TATA MOTORS

Reports and Accounts of Subsidiary Companies

Volume I





69TH ANNUAL REPORT 2013-14

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Concorde Motors (India) Limited

CIN: U24110MH1972PLC015561

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DIRECTORS' REPORT

TO THE MEMBERS
CONCORDE MOTORS (INDIA) LIMITED

The Directors presenting their Forty-Third Annual Report and the Audited Financial Statements for FY 2013-14. As required under the Ministry of Corporate Affairs' General Circular 08/2014 No. 1/19/2013-CL-V dated April 4, 2014, the Financial Statements and other reports required to be attached to the Annual Report for FY 2013-14 are governed by the relevant provisions, schedules and rules of the Companies Act, 1956.

1. FINANCIAL RESULTS

(₹ in lakhs)

		2013-14	2012-13
i	Revenue from operations	66,817.88	76,798.64
ii	Other Income	435.96	220.81
iii	Sub Total	67,253.84	77,019.45
iv	Less: Cost of Sales	56,713.66	67,638.93
v	Gross Profit	10,540.18	9,380.52
vi	Less: Overheads	13,932.79	11,101.87
vii	Profit Before Tax	(3,392.61)	(1,721.35)
viii	Provision for Tax	----	(46.96)
ix	Profit / (Loss) After Tax	(3,392.61)	(1,674.39)
x	Profit / (Loss) brought forward (Net of Adjustment)	(221.47)	1,452.92
xi	Profit available for Appropriation	(3,614.08)	(221.47)
	APPROPRIATIONS		
a	Preference Dividend	----	----
b	Equity Dividend	----	----
c	Tax on Dividend	----	----
d	General Reserve		
e	Profit / (Loss) carried forward to Balance Sheet	(3,614.08)	(221.47)

2. DIVIDEND

In view of the losses and in accordance with a covenant as mentioned in one of the Company's borrowings, the Board of Directors have not recommended any dividend for the year under review for equity shares (previous year – Nil) and preference shares (previous year - Nil).

3. REVIEW OF OPERATIONS

a) FY2013-14 continued to be a difficult year for the Company in terms of business and overall performance, in line with the industry and Tata Motors Limited (TML) Passenger Vehicle Business Unit (PVBU) trends, with the Company's retail volumes dropping by 17% year on year.

b) Despite this, the Company managed to grow margins and income from sales by 32% on account of enhanced achievement from TML monthly/quarterly target incentive schemes and increased dealer margin retention, apart from higher Value Added Service (VAS) penetration.

c) Margins increased by approximately ₹4,174 per car.

d) On sale of VAS, finance income increased by 51%, insurance income by 15%, accessories Gross Profit by 50%.

e) Service income grew by 7% despite the volume drop in sales and loss of Fiat business in service.

f) However, net expenses grew by 36%, primarily in the areas of staff cost, interest and facility resulting in a loss before tax of approximately ₹33.92 crores against an estimated loss of approximately ₹35 crores.

g) The Company had initiated a number of actions under the umbrella of '**Core Focus'** to arrest the current trend of declining sales and increasing costs which was shown to the Board in the last review.

h) 'Core Focus' has expanded now to cover **Expansions/ Facility up gradation** to increase reach. A meticulous '**Clustering Approach**' (detailed in the Board presentation) is being taken to ensure business viability and expansions.

i) To achieve **best in class customer experience in the industry**, there is a major internal thrust on Closely Watched Numbers (CWN) Programme for sales and services, mentored by the President (Passenger Vehicle Business Unit) Tata Motors Limited (TML).

j) For the 2nd year in a row, the top 2 selling dealerships in TMLs network were the Bangalore business unit at No.1 and the Chennai business unit at No.2.

k) The Company for the first time in its history contributed towards more than 10% of TMLs business in the FY2013-14.

4. ISSUE AND ALLOTMENT OF FURTHER EQUITY SHARE CAPITAL

During the financial year the Company issued 149,99,574 Equity Shares of face value of ₹10/- each, fully paid-up, to its existing Equity Shareholders, on a rights basis at par, in the ratio of 4056 equity shares for every 1000 equity shares held.

The Authorised Share Capital of the Company remained unaltered at ₹48,00,00,000/- divided into 2,30,00,000 Equity Shares of ₹10/- each and 25,00,000 Preference Shares of ₹100/- each. Post issue, the issued, subscribed and paid-up Equity Share Capital of the Company increased from 36,98,120 fully paid-up equity shares of ₹10/- each to 186,97,694 fully paid-up equity shares of ₹10/- each.

No alteration in the Memorandum of Association and the Articles of Association was warranted since the allotment of rights equity shares was well within the Authorised Share Capital Limit.

5. INITIATIVES ON CORPORATE SOCIAL RESPONSIBILITY

The Company continued reaching out to the underprivileged by sponsorship of events at Orphanages and blood donation camps at units.

6. HUMAN RESOURCE DEVELOPMENT

Employee relations continued to be cordial throughout the year. The Company has 2051 employees as at year end, an increase of 7% as compared to the previous year in view of addition of HIM Motors Private Limited's employees in Delhi and Fortune Cars Private Limited's and Tata Motors Repair Shop employees at Mumbai.

7. FINANCE

The Company's borrowings as on March 31, 2014 stood at ₹19,182.92 lakhs, of which HDFC Bank borrowing was ₹3,269.54 lakhs, working capital loan from Tata Capital was ₹9,442.44 lakhs, Inter Corporate Deposits (ICDs) from Sheba Properties Limited was ₹1,000 lakhs and Tata Motors Limited was ₹4,000 lakhs. A Term Loan from HDFC Bank of ₹1470.94 lakhs was availed.

8. INFORMATION ON CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Provisions of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, as regards reporting on conservation of energy, technology absorption and foreign exchange earnings and outgo, are not applicable to the Company for the year under review.

9. DIRECTORS

During the year, Mr P Y Gurav resigned from the Board of Directors of the Company with effect from December 31, 2013. The Board places on record their appreciation for the invaluable contribution made and guidance given by Mr P Y Gurav during his tenure as a Director of the Company.

During the year, the Board appointed Mr Vijay B Somaiya as an Additional Director of the Company with effect from January 17, 2014. In accordance with Section 161 of the Companies Act, 2013 and Article 130 of the Articles of Association of the Company, Mr Somaiya is eligible for appointment and would hold his office till the date of the forthcoming Annual General Meeting. The Company has received a notice under Section 160 of the Companies Act, 2013 from a shareholder recommending the appointment of Mr Somaiya at the forthcoming Annual General Meeting.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mr Rohit Suri is liable to retire by rotation and is eligible for re-appointment.

Attention of the Members is invited to the relevant items in the Notice of the Annual General Meeting.

10. AUDITORS

The Auditors Report on the Accounts of the Company which is part of the Annual Report does not contain any qualifications on the Accounts of the Company. M/s Deloitte Haskins & Sells (DHS), Chartered Accountants, (Registration No. 008072S) who are the Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting. It is proposed to re-appoint them to examine and audit the accounts of the Company for three years to hold office from the conclusion of this AGM till the conclusion of the forty sixth AGM of the Company to be held in the year 2017 subject to ratification of their appointment at every AGM. DHS have, under Section 139(1) of the Companies Act, 2013 and the Rules framed thereunder furnished a certificate of their eligibility and consent for re-appointment.

11. GOVERNANCE STRUCTURE

The Company recognises its role as a corporate citizen and endeavours to adopt the best practices and the highest standards of Corporate Governance though transparency in business ethics, accountability to its customers, Government authorities and other stakeholders.

a. The Board of Directors comprises Mr Ranjit Yadav, Chairman, Mr H K Sethna, Mr Rohit Suri and Mr Vijay Somaiya all Non - Executive Directors. During the year under review, 5 meetings were held on April 30, 2013, June 13, 2013, July 31, 2013, October 30, 2013 and January 29, 2014. The maximum time-gap between any 2 consecutive meetings did not exceed 4 months.

b. The Audit Committee was re-constituted due to the resignation of Mr P Y Gurav. Mr Vijay Somaiya was inducted as Member and Chairman of the Committee. As on date, the Audit Committee comprises Mr Vijay Somaiya, Mr H K Sethna and Mr Rohit Suri, all Non - Executive Directors. During the year under review, 4 meetings were held on April 30, 2013, July 31, 2013, October 30, 2013 and January 29, 2014. The Audit Committee meetings are usually attended by the Manager, the Chief Financial Officer, the Internal Auditor, the Statutory Auditors and the Company Secretary.

c. The Remuneration Committee of the Board was renamed and reconstituted as the Nomination and Remuneration Committee comprising Mr V B Somaiya, Mr H K Sethna and Mr Ranjit Yadav with effect from May 9, 2014. The Committee is empowered to review the remuneration of the

Key Managerial Personnel and other Senior Management of the Company and deal with incidental matters relating to their remuneration benefits.

d. The Company has formed an Apex Committee in line with the Tata Code of Conduct to address issues of sexual harassment at the work place. During the year under review, the Committee received 1 complaint on sexual harassment and appropriate action was taken on the same.

e. As a good corporate governance practice, the Company is adopting quarterly audited accounts.

f. The Board takes responsibility for the total process of risk management in the organization. Results of the risk assessments and residual risks are presented to the Senior Management and the Audit Committee members. The Management is accountable for the integration of risk management practices into the day to day activities. The scope of the Audit Committee includes review of the Company's financial and risk management policies. The Audit Committee reviews the Audit reports covering operational, financial and other business risk areas.

g. The Board of Directors have established a Vigil Mechanism and adopted a Whistle-Blower Policy which provides a formal mechanism for all employees and directors of the Company to approach the Management of the Company and make protective disclosures to the Management about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The disclosures reported, are addressed in the manner and within the time frames prescribed in the Policy.

h. An Extraordinary General Meeting was held on March 28, 2014 for increasing the borrowing limits under Section 180(1)(c) of the Companies Act, 2013 (erstwhile Section 293(1)(d) of the Companies Act, 1956) from ₹150 crores to ₹160 crores and accordingly creating a mortgage, charge or hypothecating on the assets of the Company, as may be necessary under section 180(1)(a) of the Companies Act, 2013 (erstwhile Section 293(1)(a) of the Companies Act, 1956).

i. A reference may please be made to Note 17(A)(2)b of Schedule to the Financial Statements which shows the information regarding related parties and transactions with them. These transactions are with the holding company, fellow subsidiaries and key management personnel. These are in the normal course of business and are entered at arm's length pricing.

The Company follows Accounting Standards issued by the Institute of Chartered Accountants of India and in the preparation of financial statements, the Company has not adopted a treatment different from that prescribed in any Accounting Standards.

12. PUBLIC DEPOSITS

The Company has not accepted any fixed deposits during the period under review.

13. PARTICULARS OF EMPLOYEES

There are no employees covered within the purview of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended.

14. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors, based on the representation received from the Operating Management, confirm that –

i. in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
ii. they have, in the selection of the accounting policies, consulted the Statutory Auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;
iii. they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the

Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. they have prepared the annual accounts on a "going concern basis".

15. ACKNOWLEDGEMENTS

The Directors wish to place on record their appreciation to all the Customers, Government Authorities, Business Associates, Vendors, Bankers and other lenders for support and confidence in the Company. The Directors also place on record their appreciation and thanks to all the Company employees for their individual and collective efforts and commitment, which have contributed to the Company's performance and growth.

On behalf of the Board of Directors

Ranjit Yadav
Chairman

Mumbai, May 9, 2014

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF CONCORDE MOTORS (INDIA) LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **CONCORDE MOTORS (INDIA) LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March , 2014, the Profit and Loss Statement and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of the financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;

(b) in the case of the Profit and Loss Statement, of the loss of the Company for the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by Section 227(3) of the Act, we report that:

   (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books of account.

   (c) The Balance Sheet, the Profit and Loss Statement, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the Balance Sheet, the Profit and Loss Statement, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs).

   (e) On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration No. 008072S)

Sathya P. Koushik
Partner
Membership No. 206920

Place: Mumbai
Date: May 9, 2014

SPK/NM/VRAM/2014

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT
(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) Having regard to the nature of the Company's business/activities/result during the year, clauses vi, viii, xii, xiii, xiv, xix and xx of paragraph 4 of the Order are not applicable to the Company.

(ii) In respect of its fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.

(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us discrepancies noticed have been appropriately dealt with in the books of the account.

(c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.

(iii) In respect of its inventories:

(a) As explained to us, the inventories were physically verified during the year by the management at reasonable intervals.

(b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

(iv) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.

(v) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.

(vi) To the best of our knowledge and belief and according to the information and explanations given to us, there are no contracts or arrangements that needed to be entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956.

(vii) In our opinion, the Company has an internal audit system commensurate with the size of the Company and the nature of its business.

(viii) According to the information and explanations given to us in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2014 for a period of more than six months from the date they became payable except for Sales tax and Income tax dues amounting to approximately Rs.1.28 lakhs and Rs.27.67 lakhs respectively (excluding interest). These amounts have been subsequently paid by the Company.

(c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on 31st March, 2014 on account of disputes are given below:

Name of statute	Nature of the dues	Forum where dispute is pending	Period to which the amount relates	Amount (Rs.in lakhs)
Income Tax Act, 1961	Income tax	Income tax Appellate Tribunal	2002-03	23.55
Income Tax Act, 1961	Income tax	Additional commissioner of Income tax	2006-07	15.43
Income Tax Act, 1961	Income tax	Commissioner of Income tax (Appeals), Mumbai	2007-08	3.15
Income Tax Act, 1961	Income tax	Additional commissioner of Income tax	2009-10	2.68
Andhra Pradesh General Sales Tax Act	Sales Tax	Andhra Pradesh High Court	2001-2004	13.47
Andhra Pradesh General Sales Tax Act	Sales Tax	Sales tax Appellate Tribunal	2004-2009	40.76
Andhra Pradesh General Sales Tax Act	Sales Tax	Appellate Deputy Commissioner(Commercial taxes)	2009-10	19.48
Central Sales Tax Act 1956	Central Sales tax	Appellate Joint Commissioner of Commercial Taxes.	2007-08 to 2008-09	13.59

Finance Act 1994	Service Tax and penalty	Customs, Excise and Service tax Appellate Tribunal, Bangalore	January 2004 to March 2005	2.69
Finance Act 1994	Service Tax and penalty	Customs, Excise and Service tax Appellate Tribunal, Bangalore	July 2003 to September 2005	109.69
Finance Act 1994	Service Tax and penalty	Customs, Excise and Service tax Appellate Tribunal, Bangalore	2005 – 2009	14.41
Finance Act 1994	Service Tax and penalty	Customs, Excise and Service tax Appellate Tribunal, Chennai	2010 - 2012	7.89

(ix) The accumulated losses of the Company at the end of the financial year are not less than fifty per cent of its net worth and the Company has incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

(x) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions and banks. The Company has not issued any debentures.

(xi) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

(xii) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.

(xiii) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have been used to the extent of Rs. 2906.93 lakhs during the year for long- term investment.

(xiv) During the year the Company has not made any preferential allotment of shares to the parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.

(xv) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration No. 008072S)

Sathya P. Koushik
Partner
Membership No. 206920

Place: Mumbai
Date: May 9, 2014

SPK/NM/VRAM/2014

CONCORDE MOTORS (INDIA) LIMITED

Balance Sheet as at March 31, 2014

(Rs. in lakhs)

	Note	Page		As at March 31, 2014	As at March 31, 2013
I. EQUITY AND LIABILITIES					
(1) **Shareholders' Funds**					
(a) Share Capital	1	6	**2804.81**		2804.81
(b) Reserves and Surplus	2	7	**(774.27)**		2618.34
				2030.54	5423.15
(2) **Share Application money pending allotment**	3	7		**1499.96**	-
(3) **Non-current Liabilities**					
(a) Long-term Borrowings	4	8	**1040.42**		1470.94
(b) Other Long-term Liabilities	5	8	**419.69**		368.89
(c) Long-term Provisions	6	8	**48.78**		35.09
				1508.89	1874.92
(4) **Current Liabilities**					
(a) Short-term Borrowings	7	9	**17711.98**		12342.28
(b) Trade Payables			**4074.12**		4023.31
(c) Other Current Liabilities	8	9	**4277.94**		3975.03
(d) Short-term Provisions	6	8	**79.24**		70.99
				26143.28	20411.61
TOTAL				**31182.67**	27709.68
II. ASSETS					
(1) **Non-current Assets**					
(a) Fixed Assets					
(i) Tangible Assets	9 A	10	**5312.67**		4785.06
(ii) Intangible Assets	9 B	11	**305.36**		25.93
(iii) Capital Work-in-progress			**130.56**		38.55
			5748.59		4849.54
(b) Long-term Loans and Advances	10	12	**2626.83**		2240.78
(c) Other Non-current Assets	11	13	**1.42**		0.75
				8376.84	7091.07
(2) **Current Assets**					
(a) Inventories	12	13	**15483.85**		12902.42
(b) Trade Receivables	13	13	**2702.30**		3304.79
(c) Cash and Cash Equivalents	14	14	**719.17**		1055.58
(d) Short-term loans and advances	15	14	**970.74**		519.58
(e) Other Current Assets	16	14	**2929.77**		2836.24
				22805.83	20618.61
TOTAL				**31182.67**	27709.68
III. See accompanying notes forming part of the financial statements	1 - 17	4 - 21			

In terms of our report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

Sathya P. Koushik
Partner

Mumbai, 09 May 2014

For and on behalf of the Board

Ranjit Yadav
H. K. Sethna
Rohit Suri
V. B. Somaiya
Directors

Mumbai, 09 May 2014

Ranjiv Kapur
Manager

Jawahar Seth
Chief Financial Officer

Kaynaz Sarbhanwala
Company Secretary

Mumbai, 09 May 2014

CONCORDE MOTORS (INDIA) LIMITED

Profit and Loss Statement for the year ended March 31, 2014

(Rs. in lakhs)

	Particulars	Note	Page	2013-14	2012-13
I.	Revenue from Operations	A(1)	4	**66817.88**	76798.64
II.	Other Income	A(1)	4	**435.96**	220.81
III.	**Total Revenue (I + II)**			**67253.84**	77019.45
IV.	Expenses :				
	(a) Purchases of Stock-in-Trade [Refer Note 17 (B)(1)]		19	**59295.09**	67811.69
	(b) Changes in Inventories of Stock-in-Trade			**(2581.43)**	(172.76)
	(c) Employee Benefits Expense	B (1)	5	**2841.44**	2515.03
	(d) Finance Costs	B (2)	5	**1779.46**	1530.98
	(e) Depreciation and Amortisation Expense	9 A & 9 B	10 & 11	**531.60**	376.00
	(f) Other Expenses	B (3)	5	**9077.19**	6679.86
	(g) Expenditure transferred to capital and other accounts			**(296.90)**	-
	Total Expenses			**70646.45**	78740.80
V.	**(Loss) before Tax (III - IV)**			**(3392.61)**	(1721.35)
VI.	Tax Expense :				
	(a) Current Tax			**-**	-
	(b) (Less)/Add: Minimum Alternate Tax (credit)/Reversal			**-**	4.79
	(c) Deferred Tax			**-**	(51.75)
				-	(46.96)
VII.	**(Loss) after tax (V - VI)**			**(3392.61)**	(1674.39)
VIII.	**Earnings Per Equity Share :** [Refer Note 17(C)(1)]		21		
	(i) Basic			**(97.13)**	(50.67)
	(ii) Diluted			**(97.13)**	(50.67)
IX	**See accompanying notes forming part of the financial statements**	1 - 16	4 - 21		

In terms of our report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

Sathya P. Koushik
Partner

Mumbai, 09 May 2014

Ranjit Yadav

H. K. Sethna

Rohit Suri

V. B. Somaiya

Directors

Ranjiv Kapur
Manager

Jawahar Seth
Chief Financial Officer

Kaynaz Sarbhanwala
Company Secretary

Mumbai, 09 May 2014

Mumbai, 09 May 2014

CONCORDE MOTORS (INDIA) LIMITED
Cash Flow Statement for the year ended March 31, 2014

(Rs. in lakhs)

		2013-14		2012-13
A.	**Cash flow from Operating Activities**			
	Loss before tax		**(3392.61)**	(1721.35)
	Adjustments for:			
	Depreciation / amortisation	**531.60**		376.00
	Loss on sale of assets (net)	**121.00**		(0.73)
	Wealth tax	**0.60**		0.60
	Interest (net)	**1585.23**		1521.66
	Provision for doubtful trade receivables and advances	**191.42**		33.45
		2429.85	**2429.85**	1930.98
	Operating Profit before Working Capital changes		**(962.76)**	209.63
	Adjustments for:			
	Inventories	**(2581.43)**		(172.75)
	Trade receivables	**431.41**		1653.06
	Long-term Loans and Advances	**(136.56)**		(197.71)
	Short-term Loans and Advances	**(451.16)**		(32.06)
	Other current assets	**(93.53)**		(814.75)
	Trade payables	**50.81**		(1596.78)
	Long-term Provisions	**13.69**		9.49
	Short-term Provisions	**8.25**		13.15
	Other Long-Term liabilities	**50.80**		173.67
	Other current liabilities	**302.17**		(520.51)
		(2405.55)	**(2405.55)**	(1485.19)
	Cash generated from operations		**(3368.31)**	(1275.56)
	Income taxes paid (net)		**(266.04)**	(166.00)
	Net Cash used in Operating Activities		**(3634.35)**	(1441.56)
B.	**Cash Flow from Investing Activities**			
	Purchase of fixed assets		**(1559.16)**	(946.20)
	Sale of fixed assets		**12.16**	8.13
	Investment in fixed deposit		**(0.67)**	-
	Interest received		**194.23**	9.32
	Net Cash used in Investing Activities		**(1353.44)**	(928.75)
C.	**Cash Flow from Financing Activities**			
	Proceeds of Share aplication money pending for allotement		**1499.96**	-
	Borrowing / (Repayment) of long-term borrowings (Net)		**(430.52)**	1901.46
	Increase / (Decrease) in short term loans (net)		**5369.70**	2242.54
	Dividend paid (including Dividend tax)		**-**	(198.10)
	Interest paid		**(1787.76)**	(1507.16)
	Net Cash from Financing Activities		**4651.38**	2438.74
	Net Increase / (Decrease) in Cash and cash equivalents		**(336.41)**	68.43
	Cash and cash equivalents at the beginning of the period		**1055.58**	987.15
	Cash and cash equivalents at the end of the period (Closing Balance)		**719.17**	1055.58

Previous period's figures have been restated, wherever necessary, to conform to current period's classification.

Significant Accounting Policies refer note 17 (j) & (k)

In terms of our report attached

For and on behalf of the Board

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

Ranjit Yadav

Ranjiv Kapur
Manager

Sathya P. Koushik
Partner

H. K. Sethna

Jawahar Seth
Chief Financial Officer

Directors

Rohit Suri

Kaynaz Sarbhanwala
Company Secretary

V. B. Somaiya

Mumbai, 09 May 2014

Mumbai, 09 May 2014

Mumbai, 09 May 2014

Notes forming part of the Profit and Loss Statement

(Rs. in lakhs)

NOTE - A(1)

	2013-14	2012-13
Total Revenue		
1. **Revenue from Operations**		
(a) Sale of Traded Goods (Refer Note 1 below)	**61046.44**	71624.81
(b) Sale of Services (Servicing of automobiles)	**4219.83**	3842.37
(c) Other operating revenues (Note 2 below)	**1551.61**	1331.46
	66817.88	76798.64
2. **Other income**		
(a) Interest income	**194.23**	9.32
(b) Rental income	**89.23**	135.60
(c) Miscellaneous receipts	**152.50**	75.89
	435.96	220.81

Notes :	**2013-14**	2012-13
(1) i. Sale of automobiles	**53491.91**	64826.32
ii. Spare Parts and Accessories for automobiles	**7554.53**	6798.49
	61046.44	71624.81
(2) Includes :		
(i) Financial Services and Sales Commission	**811.17**	643.88
(ii) Handling charges and sale of scrap	**740.44**	687.58
	1551.61	1331.46

Notes forming part of the Profit and Loss Statement

(Rs. in lakhs)

NOTE - B (1)

		2013-14	2012-13
Employee Benefits Expense			
(a)	Salaries, wages and bonus	**2443.25**	2186.14
(b)	Contribution to provident and other funds	**162.93**	147.18
(c)	Staff welfare expenses	**235.26**	181.71
		2841.44	2515.03

NOTE - B (2)

		2013-14	2012-13
Finance Cost			
(a)	Interest :		
	(i) On Borrowings	**1586.34**	1374.49
	(i) Others	**193.12**	156.49
	(Others include interest charged on delay in payment of dues and loan processing charges)	**1779.46**	1530.98

NOTE - B (3)

		2013-14	2012-13
Other Expenses			
(a)	Consumption of stores and spare parts	**306.03**	276.60
(b)	Power and fuel	**429.84**	323.19
(c)	Rent [Refer note 17(B)(3)(a)]	**1690.10**	1184.26
(d)	Repairs and maintenance - buildings	**99.53**	102.45
(e)	Repairs and maintenance - plant and machinery	**109.14**	118.40
(f)	Repairs and maintenance - others	**6.40**	5.88
(g)	Insurance	**115.13**	84.49
(h)	Rates and taxes	**72.02**	63.53
(i)	Freight, transportation, port charges, etc.	**38.39**	21.86
(j)	Publicity	**315.29**	333.66
(k)	Job Work Charges	**948.70**	903.45
(l)	Outsourced Services	**2038.03**	1126.54
(m)	Other operating expenses	**2716.57**	2101.50
(n)	Provision for Wealth tax	**0.60**	0.60
(o)	Provision for doubtful trade receivables/advances	**191.42**	33.45
		9077.19	6679.86

Note : Other operating expenses includes Loss on scraped capital asset due to renovation of show room and work shop and loss on sale of fixed assets of Rs.121.00 Lakhs(Previous period - (0.73) Lakhs)

Notes forming part of the Balance Sheet

(Rs. in lakhs)

NOTE - 1

SHARE CAPITAL	**As at March 31, 2014**	As at March 31, 2013
Authorised :		
2,30,00,000 Equity shares of Rs. 10 each [PY: 2,30,00,000 shares]	**2300.00**	2300.00
25,00,000 Preference shares of Rs. 100 each [PY: 25,00,000 shares]	**2500.00**	2500.00
	4800.00	4800.00
Issued, subscribed and fully paid :		
36,98,120 Equity shares of Rs.10 each [PY: 36,98,120 shares]	**369.81**	369.81
24,35,000 Preference shares of Rs.100 each [PY: 24,35,000 shares]	**2435.00**	2435.00
	2804.81	2804.81

Note:

(1) 7 % Cumulative Redeemable Preference Shares of Rs.100 each, fully paid-up, allotted on October 21, 2004

Initial terms : These shares are redeemable at par at the end of 10 years from the date of allotment, with an option to the Company to redeem it at any time after expiry of 5 years from the date of allotment, and at any time if mutually agreed upon between the Preference Shareholders and the Company.
The date of redemption for 1,354,195 preference shares held by Tata Motors Ltd has been extended to October 21, 2024.

(2) **Reconciliation of number of shares outstanding :**	**As at March 31, 2014 (Nos.)**	As at March 31, 2013 **(Nos.)**	**As at March 31, 2014 (Rs in lakhs)**	As at March 31, 2013 **(Rs in lakhs)**
(i) **Equity shares**				
Opening	3698120	3698120	**369.81**	369.81
Add: Shares issued	-	-	**-**	-
Closing	**3698120**	3698120	**369.81**	369.81
(ii) **Preference Shares**				
Opening	**2435000**	2435000	**2435.00**	2435.00
Closing	**2435000**	2435000	**2435.00**	**2435.00**

Shares held by Holding Company and its nominees	**As at March 31, 2014**	As at March 31, 2013
1 Tata Motors Limited - Holding Company		
36,98,120 equity shares of Rs.10 each (PY: 36,98,120)		
13,54,195 preference shares of Rs.100 each (PY: 13,54,195)		
(3) **Equity Shares**		
Shares in the Company held by each shareholder holding more than 5 percent shares		
(a) Tata Motors Limited	**3698120**	3698120
	3698120	3698120

(4) **Preference Shares**	**As at March 31, 2014**	As at March 31, 2013
Shares in the Company held by each shareholder holding more than 5 percent shares		
(a) Tata Motors Limited	**1354195**	1354195
(b) Tata Industries Limited	**1080805**	1080805
	2435000	2435000

(5) **There are no shares reserved for issuance under options and contracts / commitments for sale of shares / disinvestments**

(6) The following rights shall be attached to the preference shares aforesaid, inter se, as hereinafter provided, Viz
(a) The profits of the company, which the Directors shall from time to time determine to distribute as dividend, shall be applied first in payment of fixed cumulative preferential dividend at the rate of 7% (seven per cent) per annum, subject to income tax, if any, on the cumulative redeemable preference shares according to the amounts paid-up thereon and subject thereto in payment of a dividend at such rate as may be determined from time to time on the equity shares.
(b) In a winding up, the assets of the company (including Capital uncalled at the commencement of the winding up) remaining after paying and discharging the debts and liabilities of the company and the cost of winding up shall be applied in the following order of priority:
(i) In repayment of the capital paid up or credited as paid up on the 7% cumulative redeemable preference shares
(ii) In repayment of the capital paid-up or credited as paid up on the equity shares.
(iii) The residue, if any, shall be divided amongst the holders of the equity shares in proportion to the amount paid up on such shares.

