**
Total (a + b + c)	**100.00%**	**63,078.53**	**100.00%**	**(12,070.85)**	**100.00%**	**11,491.97**	**100.00%**	**(578.88)**

47. 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, 2020	Total Revenue for the year ended March 31, 2020	Net Increase/ (Decrease) in Cash & Cash equivalent during 2019-2020
Subsidiaries :			
TML Business Services Limited [name changed from Concorde Motors (India) Limited]	3.51	581.09	(109.71)
Tata Motors European Technical Centre PLC	42.12	242.77	0.55
Trilix S.R.L	(31.80)	64.86	(3.11)
Tata Hispano Motors Carrocera S.A	(817.42)	0.27	0.09
PT Tata Motors Distribusi Indonesia	166.24	90.90	1.16
Tata Technologies de Mexico, S.A. de C.V.	3.52	18.42	2.15
INCAT International Plc.	46.29	-	9.08
INCAT GmbH.(under liquidation)	19.17	-	0.13
Cambric Limited	21.18	-	0.58
Cambric GmbH (under liquidation)	1.68	-	(0.38)
Total	**(545.50)**	**998.30**	**(99.46)**
For the year ended / as at March 31, 2019	10,009.83	1,548.82	181.42

(b) As a result of change in market conditions, the Company performed an impairment assessment for assets forming part of wholly owned subsidiaries Tata Motors European Technical Center PLC (TMETC) and Trilix S.r.l (Trilix). The recoverable amount of these assets were estimated to be lower than their carrying value and this resulted in an impairment charge of ₹297.49 crores and ₹55.71 crores in TMETC and Trilix, respectively during the year ended March 31, 2020.

(c) Exceptional amount of ₹**(73.04) crores** and ₹180.97 crores for the year ended March 31, 2020 and 2019, respectively, relates to provision for impairment of certain intangibles under development and capital work-in-progress.

(d) During the year ended March 31, 2019 the High Court in United Kingdom ruled that pension schemes are required to equalise male and female members 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 £16.5 million (₹147.93 crores) as past service costs during 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.

(f) During the year ended March 31, 2019, the Company has sold investment in TAL Manufacturing Solutions Limited to Tata Advanced Systems Ltd. (TASL).

(g) 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 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 recognized 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.

Notes Forming Part of Consolidated Financial Statements

(h) 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.

(i) Subsequent to year ended March 31, 2020

a) Tata Motors Ltd. has issued ₹1,000 crores, 8.80% Secured rated listed redeemable non-convertible debentures due 2023

b) Jaguar Land Rover signed a three year syndicated revolving loan facility for RMB 5 billion (₹5,237.94 crores) in China, which has been entirely drawn on June 12, 2020.

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
UDIN: 20049265AAAAAP9940
Place- Mumbai

Date: June 15, 2020

For and on behalf of the Board

N CHANDRASEKARAN *[DIN: 00121863]*
Chairman
Place- Mumbai

VEDIKA BHANDARKAR *[DIN: 00033808]*
Director
Place- Mumbai

Date: June 15, 2020

GUENTER BUTSCHEK *[DIN: 07427375]*
CEO and Managing Director
Place- Austria

P B BALAJI
Group Chief Financial Officer
Place- Mumbai

H K SETHNA *[FCS: 3507]*
Company Secretary
Place- Mumbai