(7) The preference dividend and tax thereon, pending declaration by the Board of Directors and hence not accrued for in the books, as at 31st March, 2014 was Rs. 398.84 lakhs (As at 31 March 2013 : Rs.199.42 lakhs)

(8) The Company has only one class of Equity Share, having a par value of Rs.10/-. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of the equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amount. The distribution will be in proportion to number of equity shares held by the shareholders.

Notes forming part of the Balance Sheet

NOTE - 2

(Rs. in lakhs)

		As at March 31, 2013	Additions	Deductions	As at March 31, 2014
RESERVES AND SURPLUS					
(a) Securities Premium Account	[Note (i) below]	**1896.90**	**-**	**-**	**1896.90**
		1896.90	-	-	1896.90
(b) General Reserve	[Note (ii) below]	**942.91**	-	-	**942.91**
		942.91	-	-	942.91
(c) Profit and Loss Statement	[Note (iii) below]	**(221.47)**	**(3392.61)**	**-**	**(3614.08)**
		1452.92	(1674.39)	-	(221.47)
		2618.34	**(3392.61)**	**-**	**(774.27)**
		4292.73	(1674.39)	-	2618.34

Notes:-

	Year ended 31 March 2014		Year ended 31 March 2013	
	Additions	Deductions	Additions	Deductions
(i) Changes in Securities Premium Account				
(a) Premium on shares issued	-	**-**	**-**	-
	-	-	-	-
(ii) Changes in General Reserve :				
(a) Amount transferred from Profit and Loss Statement	-	-	-	-
	-	-	-	-
(iii) Changes in Profit and Loss Statement:				
(a) Loss for the year	(3392.61)	-	(1674.39)	-
(b) General Reserve	-	-	-	-
	(3392.61)	**-**	(1674.39)	-

NOTE - 3

SHARE APPLICATION MONEY PENDING ALLOTMENT

As at 31 March 2014, the Company has received an amount of Rs.1499.96 lacs towards share application money towards 14,999,575 equity shares of the Company at par. The share application money was received pursuant to an invitation to offer shares and in terms of such invitation, the Company is required to complete the allotment formalities with in 30 days of the closure of the issue . The Company has sufficient authorised capital to cover the allotment of these shares.

Notes forming part of the Balance Sheet

NOTE - 4 **(Rs. in lakhs)**

Long - term Borrowings

	As at March 31, 2014	As at March 31, 2013
(A) Secured		
(i) Term Loans		
(a) From banks	**1040.42**	1470.94
Total	**1040.42**	**1470.94**

Notes:

(i) The Company has taken Term Loans of Rs.2000 Lakhs. These loans are repayable in 56 Monthly installments ending on 3rd August 2017. The rate of interest is 12% per annum.

(ii) Secured by exclusive first charge on building and all movable fixed assets of the company

NOTE - 5

	As at March 31, 2014	As at March 31, 2013
Other Long - term Liabilities		
(a) Others - Lease deposit (Refer Note Below)	**34.75**	34.75
(b) Others - Rent Straight-line	**384.94**	334.14
	419.69	368.89

Note: Lease Deposit Includes payable to related party Rs 18.75 lakhs [PY Rs. 18.75 lakhs]

NOTE - 6

	As at March 31, 2014	As at March 31, 2013
Long - term Provisions		
Provision for employee benefits		
(a) Compensated Absences	**48.78**	35.09
	48.78	35.09
Short - term provisions		
(a) Provision for Contingencies [Refer Note 17 (A)(8)]	**45.42**	45.42
(b) Provision for Compensated Absences	**1.73**	1.79
(c) Provision for Gratuity (Net)	**32.09**	23.78
	79.24	70.99

Notes forming part of the Balance Sheet

(Rs. in lakhs)

NOTE - 7

	As at March 31, 2014	As at March 31, 2013
Short - term Borrowings		
(A) Secured		
(a) Loans repayable on demand		
(i) from banks [Note (i)(a) below]	**3269.54**	3406.02
(ii) from others [Note (i)(b) below]	**9442.44**	7926.82
(b) Loans from related party [Note (ii) below]	**-**	9.44
	12711.98	11342.28
(B) Unsecured		
(a) Deposits from Shebha Properties Ltd [Refer Note 17 (A)(2)]	**1000.00**	1000.00
(b) Deposits from TATA Motors Ltd [Refer Note 17 (A)(2)]	**4000.00**	-
	5000.00	1000.00
Total (A+B)	**17711.98**	12342.28

Note:

Secured loans

(i) Details of security given for the above items:
  (a) Secured by way of First Pari Passu charge on all the stocks & book debts of the company both present & future.
  (b) Secured by Pari passu charge along with HDFC Bank on all the present and future Current Assets including Book Debts, Stock in trade Outstanding monies receivables, claims and bills which are now due and owing to the Borrower

(ii) Loans from related party consists of loan taken from Tata Motors Finance Limited, the loan is secured by lien on Test drive vehicles which are financed through the loan.

(iii) The Interest rates ranges from 10.00% to 12.25% per annum.

NOTE - 8

	As at March 31, 2014	As at March 31, 2013
Other Current Liabilities		
(a) Current maturities of Long - term borrowing [Refer notes given under Note 3]	**430.52**	430.52
(b) Interest accrued but not due	**36.74**	45.04
(c) Advance from Customers	**2461.76**	2265.34
(d) Statutory dues	**533.54**	691.75
(e) Income received in Advance	**50.49**	58.50
(f) Other payables - refer note below	**764.85**	483.88
(g) Share application money refundable	**0.04**	-
	4277.94	3975.03

Notes:

Other Payables Include:

(i) Amounts collected from customers for third party payments Rs.368.77 lakhs [PY Rs.268.07 lakhs]

(ii) Liabilities towards Capital goods - Rs.139.19 lakhs [PY Rs.130.15 lakhs]

(iii) Others - Rs 256.89 lakhs [PY Rs.85.66 lakhs]

Notes forming part of the Balance Sheet

NOTE - 9 A **(Rs. in lakhs)**

FIXED ASSETS	Cost as at April 1, 2013	Additions	Deductions / Adjustments	Cost as at March 31, 2014	Accumulated depreciation / amortisation up to March 31, 2013	Depreciation / Amortisation for the year	Deductions / Adjustments	Accumulated depreciation / amortisation up to March 31, 2014	Net Book Value as at March 31, 2014
[A] Tangible Assets									
(a) Land									
Own use	**1493.49**	**-**	**-**	**1493.49**	**-**	**-**	**-**	**-**	**1493.49**
	1493.49	-	-	1493.49	-	-	-	-	1493.49
Given under operating lease	**74.87**	**-**	**-**	**74.87**	**-**	**-**	**-**	**-**	**74.87**
	74.87	-	-	74.87	-	-	-	-	74.87
(b) Buildings									
Own use	**784.29**	**177.07**	**(5.53)**	**955.83**	**208.16**	**25.08**	**(1.92)**	**231.32**	**724.51**
	712.98	-	**-**	712.98	144.16	19.02	-	163.18	549.80
Given under operating lease	**37.37**	**-**	**-**	**37.37**	**11.56**	**1.24**	**-**	**12.80**	**24.57**
	108.68	-	**-**	108.68	53.40	3.13	**-**	56.53	52.15
(c) Plant & Machinery - Own use	**2146.62**	**310.91**	**(51.69)**	**2405.84**	**728.61**	**168.02**	**(15.25)**	**881.38**	**1524.46**
	1711.66	434.96	-	2146.62	566.92	161.69	-	728.61	1418.01
Given under operating lease	**2.47**	-	-	**2.47**	**0.32**	**0.11**	-	**0.43**	**2.04**
	2.47	-	-	2.47	0.20	0.12	-	0.32	2.15
(d) Office Equipment - Own use	**68.73**	**51.23**	**(0.71)**	**119.25**	**33.14**	**6.47**	**(0.30)**	**39.31**	**79.94**
	54.51	14.22	**-**	68.73	27.72	5.42	-	33.14	35.59
(e) Furniture, Fixtures and Office Appliances - Own use	**484.89**	**70.99**	**(88.12)**	**467.76**	**173.21**	**54.31**	**(29.24)**	**198.28**	**269.48**
	368.53	116.36	-	484.89	136.07	37.14	-	173.21	311.68
Given under operating lease	**8.82**	-	-	**8.82**	**2.64**	**0.47**	-	**3.11**	**5.71**
	8.82	-	-	8.82	2.18	0.46	-	2.64	6.18
(f) Vehicles and Transport -Own Use	**178.96**	**319.32**	**(55.24)**	**443.04**	**110.31**	**79.13**	**(42.19)**	**147.25**	**295.79**
	153.08	44.86	(18.98)	178.96	87.94	33.95	(11.58)	110.31	68.65
(g) Leasehold Improvements -Own Use	**1116.10**	**229.52**	**(42.77)**	**1302.85**	**350.94**	**159.31**	**(18.71)**	**491.54**	**811.31**
	683.78	432.32	-	1,116.10	255.54	95.40	-	350.94	765.16
Given under operating lease	**9.45**	-	-	**9.45**	**2.12**	**0.83**	**-**	**2.95**	**6.50**
	9.45	-	-	9.45	1.29	0.83	**-**	2.12	7.33
Total	**6406.06**	**1159.04**	**(244.06)**	**7321.04**	**1621.01**	**494.97**	**(107.61)**	**2008.37**	**5312.67**
	5382.32	1042.72	(18.98)	6406.06	1275.42	357.16	(11.58)	1621.00	4785.06

Notes :

(i) Previous year figures are given below the current year figures, which are indicated in Bold font in the above table.

(ii) The amount appearing in Deduction/adjustment column for the current year pertain to sales of fixed Assets,Assets scraped due to renovation and reversal of excess amount capitalised

Notes forming part of the Balance Sheet

(Rs. in lakhs)

NOTE - 9 B

FIXED ASSETS		Cost as at April 1, 2013	Additions	Deductions / Adjustments	Cost as at March 31, 2014	Accumulated amortisation up to March 31, 2013	Amortisation for the year	Deductions / Adjustments	Accumulated depreciation / amortisation up to March 31, 2014	Net Book Value as at March 31, 2014
[B]	**Intangible Assets**									
(a)	Computer Software	**128.13**	**7.06**	**-**	**135.19**	**102.20**	**16.24**	**-**	**118.44**	**16.75**
		122.69	5.44	-	128.13	83.36	18.84	-	102.20	25.93
(b)	Goodwill	-	**309.00**	-	**309.00**	-	**20.39**	**-**	**20.39**	**288.61**
		-	-	-	-	-	-	-	-	-
	Total	**128.13**	**316.06**	**-**	**444.19**	**102.20**	**36.63**	**-**	**138.83**	**305.36**
		122.69	5.44	-	128.13	83.36	18.84	-	102.20	25.93

Notes :

(i) Previous year figures are given below the current year figures, which are indicated in Bold font in the above table.

Notes forming part of the Balance Sheet

(Rs. in lakhs)

NOTE - 10

	As at March 31, 2014	As at March 31, 2013
Long - term Loans and Advances		
Unsecured, considered good		
(a) Capital Advances	**13.96**	9.59
(b) Security Deposits	**1595.89**	1472.97
(c) Advance income tax (net of provisions Rs 1579.43 lakhs [PY Rs.1578.83 lakhs])	**694.15**	449.03
(d) MAT credit entitlement	**9.76**	9.76
(e) Others	**313.07**	299.43
	2626.83	2240.78

Notes:

(1) Security Deposits include:
Lease deposits amounting to Rs 1572.59 lakhs [PY Rs. 1450.71 lakhs]

(2) Others includes disputed sales tax of earlier years paid under protest Rs.87.22 lakhs [PY Rs. 267.54 lakhs

Notes forming part of the Balance Sheet

(Rs. in lakhs)

NOTE - 11

	As at March 31, 2014	As at March 31, 2013
Other Non - Current assets		
(a) Others - Deposit with Bank	**1.42**	0.75
	1.42	**0.75**

NOTE - 12

		As at March 31, 2014	As at March 31, 2013
Inventories			
(a) Stock-in-trade -Automobiles, Spare Parts and Accessories for automobiles		**12161.16**	10792.14
(b) Goods-in-transit			
(i) Automobiles	3224.57		1986.25
(ii) Spare Parts and Accessories for automobiles	98.12		124.03
		3322.69	2110.28
		15483.85	12902.42

Note : Items (a) and (b) above are valued at lower of cost and net realisable valu

NOTE - 13

		As at March 31, 2014	As at March 31, 2013
Trade Receivables			
(a) Due for Over six months : (unsecured			
Considered gooc	476.05		335.62
Considered doubtfu	259.15		88.07
(b) Others (unsecured)			
Considered gooc	2226.25		2969.17
	2961.45		3392.86
Less : Allowances for doubtful trade receivable	259.15		88.07
		2702.30	3304.79

Notes forming part of the Balance Sheet

(Rs. in lakhs)

NOTE - 14

	As at March 31, 2014	As at March 31, 2013
Cash and Cash Equivalents		
(a) Cash on hand	**216.28**	239.71
(b) Cheques, drafts on hand	**248.74**	353.50
(c) Current Account with banks	**254.15**	462.37
	719.17	1055.58

NOTE - 15

	As at March 31, 2014	As at March 31, 2013
Short - term loans and advances		
(a) Prepaid expenses - Unsecured, considered good	**103.36**	83.57
(b) VAT, other taxes recoverable, statutory deposits and dues from government (Unsecured, considered good)	**344.46**	263.46
(c) Others		
Unsecured, considered good	**522.92**	172.55
Doubtful	**12.12**	12.12
	982.86	531.70
Less: Allowance for doubtful advances	**12.12**	12.12
	970.74	519.58

NOTE - 16

	As at March 31, 2014	As at March 31, 2013
Other Current Assets		
Unsecured, Considered good		
(a) Amounts recoverable from related parties	**2261.99**	2304.68
(b) Others	**667.78**	531.56
	2929.77	2836.24

Notes:

(1) Others pertain to insurance, free service recoverable and contractually reimbursable expenses

BACKGROUND

Concorde Motors (India) Limited ('CMIL'), formerly known as Minicar (India) Limited, was incorporated in January 1972 under the Companies Act, 1956. The Company is primarily engaged in the business of sales and servicing of passenger cars and sale of automobile parts and accessories.

17 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

As at March 31, 2014, the Company has issued 2435000 preference shares that as per initial terms are redeemable on October 21, 2014. Of the above, the redemption date for 1,354,195 preference shares held by Tata Motors Ltd, the holding Company has been extended to October 21, 2024. Based on the above and the continuing financial support committed by the holding Company, the Company expects to meet all its liabilities in the normal course of business and has accordingly prepared these financial statements on a going concern basis.

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act/ 2013 Act, as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year. The Significant accounting policies are given below.

(b) Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

(c) Fixed Assets & Depreciation

Fixed assets are stated at cost, less accumulated depreciation.

Depreciation

Fixed assets are depreciated on straight-line method over the estimated useful life of the assets which generally correspond with the rates in Schedule XIV to the Companies Act, 1956, except for the following.

- Buildings are being depreciated based on their useful life over 8 years to 62 years.
- Hand Tools are depreciated over 1 year.
- Laptops are depreciated over a period of 4 Years
- Software are depreciated over a period of 3-5 years
- Leasehold improvements are written off over the primary period of the lease or useful life of the asset whichever is lower.
- Assets costing below Rs. 5000/- are fully depreciated in the year of purchase.
- Cars are depreciated over a period of 4 Years
- Goodwill is amortised over a period of 5 years

(d) Revenue Recognition

Income from sale of cars is recognized on transfer of risks and rewards of ownership of the cars, which generally coincides with the constructive delivery of the cars. Performance incentive on sale of Cars is accounted on the basis of intimation received from manufacturers/schemes announced by the manufacturers.

Revenues from services are recognised when services are rendered and related costs are incurred.

Interest income is accounted on accrual basis.

(e) Inventories

Inventories of cars, demo cars, accessories and parts are valued at lower of cost and net realizable value. Cost represents actual cost of purchase in case of cars and weighted average cost in case of accessories, parts, stores and spares adjusted for indirect taxes.

(f) Employee Benefits

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund, compensated absences.

The Company's contribution to provident fund, superannuation fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made.

Liability for gratuity is funded with Life Insurance Corporation of India (LIC). Gratuity expenses for the year is accrued on a prorata basis based on actuarial valuation using projected unit credit method carried out at the end of the year. The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the scheme.

Leave credit available to the employees at the year end is classified as short - term or long - term based on the experience of the management with regard to utilisation. Liability towards leave estimated to be used in the long - term is accrued based on actuarial valuation. Provision for current portion of unavailed leave is as estimated by the management and is accrued based on the last month's salary. Other short - term employee benefits like medical, leave travel, etc. are accrued based on the terms of employment on a time proportion basis.

(g) Taxation including Deferred Taxation

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

'Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabosrbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

(h) Provisions and contingencies

A provision is recognised when the Company has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balances sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised but disclosed in the Notes to accounts.

(i) Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

(j) Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(k) Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

(l) Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Profit and Loss Statement on a straight-line basis.

(l) Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

CONCORDE MOTORS (INDIA) LIMITED

NOTES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS STATEMENT

NOTE - 17

(A) Notes to Balance Sheet **(Rs in lakhs)**

1 (a) **Major components of deferred tax arising on account of timing differences are :**

	As at March 31, 2014	As at March 31, 2013
Liabilities:		
Depreciation	**(131.76)**	(158.20)
	(131.76)	(158.20)
Assets:		
Expenses allowable on payment basis	**143.65**	100.71
Provision for Doubtful Debts & Trade receivables	**88.01**	32.06
Unabsorbed Depreciation and Business Losses	**1489.26**	535.59
	1720.92	668.36
Net Deferred Tax Asset / (Liability)	**1589.16**	**510.16**

Note : The Company has a net deferred tax asset on unabsorbed depreciation and Business loss which has not been recognised in the absence of virtual certainity.

(b) **There is no current tax provision created for the year as the company has incurred losses for the year.**

(A) Notes to Balance Sheet (contd.)

2 i) Related party disclosures for the year ended March 2014 (with whom the company had transactions during the period)

a) Related Party and their relationship

1. **Holding Company:**
   Tata Motors Limited
2. **Fellow Subsidiaries :**
   Tata Motors Insurance Services Ltd
   Tata Motors Finance Limited (TMFL)
   TML Distribution Company Limited (TMLD)
   Fiat India Automobiles Ltd.(FIAL)
   Shebha Properties Ltd. (SPL)
3. **Key Management Personnel:**
   Mr.Anupam Misra (Upto 31st March 2014)
   Mr.Ranjiv Kapur(W.e.f 1st April 2014)

Note: Related party relationship is as identified by the company on the basis of information available with them and accepted by the auditors

b) Transactions with the related parties

(Figures given within brackets are relating to the previous year) **(Rs in lakhs)**

Particulars		Holding Company	Fellow Subsidiaries	Key Management Personnel	Name of Fellow Subsidiary	Total
Purchase of goods (inclusive of taxes)	**Mar-14**	**52795.68**	**7504.11**	**Nil**	**TMLD**	**60299.79**
	Mar-13	(48819.75)	(15681.07)	Nil	TMLD	(64500.82)
Purchase of fixed assets (inclusive of taxes)	**Mar-14**	**210.72**	**Nil**	**(Nil)**	**-**	**210.72**
	Mar-13	(Nil)	(Nil)	(Nil)	-	0.00
Compensation and Incentives	**Mar-14**	**5516.73**	**189.83**	**Nil**	**TMFL**	**5706.56**
	Mar-13	(3984.40)	(62.26)	Nil	TMFL	(4046.66)
Rent received (inclusive of Service tax)	**Mar-14**	**65.87**	**Nil**	**Nil**	**-**	**65.87**
	Mar-13	(117.98)	(Nil)	Nil	-	(117.98)
Rent expenses	**Mar-14**	**107.87**	**Nil**	**Nil**	**-**	**107.87**
	Mar-13	(27.15)	(Nil)	(Nil)	-	(27.15)
Management contracts, including deputation of employees	**Mar-14**	**158.38**	**Nil**	**Nil**	**-**	**158.38**
	Mar-13	(118.63)	(Nil)	(Nil)	-	(118.63)
Salary paid to Key Management personnel	**Mar-14**	**Nil**	**Nil**	**Nil**	**-**	**0.00**
	Mar-13	(Nil)	(Nil)	(63.07)	Anupam Misra	(63.07)
Interest Paid on Corporate Deposits / (received)	**Mar-14**	**21.86**	**105.05**	**Nil**	**SPL**	**126.91**
	Mar-13	(Nil)	(113.37)	(Nil)	SPL	(113.37)
Interest on delayed payments	**Mar-14**	**123.32**	**67.31**	**Nil**	**TMLD**	**190.63**
	Mar-13	(83.58)	(52.91)	Nil	TMLD	(136.49)
Interest Claim on Event / Media Vehicle	**Mar-14**	**185.66**	**Nil**	**Nil**	**-**	**185.66**
	Mar-13	(Nil)	(Nil)	(Nil)	-	0.00
Other expenses	**Mar-14**	**41.23**	**Nil**	**Nil**	**-**	**41.23**
	Mar-13	(276.54)	(Nil)	(Nil)	-	(276.54)
Loan Taken	**Mar-14**	**Nil**	**Nil**	**Nil**	**TMF**	**0.00**
	Mar-13	(Nil)	(276.21)	Nil	TMF	(276.21)
Loan Repaid	**Mar-14**	**Nil**	**9.44**	**Nil**	**TMF**	**9.44**
	Mar-13	(Nil)	(265.11)	(Nil)	TMF	(265.11)
Interest on Loans-expense	**Mar-14**	**Nil**	**0.40**	**Nil**	**TMF**	**0.40**
	Mar-13	(Nil)	(20.36)	(Nil)	TMF	(20.36)
Interest on Loans-income	**Mar-14**	**0.40**	**Nil**	**Nil**	**-**	**0.40**
	Mar-13	(20.36)	(Nil)	(Nil)	-	(20.36)
Expenses reimbursement (inclusive of taxes)	**Mar-14**	**2283.63**	**Nil**	**Nil**	**-**	**2283.63**
	Mar-13	(1602.27)	(Nil)	(Nil)	-	(1602.27)
ICD accepted during the year	**Mar-14**	**4000.00**	**Nil**	**0.00**	**SPL**	**4000.00**
	Mar-13	(Nil)	(500.00)	0.00	SPL	(500.00)
ICD Balance outstanding	**Mar-14**	**4000.00**	**1000.00**	**Nil**	**SPL**	**5000.00**
	Mar-13	(Nil)	(1000.00)	(Nil)	SPL	(1000.00)
Repaid during the year	**Mar-14**	**Nil**	**Nil**	**Nil**	**SPL**	**0.00**
	Mar-13	(Nil)	(1000.00)	(Nil)	SPL	(1000.00)
Dividend paid	**Mar-14**	**Nil**	**Nil**	**Nil**	**-**	**0.00**
	Mar-13	(94.79)	(Nil)	(Nil)	-	(94.79)
Amount receivable	**Mar-14**	**1669.32**	**682.99**	**Nil**	**TMLD**	**2352.31**
	Mar-13	(1660.19)	(674.53)	(Nil)	TMLD	(2334.72)
	Mar-14	**Nil**	**60.28**	**Nil**	**TMFL**	**60.28**
	Mar-13	(Nil)	(13.25)	(Nil)	TMFL	(13.25)
Amount payable	**Mar-14**	**1418.68**	**535.94**	**Nil**	**TMLD**	**1954.62**
	Mar-13	(1843.37)	(859.84)	(Nil)	TMLD	(2703.21)
Loan outstanding with interest	**Mar-14**	**Nil**	**Nil**	**Nil**	**TMFL**	**0.00**
	Mar-13	(Nil)	(9.44)	(Nil)	TMFL	(9.44)
Share application money pending allotment received	**Mar-14**	**1499.96**	**Nil**	**Nil**	**-**	**1499.96**
	Mar-13	(Nil)	(Nil)	(Nil)	-	0.00

CONCORDE MOTORS (INDIA) LIMITED

NOTES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS STATEMENT

NOTE - 17 **(Rs in lakhs)**

(A) Notes to Balance Sheet

3 Micro and Small Enterprise Development Act, 2006 :

There are no dues to Micro and Small Enterprises at the Balance Sheet date. The information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the auditors.

	As at March 31, 2014	As at March 31, 2013
4 Claims against the Company not acknowledged as debts -		
(i) Sales Tax..... [of the above Rs.87.22 lakhs deposited under protest, (PY: Rs.267.54 lakhs)]	**174.52**	**340.89**
(ii) Service Tax ..... [Rs. NIL deposited under protest (PY Rs. NIL)]	**134.69**	**138.84**
(iii) Income tax (exclusive of the effect of similar matters in respect of assessments remaining to be completed) in respect of matters :		
(a) Pending in appeal / other matters	**55.47**	**55.47**
5 The claims / liabilities in respect of excise duty, sales tax and other matters where the issues were decided in favour of the Company for which the Department is in further appeal	**42.73**	**42.73**
6		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	**50.73**	**25.67**

Other Commitments

(b) The company has entered into agreements with another automobile dealership for a certain business arrangement under which the Company is required to pay amounts aggregating to Rs. 60 lacs per annum as fees for the tenure of the agreements (5 years inclusive of lock in period of 3 years).The lock in period expires in June 2015.

(c) The Company has entered into a memorandum of understanding with another automobile dealership for the purchase of moveable assets. The commitment on this transaction is likely to be Rs.620.67 lakhs.

(d) The company acquired certain immovable properties pursuant to a scheme of Arrangement in the period 2004. Stamp duty is payable on conveyance of properties in favour of the company. The stamp duty adjudication order has been passed by District Registrar (DUS) for Bangalore property fixing the market value of the immovable property situated at Bangalore as on the date of acquisition at Rs.1165.18 lakhs on which Stamp duty @ 7% amounting to Rs.81.56 lakhs has been paid by the company during the period 2007-08 and has been capitalised under Land & Building. The company is in the process of completing similar formalities in respect of the Hyderabad Property that was acquired by the company pursuant to the scheme referred above . It is not possible to quantify the amount of duty payable, and adjustments, as and when effected, will be carried out to the cost of land and building relating the property at Hyderabad.

7 Taxes paid include Rs.61.40 Lakhs (PY Rs. 61.40 Lakhs) tax deducted at source (TDS) of earlier periods pertaining to sales and service business transferred on Demerger to Tata Motors Insurance Services Limited (TMISL) for which TDS certificates are filed with the Income-tax Department and the refund is expected to be received by the Company through TMISL.

8 Short - term Provision for Contingencies relates to certain matters under dispute. The movement in the balances of the provision is as follows:

	As at March 31, 2014	As at March 31, 2013
Opening Balance	**45.42**	46.42
Add: Provisions made during the year	**-**	-
Less: Used/Withdrawn during the year	**-**	(1.00)
Closing Balance	**45.42**	**45.42**

NOTE - 17 (contd.) **(Rs. in lakhs)**

	2013-14	2012-13
(B) Notes to Profit and Loss Statement :		
(1) Purchase of stock-in-trade include :		
(a) Automobile Spare parts and accessories for sale	**6885.97**	6202.98
(b) Automobiles	**52409.12**	61608.71
	59295.09	67811.69

Notes:
Purchase amount is net off warranty reversals for the year ended 31st March, 2014 amounting to Rs.590.55 lakhs [Previous period: Rs. 687.87 lakhs]

	2013-14	2012-13
(2) Payments to the auditors comprises (net of service tax input credit, where applicable):		
(i) As auditors - statutory audit	8.72	8.72
(ii) For Tax Audit	1.75	1.75
(iii) For other services	6.03	6.04
(iv) Reimbursement of travelling and out-of-pocket expenses	1.27	1.78

(3) (a) The Company has entered into operating lease arrangements for certain facilities and office premises. The leases are non-cancellable and are for a period of 3 to 10 years and may be renewed for a further period of 3 to 10 years based on mutual agreement of the parties. The lease agreements provide for an increase in the lease payments by 5% to 15%.

The Company has entered into operating leasing arrangements in respect of its premises. The lease payments under these arrangements debited to the Profit and Loss Statement are as follows:

	2013-14	2012-13
Rent expense	**1690.10**	1184.26

Future minimum lease payments payable:

	2013-14	2012-13
not later than one year	**1471.88**	1,232.83
later than one year and not later than five years	**2558.65**	2,453.27
later than five years	**176.76**	251.40

(b) The Company has entered into operating lease arrangements for certain surplus facilities. The lease is non-cancellable for a period of 3 years and may be renewed for a further period based on mutual agreement of the parties.

Future minimum lease payments receivable:

	2013-14	2012-13
not later than one year	**8.42**	33.66
later than one year and not later than five years	**-**	8.42
later than five years	**-**	-
Depreciation recognised on the leased assets	**2.65**	3.13

NOTE - 17 (contd.)
(B) Notes to Profit and Loss Statement (contd.)

(4) (a) **Defined benefit plans - As per actuarial valuations as on March 31, 2014**

		Gratuity	
		2014	**2013**
i	**Components of employer expense**		
	Current Service cost	24.10	21.06
	Interest cost	7.31	5.93
	Expected return on plan assets	(7.12)	(5.51)
	Actuarial (Gains) / Losses	24.02	2.36
	Total expense recognised in the Profit and Loss Statement	**48.31**	**23.84**
ii	**Actual Contribution and Benefit Payments for year ended March 31,**		
	Actual benefit payments	10.34	14.71
	Actual Contributions	40.00	10.00
iii	**Net Assets/(liability) recognised in Balance Sheet as at March 31,**		
	Present Value of Defined Benefit Obligation	(137.85)	(92.76)
	Fair value of plan assets	105.76	68.98
	Net liability recognised in Balance Sheet	**(32.09)**	**(23.78)**
iv	**Change in Defined Benefit Obligations (DBO) during the year ended March 31,**		
	Present Value of DBO at the beginning of the year	92.76	77.13
	Current Service cost	24.10	21.06
	Interest cost	7.31	5.93
	Actuarial (gains) / losses	24.02	3.35
	Benefits paid	(10.34)	(14.71)
	Present Value of DBO at the end of the year	**137.85**	**92.76**
v	**Change in Fair Value of Assets during the year ended March 31,**		
	Plan assets at the beginning of the year	68.98	67.19
	Expected return on plan assets	7.12	5.51
	Actual Company contributions	40.00	10.00
	Actual gains / (losses)	-	0.99
	Benefits paid	(10.34)	(14.71)
	Plan assets at the end of the year	**105.76**	**68.98**
vi	**Reconciliation of Net Assets / (Liability) recognised in the Balance Sheet**		
	Net Assets / (Liability) at the beginning of the year	(23.78)	(9.94)
	Employer (Expense) / Credit	(48.31)	(23.84)
	Employer Contribution	40.00	10.00
	Net Assets / (Liability) at the end of the year	**(32.09)**	**(23.78)**
vii	**Composition of the plan assets is as follows:**		
	Central Government Securities	31.35%	31.35%
	State Government Securities	10.71%	10.71%
	Debentures And Bonds	42.85%	42.85%
	Equity Shares	5.22%	5.22%
	Fixed Deposits	8.35%	8.35%
	Others	1.51%	1.51%
viii	**Actuarial Assumptions for Gratuity and Compensated Absences**	**2014**	**2013**
	Discount Rate (%)	9.20%	8.35%
	Expected Return on plan assets (%)	8.50%	8.50%
	Salary escalation (%)	5% for next year 7% for next 3 years 8% thereafter	5%
	Mortality	Indian assured Lives Mortality (2006-08) (Modified) ultimate	
	Withdrawal rates (%)	Age %	Age %
		20 - 44 - 2%	20 - 44 - 2%
		45 and after - 1%	45 and after - 1%

viii	**Experience History**	**2013- 2014**	**2012- 2013**	**2011- 2012**	**2010- 2011**	**2009-2010**
	Defined Benefit Obligation at the end of the period	137.85	(92.76)	(77.13)	(51.53)	(37.83)
	Plan Assets at the end of the period	105.76	68.98	67.19	71.78	50.74
	Funded Status	(32.09)	(23.78)	(9.94)	20.25	12.91
	Experience Gain / (Loss) adjustment on plan liabilities	(7.53)	(1.59)	(9.40)	(0.84)	13.74
	Experience Gain / (Loss) adjustment on plan assets	-	0.99	0.86	0.55	5.55
	Actuarial Gain / (Loss) due to change in assumptions	31.55	(1.76)	(7.76)	(4.38)	(3.30)

(b) **Defined Contribution Plans-**

The Company makes Provident Fund, Superannuation Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs.99.11 lakhs (Year ended 31 March, 2013 Rs. 101.26 lakhs) for Provident Fund contributions, Rs. 2.92 lakhs (Year ended 31 March, 2013 Rs. 7.90 lakhs) for Superannuation Fund contributions and Rs.34.94 lakhs (Year ended 31 March, 2013 Rs.33.94 lakhs) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

(i) The expected rate of return on plan assets is determined after considering several applicable factors such as the composition of the plan assets, investment strategy, market scenario, etc.. In order to protect the capital and optimise returns within acceptable risk parameters, the plan assets are well diversified.

(ii) The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

(iii) The Company expects to contribute Rs.35 lakhs to the funded pension plans in the year 2014-15 [PY Rs 25 lakhs]

NOTE - 17 (contd.) **(Rs. in lakhs)**

(C) Notes to Statement of Profit and Loss (contd.)

			2013-14	2012-13
(1)	Earnings Per Share (EPS):			
	(a) Loss after tax	Rs. lakhs	**(3392.61)**	(1674.39)
	Add: Preference Dividend and Dividend tax thereon		**199.42**	199.42
	Profit/(Loss) available to Equity Share holders		**(3592.03)**	(1873.81)
	(b) The weighted average number of Equity Shares for Basic EPS.....	Nos.	**3698120**	3698120
	(c) The nominal value per Share.....	Rupees	**10.00**	10.00
	(d) Share of Profit/(Loss) for Equity Shares for Basic EPS.....	Rs. lakhs	**(3592.03)**	(1,873.81)
	(e) Earnings Per Equity Share (Basic and Diluted).....	Rupees	**(97.13)**	(50.67)

Note: Preference dividend has been considered as a matter of prudence in determining Earnings per Share, since the Preference shares are cumulative.

(D) (i) The Company has two business segments, viz. selling of cars, parts, accessories, financial services and servicing of cars in India, which have similar risks and returns and rental business. However, based on the turnover and result criteria, the rental business does not qualify as a reportable segment. Income from facilitating finance and other services cater to the same customers to whom cars are sold and therefore do not have risk and rewards which are different from business of selling of cars and hence forms the part of the same segment i.e. selling of cars, parts, accessories, Financial services etc.

The Company sells its products and services only in India and as such separate information on geographical segment is not provided.

(ii) The Company did not have transactions in foreign currencies and has not entered into any derivative transactions.

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

(iv) Current year figures are shown in bold print.

TML Distribution Company Limited

Annual Report 2013 – 14

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TML DISTRIBUTION COMPANY LIMITED

DIRECTORS' REPORT

TO THE MEMBERS
TML DISTRIBUTION COMPANY LIMITED

The Directors have pleasure in presenting their Sixth Annual Report and the Audited Statement of Accounts for the year ended March 31, 2014. As required under the Ministry of Corporate Affairs' General Circular 08/2014 No. 1/19/2013-CL-V dated April 4, 2014, the Financial Statements and other reports required to be attached to the Annual Report for FY 2013-14 are governed by the relevant provisions, schedules, rules of the Companies Act, 1956.

1. FINANCIAL RESULTS

	(₹ in crores)	
Particulars	**2013-14**	**2012-13**
Total Revenue	616.05	3280.00
Total Expenses	640.46	3263.07
Profit/(Loss) before Tax	(24.41)	16.93
Tax Expense	(8.21)	5.50
Profit/(Loss) after Tax	(16.20)	11.43
Balance brought forward from previous year	70.27	58.84
Balance carried to Balance Sheet	54.07	70.27

2. DIVIDEND

No Dividend has been recommended on equity shares for the year ended March 31, 2014. (Previous Year : Nil dividend)**.**

3. OPERATIONS

During FY13-14, the Company purchased 20,708 vehicles (PVBU – 20,708 Nos and CVBU – NIL.) [FY12-13 1,31,099 vehicles (PVBU – 80,016 Nos and CVBU – 51,083 Nos)] and sold 26,190 vehicles (PVBU - 26,071 Nos. and CVBU- 119 Nos.) [FY12-13 1,23,230 vehicles (PVBU – 72,149 Nos. and CVBU – 51,081 Nos.)]. Sales were made from Pune works, Sanand works and through a network of various Regional Sales Offices/Sales Depots.

The Company provides logistic services to Tata Motors Ltd.(TML) for outbound movement of vehicles from Pune woks, Dharwad works, Pantnagar works and from various Regional Sales Offices/Sales Depots. The Company also purchases vehicles from TML, Sanand works.

Total Revenue for FY13-14 was ₹616.05 crores with Loss Before Tax of ₹(24.41) crores [FY12-13 Total Revenue - ₹3280.00 crores and Profit Before Tax- ₹16.93 crores]. Loss after tax (PAT) for the year was ₹(16.20) crores [FY12-13 Profit After Tax ₹ 11.43 crores].

4. DEPOSITS

The Company has not accepted any fixed deposits during the period under review.

5. INFORMATION ON CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Provisions of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, as regards reporting on conservation of energy, technology absorption and foreign exchange earnings and outgo are not applicable to the Company for the year under review.

6. DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr R Ramakrishnan is liable to retire by rotation and is eligible for re-appointment.

During the year Mr Tapan Mukhopadhyay, Director and Mr P Y Gurav, Director resigned on July 31, 2013 and December 31, 2013 respectively. Mr Asim Kumar Mukhopadhyay and Mr Mani Raman were appointed as an additional Directors on January 20, 2014.

Mr Prem Kumar Verma was re-appointed as the Manager under the Companies Act, 1956 with effect from September 22, 2014 for a period of 5 years and his appointment was approved by way of an Extra- Ordinary General Meeting held on September 20, 2013.

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

7. CORPORATE GOVERNANCE STRUCTURE

a. The Company recognizes its role as a corporate citizen and endeavors to adopt the best practices and the highest standards of Corporate Governance through transparency in business ethics, accountability to its customers, government and others.

b. The Company functions through the Board of Directors and Audit Committee of the Board, which have been delegated appropriate powers to perform their duties.

c. As on date the Board of Directors comprises Mr Ranjit Yadav, Chairman, Mr Raman Mani, Mr Asim Mukhopadhyay, Mr R Ramakrishnan and Mr R T Wasan. During the year under review, 4 meetings were held on April 25, 2013, July 31, 2013, October 31, 2013 and January 29, 2014. The maximum time-gap between any 2 consecutive meetings did not exceed 4 months.

d. As on date the Audit Committee comprises Mr Raman Mani, Chairman, Mr R Ramakrishnan, Mr R T Wasan and Mr Asim Mukhopadhyay. During the year under review, 4 meetings were held on April 25, 2013, July 31, 2013, October 31, 2013 and January 29, 2014**.** The Audit Committee meeting is attended by the Chief Executive Officer, the Chief Financial Officer, the Chief Information Officer, the Internal Auditor, the Statutory Auditors and the Company Secretary. The Chairman of the Audit Committee was also present at the last Annual General Meeting of the Company.

e. The Company follows Accounting Standards issued by the Institute of Chartered Accountants of India. In the preparation of financial statements, the Company has not adopted a treatment different from that prescribed in any Accounting Standard.

f. An Extra-ordinary General Meeting was held on September 20, 2013 for re-appointment of Mr Prem Kumar Verma as Manager under the Companies Act, 1956.

8. AUDIT

M/s Deloitte Haskins & Sells LLP (DHS LLP), Chartered Accountants (ICAI Firm Registration No.117366W/W-100018), who are the Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting. It is proposed to re-appoint them to examine and audit the accounts of the Company for three years to hold office from the conclusion of this AGM till the conclusion of the ninth AGM of the Company to be held in the year 2017 subject to ratification of their appointment at every AGM. DHS have, under Section 139(1) of the Companies Act, 2013 and the Rules framed thereunder furnished a certificate of their eligibility and consent for re-appointment. DHS converted itself into a Limited Liability Partnership (LLP) under the provisions of the Limited Liability Partnership Act, 2008 and is now known as Deloitte Haskins & Sells LLP (DHS LLP) with effect from November 20, 2013. In terms of the Ministry of Corporate Affairs, Government of India, General Circular No. 9/2013 dated April 30, 2013, if a firm of CAs, being an auditor in a company under the Companies Act, 1956, is converted into an LLP, then such an LLP would be deemed to be the auditor of the said company. The Board of Directors of the Company has taken due note of this change. Accordingly, the audit of the Company for FY 2013-14 was conducted by DHS LLP.

Compliance Audit for Cost Records

As per the Companies (Cost Accounting Records) Rules, 2011 (" the Rules") issued by the Ministry of Corporate Affairs (MCA) vide notification dated June 3, 2011 and Section 233B of the Companies Act, 1956, the Company was required to maintain and submit cost records for Financial Year 2011-12 onwards and a Compliance Report under Rule 5 of the Rules. Accordingly, M/s Mani & Co., having Registration No. 00004 have been appointed for the purpose of examining and issue of a report on maintenance of Cost records under the aforesaid Rules relating to the products arranged and stored for sale. The Compliance Report required under the Rule was filed with MCA in time.

9. PARTICULARS OF EMPLOYEES

None of the employees of the Company draw remuneration in accordance with Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

10. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors, based on the representations received from the Operating Management, confirm that:-

- in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- they have, in selection of the accounting policies, consulted the Statutory Auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;
- they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- they have prepared the annual accounts on a going concern basis.

11. CORPORATE SOCIAL RESPONSIBILITY

As part of the Corporate Social Responsibility, the Company continued to support through Tata Motors, various social welfare measures across locations. The company also initiated driver training program “We care for you” wherein transporter’s drivers were given training on defensive driving skills and life skill training. Around 10,000 drivers have been trained till FY 2013-14.

During the year, the employees of the Company actively participated in the voluntary blood donation camps.

12. ACKNOWLEDGEMENTS

The Directors wish to convey their appreciation to all the Company's employees for their enormous personal efforts as well as their collective contribution to enable the Company to meet the various challenges. The Directors would also like to thank Tata Motors Limited, the parent company, shareholders, other customers, bankers, dealers and all other business associates for the continuous support given by them to the Company and their confidence in the Management.

On behalf of the Board of Directors

Place : Mumbai
Date: April 30, 2014

Raman Mani
Director

R Ramakrishnan
Director

Deloitte
Haskins & Sells LLP

Chartered Accountants
Indiabulls Finance Centre
Tower 3, 27th - 32nd Floor
Senapati Bapat Marg
Elphinstone Road (West)
Mumbai - 400 013
Maharashtra, India

Tel: +91 (022) 6185 4000
Fax: +91 (022) 6185 4501/4601

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TML DISTRIBUTION COMPANY LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **TML DISTRIBUTION COMPANY LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

(b) in the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by Section 227(3) of the Act, we report that:

   (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
   (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act. notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs).
   (e) On the basis of the written representations received from the directors as on March 31, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

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

Rupen K. Bhatt
Partner
(Membership No : 46930)

MUMBAI: April 30, 2014

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) Having regard to the nature of the Company's business/ activities/ results during the year, clauses (i), (vi), (viii), (x), (xii), (xiii), (xiv), (xv), (xvi), (xviii), (xix), and (xx) of paragraph 4 of the Order are not applicable to the Company.

(ii) In respect of its inventories:

(a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals. In case of inventories lying with third parties, certificates confirming stocks have been received in respect of substantial portion of stocks held during the year or at the year-end.

(b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

(iii) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.

(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services and during the course of our audit we have not observed any continuing failure to correct major weaknesses in such internal control system.

(v) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us there were no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956.

(vi) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(vii) According to the information and explanations given to us in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Sales Tax, Service Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Sales Tax, Service Tax, Cess and Other material statutory dues in arrears as at March 31, 2014 for a period of more than six months from the date they became payable.

(c) Details of dues of Income tax and Sales Tax which have not been deposited as on March 31, 2014 on account of any disputes are given below:

Name of the Statute	**Nature of the Dues**	**Forum where Dispute is Pending**	**Period to which the Amount Relates**	**Amount Involved (Rs. in crores)**
Sales Tax Laws	Sales Tax	Commercial Tax Appellate Board (Indore)	2008-2009	0.16
Sales Tax Laws	Sales Tax	Additional Commissioner (Kolkata)	2008-2009	0.13
Sales Tax Laws	Sales Tax	Appellate Authority (Goa)	2008-2009	0.32
Sales Tax Laws	Sales Tax	Commercial Tax Appellate Board (Indore)	2009-2010	0.48
Sales Tax Laws	Sales Tax	Additional Commissioner (Kolkata)	2009-2010 2010-2011	0.19
Sales Tax Laws	Sales Tax	Appellate Authority (Lucknow)	2010-2011	0.09
Sales Tax Laws	Sales Tax	Joint Commissioner of Sales Tax (Appeals)	2009-2010	3.43
Income Tax Laws	Income Tax	Income Tax Appellate Tribunal	2008-09	0.01

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions and banks.

(ix) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long- term investment.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

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

Rupen K. Bhatt
Partner
(Membership No : 46930)

MUMBAI: April 30, 2014

TML DISTRIBUTION COMPANY LIMITED

BALANCE SHEET AS AT MARCH 31, 2014

(₹ in crores)

			Notes	As at March 31, 2014		As at March 31,2013	
I	**EQUITY AND LIABILITIES**						
(1)	SHAREHOLDERS' FUNDS						
	(a)	Share Capital	2	225.00		225.00	
	(b)	Reserves & Surplus	3	54.07		70.27	
					279.07		295.27
(2)	NON CURRENT LIABILITIES						
	(a)	Long-term Provisions	4	1.68		2.37	
					1.68		2.37
(3)	CURRENT LIABILITIES						
	(a)	Short-term Borrowings	5	23.23		44.84	
	(b)	Trade Payables		11.96		85.20	
	(c)	Acceptances		79.50		199.96	
	(d)	Other Current Liabilities	6	7.02		13.43	
	(e)	Short-term Provisions	4	0.15		0.17	
					121.86		343.60
		TOTAL			**402.61**		**641.24**
II	**ASSETS**						
(1)	NON CURRENT ASSETS						
	(a)	Deferred tax Asset (Note 17.2)		8.90		0.69	
	(b)	Long-Term Loans & Advances	7	84.32		6.55	
					93.22		7.24
(2)	CURRENT ASSETS						
	(a)	Inventories	8	134.62		314.69	
	(b)	Trade Receivables	9	134.31		115.12	
	(c)	Cash & Bank Balances	10	7.24		6.92	
	(d)	Short-term Loans & Advances	11	33.22		197.27	
					309.39		634.00
		TOTAL			**402.61**		**641.24**
III	SIGNIFICANT ACCOUNTING POLICIES		1				
IV	OTHER NOTES TO THE ACCOUNTS		17				

In terms of our report attached

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

RUPEN K. BHATT
Partner

Mumbai, April 30, 2014

For and on behalf of the Board

Ranjit Yadav
Chairman

Asim Mukhopadhyay
Director

R T Wasan
Director

Alok Salooja
Chief Financial Officer

R Ramakrishnan
Director

Raman Mani
Director

Prem K Verma
Manager &
Chief Executive Officer

Shruta Sanghavi
Company Secretary

TML DISTRIBUTION COMPANY LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

(₹ in crores)

	Particulars	Notes	For the Year ended March 31,2014	For the Year ended March 31,2013
I	REVENUE FROM OPERATIONS	12	607.34	3,255.68
II	OTHER INCOME	12	8.71	24.32
III	TOTAL REVENUE (I + II)		**616.05**	**3,280.00**
IV	EXPENSES :			
	(a) Purchase of stock-in-trade		367.22	3,374.03
	(b) Changes in Inventories of Stock-in-trade		180.07	(217.88)
	(c) Employee Benefit Expenses	13	11.98	13.96
	(d) Finance Cost	14	8.31	32.12
	(e) Other Expenses	15	72.88	60.84
	TOTAL EXPENSES		**640.46**	**3,263.07**
V	**(LOSS)/PROFIT BEFORE TAX**		**(24.41)**	**16.93**
VI	TAX EXPENSE			
	(a) Current Tax		-	(5.68)
	(b) Deferred Tax (Note 17.2)		8.21	0.18
	(LOSS)/PROFIT FOR THE YEAR		**(16.20)**	**11.43**
VII	EARNINGS PER SHARE (Face value of ₹ 10 each)	16		
	(a) Basic	₹	**(0.72)**	**0.51**
	(b) Diluted	₹	**(0.72)**	**0.51**
VIII	SIGNIFICANT ACCOUNTING POLICIES	1		
IX	OTHER NOTES TO THE ACCOUNTS	17		

In terms of our report attached

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

RUPEN K. BHATT
Partner

Mumbai, April 30, 2014

For and on behalf of the Board

Ranjit Yadav
Chairman

R Ramakrishnan
Director

Asim Mukhopadhyay
Director

Raman Mani
Director

R T Wasan
Director

Prem K Verma
Manager &
Chief Executive Officer

Alok Salooja
Chief Financial Officer

Shruta Sanghavi
Company Secretary

TML DISTRIBUTION COMPANY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31,2014

(₹ in crores)

		For the Year ended March 31,2014		For the Year ended March 31,2013	
A.	**Cash flow From Operating Activities**				
	Profit/(Loss) after tax		(16.20)		**11.43**
	Adjustments for :				
	Tax expense	(8.21)		5.50	
	Finance cost	8.31		32.12	
	Interest received	(8.71)		(24.32)	
			(8.61)		13.30
	Operating Profit / (Loss) before Working Capital changes		**(24.81)**		**24.73**
	Adjustments for :				
	Trade receivable	(19.19)		39.71	
	Short-term loans & Advances	161.51		85.22	
	Inventories	180.07		(217.88)	
	Long-term loans & Advances	(74.49)		(0.70)	
	Trade payables	(73.24)		60.36	
	Acceptances	(120.46)		(8.07)	
	Long-term provisions	(0.69)		0.19	
	Short term provision	(0.02)		(0.04)	
	Other current liabilities	(6.41)		(29.46)	
			47.08		(70.67)
	Cash generated from / (used in) operations		**22.27**		**(45.94)**
	Direct taxes paid (net)		(3.28)		4.11
	Net Cash generated from / (used in) Operating Activities		**18.99**		**(41.83)**
B.	**Cash Flow from Investing Activities**				
	Purchase of investments (Mutual Funds)	-		-	
	Proceeds from sale of investments (Mutual Funds)	-		-	
	Interest received	8.71		24.32	
	Net Cash generated from / (used in) Investing Activities		**8.71**		**24.32**
C.	**Cash Flow from Financing Activities**				
	Increase /(Decrease) in short term loans	(21.61)		44.84	
	Interest paid [including discounting charges paid ₹ 2.67 crores (Previous year ₹ 27.15 crores)]	(5.77)		(31.85)	
	Net Cash generated from / (used in) Financing Activities		**(27.38)**		**12.99**
	Net Increase / (decrease) in Cash and cash equivalents		**0.32**		**(4.52)**
	Cash and cash equivalents (Opening Balance)		**6.92**		**11.44**
	Cash and cash equivalents (Closing Balance)		**7.24**		**6.92**

In terms of our report attached

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

RUPEN K. BHATT
Partner

Mumbai, April 30, 2014

For and on behalf of the Board

Ranjit Yadav
Chairman

Asim Mukhopadhyay
Director

R T Wasan
Director

Alok Salooja
Chief Financial Officer

R Ramakrishnan
Director

Raman Mani
Director

Prem K Verma
Manager &
Chief Executive Officer

Shruta Sanghavi
Company Secretary

NOTES FORMING PART OF THE BALANCE SHEET AND STATEMENT OF PROFIT & LOSS

NOTE 1

Significant Accounting Policies

(a) **Basis of preparation**

The accompanying financial statements are prepared under the historical cost convention, in accordance with generally accepted accounting principles in India, the provisions of Companies Act,1956 and applicable accounting standards notified under the Companies Act,1956 (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs). All income and expenditure having material bearing on the financial statements are recognised on accrual basis.

(b) **Use of estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent liabilities at the date of these financial statements and the reported amounts of the income and expenses for the periods presented. Actual results could differ from these estimates. Material estimates in these financial statements that are susceptible to change as more information becomes available include provision for doubtful debts and other receivables, provision for income taxes.

(c) **Investments**

Long term investments are stated at cost less other than temporary diminution in value, if any. Current investments are stated at lower of cost and fair value. Fair value of investments in mutual funds are determined on a portfolio basis.

(d) **Sales**

The Company recognises revenue on the sale of products when the products are delivered to the dealer/customer, which is when risks and rewards of ownership pass to the dealer/customer. Sales are inclusive of income from services related to logistics operations. Revenue from services is recognised as and when services are rendered.

(e) **Inventories**

Inventories of finished goods are valued at the lower of cost and net realisable value.

The cost of inventories comprise all costs of purchase and other cost incurred in bringing the inventories to their present location and condition.

(f) **Taxes on Income**

Current Tax is amount of tax payable on taxable income for the year as determined in accordance with provisions of Income Tax Act,1961.

Deferred Tax is recognized, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred Tax Assets in respect of carry forward losses are recognized if there is virtual certainty that there will be sufficient future taxable income available to realize such losses.

(g) **Business segment**

The Company is engaged mainly in the business of distribution, logistics and sale of automobile products consisting of all types of commercial and passenger vehicles. These, in the context of Accounting Standard 17 (AS 17) on Segment Reporting, as specified in the Companies (Accounting Standards) Rules,2006 are considered to constitute one single primary segment. Further there is no reportable secondary segment i.e geographical segment.

(h) **Employee benefit**

(i) Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company makes annual contributions to gratuity fund established as trust by Tata Motors Ltd, the parent company. The Company accounts for the liability for gratuity benefits payable in future based on an independent actuarial valuation.

(ii) Superannuation

The Company has two superannuation plans, a defined benefit plan and a defined contribution plan. An eligible employee of Tata Motors Limited, the parent company on April 1,1996 could elect to be a member of either plan.

Employees who are members of the defined benefit superannuation plan are entitled to benefits depending on the years of service and salary drawn. The monthly pension benefits after retirement range from 0.75% to 2% of the annual basic salary for each year of service. The Company accounts for the liability for superannuation benefits payable in future under the plan based on an independent actuarial valuation.

With effect from April 1,2003, this plan was amended by the Tata Motors Limited, the parent company and benefits earned by covered employees have been protected as at March 31,2003. Employees covered by this plan are prospectively entitled to benefits computed on a basis that ensures that the annual cost of providing the pension benefits would not exceed 15% of salary.

The Company contributes every year upto 15% of the eligible employees' salary to the separate irrevocable trust maintained by Tata Motors Ltd, the parent company. The Company recognizes such contributions as an expense when incurred. The Company has no further obligation beyond this contribution.

(iii) Bhavishya Kalyan Yojana (BKY)

Bhavishya Kalyan Yojana is an unfunded defined benefit plan. The benefits of the plan include the pension in certain cases, payable upto the date of normal superannuation had the employee been in service, to an eligible employee at the time of death or permanent disablement, while in service, either as a result of injury or as certified by the Company's Medical Board. The monthly payment to dependents of the deceased / disabled employee under the plan equals 50% of the salary drawn at the time of death or accident or a specified amount, whichever is higher. The Company accounts for the liability for BKY benefits payable in future based on an independent actuarial valuation.

(iv) Post-retirement Medicare Scheme

Under this scheme, employees get medical benefits subject to certain limits of amount, periods after retirement and types of benefits, depending on their grade and location at the time of retirement. Employees separated from the Company as part of Early Separation Scheme, on medical grounds or due to permanent disablement are also covered under the scheme. The liability for post-retirement medical scheme is based on an independent actuarial valuation.

(v) Provident fund

The eligible employees of the Company are entitled to receive benefits under the 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 paid to the Regional Provident Fund Commissioner and the Central Provident Fund under the State pension scheme. The Company is generally liable for annual contributions and any shortfall in the fund assets based on the government specified minimum rates of return or pension and recognises such contributions and shortfall, if any, as an expense in the year incurred.

(vi) Compensated absences

The Company provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation.

(i) **Financial Assets & Liabilities**

(I) A financial asset is any asset that is:
(a) cash
(b) an equity instrument of another entity
(c) a contractual right:
(i) to receive cash or another financial asset from another entity; or
(ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

NOTES FORMING PART OF THE BALANCE SHEET AND STATEMENT OF PROFIT & LOSS

(II) A financial liability is any liability that is a contractual obligation:

(i) to deliver cash or another financial asset to another entity or

(ii) to exchange financial assets or financial liabilities with another entity under conditions that ar

TML DISTRIBUTION COMPANY LIMITED

NOTES FORMING PART OF THE BALANCE SHEET

(₹ in crores)

NOTE 2

SHARE CAPITAL

	As at March 31, 2014	As at March 31, 2013
Authorised:		
22,50,00,000 Equity Shares of ₹ 10 each (Previous year : 22,50,00,000 Equity Shares)	**225.00**	225.00
Issued and subscribed & fully paid up :		
22,50,00,000 Equity Shares of ₹ 10 each (Previous year : 22,50,00,000 Equity Shares)	225.00	225.00
Note : All the Equity shares are held by Tata Motors Limited, the holding Company.		
Total	**225.00**	**225.00**

Right attached to Equity Share :

Each holder of equity share is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(₹ in crores)

NOTE 3

RESERVES & SURPLUS

	As at March 31,2013	Additions [Profit/(Loss) for the year]	Deductions (Transfers)	As at March 31,2014
- Surplus	70.27	(16.20)	-	54.07
	58.84	*11.43*		*70.27*

** Previous years figures are in Italics*

(₹ in crores)

NOTE 4

	As at March 31, 2014	As at March 31, 2013
LONG-TERM PROVISIONS		
Provision for Employee benefits	1.68	2.37
	1.68	**2.37**
SHORT-TERM PROVISIONS		
Provision for Employee benefits	0.15	0.17
	0.15	**0.17**

(₹ in crores)

NOTE 5

	As at March 31, 2014	As at March 31, 2013
SHORT-TERM BORROWINGS		
Secured		
(i) Cash Credt from Banks (Note 17.9)	23.23	44.84
	23.23	**44.84**

(₹ in crores)

NOTE 6

	As at March 31, 2014	As at March 31, 2013
OTHER CURRENT LIABILITIES		
(a) Advance from customers	5.94	8.14
(b) Statutory dues	0.29	4.73
(c) Liability for receivable factoring	0.79	0.56
	7.02	**13.43**

TML DISTRIBUTION COMPANY LIMITED

NOTES FORMING PART OF THE BALANCE SHEET

(₹ in crores)

NOTE 7

LONG-TERM LOANS & ADVANCES - UNSECURED CONSIDERED GOOD

		As at March 31,2014	As at March 31, 2013
(a)	Loans to employees	0.06	0.10
(b)	Non-Current Income tax Asset (Net)	7.81	4.52
(c)	VAT Receivable	75.54	-
(d)	Others	0.91	1.93
		84.32	**6.55**

(₹ in crores)

NOTE 8

INVENTORIES

	As at March 31,2014	As at March 31, 2013
Stock-in-Trade (in respect of goods acquired for trading)	134.62	314.69
Note : Stocks are valued at lower of cost or net realizable value		
	134.62	**314.69**

(₹ in crores)

NOTE 9

TRADE RECEIVABLES

		As at March 31,2014	As at March 31, 2013
(a)	Over Six Months from the date they were due for payment: (Unsecured)		
	- Considered good [includes Rs. 3.79 Crores (Previous Year - NIL) receivable from Tata Motors Ltd., the parent company]	34.37	35.96
	- Considered doubtful	23.66	-
		58.03	35.96
	Less: Alowance for doubtful debts	(23.66)	-
		34.37	35.96
(b)	Others : (Unsecured)		
	- Considered good [includes Rs. 24.52 Crores (Previous Year - NIL) receivable from Tata Motors Ltd., the parent company]	99.94	79.16
	- Considered doubtful	0.77	-
		100.71	79.16
	Less: Alowance for doubtful debts	(0.77)	-
		99.94	79.16
		134.31	**115.12**

(₹ in crores)

NOTE 10

CASH & BANK BALANCES

		As at March 31,2014	As at March 31, 2013
(a)	Current Account with banks (#)	5.96	6.83
(b)	Cheques on hand	1.28	0.09
		7.24	6.92
(#) includes :			
	Remittance in transit	1.48	2.65

(₹ in crores)

NOTE 11

SHORT-TERM LOANS & ADVANCES - UNSECURED CONSIDERED GOOD

		As at March 31,2014	As at March 31, 2013
(a)	VAT, Statutory deposits and dues from govt. (Including VAT receivable of ₹ 17.86 Crores (Previous year ₹ 155.10 Crores)	22.69	159.57
(b)	Prepaid expenses	4.91	6.13
(c)	Others	5.62	31.57
		33.22	**197.27**

TML DISTRIBUTION COMPANY LIMITED

NOTES FORMING PART OF THE STATEMENT OF PROFIT AND LOSS

(₹ in crores)

NOTE 12	For the year ended March 31, 2014	For the year ended March 31, 2013
1 **REVENUE FROM OPERATIONS**		
(a) Sale of products	552.77	3,193.32
(b) Sale of Services	53.82	61.63
(c) Other operating revenue	0.75	0.73
	607.34	**3,255.68**
2 **OTHER INCOME**		
(a) Interest received	8.71	24.32
	8.71	**24.32**

(₹ in crores)

NOTE 13	For the year ended March 31, 2014	For the year ended March 31, 2013
EMPLOYEE BENEFIT EXPENSES		
(a) Salaries, wages and bonus	11.21	12.43
(b) Contribution to provident fund and other funds	0.38	0.96
(c) Staff welfare expenses	0.39	0.57
	11.98	**13.96**

(₹ in crores)

NOTE 14	For the year ended March 31, 2014	For the year ended March 31, 2013
FINANCE COST		
(a) Interest	3.10	2.12
(b) Discounting Charges	5.21	30.00
	8.31	**32.12**

(₹ in crores)

NOTE 15	For the year ended March 31, 2014	For the year ended March 31, 2013
OTHER EXPENSES		
(a) Freight & transportation (net of recoveries)	11.97	16.26
(b) Insurance	1.04	1.94
(c) Rates & Taxes	0.02	0.27
(d) Rent	6.17	6.35
(e) Provision for Sundry Debtors	24.43	-
(f) Yard Management Expenses	9.02	16.82
(g) Works operation and other expenses	20.23	19.20
	72.88	**60.84**

NOTE 16		For the year ended March 31, 2014	For the year ended March 31, 2013
EARNING PER SHARE			
(a) Profit after Tax	₹ in Crores	(16.20)	11.43
(b) The Weighted Average number of Equity Shares for Basic EPS	Nos.	22,50,00,000	22,50,00,000
(c) The nominal value per Equity Share	₹	10.00	10.00
(d) Earning Per Share (Basic)	₹	(0.72)	0.51
(e) Profit after Tax (for Diluted EPS)	₹ in Crores	(16.20)	11.43
(f) The Weighted Average number of Equity Shares for Basic EPS	Nos.	22,50,00,000	22,50,00,000
(g) Total Weighted average number of Equity Shares for Diluted EPS	Nos.	22,50,00,000	22,50,00,000
(h) Earning Per Share (Diluted)	₹	(0.72)	0.51

NOTE 17

OTHER NOTES TO THE ACCOUNTS

(17.1) **Related Party Disclosure :**

A Parent Company : Tata Motors Limited

B Fellow Subsidiaries : Tata Technologies Limited

: Tata Marcopolo Motors Limited

: Concorde Motors (India) Ltd

C Key Management Personnel : Mr. P. K. Verma

D Transactions with the related parties : (₹. In crores)

	Parent Company	Fellow Subsidiaries	Total
Purchase of Goods (#)	**414.70**	**-**	**414.70**
	3,545.42	*0.05*	*3,545.47*
Sale of Goods (@)	**-**	**75.04**	**75.04**
	0.50	*156.81*	*157.31*
Services Received (#)	**4.57**	**3.27**	**7.84**
	4.36	*3.39*	*7.75*
Services Provided (@)	**59.97**	**-**	**59.97**
	69.25	*-*	*69.25*
Inter corporate deposits placed and received back	**182.31**		**182.31**
	591.05	*-*	*591.05*
Inter Corporate Deposit received and refunded	**80.00**	**-**	**80.00**
	480.00	*-*	*480.00*
Rent Paid (#)	**3.59**	**-**	**3.59**
	3.75	*-*	*3.75*
Interest paid / (received) (net)	**(0.46)**	**(0.67)**	**(1.13)**
	(0.46)	*(0.52)*	*(0.98)*
Amount receivable	**28.31**	**5.36**	**33.67**
	-	*8.60*	*8.60*
Amount Payable	**-**	**0.44**	**0.44**
	72.86	*0.84*	*73.70*

** Previous years figures are in Italics*

(#) includes VAT/Service tax of ₹ 55.87 crores (Previous year ₹ 261.25 crores)

(@) includes VAT/Service tax of ₹ 9.22 crores (Previous year ₹ 13.22 crores)

E Disclosure in respect of material transactions with related parties

Description of the nature of transaction	2013-14	(₹. In crores) 2012-13
(i) Purchase of Goods (#)		
Tata Motors Ltd	**414.70**	3,545.42
Tata Marcopolo Motors Ltd.	**-**	0.05
(ii) Sale of Goods (@)		
Tata Motors Ltd	**-**	0.50
Concorde Motors (I) Limited	**75.04**	156.81
(iii) Services Received (#)		
Tata Motors Ltd	**4.57**	4.36
Tata Technologies Limited	**3.27**	3.39
(iv) Services Provided (@)		
Tata Motors Ltd	**59.97**	69.25
(v) Inter corporate deposits placed and received back		
Tata Motors Ltd	**182.31**	591.05
(vi) Inter Corporate Deposit received and refunded		
Tata Motors Ltd	**80.00**	480.00
(vii) Rent (#)		
Tata Motors Ltd	**3.59**	3.75
(viii) Interest paid		
Tata Motors Ltd	**0.96**	1.44
(ix) Interest received		
Tata Motors Ltd	**1.42**	1.90
Concorde Motors (I) Limited	**0.67**	0.52
(x) Amount Receivable		
Tata Motors Ltd	**28.31**	-
Concorde Motors (I) Limited	**5.36**	8.60
(xi) Amount Payable		
Tata Motors Ltd	**-**	72.86
Tata Marcopolo Motors Ltd.	**-**	-
Tata Technologies Limited	**0.44**	0.84

(#) includes VAT/Service tax of ₹ 55.87 crores (Previous year ₹ 261.25 crores)
(@) includes VAT/Service tax of ₹ 9.22 crores (Previous year ₹ 13.22 crores)

(17.2) **Deferred Tax Assets and Liabilities :**

The component of Deferred Tax arising on account of the timing differences are as under

	(₹. In crores) As at March 31,2014	As at March 31,2013
Deferred Tax Assets :		
Employee Benefit / Expenses allowable on payment basis	**0.40**	0.50
Provision for Doubtful Debts	**8.30**	-
Others	**0.20**	0.19
Total	**8.90**	0.69

The sum of ₹ 3.66 crores (Previous year ₹ 0.18 Crores) has been credited to statement of Profit & Loss

NOTES FORMING PART OF THE BALANCE SHEET AND STATEMENT OF PROFIT & LOSS

(17.3) **Information in regard to opening stock and closing stock :**

(₹. In crores)

	2013-14		2012-13	
	Quantity (Nos)	**Value**	Quantity (Nos)	Value
(a) Opening Stock - Light, medium and heavy commercial vehicles, jeep type vehicles, passenger cars, utility vehicles etc. and bodies thereon	**12703**	**314.69**	4839	96.81
(b) Closing stock - Light, medium and heavy commercial vehicles, jeep type vehicles, passenger cars, utility vehicles etc. and bodies thereon	**7190**	**134.62**	12703	314.69

(17.4) **Information in regard to Sales effected by the Company (excluding inter divisional transfers, settlements for damaged goods and goods capitalized)**

(₹. In crores)

	2013-14		2012-13	
	Quantity (Nos)	**Value**	Quantity (Nos)	Value
Light, medium and heavy commercial vehicles, jeep type vehicles, passenger cars, utility vehicles etc. and bodies thereon	**26190**	**552.77**	123230	3193.32

(17.5) **Information regarding purchases effected by the Company (excluding inter divisional transfers, settlements for damaged goods and goods capitalized)**

(₹. In crores)

	2013-14		2012-13	
	Quantity (Nos)	**Value**	Quantity (Nos)	Value
Light, medium and heavy commercial vehicles, jeep type vehicles, passenger cars, utility vehicles etc. and bodies thereon	**20708**	**367.22**	131099	3374.03

(17.6) **Auditors' Remuneration (excluding Service Tax)**

(₹. In crores)

	For the Year ended March 31,2014	**For the Year ended March 31,2013**
Audit Fees (Including Out of Pocket expenses of ₹ 26621/- (Previous year : ₹ 40126)	**0.10**	0.12
Tax Audit Fees	**0.01**	0.01
Total	**0.11**	0.13

(17.7) **Claims against the company not acknowledged as Debt**

(₹ in crores)

			As at March 31, 2014	**As at March 31, 2013**
Sales Tax	-	Gross	1.38	1.40
	-	Net of Tax	0.93	0.95
Income Tax	-	Gross	-	-
	-	Net of Tax	-	-

(17.8) Dues to Micro, Small and Medium enterprises : Nil (Previous year : Nil)

(17.9) Cash Credit from Banks are secured by hypothecation of existing current assets of the company viz. stock-in-trade, book debts and all other movable current assets except Cash and Bank balances of the company both present and future.

(17.10) **Defined benefit plans/long term compensated absences- As per actuarial valuation as on March 31, 2014**

(₹ In Crores)

		Gratuity, Superannuation & BKY					Compensated Absences					Post Retirement Medical Scheme				
		2014	2013	2012	2011	2010	2014	2013	2012	2011	2010	2014	2013	2012	2011	2010
i	**Components of employer expense**															
	Current Service cost	0.25	0.23	0.21	0.13	0.10	0.18	0.13	0.10	0.06	0.04	0.01	0.01	0.02	0.02	0.01
	Interest cost	0.26	0.26	0.21	0.15	0.12	0.14	0.14	0.10	0.07	0.05	0.02	0.01	0.03	0.02	0.01
	Expected return on plan assets	-0.26	(0.25)	(0.19)	(0.15)	(0.12)				-	-				-	-
	Actuarial Losses/(Gains)	-0.78	(0.29)	0.15	0.57	0.16	(0.18)	(0.03)	0.39	0.32	0.23	(0.02)	0.04	(0.21)	0.03	0.12
	Acquisitions			-	-	-		-	-	-	-			-	-	-
	Total expense/ (income) recognised in the Statement of Profit & Loss in Note 13	**(0.53)**	**(0.05)**	**0.38**	**0.70**	**0.26**	**0.14**	**0.24**	**0.59**	**0.45**	**0.32**	**0.01**	**0.06**	**(0.16)**	**0.07**	**0.14**
		Note 13 (1) (b) & (c)					Note 13 (1) (a)					Note 13 (1) (c)				
ii	**Actual Contribution and Benefit Payments for year ended 31 March**															
	Actual benefit payments	-0.31	(0.15)	0.05	0.09	0.03	(0.26)	(0.16)	0.09	0.08	0.05	-	-	-	-	-
	Actual Contributions	0.03	0.03	0.83	0.27	0.29	0.26	0.16	0.09	-	0.05	-	-	-	-	-
iii	**Net Assets/(liability) recognised in balance sheet as at March 31**															
	Present Value of Defined Benefit Obligation	2.61	3.38	3.17	2.50	1.89	1.24	1.85	1.76	1.25	0.87	0.21	0.22	0.16	0.32	0.25
	Fair value of plan assets	3.13	3.43	3.16	2.02	1.82		-	-	-	-		-	-	-	-
	Net asset/(liability) recognised in balance sheet	0.52	0.05	0.01	(0.48)	(0.07)	(1.24)	(1.85)	(1.76)	(1.25)	(0.87)	(0.21)	(0.22)	(0.16)	(0.32)	(0.25)
iv	**Change in Defined Benefit Obligations (DBO) during the year ended March 31**															
	Present Value of DBO at beginning of year	3.38	3.17	2.50	1.89	1.46	1.85	1.76	1.25	0.87	0.60	0.22	0.16	0.32	0.25	0.11
	Liability paid on transfer of employees to Holding Company	(0.72)		-	-	-	(0.50)		-	-	-	(0.03)		-	-	-
	Current Service cost	0.25	0.23	0.21	0.13	0.10	0.18	0.13	0.10	0.06	0.04	0.01	0.01	0.02	0.02	0.01
	Interest cost	0.26	0.26	0.21	0.15	0.12	0.14	0.14	0.10	0.07	0.05	0.02	0.01	0.03	0.02	0.01
	Actuarial (gains)/ losses	-0.26	(0.11)	0.30	0.42	0.24	(0.18)	(0.03)	0.39	0.32	0.23	(0.02)	0.04	(0.21)	0.03	0.12
	Benefits paid	-0.31	(0.15)	(0.05)	(0.09)	(0.03)	(0.26)	(0.16)	(0.09)	(0.08)	(0.05)	-	-	-	-	-
	Present Value of DBO at the end of year	**2.61**	**3.38**	**3.17**	**2.50**	**1.89**	**1.24**	**1.85**	**1.76**	**1.25**	**0.87**	**0.21**	**0.22**	**0.16**	**0.32**	**0.25**
v	**Change in Fair Value of Assets during the year ended March 31**															
	Plan assets at beginning of year	3.43	3.13	2.02	1.82	1.36	-	-	-	-	-	-	-	-	-	-
	Liability paid on transfer of employees to Holding Company	-0.80		-	-	-	-	-	-	-	-	-	-	-	-	-
	Actual return on plan assets			-	-	-	-	-	-	-	-	-	-	-	-	-
	Expected return on plan assets	0.26	0.25	0.19	0.15	0.12	-	-	-	-	-	-	-	-	-	-
	Actual Company contributions	0.03	0.03	0.83	0.27	0.29	0.26	0.15	0.09	0.08	0.05	-	-	-	-	-
	Benefits paid	-0.31	(0.15)	(0.08)	(0.08)	(0.03)	(0.26)	(0.15)	(0.09)	(0.08)	(0.05)	-	-	-	-	-
	Actuarial gain/(loss)	0.52	0.18	0.17	(0.14)	0.08	-	-	-	-	-	-	-	-	-	-
	Plan assets at the end of year	3.13	3.43	3.13	2.02	1.82	-	-	-	-	-	-	-	-	-	-
vi	**Actuarial Assumptions**															
	Discount Rate (%)		6.75%-8.35%	6.75%-8.5%	6.75%-8.5%	6.75%-8.5%	9.20%	8.35%	8.50%	8.50%	8.50%	9.20%	8.35%	8.50%	8.50%	8.50%
	Expected Return on plan assets (%)		8%	8%	8%	8%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	Medical Cost inflation(%)		NA	NA	NA	NA	NA	NA	NA	NA	NA	6%	5%	4%	4%	4%
vii	**The Major category of plan assets as percentage of total plan assets**															
	Debt Security	71.18%	72.81%	77.11%	74.31%	74.12%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	Balances with Banks	28.82%	27.19%	22.89%	25.69%	25.88%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

viii	**Effect of One percentage point change in assumed medical inflation rate**	One percentage point increase in medical inflation rate					One percentage point decrease in medical inflation rate				
		2014	2013	2012	2011	2010	2014	2013	2012	2011	2010
	Revised DBO as at March 31		0.03	0.18	0.37	0.29	0.03	0.03	0.14	0.28	0.22
	Revised service cost for the year		0.00	0.03	0.02	0.01	0.00	0.00	0.02	0.01	0.00
	Revised interest cost for the year		0.00	0.03	0.03	0.01	0.00	0.00	0.02	0.02	0.01

(a) Defined Contribution Plans
The company's contribution to defined contribution plan aggregated to ₹ 0.89 Crores (Previous year ₹ 1.00 Crore) for the year ended March 31, 2014 has been recognized in the statement of Profit & Loss Account under item 1 (b) in Note 13.

The expected rate of return on plan asset is based on market expectation , at the beginning of the year , for returns over the entire life of the related obligation.

The assumption of future salary increases considered in the actuarial valuation , take account of inflation, seniority , promotion and other relevant factors such as supply and demand in the employment market.

The company expects to contribute ₹ 0.27 Crores to the funded pension plan in the year 2014-15

(17.11) Consequent to the issuance of Revised Schedule VI, the Company has re-grouped / re-classified previous year's figures, where necessary to conform to current year's classification.

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TML DRIVELINES LIMITED

Annual Report 2013 – 14

Directors' Report

TO THE MEMBERS OF TML DRIVELINES LIMITED

The Directors present their Fourteenth Annual Report and the Statement of Accounts for FY 2013-14. As required under the Ministry of Corporate Affairs' General Circular 08/2014 No. 1/19/2013-CL-V dated April 4, 2014, the Financial Statements and other reports required to be attached to the Annual Report for FY 2013-14 are governed by the relevant provisions, schedules, rules of the Companies Act, 1956.

FINANCIAL PERFORMANCE SUMMARY

(₹in crores)

		2013-14	2012-13
A	**FINANCIAL RESULTS**		
i.	Turnover (incl. Other Income)	**423.27**	**435.77**
ii.	Total Expenditure	**303.92**	**237.83**
iii.	Profit Before Interest and Depreciation	**119.35**	**197.94**
iv.	Depreciation and Amortization	**90.24**	**79.19**
v.	Profit Before Exceptional Item	**29.11**	**118.75**
vi.	Exceptional Item (ERO)	**6.22**	**-**
vii.	Profit Before Tax	**22.89**	**118.75**
viii.	Less: Provision for Taxation	**4.02**	**39.87**
ix.	Profit After Tax	**18.87**	**78.88**
x.	Balance brought forward from previous year	**375.62**	**336.17**
xi.	Amount Available for Appropriation	**394.49**	**415.04**
B	**APPROPRIATIONS**		
a.	General Reserve	**-**	**7.89**
b.	Dividend (including tax)	**6.76**	**31.53**
c.	Balance carried to Balance Sheet	**387.73**	**375.62**

DIVIDEND

Considering the Company's financial performance, the Directors have recommended a dividend of 75 paise per share on the paid-up Equity share capital of 7,70,00,000 Equity Shares of ₹10/- each for the FY 2013-14 (previous year: ₹ 3.50/- per share). The said dividend, if approved by the Members, would involve a cash outflow of ₹6.76 crores (previous year: ₹31.53 crores) resulting in a payout of 35.81% (previous year: 39.97%) of the profits of the Company.

OPERATING RESULTS AND PROFITS

The Company's total sales in terms of volume for Axles decreased by 22.8% from 2,84,556 to 2,19,647, and in case of Transmissions decreased by 22.3% from 1,25,451 to 97,443 in FY 2013-14. In case of Forge, the production during its first year is 13561 MT. The turnover was ₹423.27 crores, Earnings before Interest, Depreciation and Tax (EBIDTA) ₹119.35 crores, Profit before Tax ₹22.89 crores and Profit after tax ₹18.87 crores. The Earnings per Share decreased to ₹2.45 per share as against ₹10.24 per share in FY 2012-13, a decrease of 76.1%.

COST REDUCTION INITIATIVES AND FUNDS MANAGEMENT

The Company's continuous effort towards sustaining the cost advantage through direct material cost reduction ensured a product portfolio which offers perpetual cost advantage to Tata Motors. Value engineering exercises on existing products and incorporating the same in new designs helped the Company to maintain an edge in cost competitiveness over the competitors. In FY 2013-14, recurring savings of ₹53 crores were contributed to Tata Motors through value engineering and commercial ideas. Significant cost reduction in models like SRT, GB1150/9, GB680 and GB600 models are playing a key role in improving contribution margins on Tata Motors' products.

The total investments including Inter-Corporate Deposits and Fixed Deposits stood at ₹182.50 crores as on the closing of the current financial year.

QUALITY AND PROCESS IMPROVEMENT INITIATIVES

The Company aligned itself totally with the WCQ- World Class Quality initiative of Tata Motors which called for a radical shift in processes to achieve the stiff target of "No defects to customer" and is well on its path to achieve Level 1 in WCQ by June 2014.

Benchmark IPTV – (Incidence per thousand vehicles after 6 months) and EPV (Warranty expense per vehicle) are a priority for the company to stave off competition and achieve LTF – Lead the Future targets. The company has taken stiff targets of 30% reduction to emulate the benchmark IPTV of G1150 gear box on all other models of Axles and Gearboxes.

The Company supported Tata Motors in new product introduction with consistent and better than benchmark quality in various new products like Prima LX, Prima Russia, WHAP, Y1- FESLF and Ultra trucks/buses and many more new products. Supplier performance in quality continues to improve with plunging values of incoming PPM-parts per million and robust PPAP- Production part approval process.

SAFETY

The financial year saw a matured implementation of safety standards hand in hand with Du Pont and Tata Motors. In the final year of the partnership with DuPont, the Company took over the responsibility of training, implementation and sustenance of all the safety standards. The implementation of the five latest safety standards has seen fast traction since establishment in November 2013. Significant improvement has been achieved on the Lag Indicators and systems have been formalised and the transformed safety culture is taking root. Being the lead plant of Management of Change (MoC), the Company shouldered the responsibility of developing the standard procedures, creating video tutorials and ensuring required software development. Moreover, training and infrastructure development for all new safety standards were worked upon after first party auditing and gap analysis. The organisation revamped its integrated safety organisation by re-structuring its FICs to ensure robust traction in effecting the targeted cultural change with SHE Apex initiatives at the top cascading effectively to every individual through the FICs (Factory Implementation Committees) and BBTs (Broad Based Teams). The company took up the responsibility of enhancing the awareness of people on safe driving and vehicular traffic safety and conducted various road safety campaigns reaching out to schools and additionally focusing on popular childrens gatherings like WHEELS to use innovative means like quizzes to enhance safety awareness. The company also reached out to the community through initiatives like hoardings at various locations in Jamshedpur, awareness sessions, teaser videos during cultural programs etc.

PRODUCT DEVELOPMENT, INVESTMENTS AND FUTURE PLANS

The Company continued to focus on its Design and Development Centre – ERC, to ensure speedy upgradation of products and development of new products in-line with changing business requirements and customer expectations and needs. Crucial milestones in the roadmap for establishement of a mature ERC were achieved in relatively short times with the company. While the formal DSIR Recognition was received for the Company's ERC in March 2013, an application for Income-tax Benefit from R&D activities under Section 35(2AB) needed to be applied for. This was successfully done during the year and final approval was received from DSIR for Income Tax benefits in September 2013.

The ERC continued to consolidate by way of addition of Human resources and advanced training on sophisticated KIMOS, ROMAX and other critical software modules through subject experts. This year saw installation of State of the art Test rigs and machines in the ERC protoshop. Some proto aggregates were assembled in the ERC protoshop like G950 Gear box, TATA Ace and Construction equipment Back hoe loader axles etc to name a few.

The ERC team spearheaded fulfilling the needs and expectations of some new customers who were interested in working with the company for their aggregate needs. Effort on rationalising the aggregates in LCV range to help evolve a common solution were well appreciated by the senior leadership of Tata Motors. Close interaction with TATA Daewoo, Korea, helped the company to offer the aggregate designs for their project of All Wheel Drive vehicle with minimum possible changes done on existing aggregate designs and CAE validation of the changes. The support to Pune ERC for expediting the release of design, quick resolution of customer issues etc to enable maximum synergy between the two ERCs continued.

The DMU reviews and DFA/ DFM exercise with cross functional involvement continued to help in ensuring improved manufacturability and quality build before design releases for production.

Axles Unit intensified its initiative on new products to match with changing requirements of its Customer. During the year, 49 new axles/variants were made which helped the Company in meeting the new product requirements of Tata Motors and also helped company to achieve about 34% of its revenues coming from new products. All future oriented new launches of Prima LX and Ultra platforms were fitted with the Company's Axles. The year witnessed a growth of about 30% on the LCV axles developed for Ultra trucks and buses. SRT axles continued to be a promising product with its wide presence in new Prima launches.

Development of G950 Gear box was done in a record time of 4 months. With learning from previous products incorporated into the design, this product promises to be a good solution to the applications where the existing G750 design was stretched to limits and competition wished to make an entry. The development of TC-2500 (Transfer case) finally bore the fruit and Tata Motors is set to fulfil critical Export orders of LPTA1628 and LPTA1828 using this indegenised solution with substantial cost reduction. The development of Under Chassis drive train for WHAP (a breakthrough Wheeled armoured vehicle), which was displayed in Defence Expo, was accomplished in record time of 3 months in which 4 new aggregate assembles were delivered to Tata Motors Limited Pune. The development work of RA110SRT , RA114 axles and G2200 Transmission is under progress. This will help Tata Motors achieve substantial cost reduction in HCV solutions in the Prima & Defense ranges.

The Company also intensified its efforts to find new customers for aggregates for offroad application. In this endeavour, Godrej and Escort were successfully added as customers in Forklifts and Crane applications respectively. Initial prototypes have been made and dispatched towards the end of the Financial Year.

The new facilities continued to help the Company meet the increased customer demand. The investment in Stub axle line, Knuckle and CWP helped in achieving higher standards of product quality. The capex committed towards ramp up of Knuckle capacity and HT shop will help the company in achieving higher numbers of 7.5T Front axle and increase the supply of CWP for spares.

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

Details of energy conservation and research and development activities undertaken by the Company along with the information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are given as an Annexure to the Directors' Report.

CORPORATE GOVERNANCE STRUCTURE

The Company continued to prioritise its role as a corporate citizen and continued to adopt the best practices and the highest standards of Corporate Governance through transparency in business ethics, accountability to its customers, government and others.

The Board has constituted a set of Committees with specific terms of reference/scope to focus effectively on the issues and ensure expedient resolution of diverse matters. The Committees operate as empowered agents of the Board as per their Charter/terms of reference. Targets set by them as agreed with the management are being reviewed periodically and mid-course corrections are carried out. The Board of Directors and the Committees also take decisions by the circular resolutions which are noted at the next meeting. The minutes of the meetings of all Committees of the Board are placed before the Board for discussions/noting.

The Board of Directors comprises of M/s S B Borwankar, H K Sethna, A A Gajendragadkar, A K Jindal, N S Kulkarni and P K Chobe, Non - Executive Directors. During the year under review, 4 meetings were held on April 25, 2013, July 31, 2013, October 29, 2013 and January 31, 2014. The maximum time-gap between any 2 consecutive meetings did not exceed 4 months.

The Audit Committee comprises of M/s A A Gajendragadkar, H K Sethna, N S Kulkarni and A K Jindal, Non - Executive Directors all of whom are financially literate and have relevant finance and/or audit exposure. During the year under review, 4 meetings were held on April 25, 2013, July 31, 2013, October

29, 2013 and January 31, 2014. The Committee meetings are attended by Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Internal Auditor and Statutory Auditor. The Company Secretary acted as the Secretary of the Audit Committee.

The Remuneration Committee of the Board was renamed as Nomination and Remuneration Committee comprising of M/s S B Borwankar, P K Chobe and H K Sethna, Non - Executive Directors with effect from May 29, 2014.

The Operations Committee of the Board comprises of M/s S B Borwankar, A A Gajendragadkar and P K Chobe. The Directors / Senior Executives of the Company and Tata Motors are invited to participate in the deliberations of the Committee, where appropriate.

The Company has formed an Apex Committee in line with the Tata Code of Conduct to address issues of sexual harassment at the work place. During the year under review, the Committee has received 2 complaints on sexual harassment and appropriate action were taken on the same.

The Company has signed an agreement with Tata Sons Limited subscribing to the TATA Brand Equity and Business Promotion Scheme (BEBP Agreement). On signing the Agreement, the Company is abiding by the Code of Conduct and norms for the new TATA brand identity. As a good corporate governance practice, the Company is adopting quarterly audited accounts.

Details of related party transactions entered into by the Company are included in the Notes to Accounts. Material individual transactions with related parties are in the normal course of business on an arm's length basis and do not have potential conflict with the interests of the Company at large. Transactions with related parties entered into by the Company in the normal course of business are placed before the Audit Committee.

The Company follows Accounting Standards issued by the Institute of Chartered Accountants of India and in the preparation of financial statements, the Company has not adopted a treatment different from that prescribed in any Accounting Standard.

The Board of Directors have adopted a Whistle-Blower Policy which provides a formal mechanism for all employees of the Company to approach the Management of the Company and make protective disclosures to the Management about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The disclosures reported are addressed in the manner and within the time frames prescribed in the Policy.

DIRECTORS

In accordance with the provisions of the Act and the Article of Association of the Company, Mr A A Gajendragadkar and Dr A K Jindal are liable to retire by rotation and are eligible for re-appointment. Attention of the Members is invited to the relevant item in the Notice of the Annual General Meeting.

DEMATERIALISATION OF SHARES

The Company's Equity Shares have been included in the Indian Depository System operated by the Central Depository Services (India) Limited [CDSL] which facilitates scrip less trading. Dealings in shares in electronic form eliminates problems such as loss, theft, mutilation, bad deliveries, forgeries, fake certificates etc. associated with physical handling of share certificates and is also more cost efficient to the investor. TSR Darashaw Pvt Limited, the Company's Registrar and Transfer Agents have established an interface with CDSL for facilitating dematerialization of the Company's Equity Shares. 99.99% of the Company's shares are in dematerialized form.

STATUTORY AUDIT

M/s Deloitte Haskins & Sells LLP (DHS LLP), Chartered Accountants (ICAI Firm Registration No.117366W/W-100018), who are the Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting. It is proposed to re-appoint them to examine and audit the accounts of the Company for three years to hold office from the conclusion of this AGM till the conclusion of the seventeenth AGM of the Company to be held in the year 2017 subject to ratification of their

appointment at every AGM. DHS have, under Section 139(1) of the Companies Act, 2013 and the Rules framed thereunder furnished a certificate of their eligibility and consent for re-appointment.

DHS converted itself into a Limited Liability Partnership (LLP) under the provisions of the Limited Liability Partnership Act, 2008 and is now known as Deloitte Haskins & Sells LLP (DHS LLP) with effect from November 20, 2013. In terms of the Ministry of Corporate Affairs, Government of India, General Circular No. 9/2013 dated April 30, 2013, if a firm of CAs, being an auditor in a company under the Companies Act, 1956, is converted into an LLP, then such an LLP would be deemed to be the auditor of the said company. The Board of Directors of the Company has taken due note of this change. Accordingly, the audit of the Company for FY 2013-14 was conducted by DHS LLP.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Company observed cordial employee relations last year. The Company places on record its appreciation and recognition of the employees and Employee Union for their constructive role and support throughout the year in executing the Memorandum of Settlement and also signing of the bonus agreement which was signed between the *TML Drivelines Karamchari Union* and the management. The Company maintained a strong focus on motivating and retaining talent through various engagement, development, rewards and recognition programs. A large number of initiatives were launched in the year 2013-14 to keep the human capital involved. The Company received various accolades last year. The Athletic team secured 3rd place in 74th Annual Athletic Meet. The Company has bagged 3rd prize in the 13th National Supervisory Skills Competition organized by CII, Eastern Region at Kolkata. Also, Kajal Singh, an employee of the company secured the 1st position in the eastern region & 2nd position in the nation overall during 25th CII Work Skills Competition. The Football team of The Company won the runners up trophy in 5th Corporate, 7 a side football tournament held in Mumbai. The Company team from ERC won 1st Prize in the Technical Paper Presentation at CAE Technical Conference conducted by M/s. Altair in Westin, Pune.

Last year the Company secured 2nd position at 10th National Award for Excellence in Cost Management. This is the third time in a row in which this prestigious award has been bagged by the Company.

In alignment with the parent company, the HR and IR teams organised trainings on DuPont safety standards to cover all employees. The HR team further launched and implemented various initiatives like Engagement Champions, Employee Birthday Celebrations, Tree Plantation by superannuating employees, ITeach, Learning Advisory Council (LAC), online Learning Management System (LMS), Learner of the Month and K-Xchange (Knowledge Exchange Sessions).

CORPORATE SOCIAL RESPONSIBILITY

As part of its Corporate Social Responsibility, the Company continued to support the community through Tata Motors' various social welfare measures in and around Jamshedpur. In particular, the Company has adopted a village (*Khursi*) with the prerequisite of having a monitoring and reviewing mechanism and capturing impact of service actions. A team has been constituted and the leader is responsible for planning, assessment and finalization of activities along with onsite monitoring and evaluation plans.

The 'Joy of Giving' week was celebrated in first week of October, 2013. During this period, the employees of the company together contributed Rs 1.70 Lacs for the poor and needy.

In the year 2012-13, the Company contributed 642 units of blood through Mass Blood Donation Camps. Some of the employees also received individual accolades for their contribution towards noble causes like donating blood over 80 times, an employee also won the coveted Alankar Award 2013 from Tata Motors for outstanding contribution in the field of Social Work during Founder's Day Celebrations on 3rd March, 2013. Continuing its focus on green measures, the company continued the practie of having retiring employees plant saplings in the plant premises.

The Company also took initiative of creating awareness among the residents and schools of Telco Colony and adjacent areas through Road Safety Week Celebrations and Earth Hour Celebrations. More than 3000 school children were covered under this initiative at various schools.

JOURNEY TOWARDS BUSINESS EXCELENCE

Post amalgamation of HV Axles Ltd and HV Transmission Ltd, the Company participated for the 3rd time in the TBEM External Assessment in 2012. This year the Company jumped band to a score band 551-650, which is classified as "Emerging Industry Leader" Band. There was a positive delta of 26 points over last year's assessment. The Company also subjected itself for the Affirmative Action External Assessment and The Ramakrishna Bajaj National Quality Award in which it scored 640 points and received the "Commendation Certificate".

The Company applied for OHSAS 18001 and ISO 14001 Certificates and received these certifications.

PUBLIC DEPOSITS

The Company has not accepted any deposits from public in terms of Section 58A and/or Section 58AA of the Companies Act, 1956 during the year under review and as such, no amount is outstanding as on the date of the Balance Sheet.

PARTICULARS OF EMPLOYEES

The Company has 4 employee in the category mentioned in Section 217(2A) of the Companies Act, 1956.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report is annexed to this report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors, based on the representations received from the Operating management, confirm that:-

i. in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;

ii. they have, in selection of the accounting policies, consulted the Statutory Auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

iii. they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;

iv. they have prepared the annual accounts on a "going concern basis".

ACKNOWLEDGEMENTS

The Directors acknowledge the contribution of all stakeholders and express their appreciation accordingly. The Directors wish to convey their appreciation to all of the Company's employees and the employees' union for their enormous personal efforts as well as their collective contribution to enable the Company to meet the challenges set before it and achieve the best performance. The Directors would also like to thank Tata Motors - its shareholders, customers, bankers, lenders, vendors and all other business associates for their continuous support to the Company.

On behalf of the Board of Directors

S B Borwankar
Chairman
Mumbai, April 25, 2014

Annexure to Directors' Report

Particulars of Conservation of energy, Technology absorption and Foreign exchange earnings and outgo in terms of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Directors) Rules, 1988 forming part of the Directors' Report for the year ended March 31, 2014:)

	2013-14	2012-13
Electrical Energy (KWH in lacs)	**587.18**	**523.33**
Foreign Exchange Earnings and Outgo	**(₹In Lacs)**	**(₹In Lacs)**
Earnings in Foreign Currency	**Nil**	**Nil**
Expenditure in Foreign Currency	**4202.98**	**3843.24**

Annexure B to the Directors' Report

Information as per Section 217 (2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975 and forming part of Directors' Report for the year ended March 31, 2014

Sr. No.	Name	Age Yrs	Designation Nature of duties	Gross Remuneration Rs.	Net Remuneration Rs.	Qualifications	Experience (Years)	Date of Joining	Last Employment Designation period
1	P K Chowdhury*	60	Manager (Central Maintenance)	10.60.391	9,46,177	BSc Engg (Electrical) FTA(Electrical)	37	25.09.1976	-
2	A K Mitra*	60	Head (Safety, Health and Environment)	53,60,140	33,19,917	MSc Engg(Prod) AMIE(Mechanical) FTA(Tool and Die)	37	04.01.1977	-
3	D N Tripathy*	60	AGM (Personnel and Administration)	22,42,308	15,53,864	BCom(Commerce) LLB(Law) PG Diploma in Mgmt(IR)	38	01.07.1975	-
4	B Satpathy*	60	Divisional Manager (Tool Plg)	16,39,538	12,77,988	MSc Engg(Prod) AMIE(Mechanical) FTA(Millwright Mechanic)	36	01.01.1977	-

**Employees employed for the part of the year which include separation benefits.*

On behalf of the Board of Directors

S B Borwankar
Chairman
Mumbai, April 25, 2014

MANAGEMENT DISCUSSION AND ANALYSIS

1. Business Overview : Industry and Segment dynamics

The fiscal year that ended in March was again a challenging year for the economic environment, in the recent past - growth continued to be weak, inflation was well above comfort levels while the current account deficit widened. GDP is expected to grow by 5.0% in 2013-14, after having grown by 5.0% in 2012-13, 6.9% in 2011-12 and by 8.4% in 2010-11.

The automotive industry in India is one of the largest in the world and one of the fastest growing globally. During last year, the passenger vehicle sector has declined by 6% whereas commercial vehicle sales have declined by over 20%. The situation especially in the CV space has been aggravated by overcapacity in the transport sector, high interest rates and rising fuel prices. Automobile companies across segments continue to face tremendous pressure on profit margins due to elevated inflation levels. Added to this are the increased marketing costs incurred and heavy discounts offered by vehicle manufacturers to attract consumers to the showrooms.

However, to grow in this sluggish market and to remain competitive, the company continued the thrust on quality improvements, cost control and productivity improvement measures and new product introduction. Focus has been laid on innovation so that new products are developed to expand footprint to newer international markets and to enable rapid growth of market share when the economy recovers. Also, customer focus has been emphasized.

The Company's total sales in case of Axles decreased by 22.8% from 2,84,556 to 2,19,647 and in case of transmissions decreased by 22.3% from 1,25,451 to 97,443 in the year 2013-14, 2013-14 being the first year of forge business in The Company 13,561 MT has been produced.

2. Opportunities and Risks

Opportunities

Infrastructure development:

India is one of the fastest growing economies in the world. Consequently, the need for infrastructure facilities is ever growing across sectors. The development of adequate infrastructure has been identified as the most critical prerequisite for sustaining the current growth momentum of the economy and to ensure inclusiveness of the growth process. Continued improvement in road infrastructure in coming years is expected to have a positive effect on automobile sales. The step up in infrastructure spending particularly in segments such as roads and highways and measures to encourage innovative funding mechanism for infrastructure projects will support demand for construction-enabling CVs (i.e. tippers) besides facilitating easier freight movement. Also, the reduction in excise duty on truck chassis from 12% to 8% would be helpful for the commercial vehicle industry.

The infrastructure spending by Govt along with Private Players development in Housing Sector, Airport on ground Facilities, Rural Sector, Defence Sector, Cold Storage Chains, Health Sector, ports and bridges and special economic zones (SEZ) will propel the growth and order book of construction companies. All these infrastructure development in coming years is expected to have a positive effect on automobile sales. Rural connectivity is expected to correspondingly improve which would expand significantly the population/markets participating in the overall economic growth. Improvement in road infrastructure will facilitate faster transportation of goods and passengers, and would in turn create demand for safer, reliable and faster vehicles. The Company is poised to benefit from the same.

Exploring More Options:

Business opportunities in related markets are being studied. Feelers were sent out to CEOs of various organizations like Voltas, Godrej, and Action Construction Equipment (ACE) etc. Possibilities for supply of gear boxes and axles for the Material Handling and Construction equipment businesses are being explored. An order from M/S Godrej has already been received.

Risks

Interest rates and credit availability pose a huge risk and may affect the Company's performance adversely. Tightening of the liquidity position, non-availability of vehicle finance and firming up of interest rates would affect the demand, which could impact the Company's revenues and profits since sale of axles and transmissions are dependent on the vehicle demand.

Exchange rates, though marginally, could affect the financials. The Company imports some indirect inputs and capital assets. Adverse fluctuations in exchange rates and volatility in the foreign exchange markets could impact profits.

Fuel Prices: Volatility in fuel prices has had an adverse impact on the automobile sales worldwide. Higher fuel prices will force the consumers to think of alternative transportation solutions and to postpone purchases. The Company's product programs encompass initiatives to improve fuel efficiency of its products while investing in programmes for development of alternative solutions.

Input Costs: With many economies coming out of recession, the prices of commodity items like steel, non-ferrous precious metals, rubber and petroleum products are expected to strengthen significantly. Whilst the Company continues to pursue cost reduction initiatives, the increase in the price of input materials could have a negative impact on the demand in the domestic market and/or could severely impact the Company's profitability to the extent that the same are not absorbed by the market through price increases

Government Regulations: Stringent emission norms and safety regulations could bring new complexities and cost increases for automotive industry, thereby impacting the Company's business. WTO, Free Trade Agreements and other similar policies could make the market more competitive for local manufacture.

In the international markets many countries have strict norms for vehicle regulations related to emission, safety, noise, technology, etc. The Company competes with international players who have global brand image, larger financial capability and a varied product platform. These factors may impact demand of the Company's products in international markets.

Global Competition: India continues to be an attractive destination for the global automotive playe`The global automotive manufacturers present in India have been expanding their product portfolio and enhancing their production capacities. To counter the threat of an ever growing global competition, the Company has planned to bridge the quality gap between its products and foreign offerings while maintaining its low cost product development/sourcing advantage.

Cyclicality: The commercial vehicle segment largely depends on the condition of the economy and has a strong linkage or co-relation with it. The Company supplies axles and gearboxes for MandHCV, the segment which has a very high Cyclicality.

Manufacturing: The Company could be affected by a disruption in its supply chain due to the occurrence of any natural calamities and work stoppages at its suppliers end due to load shedding, labour problems, local political activism, etc.

New Project Execution: The company intensified its effort to find new customer for our aggregates for offroad application. In this endeavour , Godrej and Escort have been identified for developing products for their application in Forklifts and Cranes respectively. Initial prototypes have been made and dispatched towards end of the year.

In FY2013-14, the Company received DSIR recognition from Ministry of Scientific Research and development, and further received an exemption under Section 35 (2ab) of Income Tax Act.

3. **Financial performance as a measure of Operational Performance**

For FY 2013-14, the Turnover is at ₹423.27 crores, Earnings before Interest, Depreciation and Tax (EBIDTA) at ₹119.35 crores, Profit before Tax at ₹22.89 crores and Profit after tax at ₹18.87 crores. The Earnings per Share decreased to ₹2.45 per share as against ₹10.24 per share in 2012-13, a decrease of 76.08 %.

The following table sets forth the breakup of the Company's expenses as part of the net revenue

	Percentage of Turnover	
	2013-14	**2012-13**
Turnover net of Excise Duty	100	100
Expenditure:		
Employee Cost	36.6	28.7
Manufacturing and Other Expenses	35.2	25.8
Total Expenditure	71.8	54.5
Profit Before Interest and Depreciation	28.2	45.5
Depreciation and Amortisation	21.3	18.2
Exceptional Item	1.5	-
Profit Before Tax	5.4	27.3

1) Net Turnover/ Income from Operation

Particulars	**FY 14 (₹ cr)**	**FY 13 (₹ cr)**
Sale of Services	402.12	402.15
Other Income	22.12	34.20
Total Sale of Product and Services	424.24	436.36
Less: Excise Duty	0.97	0.59
Net Sales / Income from operation	423.27	435.77

The total sales in units decreased from 2,84,556 axles and 1,25,451 gearboxes in 2012-13 to 2,19,647 and 97,443 gearboxes in 2013-14. Forge production in its first year at The Company is 13561 MT.

2) Payments to and provision for Employees

Particulars	**FY 14 (₹ cr)**	**FY 13 (₹ cr)**
Payments to and provision for employees	154.79	125.23

Last year figures are not comparable as this is year is the first year of Forge division with The Company.

3) Manufacturing cost and other expenses

Particulars	**FY 14 (₹ cr)**	**FY 13 (₹ cr)**
Manufacturing cost and other expenses	149.13	112.60

Manufacturing and other expenses includes variable expenses like Power, freight etc. Last year figures are not comparable as this is year is the first year of Forge division with the Company.

4) Depreciation and Amortization

Particulars	FY 14 (₹ cr)	FY 13 (₹ cr)
Depreciation and Amortization	90.24	79.19

Last year figures are not comparable as this is year is the first year of Forge division with the Company.

5) Interest cost

Particulars	FY 14 (₹ cr)	FY 13 (₹ cr)
Interest cost (Net)	-	-

6) Fixed Assets

Particulars	FY14 (₹ cr)	FY13 (₹ cr)
Gross Block	1187.90	1123.76
Depreciation	623.99	551.99
Net Block	563.91	571.77
C W I P	87.52	57.37
Total	651.43	629.14

7) Investments

Particulars	FY14 (₹ cr)	FY13 (₹ cr)
Investments	182.5	232.1

The Company invests surplus funds in liquid investments, fixed deposits and inter corporate deposits.

4. Internal Control Systems and their adequacy

The Company has in place adequate system of internal control. It has documented procedures covering all financial and operating functions. These controls have been designed to provide a reasonable assurance with regard to maintaining of proper accounting controls, monitoring of operations, protecting assets from unauthorized use or losses, compliances with regulations and for ensuring reliability of financial reporting. The Company has continued its efforts to align all its processes and controls with global best practices in these areas as well.

- Corporate policies on accounting and major processes;
- Well-defined processes for formulating and reviewing annual and long term business plans;
- Preparation and monitoring of annual budgets for all operating and service functions;
- State-of-the-art Enterprise Risk Management Programme (ERP) and Supplier Relations Management connect its different locations and vendors for efficient and seamless information exchange;
- Adoption of Tata Code of Conduct which covers integrity of financial reporting, ethical conduct, regulatory compliance, conflict of interests review and reporting of concerns. All employees of the Company are regularly exposed to communications about the code;
- A well established multidisciplinary Internal Audit team of Tata Motors, which reviews and reports to Management and the Audit Committee about the compliance with internal controls and the efficiency and effectiveness of operations and the key process risks;
- Audit Committee of the Board of Directors, comprising independent directors, regularly reviews the audit plans, significant audit findings, adequacy of internal controls, compliance

with Accounting Standards as well as provide reasons for changes in accounting policies and practices, if any;

- A comprehensive information security policy and continuous upgrades to IT system;
- Documenting major business processes and testing thereof including financial closing, computer controls and entity level controls as part of compliance with the Sarbanes-Oxley Act;

The Board takes responsibility for the total process of risk management in the organization. The Audit Committee reviews reports covering operational, financial and other business risk areas. Through an Enterprise Risk Management programme, each Business Unit addresses opportunities and then attends to risks through an institutionalized approach that is aligned to the Company's objectives. This is also facilitated by internal audit. The business risk is managed through cross functional involvement and intense communication across businesses. Results of the risk assessment and residual risks are presented to the senior management.

5. Developments in Human Resources/ Industrial Relations

The Company considers human resource to be a valuable asset for the organization and therefore constantly strives to attract and recruit best talent according to its current and future needs. During this year also, the Company continued to maintain its track record of cordial industrial relations since inception. It sustaind and fosterd its unique paternal culture across all operating functions. Several health and safety initiatives were introduced as a part of a structured program to enhance the safety and health of its workmen and other associates. Performance measurement and skill up gradation programs were widely deployed within the Company. Various National level accolades were won by the Company employees. The permanent employees' strength of the Company as on March 31, 2014 was 2331.

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The company continued in its resolve that the corporate goals be aligned with the larger societal goals. In this regard the company follows the path of Tata Group to contribute to the society's development and welfare through active participation in various programmes. The Company has taken focused steps towards Affirmative Action Programme.

MANAGEMENT DISCUSSION AND ANALYSIS

1. Business Overview : Industry and Segment dynamics

The fiscal year that ended in March was again a challenging year for the economic environment, in the recent past - growth continued to be weak, inflation was well above comfort levels while the current account deficit widened. GDP is expected to grow by 5.0% in 2013-14, after having grown by 5.0% in 2012-13, 6.9% in 2011-12 and by 8.4% in 2010-11.

The automotive industry in India is one of the largest in the world and one of the fastest growing globally. During last year, the passenger vehicle sector has declined by 6% whereas commercial vehicle sales have declined by over 20%. The situation especially in the CV space has been aggravated by overcapacity in the transport sector, high interest rates and rising fuel prices. Automobile companies across segments continue to face tremendous pressure on profit margins due to elevated inflation levels. Added to this are the increased marketing costs incurred and heavy discounts offered by vehicle manufacturers to attract consumers to the showrooms.

However, to grow in this sluggish market and to remain competitive, the company continued the thrust on quality improvements, cost control and productivity improvement measures and new product introduction. Focus has been laid on innovation so that new products are developed to expand footprint to newer international markets and to enable rapid growth of market share when the economy recovers. Also, customer focus has been emphasized.

The Company's total sales in case of Axles decreased by 22.8% from 2,84,556 to 2,19,647 and in case of transmissions decreased by 22.3% from 1,25,451 to 97,443 in the year 2013-14, 2013-14 being the first year of forge business in The Company 13,561 MT has been produced.

2. Opportunities and Risks

Opportunities

Infrastructure development:

India is one of the fastest growing economies in the world. Consequently, the need for infrastructure facilities is ever growing across sectors. The development of adequate infrastructure has been identified as the most critical prerequisite for sustaining the current growth momentum of the economy and to ensure inclusiveness of the growth process. Continued improvement in road infrastructure in coming years is expected to have a positive effect on automobile sales. The step up in infrastructure spending particularly in segments such as roads and highways and measures to encourage innovative funding mechanism for infrastructure projects will support demand for construction-enabling CVs (i.e. tippers) besides facilitating easier freight movement. Also, the reduction in excise duty on truck chassis from 12% to 8% would be helpful for the commercial vehicle industry.

The infrastructure spending by Govt along with Private Players development in Housing Sector, Airport on ground Facilities, Rural Sector, Defence Sector, Cold Storage Chains, Health Sector, ports and bridges and special economic zones (SEZ) will propel the growth and order book of construction companies. All these infrastructure development in coming years is expected to have a positive effect on automobile sales. Rural connectivity is expected to correspondingly improve which would expand significantly the population/markets participating in the overall economic growth. Improvement in road infrastructure will facilitate faster transportation of goods and passengers, and would in turn create demand for safer, reliable and faster vehicles. The Company is poised to benefit from the same.

Exploring More Options:

Business opportunities in related markets are being studied. Feelers were sent out to CEOs of various organizations like Voltas, Godrej, and Action Construction Equipment (ACE) etc. Possibilities for supply of gear boxes and axles for the Material Handling and Construction equipment businesses are being explored. An order from M/S Godrej has already been received.

Risks

Interest rates and credit availability pose a huge risk and may affect the Company's performance adversely. Tightening of the liquidity position, non-availability of vehicle finance and firming up of interest rates would affect the demand, which could impact the Company's revenues and profits since sale of axles and transmissions are dependent on the vehicle demand.

Exchange rates, though marginally, could affect the financials. The Company imports some indirect inputs and capital assets. Adverse fluctuations in exchange rates and volatility in the foreign exchange markets could impact profits.

Fuel Prices: Volatility in fuel prices has had an adverse impact on the automobile sales worldwide. Higher fuel prices will force the consumers to think of alternative transportation solutions and to postpone purchases. The Company's product programs encompass initiatives to improve fuel efficiency of its products while investing in programmes for development of alternative solutions.

Input Costs: With many economies coming out of recession, the prices of commodity items like steel, non-ferrous precious metals, rubber and petroleum products are expected to strengthen significantly. Whilst the Company continues to pursue cost reduction initiatives, the increase in the price of input materials could have a negative impact on the demand in the domestic market and/or could severely impact the Company's profitability to the extent that the same are not absorbed by the market through price increases

Government Regulations: Stringent emission norms and safety regulations could bring new complexities and cost increases for automotive industry, thereby impacting the Company's business. WTO, Free Trade Agreements and other similar policies could make the market more competitive for local manufacture.

In the international markets many countries have strict norms for vehicle regulations related to emission, safety, noise, technology, etc. The Company competes with international players who have global brand image, larger financial capability and a varied product platform. These factors may impact demand of the Company's products in international markets.

Global Competition: India continues to be an attractive destination for the global automotive playe`The global automotive manufacturers present in India have been expanding their product portfolio and enhancing their production capacities. To counter the threat of an ever growing global competition, the Company has planned to bridge the quality gap between its products and foreign offerings while maintaining its low cost product development/sourcing advantage.

Cyclicality: The commercial vehicle segment largely depends on the condition of the economy and has a strong linkage or co-relation with it. The Company supplies axles and gearboxes for MandHCV, the segment which has a very high Cyclicality.

Manufacturing: The Company could be affected by a disruption in its supply chain due to the occurrence of any natural calamities and work stoppages at its suppliers end due to load shedding, labour problems, local political activism, etc.

New Project Execution: The company intensified its effort to find new customer for our aggregates for offroad application. In this endeavour , Godrej and Escort have been identified for developing products for their application in Forklifts and Cranes respectively. Initial prototypes have been made and dispatched towards end of the year.

In FY2013-14, the Company received DSIR recognition from Ministry of Scientific Research and development, and further received an exemption under Section 35 (2ab) of Income Tax Act.

3. **Financial performance as a measure of Operational Performance**

For FY 2013-14, the Turnover is at ₹423.27 crores, Earnings before Interest, Depreciation and Tax (EBIDTA) at ₹119.35 crores, Profit before Tax at ₹22.89 crores and Profit after tax at ₹18.87 crores. The Earnings per Share decreased to ₹2.45 per share as against ₹10.24 per share in 2012-13, a decrease of 76.08 %.

The following table sets forth the breakup of the Company's expenses as part of the net revenue

	Percentage of Turnover	
	2013-14	**2012-13**
Turnover net of Excise Duty	100	100
Expenditure:		
Employee Cost	36.6	28.7
Manufacturing and Other Expenses	35.2	25.8
Total Expenditure	71.8	54.5
Profit Before Interest and Depreciation	28.2	45.5
Depreciation and Amortisation	21.3	18.2
Exceptional Item	1.5	-
Profit Before Tax	5.4	27.3

1) Net Turnover/ Income from Operation

Particulars	**FY 14 (₹ cr)**	**FY 13 (₹ cr)**
Sale of Services	402.12	402.15
Other Income	22.12	34.20
Total Sale of Product and Services	424.24	436.36
Less: Excise Duty	0.97	0.59
Net Sales / Income from operation	423.27	435.77

The total sales in units decreased from 2,84,556 axles and 1,25,451 gearboxes in 2012-13 to 2,19,647 and 97,443 gearboxes in 2013-14. Forge production in its first year at The Company is 13561 MT.

2) Payments to and provision for Employees

Particulars	**FY 14 (₹ cr)**	**FY 13 (₹ cr)**
Payments to and provision for employees	154.79	125.23

Last year figures are not comparable as this is year is the first year of Forge division with The Company.

3) Manufacturing cost and other expenses

Particulars	**FY 14 (₹ cr)**	**FY 13 (₹ cr)**
Manufacturing cost and other expenses	149.13	112.60

Manufacturing and other expenses includes variable expenses like Power, freight etc. Last year figures are not comparable as this is year is the first year of Forge division with the Company.

4) Depreciation and Amortization

Particulars	FY 14 (₹ cr)	FY 13 (₹ cr)
Depreciation and Amortization	90.24	79.19

Last year figures are not comparable as this is year is the first year of Forge division with the Company.

5) Interest cost

Particulars	FY 14 (₹ cr)	FY 13 (₹ cr)
Interest cost (Net)	-	-

6) Fixed Assets

Particulars	FY14 (₹ cr)	FY13 (₹ cr)
Gross Block	1187.90	1123.76
Depreciation	623.99	551.99
Net Block	563.91	571.77
C W I P	87.52	57.37
Total	651.43	629.14

7) Investments

Particulars	FY14 (₹ cr)	FY13 (₹ cr)
Investments	182.5	232.1

The Company invests surplus funds in liquid investments, fixed deposits and inter corporate deposits.

4. Internal Control Systems and their adequacy

The Company has in place adequate system of internal control. It has documented procedures covering all financial and operating functions. These controls have been designed to provide a reasonable assurance with regard to maintaining of proper accounting controls, monitoring of operations, protecting assets from unauthorized use or losses, compliances with regulations and for ensuring reliability of financial reporting. The Company has continued its efforts to align all its processes and controls with global best practices in these areas as well.

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(Rs. In crores)

	2013-14**	2012-13**	2011-12**	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03
CAPITAL ACCOUNTS (Rs.crores)												
(a) Capital	77	77	77	45	45	45	45	45	45	45	45	45
(b) Reserves & Surplus	685.58	673.46	626.12	286.67	223.84	186.23	168.93	133.79	101.55	73.24	45.9	44.99
(c) Borrowings	-	-	-	-	30	70	94.47	9.68	11.13	0	37.87	68
(d) Gross Fixed Assets	1,187.90	1,123.76	954.93	467.42	458.07	440.19	369.77	222.64	177.48	150.36	153.53	152.83
(e) Depreciation	623.99	551.99	489.51	216.00	170.61	131.38	101.37	78.47	66.42	54.02	42.9	31.05
(f) Net Fixed assets(without CWIP)	563.91	571.77	465.42	251.42	287.46	308.82	268.40	144.17	111.06	96.34	110.62	121.78
(g) Investments**	-	-	-	-	52.76	6.09	26.09	32.39	66.4	39.92	33.01	-
(h) Net Working capital	143.88	179.72	258.59	93.76	(-)11.01	9.42	(-)17.10	(-)1.37	(-) 6.78	(-) 1.48	(-) 7.37	8.75
REVENUE ACCOUNTS (Rs.crores)												
(a) Revenue	401.15	401.56	627.77	303.69	235.93	154.62	199.57	190.71	139.45	141.86	116.53	98.93
(b) Other Income	22.12	34.20	20.69	9.33	3.61	5.62	3.68	5.96	4.44	2.1	3.9	0.16
(c)Manufacturing & Other Expenses	310.14##	237.83	276.20	127.62	101.47	80.23	88.12	84.56	62.05	65.62	55.29	70.52
(d) Interest & Depreciation	90.24	79.19	90.39	45.59	42.78	39.09	28.97	15.79	12.48	13.33	15.89	21.15
(e) Profit/(Loss) before taxes	22.89	118.75	281.87	139.80	95.29	40.93	86.15	96.32	69.29	64.96	47.96	4.75
(f) Taxes	4.02	39.88	91.44	45.59	31.44	13.09	22.74	38.43	23.02	22.22	18.26	4.89
(g) Profit / (loss) after taxes	18.87	78.88	190.43	94.21	63.85	27.84	63.41	57.9	46.27	42.74	29.69	(-) 0.14
(h) Dividend & tax thereon	6.76	31.53	58.17	31.38	26.24	10.53	26.33	25.86	17.96	15.39	7.61	-
Ratios												
(a) Profit before tax to Total Revenue(%)	5.41	27.25	43.47	44.66	39.78	25.54	42.38	48.98	48.15	45.12	40.16	4.79
(b) Earnings per share	2.45	10.24	24.73	20.93	14.19	6.19	14.09	12.87	10.28	9.5	6.6	(-) 3.77
(c)Net worth per share (Rs.)	99.04	97.46	91.31	73.70	59.74	51.38	47.54	39.73	32.56	26.28	20.2	19.99
(d) Fixed assets turnover (Times) (Excl. IPR)	0.85#	0.91#	1.66	1.61	1.12	0.72	1.15	1.36	1.28	1.49	1.09	0.81
(e) Current Ratio	2.37	2.68	3.15	1.16	0.83	1.26	0.74	0.98	0.91	0.95	0.72	1.66
(f) Return on Capital employed (%)	3.03	16.34	44.12	44.35	31.76	13.43	34.68	55.65	50.22	52.60	33.45	2.71

** Investments of ₹ 25 crores in 2013-14 and ₹ 114.42 crores in 2012-13 has been clubbed under Current Assets as per Revised Schedule VI

Excluding Customer contract Rights and Goodwill

Includes Employees Separation Cost (Exceptional Item)

TML DRIVELINES LIMITED

Balance Sheet as at March 31, 2014

(₹ in Lakhs)

		Note	Page		As at March 31, 2014	As at March 31, 2013
I.	**EQUITY AND LIABILITIES**					
(1)	**Shareholders' Funds**					
	(a) Share Capital	2	4	**7,700.00**		7,700.00
	(b) Reserves and Surplus	3	5	**68,557.60**		67,346.44
					76,257.60	75,046.44
(2)	**Non-current Liabilities**					
	(a) Deferred Tax Liabilities (Net)	4	6	**4,982.93**		5,102.13
	(b) Other Long-term Liabilities	5	7	**121.88**		156.26
	(c) Long-term provisions	6	7	**2,459.22**		2,783.49
					7,564.03	8,041.88
(3)	**Current Liabilities**					
	(a) Trade Payables	7	7	**6,813.35**		4,874.26
	(b) Other Current Liabilities	8	7	**2,138.31**		2,047.24
	(c) Short-term Provisions	9	7	**1,550.30**		3,794.02
					10,501.96	10,715.52
	TOTAL				**94,323.60**	93,803.84
II.	**ASSETS**					
(1)	**Non-current Assets**					
	(a) Fixed Assets					
	(i) Tangible Assets	10	8	**49,616.76**		47,491.08
	(ii) Intangible Assets	11	9	**6,773.70**		9,685.89
	(iii) Capital Work-in-progress			**6,429.03**		3,830.74
	(iv) Intangible Assets under Development			**998.92**		877.68
				63,818.41		61,885.39
	(b) Long-term Loans and Advances	12	10	**5,615.27**		3,230.95
					69,433.68	65,116.34
(2)	**Current Assets**					
	(a) Current Investments	13	11	**2,500.00**		11,442.28
	(b) Inventories	14	12	**3,843.21**		3,078.35
	(c) Cash and Bank Balances	15	13	**11,526.24**		2,367.86
	(d) Short-term loans and advances	16	13	**3,166.81**		11,602.99
	(e) Other Current Assets	17	13	**3,853.66**		196.02
					24,889.92	28,687.50
	TOTAL				**94,323.60**	93,803.84
III.	**Significant Accounting Policies**	1	API-APII			
IV.	**Notes forming part of the financial statements**	21-34	16-20			

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

RUPEN K. BHATT
Partner
Mumbai, 25th April, 2014

For and on behalf of the Board

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Chairman

M SAMPATH KUMAR
Chief Executive Officer

GURVINDER SINGH AHUJA
Chief Financial Officer

VISPI PATEL
Company Secretary

ABHIJIT A GAJENDRAGADKAR
Director

H K SETHNA
Director

P K CHOBE
Director

N S KULKARNI
Director

Dr A K JINDAL
Director

Mumbai, 25th April, 2014

TML DRIVELINES LIMITED

Statement of Profit & Loss for the year ended March 31, 2014

(₹ in Lakhs)

	Particulars	Note	Page	2013-14	2012-13
I.	Revenue from Operations	18 (1)	14	**40211.79**	40215.20
	Less: Excise duty			**(97.15)**	(58.59)
				40114.64	40156.61
II.	Other Income	18 (2)	14	**2212.48**	3420.43
III.	**Total Revenue (I + II)**			**42327.12**	**43577.04**
IV.	Expenses :				
	(a) Changes in Inventories of unbilled cost	26	16	**(618.45)**	43.99
	(b) Employee Benefits expense	19	15	**15478.56**	12523.27
	(c) Depreciation and Amortisation expense	11 (A)	9	**9024.24**	7918.93
	(d) Other expenses	20	15	**15996.46**	11218.19
	(e) Expenditure Transferred to Capital and other Accounts			**(464.83)**	(2.49)
	Total Expenses			**39415.98**	**31701.89**
V.	**Profit Before Exceptional Items and Tax (III - IV)**			**2911.14**	**11875.15**
VI.	Exceptional Items - Employee Separation Cost			**622.13**	-
VII.	**Profit Before Tax (V - VI)**			**2289.01**	**11875.15**
VIII.	Tax Expense :				
	(a) Current Tax			**521.40**	3935.32
	(b) Deferred Tax……(Refer Note 4(b))			**(119.20)**	52.22
				402.20	3987.54
IX.	**Profit for the year (VII - VIII)**			**1886.81**	**7887.61**
X.	**Earnings Per Equity Share - Basic & Diluted (Refer Note 24)**			**2.45**	**10.24**
XI.	**Significant Accounting Policies**	1	API-APII		
XII.	**Notes forming part of the financial statements**	21-34	16-20		

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TML DRIVELINES LIMITED

Cash Flow Statement for the year ended March 31, 2014

(₹ in Lakhs)

		2013-14		2012-13
A.	**Cash flow from Operating Activities**			
	Profit after tax		**1886.81**	7887.61
	Adjustments for:			
	Depreciation / Amortisation	**9024.24**		7918.93
	Loss / (Profit) on sale of assets (net)	**(21.65)**		(68.10)
	Profit on sale of investments (net)	**(482.12)**		(511.61)
	Wealth tax	**0.89**		0.81
	Tax expense	**402.20**		3987.54
	Interest / Dividend (net)	**(1730.36)**		(2908.82)
	Exchange differences (unrealised)	**30.96**		13.99
			7224.16	8432.74
	Operating Profit before Working Capital changes		**9110.97**	16320.35
	Adjustments for:			
	Trade receivables	**-**		-
	Other Current Assets and Non Current Assets	**(4194.92)**		(898.94)
	Inventories	**(764.86)**		(266.47)
	Trade Payables & Other Liabilities	**1965.87**		461.10
	Short-term & Long-term provisions	**(67.45)**		607.74
		(3061.36)		(96.56)
			(3061.36)	(96.56)
	Cash generated from operations		**6049.61**	16223.79
	Direct taxes paid (net)		**(2599.02)**	(2211.74)
	Net Cash from Operating Activities		**3450.59**	14012.05
B.	**Cash Flow from Investing Activities**			
	Purchase of Forge Division (Refer Note 21)			(11000.00)
	Purchase of fixed assets		**(11308.16)**	(10653.71)
	Sale of fixed assets		**76.77**	197.37
	Investments in Mutual Fund (made) / sold (net)		**9438.56**	8391.98
	Decrease / (Increase) in short term Inter-corporate deposits		**8920.00**	(3335.00)
	FD Realised Net		**500.00**	(250.00)
	Interest received		**1733.64**	2916.39
	Net Cash from / (used in) Investing Activities		**9360.81**	(13732.97)
C.	**Cash Flow from Financing Activities**			
	Dividend paid (including Dividend tax)		**(3153.02)**	(5816.94)
	Net Cash used in Financing Activities		**(3153.02)**	(5816.94)
	Net Increase / (Decrease) in Cash and cash equivalents		**9658.38**	(5537.86)
	Cash and cash equivalents (Opening Balance) (Refer Note 15(A))		**1867.86**	7405.73
	Cash and cash equivalents (Closing Balance) (Refer Note 15(A))		**11526.24**	1867.86

Previous period's figures have been restated, wherever necessary, to conform to this period's classification.

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Chief Financial Officer

P K CHOBE
Director

VISPI PATEL
Company Secretary

N S KULKARNI
Director

Dr A K JINDAL
Director
Mumbai, 25th April, 2014

TML DRIVELINES LIMITED

Notes forming part of the financial statements

1. SIGNIFICANT ACCOUNTING POLICIES

(a) BASIS OF PREPARATION

The Financial Statements have been prepared on the historical cost convention on an accrual basis of accounting and are in compliance with applicable Accounting Standards notified by the Companies (Accounting Standard) Rules 2006 and relavant provisions of the Companies Act 1956 (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs)

(b) USE OF ESTIMATES

The preparation of financial statements requires management to make judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

(c) REVENUE RECOGNITION

Sales comprises of Income from Services/Products which gets recognised when the processed products are delivered to the customer and are recognised net of discounts. Sales are presented gross of excise duty and net of other indirect taxes and trade discounts, wherever applicable.

(d) DEPRECIATION & AMORTISATION

Depreciation is provided on straight line basis at the rates and in the manner prescribed in Schedule XIV to the Companies Act 1956, except for Motor Vehicles, which are depreciated @ 23.75% p.a., and Computers which are depreciated @ 23.75% p.a. Intellectual Property Rights are amortized over a period of 84 months based on units of production method.

Software in excess of ₹ 25,000 is amortized over a period of sixty months or on the basis of estimated useful life whichever is lower.

Capital Assets, the ownership of which does not vest with the company, are depreciated over the estimated period of utility or 5 years whichever is less.

Product development cost are amortised over a period of 36 months to 120 months or on the basis of actual production to planned production volume over such period after commencement of the commercial production of the underlying product.

The Intellectual Property rights related to Forge Division are ammortised over a period of 3 years based on the estmated useful life. Goodwill on acquisition is ammortised over a period of 4 years. The customer contract rights are ammortised over a period of 10 years based on the requirements of Accounting Standard 26 - Intangible Assets, as the contract life is perpetual in nature.

(e) FIXED ASSETS

Fixed Assets are stated at cost of acquisition or construction less depreciation. All cost relating to the acquisition and installation of Fixed Assets are capitalised and include financing cost relating to borrowed funds attributable to construction or acquisition of fixed assets, upto the date the asset is ready for intended use and further adjusted for exchange differences relating to long-term foreign currency borrowings, where applicable, attributable to depreciable capital asset.

The product development cost incurred on new products will be recognized as an 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 benefits.

(f) TRANSACTIONS IN FOREIGN CURRENCY

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities are restated at period end exchange rates. Exchange differences arising on settlement of transactions and restatement are accounted for in the following manner;-

i) Differences relating to short-term monetary items are recognised as income or expense in the year in which they arise.

ii) Differences relating to long-term foreign currency borrowings taken for the acquisition of depreciable capital asset are adjusted in the carrying cost of Fixed Assets.

(g) INVENTORIES

Inventories are valued at lower of cost or below cost. Cost is ascertained on a moving weighted average basis. Unbilled cost (i.e. conversion cost incurred but not billed to customers) is valued on full absorption cost basis.

(h) EMPLOYEE BENEFITS

Employee benefits are dealt with in the following manner:

(a) Contributions to Provident, Superannuation and Gratuity funds are made to the recognised funds of Tata Motors Limited and charged to the Statement of Profit and Loss.

(b) The liability of Superannuation (for employees who are covered under the Defined Benefit Scheme), Gratuity, Compensated Absences, Bhavishya Kalyan Yojna, Post Retirement Medical Benefit and Ex-gratia is ascertained by an independent actuarial valuation. During interim periods such liabilities are as per management estimates.

(c) The net present value of compensation payable to employees who have opted for retirement under the early separation scheme is charged to the Statement of Profit and Loss in the year of separation.

(i) BORROWING COSTS

Interest and other costs relating to borrowing of funds are recognised as an expense in the period in which they are incurred, unless activities that are necessary to prepare the qualifying assets for its intended use are in progress.

(j) TAXES ON INCOME

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of Income Tax Act, 1961.

Deferred tax is recognized, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised if there is virtual certainty that there will be sufficient future taxable income available to realise such losses.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date

(k) INVESTMENTS

Long term investments are stated at cost less other than temporary diminution in value, if any. Current investments are stated at lower of cost and fair value. Fair value of investments in mutual funds are determined on a portfolio basis.

(l) SEGMENT REPORTING

(i) Business Segment

The Company has considered business segment as the primary segment. The Company is engaged in the activities related to manufacture of axles, gear boxes and spare parts thereof, which in the context of Accounting Standard 17 [AS – 17] is considered as the only business segment.

(ii) Geographical segment

The Company sells its products / services only within India and there are no exports. The conditions prevailing in India being uniform no separate geographical segment disclosure is considered necessary.

TML DRIVELINES LIMITED

Notes forming part of the financial statements

(₹ in Lakhs)

	As at March 31, 2014	As at March 31, 2013
2. SHARE CAPITAL		
Authorised :		
100,000,000 Equity Shares of ₹ 10 each	10000.00	10000.00
(March 31, 2013: 100,000,000 Equity Shares of ₹ 10 each)		
	10000.00	10000.00
Issued, subscribed and fully paid :		
77,000,000 Equity Shares of ₹ 10 each *	7700.00	7700.00
(March 31, 2013: 77,000,000 Equity Shares of ₹ 10 each)	**7700.00**	7700.00

* 77,000,000 Equity Shares (March 31, 2013: 77,000,000 Equity Shares) held by Tata Motors Limited, the holding company.

(a) **Reconciliation of number and amount of shares:**

	As at March 31, 2014 Nos. in Lakhs	As at March 31, 2014 ₹ in Lakhs	As at March 31, 2013 Nos. in Lakhs	As at March 31, 2013 ₹ in Lakhs
(i) **Authorised :**				
Number of shares / Share Capital at the beginning of the year	**1000.00**	**10000.00**	1000.00	10000.00
Number of shares / Share Capital at the end of the year	**1000.00**	**10000.00**	1000.00	10000.00
(ii) **Issued, subscribed and fully paid :**				
Number of shares / Share Capital at the beginning of the year	**770.00**	**7700.00**	770.00	7700.00
Add: Issue of Equity Shares to erstwhile HV Transmissions Ltd. Shareholders (Refer Note 22)	**-**	**-**		
Number of shares / Share Capital at the end of the year	**770.00**	**7700.00**	770.00	7700.00

(b) **Shares in the Company held by each shareholder holding more than 5 percent shares**
(Equity Shares of ₹ 10 each)

	As at March 31, 2014 Nos. in Lakhs	% Holding	As at March 31, 2013 Nos. in Lakhs	% Holding
(a) Tata Motors Limited	**770.00**	100%	770.00	100%
	770.00	**100%**	770.00	100%

(c) **Rights, preferences and restrictions attached to Shares**
Ordinary Shares of Rs. 10 each
i) In respect of every Ordinary share (whether fully paid or partly paid), voting right shall be in the same proportion as the capital paid upon such Ordinary share bears to the total paid up ordinary capital of the Company.
ii) The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. Further, the Board of Directors may also announce an interim dividend.
iii) In the event of liquidation, the shareholders of Ordinary shares are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholdings.

TML DRIVELINES LIMITED

Notes forming part of the financial statements

(₹ in Lakhs)

3. RESERVES AND SURPLUS		As at March 31, 2013	Additions	Deductions	As at March 31, 2014
(a) Securities Premium Account		**2,654.58**	**-**	**-**	**2,654.58**
		(2,654.58)	-	-	(2,654.58)
(b) General Reserve	[Refer (i) below]	**27,129.39**	**-**	-	**27,129.38**
		(26,340.63)	(788.76)	-	(27,129.39)
(c) Surplus in statement of Profit and Loss	[Refer (ii) below]	**37,562.47**	**1,886.81**	**675.65**	**38,773.64**
		(33,616.64)	(7,887.61)	(3,941.78)	(37,562.47)
		67,346.44	**1,886.81**	**675.65**	**68,557.60**
		(62,611.85)	(8,676.37)	(3,941.78)	(67,346.44)

		2013-14		2012-13	
		Additions	Deductions	Additions	Deductions
(i) Changes in General Reserve :					
(a) Amount transferred from Statement of Profit and Loss		**-**	**-**	788.76	-
		-	**-**	**788.75**	**-**
(ii) Changes in Surplus of Profit and Loss :					
(a) Profit for the year		**1,886.81**	**-**	7,887.61	-
(b) Proposed Dividend		**-**	**577.50**	-	2,695.00
(c) Tax on Proposed Dividend		**-**	**98.15**	-	458.02
(d) Transferred to General Reserve		**-**	**-**	-	788.76
		1,886.81	**675.65**	**7,887.61**	**3,941.78**

Figures in brackets relate to previous year

4. DEFERRED TAX LIABILITIES

(a) **Major components of deferred tax arising on account of timing differences are :**

(₹ in Lakhs)

	As at March 31, 2014	As at March 31, 2013
Liabilities:		
Depreciation	**(5083.29)**	(5,499.95)
Product Development Cost	**(508.15)**	(140.96)
	(5591.44)	(5640.91)
Assets:		
Employee Seperation Scheme	**174.69**	7.17
Stamp Duty & Other Expenses	**98.14**	111.13
Employee Benefits / Expenses allowable on payment basis	**335.68**	420.48
	608.51	538.78
Net Deferred Tax Liability (Net)	**(4982.93)**	(5102.13)

(b) **Deferred Tax charge / (credit) for the year**

	2013-14	2012-13
Opening Deferred Tax Liability ……	**(5102.13)**	(5049.91)
	(5102.13)	(5049.91)
Less : Closing Deferred Tax Liability ……	**(4982.93)**	(5102.13)
Deferred Tax charge / (credit) for the year *……	**(119.20)**	52.22

(c) **Tax expense :**

	2013-14	2012-13
(i) Current Tax (include Write back Pertaining to prior years - ₹ 23.17 lakhs)	**521.40**	3935.32
(ii) Deferred Tax (include Write back Pertaining to prior years - ₹ 24.26 lakhs)	**(119.20)**	52.22
	402.20	3935.32

(₹ in Lakhs)

5. Other Long-term Liabilities

	As at March 31, 2014	As at March 31, 2013
(a) Pension - Employee Separation Scheme	**121.88**	156.26
	121.88	**156.26**

6. Long - Term Provisions

	As at March 31, 2014	As at March 31, 2013
(a) Provision for employee benefits (Refer Note 27)	**2459.22**	2783.49
	2459.22	**2783.49**

7. Trade Payables

	As at March 31, 2014	As at March 31, 2013
(a) Micro, Small and Medium Enterprises (Refer Note 32)	**180.48**	79.66
(b) Trade Payables*	**6632.87**	4794.60
	6813.35	**4874.26**
* Includes payable to;		
Tata Motors Limited - Holding Company	**2579.04**	1513.67
Tata Technologies Limited - Fellow Subsidiary	**24.11**	7.83

8. Other Current Liabilities

	As at March 31, 2014	As at March 31, 2013
(a) Pension - Employee Separation Scheme	**42.35**	48.73
(b) Statutory dues (Excise duty/VAT/Service Tax/TDS etc)	**279.27**	187.26
(c) Liability for capital expenditure*	**1072.56**	884.72
(d) Liability for retention	**671.04**	859.49
(e) Advance Received from Customers	**73.09**	67.04
	2138.31	**2047.24**
* TAL Manufacturing Solutions Limited - Fellow Subsidiary	**107.92**	20.96
Tata Technologies Limited - Fellow Subsidiary	**-**	24.60

9. Short-term provisions

	As at March 31, 2014	As at March 31, 2013
(a) Provision for employee benefits	**539.04**	282.22
(b) Proposed Dividends	**577.50**	2695.00
(c) Provision for Tax on Proposed Dividends	**98.15**	458.02
(d) Provision for Tax (Net)	**335.62**	358.78
(Net of advance tax ₹ 14,477.81 lakhs, As at March 31, 2013 ₹ 14,477.81 lakhs)		
	1550.30	**3794.02**

TML DRIVELINES LIMITED

Notes forming part of the financial statements

(₹ in lakhs)

10. Tangible Assets

FIXED ASSETS	Cost as at April 1, 2013	Additions / Adjustments	Deductions / Adjustments	Cost as at March 31, 2014	Accumulated depreciation / amortisation up to April 1, 2013	Depreciation / Amortisation for the period	Deductions / Adjustments	Accumulated depreciation / amortisation up to March 31, 2014	Net Book Value as at March 31, 2014
[I] Owned Assets :									
(a) Buildings	**3,063.57**	**470.37**	**-**	**3,533.94**	**617.13**	**199.68**	**-**	**816.81**	**2,717.13**
	(2,757.40)	(308.94)	(2.77)	(3,063.57)	(432.54)	(184.59)	-	(617.13)	(2,446.44)
(b) Plant & Machinery and Equipment [Refer 2(i) & 2(ii) below]	**85,502.73**	**7,293.87**	**1,838.40**	**90,958.20**	**41,438.96**	**5,448.30**	**1,764.96**	**45,122.30**	**45,835.90**
	(73,860.21)	(13,413.82)	(1,771.30)	(85,502.73)	(38,069.28)	(5,017.06)	(1,647.38)	(41,438.96)	(44,063.77)
(c) Furniture & Fixtures	**170.08**	**24.75**	**1.72**	**193.11**	**69.52**	**19.36**	**0.55**	**88.33**	**104.78**
	(132.61)	(37.47)	-	(170.08)	(54.79)	(14.73)	-	(69.52)	(100.56)
(d) Vehicles	**244.17**	**13.95**	**37.49**	**220.63**	**97.54**	**46.20**	**28.18**	**115.56**	**105.07**
	(184.51)	(85.84)	(26.18)	(244.17)	(80.65)	(40.51)	(23.62)	(97.54)	(146.63)
(e) Office Equipments	**399.16**	**54.66**	**1.29**	**452.53**	**108.99**	**24.75**	**0.67**	**133.07**	**319.46**
	(349.32)	(49.86)	(0.02)	(399.16)	(86.63)	(22.36)	-	(108.99)	(290.17)
(f) Water System and Sanitation	**29.51**	**4.40**	**-**	**33.91**	**10.31**	**1.89**	**-**	**12.20**	**21.71**
	(28.71)	(0.80)	-	(29.51)	(8.91)	(1.40)	-	(10.31)	(19.20)
[II] Assets given on Lease:									
Plant & Machinery and Equipment	**497.69**	**85.29**	**-**	**582.98**	**73.38**	**26.31**	**29.42**	**70.27**	**512.71**
	(145.12)	(352.57)	-	(497.69)	(27.12)	(46.26)	-	(73.38)	(424.31)
Total	**89,906.91**	**7,947.29**	**1,878.90**	**95,975.30**	**42,415.83**	**5,766.49**	**1,823.78**	**46,358.54**	**49,616.76**
	(77,457.88)	(14,249.30)	(1,800.27)	(89,906.91)	(38,759.92)	(5,326.91)	(1,671.00)	(42,415.83)	(47,491.08)

Notes :

1) Figures in brackets relate to previous year

2)(i) Includes Plant & Machinery having Gross block of ₹ 2050.90 lakhs (As at March 31, 2013: ₹ 1503.09 lakhs) and Net Block of ₹ 47.81 lakhs (As on March 31, 2013: ₹ 72.06 lakhs) held for disposal

2)(ii) Depreciation for the period includes loss of ₹ 274.80 lakhs (2012-13 ₹ 348.02) on assets held for disposal

TML DRIVELINES LIMITED

Notes forming part of the financial statements

(₹ in lakhs)

11. Intangible Assets

FIXED ASSETS	Cost as at April 1, 2013	Additions / Adjustments	Deductions / Adjustments	Cost as at March 31, 2014	Accumulated depreciation / amortisation up to April 1, 2013	Depreciation / Amortisation for the period	Deductions / Adjustments	Accumulated depreciation / amortisation up to March 31, 2014	Net Book Value as at March 31, 2014
Intangible Assets									
(a) Computer Software	**432.55**	**201.80**	**-**	**634.35**	**193.83**	**91.31**	**-**	**285.14**	**349.21**
	(417.22)	(15.33)	-	(432.55)	(121.59)	(72.24)	-	(193.83)	(238.72)
(b) Intellectual property rights and other intangibles	**17,870.60**	**-**	**-**	**17,870.60**	**12,589.01**	**2,395.79**	**-**	**14,984.80**	**2,885.80**
	(17,617.60)	(253.00)	-	(17,870.60)	(10,069.23)	(2,519.78)	-	(12,589.01)	(5,281.59)
(c) Product Development cost	-	**143.76**	-	**143.76**	-	**0.61**	-	**0.61**	**143.15**
	-	-	-	-	-	-	-	-	-
(d) Customer contract Rights	**1,809.00**	-	-	**1,809.00**	**-**	**180.90**		**180.90**	**1,628.10**
	-	(1,809.00)	-	(1,809.00)	-	-	-	-	(1,809.00)
(e) Goodwill	**2,356.58**	**-**	-	**2,356.58**	**-**	**589.14**		**589.14**	**1,767.44**
	-	(2,356.58)	-	(2,356.58)	-	-	-	-	(2,356.58)
Total	**22,468.73**	**345.56**	**-**	**22,814.29**	**12,782.84**	**3,257.75**	**-**	**16,040.59**	**6,773.70**
	(18,034.82)	(4,433.91)	-	(22,468.73)	(10,190.82)	(2,592.02)	-	(12,782.84)	(9,685.89)

- Figures in brackets relate to previous year

11(A). Depreciation & Amortisation expense for the period ended:

	March 31, 2014 (₹ in lakhs)	March 31, 2013 (₹ in lakhs)
Depreciation / Amortisation Tangible Assets	**5,766.49**	5,326.91
Depreciation / Amortisation Intangible Assets	**3,257.75**	2,592.02
Total Depreciation & Amortisation expense	**9,024.24**	7,918.93

TML DRIVELINES LIMITED
Notes forming part of the financial statements

(₹ in Lakhs)

12. Long - term Loans and Advances (Unsecured, considered good)	As at March 31, 2014	As at March 31, 2013
(a) Loans and advances to employees.	**355.26**	319.25
(b) Capital Advances*	**1323.96**	1028.79
(c) Advance Income Tax	**3930.52**	1877.38
(Net of provision ₹ 30537.14 lakhs, As at March 31, 2013 ₹ 29,995.08 lakhs)		
(d) Others	**5.53**	5.53
	5615.27	**3230.95**
* TAL Manufacturing Solutions Limited - Fellow Subsidiary	**43.95**	**42.24**

TML DRIVELINES LIMITED
Notes forming part of the financial statements

(₹ in lakhs)

13. Current Investments

No. of units	Face Value Per unit	I. Current Investments - Non trade (at lower of cost and fair value) Investments in Mutual Fund - Unquoted Description	As at March 31, 2014	As at March 31, 2013
-	100	ICICI Prudential Liquid Super Institutional Plan - Growth	-	3,918.87
(24,72,575.83)				
7,08,682.40	10	ICICI Prudential Flexible Income Plan - Growth	**1,500.00**	1,500.00
(7,08,682.40)				
55,43,360.16	10	Kotak Floater Short Term Growth	**1,000.00**	1,000.00
(55,43,360.16)				
-		HDFC Floating Rate Income Fund - STP - Wholesale option - Direct Plan- Dividend		
(49,830.979)	10	reinvestment	-	5,023.41
			2,500.00	11,442.28

(₹ in Lakhs)

14. Inventories

	As at March 31, 2014	As at March 31, 2013
(a) Stores and spare parts (at or below cost)	**1921.86**	1694.54
(b) Consumable tools (at cost)	**992.72**	1073.63
(c) Unbilled Cost (at cost)	**928.63**	310.18
	3843.21	**3078.35**

Notes forming part of the financial statements

(₹ in Lakhs)

15. Cash and Bank Balances	As at March 31, 2014	As at March 31, 2013
(A) Cash and cash equivalents		
(a) Cash on hand	**0.44**	0.85
(b) Current Account with banks	**25.80**	17.01
(c) Bank Deposits with upto 3 months maturity	**11500.00**	1850.00
	11526.24	1867.86
(B) Other bank balances (with more than 3 months but less than 12 months maturity)		
(a) Bank deposits	**-**	500.00
	-	500.00
	11526.24	**2367.86**

16. Other Short-term loans and advances (Unsecured, considered good)	As at March 31, 2014	As at March 31, 2013
(a) Inter Corporate Deposits (Refer Note 29B (xv))*	**500.00**	9420.00
(b) Loans and advances to employees	**100.21**	109.30
(c) Balances with government authorities (Excise duty/Service Tax etc)	**1275.81**	1664.97
(d) Advances to suppliers and contractors	**1287.14**	402.55
(e) others	**3.65**	6.17
	3166.81	11602.99
* Maximum Outstanding during the period	**21915.00**	29805.00

17. Other Current Assets	As at March 31, 2014	As at March 31, 2013
(a) Interest accrued on deposits / Loans	**49.23**	66.68
(b) Prepaid expenses	**54.43**	61.98
(c) Deposit with others	**3750.00**	-
(d) Others	**-**	67.36
	3853.66	196.02

(₹ in Lakhs)

18. Total Revenue

	2013-14	2012-13
1. **Revenue from Operations**		
(a) Sale of Services	**38996.40**	39343.19
(b) Other operating revenues (Refer 1 below)	**1215.39**	872.01
	40211.79	40215.20
2. **Other income**		
(a) Interest income (Refer 2 below)	**1716.19**	2885.41
(b) Dividend income	**14.17**	23.41
(c) Profit on sale of current investments	**482.12**	511.61
	2212.48	3420.43

	2013-14	2012-13
1. Includes :		
(i) Scrap Sales	**754.57**	497.67
(ii) Profit on Sale of Assets held for Disposal	**21.65**	68.10
(iii) Lease rental of Plant & Machinery	**80.37**	54.76
2. Includes:		
(i) Interest Income on Deposits with Banks	**123.10**	281.84
(ii) Interest Income on Inter Corporate Deposits	**1593.09**	2255.99
(iii) Interest on Income Tax Refund	**-**	347.58

(₹ in Lakhs)

19. Employee Benefits Expense	**2013-14**	2012-13
(a) Salaries, wages and bonus etc	**13585.67**	11057.34
(b) Contribution to provident and other funds	**1537.43**	1037.37
(c) Staff welfare expenses (Refer 1 below)	**355.46**	428.56
	15478.56	**12523.27**

20. Other Expenses	**2013-14**	2012-13
(a) Processing charges	**61.80**	252.95
(b) Consumption of stores and spare parts	**4603.84**	3799.54
(c) Power and fuel	**4795.13**	1954.38
(d) Rent	**500.54**	396.24
(e) Repairs to buildings	**149.77**	169.09
(f) Repairs to plant, machinery, etc.	**387.78**	397.11
(g) Insurance	**79.96**	63.16
(h) Freight, transportation, port charges, etc.	**66.98**	65.58
(i) Works operation and other expenses (Refer 2 below)	**5350.66**	4120.14
	15996.46	**11218.19**

	2013-14	2012-13
1. Includes:-		
(i) Staff Welfare Expenses include provisions for other employee benefit schemes	**197.05**	239.53
2. Includes:-		
Works operation and other expenses include		
(a) Auditors' Remuneration - *		
Audit Fees	**22.00**	20.00
In other Capacities -		
Tax Audit Fees	**5.00**	5.00
Other Services (Transfer Pricing)	**-**	0.75
Out of Pocket Expenses	**-**	0.04
* Excludes service tax		
(b) Share of Expenses for common services facilities	**3101.17**	2326.10
(c) Foreign Exchange Fluctuation (Profit) / Loss (net)	**126.30**	135.11

21. TML Drivelines Limited acquired the Forge Division of Tata Motors Limited on a slump sale basis for a consideration of ₹ 11,000 lakhs vide an agreement dated March 28th, 2013,. The acquisition was done with a view to integrate the axle manufacturing business of the Company.
The consideration paid was allocated to tangible assets, intangible assets other assets/ liabilities based on fair values ascertained by independent valuers. Consequently the consideration has been allocated as under:
Fixed Assets ₹ 6,098.43 lakhs, Inventory – ₹ 378.21 lakhs, Loans & Advances – ₹ 113.55 lakhs, Liabilities – ₹ 8.76 lakhs, Customer Contract Rights – ₹ 1809 lakhs and Intellectual Property Rights – ₹ 253 lakhs.
The excess of the consideration paid over the estimated value of net assets acquired has been recognized as Goodwill – ₹ 2356.58 lakhs
The Intellectual Property rights related to Forge Division are amortised over a period of 3 years based on the estimated useful life. Goodwill on acquisition is amortised over a period of 4 years. The customer contract rights are amortised over a period of 10 years based on the requirements of Accounting Standard 26 - Intangible Assets, as the contract life is perpetual in nature.

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

I) Claims against the company not acknowledged as debts:
- Provision not made for Income tax matters in dispute in respect of disallowances ₹ 603.04 lakhs (As at March 31,2013: ₹ 603.04 lakhs)
- Excise matters in appeal in respect of valuation disputes etc ₹ 4615.43 lakhs (As at March 31, 2013: ₹ 7,365.43 lakhs)
- Claim on Excise duty matter where issue was decided in favour of the company for which department in further appeal ₹ 4.42 lakhs (As at March 31, 2013 : ₹ 4.42 lakhs)
- Sales Tax : ₹ 43.12 Lakhs (As at March 31, 2013: ₹ 23.86 lakhs)
- Other Civil Suit: ₹ Nil lakhs (As at March 31, 2013: ₹ 10.92 lakhs)

II) Estimated amount of contracts remaining to be executed on capital account and not provided for: ₹ 11477.57 lakhs (As at March 31, 2013: ₹ 17541.21 lakhs) Net of advances of ₹ 1323.96 lakhs (As at March 31, 2013: ₹ 1028.79 lakhs)

23. Foreign exchange currency exposures not covered by derivative instruments as on March 31, 2014

Currency	**Amount (Foreign currency in Lakhs)**	**Amount ₹ in Lakhs**
Creditors payable on account of other foreign currency expenditure	EUR 4.10	337.88
	(EUR 4.71)	(327.50)
	USD 0.51	30.61
	(USD 0.50)	(27.03)
	JPY 271.80	17.59
	(JPY 84.81)	(49.13)

[Figures in brackets are for the previous year]

24. Earnings per share:

	Apr-Mar'14 ₹ in Lakhs	**Apr-Mar'13 ₹ in Lakhs**
(a) Profit after Tax (₹ in Lakhs)	1886.81	7887.61
(b) Number of Ordinary shares for EPS (Nos.)	7,70,00,000	7,70,00,000
(c) Nominal value per Ordinary Share (₹)	10	10
(d) Earnings Per Share (Basic & Diluted) (₹)	2.45	10.24

25. The Company has entered into agreement with Tata Motors Limited, permitting the Company to use Tata Motors's land and factory buildings for its operations and for sharing common services and facilities. Fixed rentals for Land and Factory building are charged to the Statement of Profit & Loss. The said agreement is renewable in every five years.

26. Change in Inventory of unbilled cost:

	Apr-Mar'14 ₹ in Lakhs	**Apr-Mar'13 ₹ in Lakhs**
Balance at the beginning of the year	310.18	354.17
Less: Balance at the end of the year	928.63	310.18
Change in Unbilled Cost	**-618.45**	43.99

27 DISCLOSURE RELATING TO EMPLOYEE BENEFITS

Defined benefit plans / Long term compensated absences - As per actuarial valuations as on March 31, 2014

Rs. in Lakhs

		Gratuity					Superannuation					Compensated absences*					Post-retirement Medicare scheme*					BKY*				
		2013-14	2012-13	2011-12	2010-11	2009-10	2013-14	2012-13	2011-12	2010-11	2009-10	2013-14	2012-13	2011-12	2010-11	2009-10	2013-14	2012-13	2011-12	2010-11	2009-10	2013-14	2012-13	2011-12	2010-11	2009-10
i	**Components of employer expense**																									
	Current Service cost	228.90	169.34	169.55	66.03	57.99	11.12	14.80	15.35	8.53	12.00	203.12	145.47	124.07	55.58	48.95	46.69	37.23	29.00	12.68	11.10	45.79	36.13	31.37	9.66	7.32
	Interest cost	320.72	243.02	218.33	112.13	103.57	13.59	18.63	17.80	11.68	14.05	87.34	74.09	62.57	26.06	22.43	73.36	58.87	62.52	30.18	28.48	37.45	26.25	24.20	8.96	8.10
	Expected return on plan assets	(309.63)	(234.51)	(225.57)	(108.83)	(102.20)	(19.24)	(25.75)	(22.55)	(20.85)	(27.72)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Actuarial Losses/(Gains)	120.54	5.42	319.05	35.41	64.39	34.75	(21.67)	(23.31)	18.99	1.67	(148.06)	22.03	210.62	139.39	91.41	19.20	12.50	(50.41)	7.72	16.94	(25.44)	68.55	(2.46)	18.86	8.65
	Total expense / (income) recognised in the Statement of Profit & Loss Account in	**360.53**	**183.27**	**481.36**	**104.74**	**123.75**	**40.22**	**(13.99)**	**(12.71)**	**18.35**	**0.00**	**142.40**	**241.59**	**397.26**	**221.03**	**162.79**	**139.25**	**108.60**	**41.11**	**50.58**	**56.52**	**57.80**	**130.93**	**53.11**	**37.48**	**24.07**
ii	**Actual Contribution and Benefit Payments for year ended 31 March 2014**																									
	Actual benefit payments	(491.57)	(344.29)	(294.96)	(159.49)	(149.26)	(109.32)	(26.69)	(37.85)	(51.57)	(71.50)	(272.27)	(256.47)	(266.96)	(147.25)	(92.90)	(84.51)	(82.77)	(85.35)	(36.66)	(36.38)	(33.01)	(28.30)	(29.69)	(14.06)	(13.96)
	Actual Contributions	241.24	39.57	565.51	71.85	139.72	-	14.80	15.35	(165.17)	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
iii	**Net asset/(liability) recognised in balance sheet as at March 31, 2014**																									
	Present Value of Defined Benefit Obligation	4,111.97	4,086.76	3031.25	1452.84	1398.95	184.29	255.95	289.30	162.41	198.80	1,037.42	1,182.07	999.88	454.03	380.25	974.95	920.82	733.92	387.35	373.43	487.03	465.04	322.93	135.84	112.42
	Fair value of plan assets	3901.45	3995.53	3083.72	1425.21	1404.21	155.19	323.30	327.86	149.10	264.95	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Net asset/(liability) recognised in balance sheet	**(210.52)**	**(91.23)**	**52.47**	**(27.63)**	**5.26**	**(29.10)**	**67.35**	**38.56**	**(13.31)**	**66.15**	**(1,037.42)**	**(1,182.07)**	**(999.88)**	**(454.03)**	**(380.25)**	**(974.95)**	**(920.82)**	**(733.92)**	**(387.35)**	**(373.43)**	**(487.03)**	**(465.04)**	**(322.93)**	**(135.84)**	**(112.42)**
	Short-term	(210.52)	(91.23)	52.47	(27.63)	5.26	(29.10)	67.35	38.56	(13.31)	66.15	(155.06)	(75.00)	(98.72)	(49.86)	-	(47.68)	(39.00)	(152.96)	(12.04)	-	(39.88)	892.93	(22.62)	(14.19)	-
	Long-term	-	-	-	-	-		-	-	-	-	(882.36)	(1,107.07)	(901.16)	(404.17)	-	(927.27)	(881.82)	(580.96)	(375.31)	-	(447.15)	(427.89)	(300.31)	(121.65)	-
	Experience Adjustment on Plan Liability	(271.79)	(85.14)	(88.24)	1.94	(17.00)	12.95	27.64	(11.34)	5.03	(0.38)	(75.30)	10.32	(141.22)	(117.89)	(63.60)	67.28	57.05	6.10	22.97	(22.36)	6.98	(83.15)	(13.89)	(16.81)	(6.07)
	Experience Adjustment on Plan Assets	130.30	84.77	(96.78)	(0.19)	29.34	21.80	(18.41)	34.65	(24.02)	(1.29)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iv	**Change in Defined Benefit Obligations (DBO) during the year ended March 31, 2014**																									
	Present Value of DBO at beginning of year	4,086.76	3,031.25	2716.06	1398.95	1292.93	255.95	289.30	282.66	198.80	243.87	1,182.07	999.88	869.58	380.25	310.36	920.82	733.92	778.16	373.43	353.29	465.04	322.93	299.51	112.42	102.31
	Current Service cost	228.90	169.34	169.55	66.03	57.99	11.12	14.80	15.35	8.53	12.00	203.12	145.47	124.07	55.58	48.95	46.69	37.23	29.00	12.68	11.10	45.79	36.13	31.37	9.66	7.32
	Interest cost	320.72	243.02	218.33	112.13	103.57	13.59	18.63	17.80	11.68	14.05	87.34	74.09	62.57	26.06	22.43	73.36	58.87	62.52	30.18	28.48	37.45	26.25	24.20	8.96	8.10
	Actuarial (gains)/ losses	-9.76	90.19	222.27	35.22	93.72	12.95	(40.09)	11.34	(5.03)	0.38	(148.06)	22.03	210.62	139.39	91.41	19.20	12.50	(50.41)	7.72	16.94	(25.44)	68.55	(2.46)	18.86	8.65
	Acquisitions / Transfer in /transfer out	-23.08	897.25									(14.78)	197.07				(0.61)	161.07				(2.80)	39.48	-	-	-
	Benefits paid	(491.57)	(344.29)	(294.96)	(159.49)	(149.26)	(109.32)	(26.69)	(37.85)	(51.57)	(71.50)	(272.27)	(256.47)	(266.96)	(147.25)	(92.90)	(84.51)	(82.77)	(85.35)	(36.66)	(36.38)	(33.01)	(28.30)	(29.69)	(14.06)	(13.96)
	Present Value of DBO at the end of year	**4,111.97**	**4,086.76**	**3,031.25**	**1,452.84**	**1,398.95**	**184.29**	**255.95**	**289.30**	**162.41**	**198.80**	**1,037.42**	**1,182.07**	**999.88**	**454.03**	**380.25**	**974.95**	**920.82**	**733.92**	**387.35**	**373.43**	**487.03**	**465.04**	**322.93**	**135.84**	**112.42**
v	**Change in Fair Value of Assets during the year ended March 31, 2014**																									
	Plan assets at beginning of year	3,995.53	3,083.72	2684.38	1404.21	1282.21	323.31	327.86	293.16	369.01	310.02	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Acquisition Adjustment/other	(23.08)	897.25				(67.35)																			
	Actual return on plan assets	309.63	234.51	225.57	108.83	102.20	19.24	25.75	22.55	20.85	27.72	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Acturial Gains/Losses	(130.30)	84.77	(96.78)	(0.19)	29.34	(21.80)	(18.41)	34.65	(24.02)	(1.29)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Actual Company contributions	241.24	39.57	565.51	71.85	139.72	11.12	14.80	15.35	(165.17)	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Benefits paid	(491.57)	(344.29)	(294.96)	(159.49)	(149.26)	(109.32)	(26.69)	(37.85)	(51.57)	(71.50)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Plan assets at the end of year	**3,901.45**	**3,995.53**	**3,083.72**	**1,425.21**	**1,404.21**	**155.19**	**323.31**	**327.86**	**149.10**	**264.95**	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
vi	**Actuarial Assumptions**																									
	Discount Rate	9.20%	8.35%	8.50%	8.50%	8.50%	6.75%	6.75%	6.75%	6.75%	6.75%	9.20%	8.35%	8.50%	8.50%	8.50%	9.20%	8.35%	8.50%	8.50%	8.50%	9.20%	8.35%	8.50%	8.50%	8.50%
	Expected Return on plan assets	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Salary escalation	5%-11%	5%-11%	5%-10%	5%-10%	5%-8%	N/A	N/A	N/A	N/A	N/A	5%-11%	5%-11%	5%-10%	5%-10%	5%-8%	5%-11%	5%-11%	5%-10%	5%-10%	N/A	5%-11%	5%-11%	5%-10%	5%-10%	5%-8%
	Medical cost inflation	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	6.0%	5.0%	4.0%	4.0%	4.0%	N/A	N/A	N/A	N/A	N/A
vii	**The major categories of plan assets as percentage of total plan assets**																									
	Debt securities	77%	77%	77%	70%	68%	77%	77%	77%	80%	79%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Balances with banks	23%	23%	23%	30%	32%	23%	23%	23%	20%	21%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

viii	**Effect of one percentage point change in assumed Medical Inflation rate**	**One percentage point increase in Medical Inflation rate**				**One percentage point decrease in Medical Inflation rate**			
		2013-14	**2012-13**	**2011-12**	**2010-11**	**2014-14**	**2012-13**	**2011-12**	**2010-11**
	DBO as at 31 March 2014	107.84	991.31	796.43	418.01	92.26	859.44	679.15	360.2
	Service cost for 2013-14	14.05	50.43	33.68	14.84	11.85	26.18	25.13	10.91
	Interest cost for 2013-14		72.07	68.23	32.87		47.82	58.44	27.82

a) **Defined Contribution Plans-**

The Company's contribution to defined contribution plan aggregated Rs. 1176.90 lakhs (2012-13 Rs 854.10 lakhs) for the year ended March 31, 2014 has been recognised in the statement of Profit and Loss Account

b) The expected rate of return on plan assets is based on market expectation, at the beginning of the year, for returns over the entire life of the related obligation.

c) The assumption of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

* Represents not funded schemes

28. The Company is engaged in the activities related to manufacture of axles, gear boxes and spare parts thereof. These in the context of Accounting Standard 17 on segment reporting, as specified in the Companies (Accounting Standards) Rules, 2006 are considered to constitute one single primary segment. Further there is no reportable secondary segment i.e Geographical Segment.

29 Related Party disclosures for the year ended 31 March, 2014 (With whom the company had transactions during the year)

A Related Party and their relationship

Tata Motors Ltd.		Holding Company
TAL Manufacturing Solutions Limited Tata Technologies Litmited Tata Daewoo Commercial Vehicle Co. Limited	}	Fellow subsidiaries
Mr S K Morri* Mr A.Jamaiyar	}	Key Managerial Personnel

* Manager under the Companies Act, 1956

TML DRIVELINES LIMITED

Notes forming part of the financial statements

B Transactions during the year:-

(₹ in Lakhs)

		Holding Company	*Fellow Subsidiaries	Key Managerial Personnel	Total
(i)	Sale of Services **#	**(71,167.80)**	**-**	**-**	**(71,167.80)**
		(76,345.28)	-	-	(76,345.28)
(ii)	Interest Received	**(1,593.09)**	**-**	**-**	**(1,593.09)**
		(2,255.99)	-	-	(2,255.99)
(iii)	Rent paid***	**562.41**	**-**	**-**	**562.41**
		(445.21)	-	-	(445.21)
(iv)	Purchase of Materials ##	**886.69**		**-**	**886.69**
		(9.54)	(4.01)	-	(13.55)
(v)	Sale of Materials	**-**	**-**	**-**	**-**
		(5.97)	-	-	(5.97)
(vi)	Purchase of Fixed Assets**##	**-**	**654.96**	**-**	**654.96**
		-	(220.64)	-	(220.64)
(vii)	Purchase of Services **+	**9,483.60**	**185.37**	**-**	**9,668.97**
		(5,915.41)	(66.90)	-	(5,982.31)
(viii)	Receiving of Services	**-**	**-**	**99.37**	**99.37**
		-	-	(126.78)	(126.78)
(ix)	Inter Corporate Deposit Given	**36,420.00**	**-**	**-**	**36,420.00**
		(52,960.00)	-	-	(52,960.00)
(x)	Inter Corporate Deposit Received Back	**45,340.00**	**-**	**-**	**45,340.00**
		(49,625.00)	-	-	(49,625.00)
(xi)	Dividend Paid	**2,695.00**	-	-	**2,695.00**
		(5,005.00)	-	-	(5,005.00)
(xii)	Lease Rental**	**(90.31)**	-	-	**(90.31)**
		(54.76)	-	-	(54.76)
(xiii)	ED transferred	**11,605.36**	-	-	**11,605.36**
		(16,577.31)	-	-	(16,577.31)
(xiv)	Purchase of Forge Division - Refer Note 21 (Under Slump Sale Agreement)	**-**	-	-	**-**
		(11,000.00)			(11,000.00)
(xv)	Outstanding balance as at March 31,2014				**-**
	Amount Payable++	**(2,579.04)**	**(132.04)**	**-**	**(2,711.07)**
	(Balance as at March 31,2013)	(1,513.67)	(53.39)	-	(1,567.06)
	Amount Receivable	**-**	**-**	**2.16**	**2.16**
	(Balance as at March 31,2013)	-	-	(2.41)	(2.41)
	Advances Given+++	**-**	**43.95**	**-**	**43.95**
	(Balance as at March 31,2013)	-	(42.24)	-	(42.24)
	Amount Receivable in respect of ICD placed	**500.00**	-	-	**500.00**
	(Balance as at March 31,2013)	(9,420.00)	-	-	9,420.00
#	Note: Includes Excise Duty paid on despatches of goods processed	**(29,715.87)**	-	-	**(29,715.87)**
		(35,186.11)	-	-	(35,186.11)

* Transactions and balances shown under Fellow Subsidiaries relates to TAL Manufacturing Solution Ltd., Tata Daewoo Commercial Vehicle Co. Limited and Tata Technologies limited

** It includes service tax paid ₹ **463.22** lakhs (Previous year: ₹ 369.56 lakhs) & service tax received of ₹ **185.92** lakhs (Previous year : ` 179.68 lakhs)

Includes purchase of Fixed Assets from TAL Manufacturing Solution - ₹ **579.25** Lakhs (Previous year: ₹ 106.47 lakhs), Tata Daewoo Commercial Vechicle Co. Limited- ₹ NIL (Previous year: ₹ 25.24 lakhs)and Tata Technologies limited - ₹ **75.70** Lakhs (Previous year: ₹ 88.93 lakhs)

\+ Includes purchase of services from Tata Technologies limited - ₹ **185.37** Lakhs (Previous year: ₹ 66.90 lakhs)

++ Includes amount payable to TAL Manufacturing Solution - ₹ **107.92** Lakhs (Previous year : ₹ 20.96 lakhs), Tata Daewoo Commercial Vechicle Co. Limited - ₹ NIL (Previous year: ₹ 7.83 lakhs) and Tata Technologies limited -₹ **24.12** Lakhs (Previous year: ₹ 24.60 lakhs)

+++ Includes advance given to TAL Manufacturing Solution Ltd. ₹ **43.95** Lakhs (Previous year: ₹ 42.24 lakhs)

TML DRIVELINES LIMITED
Notes forming part of the financial statements

		2013-14 ₹ in Lakhs	2012-13 ₹ in Lakhs
30	C.I.F. value of imports (Rupees in lakhs)		
	Machinery Spares and Tools	944.22	677.24
	Capital Goods & Services	3,255.87	3,146.60

- The company has taken the view that spares and components, the value and percentage of Imported and Indigenous raw materials and components consumed, covers only such items as go directly into production.

31	Expenditure in foreign currency		
	Consultancy charges	2.88	2.71
	Other matters	-	16.70

32 Disclosure of Sundry Creditors under Current Liabilities is based on the information available with the Company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006". No interest is paid or payable as on March 31,2014.

		2013-14 ₹ in Lakhs
33	**Expenditure Incurred on Research & Development**	
	a) Revenue Expenditure - Charged to Profit & Loss Account	102.77
	b) Revenue Expenditure - Capitalised	464.83
	c) Capital Expenditure	1056.31

34 Figures for the previous period/year have been regrouped/reclassified to confirm to the current year classification. Current period figures includes balances relating to acquisition of forge division and to that extent are not comparable with previous period figures.

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Tata Motors Insurance Broking & Advisory Services Limited

Annual Report 2013 – 14

DIRECTORS' REPORT

TO THE MEMBERS OF
TATA MOTORS INSURANCE BROKING AND ADVISORY SERVICES LIMITED

The Directors present their Seventeenth Annual Report and the Audited Statement of Accounts for the year ended March 31, 2014.

As required under the Ministry of Corporate Affairs' General Circular 08/2014 No. 1/19/2013-CL-V dated April 4, 2014, the Financial Statements and other reports required to be attached to the Annual Report for FY 2013-14 are governed by the relevant provisions, schedules, rules of the Companies Act, 1956.

1. FINANCIAL RESULTS

(Rs. in lakhs)

Particulars	**Financial Year**	
	2013-14	**2012-13**
Gross Income	3,482.58	5,629.05
Less: Operating Expenses/Depreciation/Others	3,550.66	4,923.46
(Loss)/ Profit before tax	**(68.08)**	**705.59**
Provision for Tax	(12.89)	82.17
(Loss)/ Profit after tax	**(55.19)**	**623.42**
Profit/(Loss) Brought forward	873.06	354.93
Amount Available for appropriation	817.87	978.35
Appropriations		
Equity Dividend (inclusive of Tax on Dividend)	-	58.49
General Reserve	-	46.80
Balance Carried to Balance Sheet	**817.87**	**873.06**

During the year under review, the Company's Gross Revenue (Brokerage & Fees) was Rs. 3406.83 lakhs and the Loss After Tax was Rs. 55.19 lakhs (Previous Year: Gross Revenue was Rs.5,606.32 lakhs and Profit after tax Rs. 623.42 lakhs).

2. DIVIDEND

In view of loss, your Directors do not recommend any dividend on the Equity Shares of the Company for the year under review. (Previous year – Rs.2 per Equity Share)

3. REVIEW OF BUSINESS OPERATIONS & OUTLOOK

The year that went by had both Macro and Micro economic challenges there by posing business environment under stress. Automobile industry has undergone severe strain in terms of business not picking up and inflation has kept the regulator to unleash high interest regime. There was a

solace in the vote on account in which there has been excise duty concession which was supposed to bring in market uptake has not made any impact in the overall business environment.

Corporate Business: The Company has 49 active mandates covering approximately 79 companies and has successfully obtained new mandates during the year including Mumbai Mobile Creches, York Transport Equipment, Continuous Annealing of Concord Motors, Tata AIG General Insurance Co Ltd, TAL Manufacturing Solutions Limited, etc.

Retail Business:
Details of Policies renewed and Claims settled during the financial year under review is as follows:

Business Vertical	No. of Policies	No. of claims settled
PVBU	1,32,139	58,542
CVBU	1,57,886	13,462
FORD	71,308	32,594
NISSAN	10,366	52,30
Renault	1,607	152

The new process which is envisaged under the new regulation provides use of technology and distance marketing which will provide regulatory compliance and customer engagement in the system. The Company has also undertaken new recruitments to be positioned at various locations PAN India which will provide us the live updates of the customer issues and expectations.

The corporate business is under stress for different nature in terms of customer discounts which are offered by insurance companies towards property insurance, in spite of increase in sum insured relative increase in revenue do not measure up to the scale. Employee benefit program like Health is in such a situation that insurance companies are picking up the business in spite of high losses with a discounted premium compared to the paid ones.

The Direct General Insurance Broker License of the Company has been renewed for a period of 3 years upto May 12, 2017.

4. HUMAN RESOURCE DEVELOPMENT

During the year under review, the Company continued with PACT initiative. To meet business and regulatory requirements Company intends to hire 150 new employees and augment number of branch offices by next fiscal end.

5. INFORMATION ON CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars relating to provisions of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, as regards reporting on conservation of energy, technology absorption and foreign exchange earnings and outgo are given in Annexure I to this report.

6. DIRECTORS

Pursuant to the provisions of Section 161 of the Companies Act, 2013 and Articles of Association of the Company, Mr Shyam Mani was appointed as an Additional Director of the Company, subject to approval of Insurance Regulatory and Development Authority ('IRDA') and he would cease to hold office at the forthcoming Annual General Meeting of the Company and is eligible for re-appointment.

During the year, Mr Neeraj Garg and Mr P Y Gurav resigned as Directors of the Company with effect from June 11, 2013 and December 31, 2013 respectively. The Board placed on record their sincere appreciation of the services rendered by them and the role played them in the Company's growth as Directors of the Company.

In accordance with the requirements of the Companies Act, 1956 and the Articles of Association of the Company, Mr V B Somaiya retire by rotation at this Annual General Meeting and is eligible for re–appointment.

7. AUDITORS

M/s Deloitte Haskins & Sells LLP (DHS LLP), Chartered Accountants (ICAI Firm Registration No.117366W/W-100018), who are the Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting (AGM). It was proposed to re-appoint them to examine and audit the accounts of the Company for three years to hold office from the conclusion of this AGM till the conclusion of the AGM of the Company to be held in the year 2017 subject to ratification of their appointment at every AGM. DHS LLP have, under Section 139(1) of the Companies Act, 2013 and the Rules framed thereunder furnished a certificate of their eligibility and consent for re-appointment.

During the year under review, DHS converted itself into a Limited Liability Partnership (LLP) under the provisions of the Limited Liability Partnership Act, 2008 and is now known as Deloitte Haskins & Sells LLP (DHS LLP) with effect from November 20, 2013. In terms of the Ministry of Corporate Affairs, Government of India, General Circular No. 9/2013 dated April 30, 2013, which states that if a firm of CAs, being an auditor in a company under the Companies Act, 1956, is converted into an LLP, then such an LLP would be deemed to be the auditor of the said company. The Board of Directors of the Company has taken due note of this change. Accordingly, the audit of the Company for FY 2013-14 was conducted by DHS LLP.

8. GOVERNANCE STRUCTURE

a. The Company recognizes its role as a corporate citizen and endeavors to adopt the best practices and the highest standards of Corporate Governance though transparency in business ethics, accountability to its customers, government and others.

b. The Company functions through the Board of Directors and Committees of the Board, which have been delegated appropriate powers to perform their respective duties.

c. The Board of Directors of the Company comprises of all Non-Executive Directors. During the year under review, six meetings were held on April 3, 2013, April 30, 2013, June 11, 2013, July 30, 2013, October 10, 2013 and January 31, 2014. The maximum time-gap between any 2 consecutive meetings did not exceed 4 months.

d. While it is not mandatory, the Company has formed an Audit Committee comprises of all Non-Executive Directors. During the year under review, four meetings were held on April 30, 2013, July 30, 2013, October 28, 2013 and January 31, 2014. The Audit Committee Meetings are usually attended by the Principal Officer, Chief Financial Officer, Internal Auditor and Statutory Auditors of the Company.

e. While it is not mandatory, as a good corporate governance practice, the Company is getting quarterly financials audited and these are reviewed by the Audit Committee and adopted by the Board.

f. The Management is responsible for the integration of risk management practices into the day to day activities. The scope of the Audit Committee includes review of the Company's financial and risk management policies. The Audit Committee reviews the Audit reports covering operational, financial and other business risk areas. The Board has the overall review responsibility of risk management.

g. A reference may please be made to the Schedule to the financial statements which shows the information regarding related parties and transactions with them. These transactions are with the holding company and fellow subsidiaries. These are in the normal course of business and are entered at an arm's length.

h. The Company follows the Accounting Standards notified under the Companies Act, 1956 in the preparation of financial statements, the Company has not adopted a treatment different from that prescribed in any Accounting Standards.

i. During the year under review, the Company has formed Corporate Social Responsibility Committee (CSR Committee) comprising of Mr R K Bagga (Chairman), Mr R Ramakrishnan and Mr V B Somaiya to formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013, Recommend the amount of expenditure to be incurred on the activities and Monitor the Corporate Social Responsibility Policy of the Company from time to time.

j. The Company has adopted policy on sexual harassment in line with Tata Code of Conduct to address issues of sexual harassment at the work place. During the year under review, the Company has not received any complaint on sexual harassment.

9. PUBLIC DEPOSITS

The Company has not accepted any fixed deposits within the meaning of Section 58A and/or Section 58AA of the Companies Act, 1956, during the year under review.

10. PARTICULARS OF EMPLOYEES

A statement containing the names and other particulars of employees of the Company as required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is given as Annexure II forming part of the Report.

11. COMPLIANCE CERTIFICATE

As per the provisions of Section 383A of the Companies Act, 1956, the Compliance Certificate from a Secretary in whole time practice is given as Annexure III forming part of the Report

12. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors based on the representation received from the Operating Management, confirm that –

i. in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
ii. they have, in the selection of the accounting policies, consulted the Statutory Auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
iii. they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the

Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. they have prepared the annual accounts on a "going concern basis".

13. ACKNOWLEDGEMENTS

The Directors wish to convey their appreciation to all of the Company's employees for their person efforts as well as their collective contribution to the Company's performance. The Directors would also like to thank the customers, bankers, Government and all the business associates for the continuous support given by them to the Company and confidence reposed in the Management.

On behalf of the Board of Directors

Director **Director**

Mumbai, May 8, 2014

ANNEXURE I TO THE DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2014.

PARTICULARS AS PER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2014:

A CONSERVATION OF ENERGY

(a) Energy Conservation measures taken: Though the activities of the Company are not energy-intensive, necessary measures are taken to contain and bring about savings in power consumption through improved operational methods and better housekeeping.

(b) Additional Investments and proposals, if any, being implemented for reduction of consumption of energy: Nil

(c) Impact of the measures taken at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods: These measures are expected to reduce energy consumption.

(d) Total energy consumption and energy consumption per unit of production as per Form-A to the Annexure to the Rules in respect of Industries specified in the Schedule: Not Applicable.

B. TECHNOLOGY ABSORPTION

Research & Development (R & D)

1. Areas in which R & D is carried out : None
2. Benefits derived as a result of the above efforts : Not applicable
3. Future plan of action : None
4. Expenditure on R & D : Nil
5. Technology absorption, adaptation and innovation : None
6. Imported Technology for the last 5 years : None

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The total Foreign Exchange Earnings and Outgo during the year under review are as follows:

Foreign Exchange Earnings : Rs. Nil (F.Y. 2012-13 : Rs. Nil)
Foreign Exchange Outflow : Rs. Nil (F.Y. 2012-13 : Rs.202,280)

On behalf of the Board of Directors

Director **Director**

Mumbai, May 8, 2014

ANNEXURE – II

Statement of particulars of employees pursuant to the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 forming part of the Directors Report for the year ended March 31, 2014.

Sr No	Name of the Employee	Age (Yrs)	Designation/ Nature of duty	Gross Remune-ration(₹)	Net Remune-ration(₹)	Qualifica-tion	Exper-ience	Date of Joining	Last Employm ent held
1	Deepak Sharma	52	Head Insurance & Principal Officer	7,678,648	5,055,679	B Sc.	28	01-09-2010	Tata Capital Limited
2	Veena Wadkar	44	Chief Financial Officer	6,889,570	4,834,747	B.Com., ACA	20	01-09-2010	Tata Capital Limited

1. Gross Remuneration shown above is subject to tax and comprises of salary, allowances, variable pay, monetary value of perquisites as per Income-tax rules and Company's contribution to provident fund and superannuation fund
2. In addition to the above remuneration, employees are entitled to gratuity, medical benefits, leave entitlements etc. in accordance with the Company's rules.
3. The net remuneration is arrived at after deducting from the gross remuneration, Income Tax, Company's contribution to provident fund, superannuation fund and the monetary value of non-cash perquisites, wherever applicable.
4. The above employees have adequate experience to discharge the responsibilities assigned to them.
5. None of the employees mentioned above is a relative of any Director of the Company.

On behalf of the Board of Directors

Director **Director**

Mumbai, May 8, 2014

Deloitte
Haskins & Sells LLP

Chartered Accountants
Indiabulls Finance Centre
Tower 3, 27th - 32nd Floor
Senapati Bapat Marg
Elphinstone Road (West)
Mumbai - 400 013
Maharashtra, India

Tel: +91 (022) 6185 4000
Fax: +91 (022) 6185 4501/4601

REF: RKB/6500

Independent Auditors' Certificate

(Referred to in paragraph 3 under 'Report on Other Legal and Regulatory Requirements' section forming a part of the Independent Auditors' Report dated May 8, 2014)

1. We, M/s. DELOITTE HASKINS & SELLS LLP ,Mumbai, Chartered Accountants (Firm Registration Number 117366W/W-100018), the Auditors of **TATA MOTORS INSURANCE BROKING & ADVISORY SERVICES LIMITED** (the "Company") having its registered office at Nanavati Mahalaya, 3rd Floor, Tamarind Lane, Homi Mody Street Fort, Mumbai 400001 have verified the audited books of accounts and other records maintained by the broking company in the usual course of its business for the purpose of certifying the compliance of the Insurance Regulatory and Development Authority (Insurance Brokers) Regulations, 2013 ("IRDA Regulations") to the extent applicable to the Company during the current financial year ended March 31, 2014 as required under the Regulation 29(6) of the IRDA Regulations.

2. The Management of the Company is responsible for ensuring the compliance with the IRDA Regulations during the current financial year ended March 31, 2014 as a Direct Broker and maintenance of proper books of accounts and such other records as prescribed under the IRDA Regulations. This includes collecting, collating and validating data and designing, implementing and monitoring of internal controls suitable for ensuing the compliance with the IRDA Regulations.

3. Our responsibility, for the purpose of this certificate, is limited to certifying the compliance of IRDA Regulations to the extent applicable to the Company during the current financial year ended March 31, 2014 as required under the Regulation 29(6) of IRDA Regulations. We conducted our verification in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes and Standards on Auditing issued by the Institute of Chartered Accountants of India, which includes the concept of test checks and materiality.

4. On the basis of our verification of such audited books of account and other relevant records and documents as referred to in paragraph 3 above, and according to the information, explanations and representations provided to us by the Management of the Company, we certify that:

    1. The Company's paid up equity share capital has been in excess of the prescribed minimum of Rs. 50 lakhs throughout the current financial year.

    2. The Company has maintained an average net worth of Rs. 1,156.36 lakhs (determined on a simple average of the net worth as at 31st March, 2013 and 2014) and it has not fallen below the threshold of 100% of the minimum capital prescribed under regulation 9 of the IRDA Regulations during the year.

    3. The Company has maintained fixed deposits with scheduled banks aggregating Rs. 50 lakhs (which is above 20% of the minimum capital/contribution prescribed under regulation 9 of the IRDA Regulations) throughout the year.

4. The Company has maintained, throughout the year, a professional indemnity insurance cover in respect of the risks identified in Schedule III of the IRDA Regulations for a sum of Rs. 18,000 lakhs which exceeds three times the remuneration received by the Company as at the end of the previous financial year.

5. The Company has paid the specified fees, in the manner and within the period prescribed in Schedule IV of the IRDA Regulations.

6. The Company's application for renewal of its license was pending with IRDA at the beginning of the year. The license has been renewed on March 26, 2014 retrospectively from May 13, 2011 and is valid upto May 12, 2014.

7. In respect of the Company's life and general insurance business, the Company has not recovered or contracted to recover by way of remuneration (including royalty or license fees or administration charges or in any other form), an amount exceeding the limits as specified/notified by the Authority in circular no. 011/IRDA/Brok-Comm/Aug-08 dated 25-08-2008 issued in this behalf and as amended from time to time

8. The Company has settled its accounts in respect of its remuneration at a monthly interval and there has been no cross settlement of outstanding balances.

9. The business of the Company has been carried in such a manner that, not more than 50% of the premium (excluding reinsurance premium, as well as premium towards insurance business emanating from public sector undertakings) emanates from any one client in the current financial year.

10. The Company's account has not been credited by the insurer for any refund of premium which had become due to an insured on account of cancellation of a policy or alteration in the terms and conditions of a policy.

11. During the year, the Company has submitted a copy of the audited financial statements as at and for the year ended March 31, 2013 (comprising the Balance Sheet as at March 31, 2013; the Statement of Profit and Loss for the year ended on March 31, 2013 and the Cash Flow Statement for the year ended on March 31, 2013 and a summary of significant accounting policies and other explanatory information) with the Insurance Regulatory and Development Authority ("IRDA") before September 30, 2013.

12. All the books of account, statements, documents, and other relevant records, have been maintained by the Company at its head office at Tulsiani Chambers , 8th Floor, Unit 801-804 – Free Press journal Marg , Nariman Point, Mumbai – 400021.

13. During the year, the Company has submitted its un-audited financial statements as at and for the half year ended September 30, 2013 and March 31, 2014 to the IRDA before October 31, 2013 and April 30, 2014, respectively.

14. The Company has submitted for the half year ended March 31, 2014, the following certificates prescribed in Regulation 30 of the IRDA Regulations to the IRDA before April 30, 2014:

    (i) A certificate to the effect that the Company is maintaining required capital, the Company is not engaged in any other business other than insurance broker and also maintaining the required net worth as required under regulation 9 and 11 of IRDA Regulations.

    (ii) A certificate to the effect that the Company is maintaining a deposit in compliance with the regulation 12 of IRDA Regulations.

    (iii) A certificate to the effect that a Professional Indemnity Policy is in force in compliance of regulation 13 of IRDA Regulations.

(iv) A certificate confirming that the Company has received the remuneration as per limits prescribed in regulation 25 of IRDA Regulations.

15. The Company has established a system of internal audit which is commensurate with its size, nature and complexity of its business. As on March 31, 2014, Company is in the process of appointment of the designated Compliance Officer for the Company who will be responsible the internal controls and systems.

16. The Company has, before offering any claim consultancy, obtained a written mandate from its client to represent the client with the insurer concerned for the claim for which consultancy has been sought by the client.

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

Rupen K. Bhatt
Partner
(Membership No. 46930)

Date: May 08, 2014

Place: Mumbai

Tata Motors Insurance Broking & Advisory Services Limited

Balance Sheet as at March 31 ,2014

	Note No.	As at March 31,2014 Rupees	As at March 31,2013 Rupees
I. EQUITY AND LIABILITIES			
1 **Shareholder's Funds**			
(a) Share Capital	"2"	2,50,00,000	2,50,00,000
(b) Reserves and Surplus	"3"	8,78,76,323	9,33,95,106
		11,28,76,323	**11,83,95,106**
2 **Non-current Liabilities**			
Long-term Provisions	"4"	51,96,225	43,84,683
3 **Current Liabilities**			
(a) Trade Payables	"5"	3,42,84,968	10,92,50,237
(b) Other Current Liabilities	"6"	23,28,717	78,43,331
(c) Short-term Provisions	"4"	2,98,775	60,78,067
		3,69,12,460	**12,31,71,635**
TOTAL		**15,49,85,008**	**24,59,51,424**
II. ASSETS			
1 **Non-Current Assets**			
(a) Fixed Assets	"7"		
(i) Tangible Assets		28,25,207	23,89,361
(ii) Intangible Assets		4,38,937	1,18,608
		32,64,144	25,07,969
(b) Deferred Tax Assets	"8"	1,47,57,728	1,34,46,852
(c) Long Term Loan & Advances	"9"	5,37,43,426	5,09,52,166
(d) Other Non Current Assets	"10"	-	1,56,558
		7,17,65,298	**6,70,63,545**
2 **Current Assets**			
(a) Current Investments	"11"	3,59,79,306	2,79,57,820
(b) Trade Receivables	"12"	2,49,06,739	9,10,20,186
(c) Cash and Bank Balances	"13"	1,09,76,882	5,02,45,409
(d) Short Term Loan & Advances	"14"	64,93,200	58,50,000
(e) Other Current Assets	"15"	48,63,583	38,14,464
		8,32,19,710	**17,88,87,879**
TOTAL		**15,49,85,008**	**24,59,51,424**
Notes forming part of Financial Statements	"1-27"		

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Rupen K Bhatt
Partner

Mumbai
Date: 8th May 2014

For and on behalf of the Board

Rajesh Bagga

V B Somaiya
Directors

Deepak Sharma
Principal Officer

Mumbai
Date: 8th May 2014

Tata Motors Insurance Broking & Advisory Services Limited

Statement of Profit and Loss for the year ended March 31 ,2014

		Note No.	Year ended March 31,2014 Rupees	Year ended March 31,2013 Rupees
I.	Revenue from operations	"16"	34,06,82,946	56,06,31,899
II.	Other Income	"17"	75,75,465	22,73,604
III.	**Total Revenue (I + II)**		**34,82,58,411**	**56,29,05,503**
IV.	**Expenses :**			
(a)	Employee cost / benefits expense	"18"	6,41,48,608	6,28,23,145
(b)	Finance Costs (Interest on ICD)		-	9,10,306
(c)	Depreciation and Amortisation Expense		9,50,963	8,68,094
(d)	Other Expenses	"19"	28,99,66,145	42,77,45,071
	Total Expenses		**35,50,65,716**	**49,23,46,616**
V.	**(Loss) / Profit Before Tax (III-IV)**		**(68,07,305)**	**7,05,58,887**
VI	**Tax Expense / (Benefit):**			
(i)	**Current Tax**			
(a)	Current Tax		-	2,16,77,870
(b)	(Less): MAT credit		-	(13,970)
(c)	Short / (Excess) provision for tax relating to prior years		22,354	-
	Net current tax expense		22,354	2,16,63,900
(ii)	**Deferred Tax (Benefit)**		(13,10,876)	(1,34,46,852)
	Total (i)+(ii)		**(12,88,522)**	**82,17,048**
	(Loss) / Profit for the year (V-VI)		**(55,18,783)**	**6,23,41,839**
VII	**Earnings Per Equity Share :**			
	Basic and Diluted Earning Per Share (Nominal Value per share Rs. 10) (refer note No.22)		**(2.21)**	**24.94**
	Notes forming part of Financial Statements	"1-27"		

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Rupen K Bhatt
Partner

Mumbai
Date: 8th May 2014

For and on behalf of the Board

Rajesh Bagga

V B Somaiya
Directors

Deepak Sharma
Principal Officer

Mumbai
Date: 8th May 2014

Tata Motors Insurance Broking & Advisory Services Limited

Cash Flow Statement for the year ended March 31 ,2014

	Year ended March 31,2014 Rupees	Year ended Mar 31,2013 Rupees
A. Cash flows from Operating Activities		
(Loss) / Net Profit Before Tax as per Statement of Profit and Loss	(68,07,305)	7,05,58,887
Adjustment for:		
Depreciation	9,50,963	8,68,094
Provision for doubtful debts	49,22,663	50,95,923
(Profit) /Loss on redemption of investments (net)	(30,95,983)	(18,13,877)
(Profit) /Loss on sale of Fixed Assets (net)	(800)	18,287
Interest expense on Inter Corporate Deposit	-	9,10,306
Interest on Fixed Deposit	(4,62,867)	(4,59,727)
Operating (Loss)/Profit before Working Capital Changes	**(44,93,329)**	**7,51,77,893**
Trade receivables	6,11,90,784	(1,75,18,673)
Other assets	(14,10,235)	(28,46,364)
Trade Payables	(7,49,65,269)	4,06,97,096
Other Current Liabilities	(55,14,614)	(60,05,926)
Provisions	8,82,000	20,82,000
Cash flow (used in) /from Operations	(2,43,10,663)	9,15,86,026
Taxes (Paid) / Refund	(28,10,614)	(2,40,06,116)
Net Cash flow (used) /from in Operating Activities	**(2,71,21,277)**	**6,75,79,910**
B. Cash Flows from Investing Activities		
Purchase of Fixed Assets	(17,07,138)	(13,32,082)
Sale of Fixed Assets	800	34,075
Interest received	3,34,341	3,06,791
Purchase of Investments (Mutual Fund Units)	(14,52,00,001)	(28,25,10,000)
Sale of Investments (Mutual Fund Units)	14,02,74,498	26,65,01,762
Fixed deposit placed with Bank with a maturity exceeding 3 months (under lien with Insurance Regulatory and Development Authority (IRDA) of India)	(40,00,000)	(40,00,000)
Fixed deposit with Bank realised (under lien with Insurance Regulatory and Development Authority (IRDA) of India)	40,00,000	40,00,000
Net Cash flow (used) in Investing Activities	**(62,97,500)**	**(1,69,99,454)**
C. Cash Flows from Financing Activities		
Repayment of Inter Corporate Deposit (repayable on demand)	-	(6,85,00,000)
Proceeds from Inter Corporate Deposit (repayable on demand)	-	5,15,00,000
Interest paid on Inter Corporate Deposit	-	(9,10,306)
Dividend Paid	(50,00,000)	(37,50,000)
Dividend Tax Paid	(8,49,750)	(6,08,344)
Net Cash flow (used) in Financing Activities	**(58,49,750)**	**(2,22,68,650)**
Net Cash Inflow / (Outflow) in Cash and Cash Equivalents	**(3,92,68,527)**	**2,83,11,806**
Cash and Cash Equivalents as at beginning of the year	4,52,45,409	1,69,33,603
Cash and Cash Equivalents as at end of the year	**59,76,882**	**4,52,45,409**
Composition of Cash and Cash Equivalents		
Cash in Hand	5,292	3,293
Balances with Banks		
in Current Accounts	59,61,590	4,52,42,116
in Cheque in hand	10,000	-
	59,76,882	**4,52,45,409**
Add: Fixed deposit placed with Bank (under lien with IRDA) with a maturity exceeding 3 months considered as investing / operating activity	50,00,000	50,00,000
Cash and bank balance as per Note No 13	**1,09,76,882**	**5,02,45,409**

Notes forming part of Financial Statements "1-27"

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Rupen K Bhatt
Partner

Mumbai
Date: 8th May 2014

For and on behalf of the Board

Rajesh Bagga

V B Somaiya
Directors

Deepak Sharma
Principal Officer

Mumbai
Date: 8th May 2014

Tata Motors Insurance Broking & Advisory Services Limited

Notes forming part of Financial Statements

	As at March 31,2014 Rupees	As at March 31,2013 Rupees
Note No. "2"		
Share Capital		
Authorised:		
189,000,000 (as at March 31, 2013: 189,000,000) Equity Shares of Rs.10 each	1,89,00,00,000	1,89,00,00,000
	1,89,00,00,000	**1,89,00,00,000**
Issued, subscribed & paid up:		
2,500,000 (as at March 31, 2013: 2,500,000) Equity Shares of Rs.10 each fully paid-up	2,50,00,000	2,50,00,000
	2,50,00,000	**2,50,00,000**
Note:-		
(A) The Company has issued only one class of equity shares having a par value of Re. 10/- per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed by the board of director's is subject to the approval of shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company the holder of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts. Distribution will be in proportion of equity shares held by the shareholders.		
(B) All the above equity shares are held by Tata Motors Limited (the holding company) and its nominees		
Note No. "3"		
Reserves and Surplus		
(i) General Reserve :		
Opening Balance	60,90,000	14,10,000
Add: Transferred from Statement of Profit & Loss	-	46,80,000
	60,90,000	**60,90,000**
(ii) Statement of Profit & Loss		
Balance brought forward from previous year	8,73,05,106	3,54,93,017
Add: (Loss) / Profit for the year	(55,18,783)	6,23,41,839
Amount available for appropriation	**8,17,86,323**	**9,78,34,856**
Appropriations:		
(a) General Reserve	-	46,80,000
(b) Proposed Dividend	-	50,00,000
(c) Tax on Proposed Dividend	-	8,49,750
	-	**1,05,29,750**
Balance carried forward	**8,17,86,323**	**8,73,05,106**
	8,78,76,323	**9,33,95,106**
Note No. "4"		
Long - Term Provisions		
Provision for employee benefits :		
Provision for Gratuity (unfunded)	31,43,708	25,73,425
Provision for Long Term Services Awards	2,15,000	1,73,000
Provision for Compensated Absences (unfunded)	18,37,517	16,38,258
	51,96,225	**43,84,683**
Short term provisions		
(i) Provision for employee benefits :		
Provision for Gratuity (unfunded)	1,16,292	58,575
Provision for Long Term Services Awards	29,000	24,000
Provision for Compensated Absences (unfunded)	1,53,483	1,45,742
	2,98,775	**2,28,317**
(ii) Other Provisions		
Proposed Dividend	-	50,00,000
Tax on Proposed Dividend	-	8,49,750
	-	**58,49,750**
	2,98,775	**60,78,067**
Note No. "5"		
Trade Payables		
Creditors	3,42,84,968	10,92,50,237
	3,42,84,968	**10,92,50,237**
Note:-		
(A) The Company has sought confirmation from "suppliers" regarding their status under Micro Small and Medium Enterprises Development Act, 2006. Based on the information available with company, there are no amounts unpaid as at 31st March 2014		
Note No. "6"		
Other Current Liabilities		
Statutory dues	15,54,717	56,67,215
Employee Benefit (Superannuation)	7,74,000	6,85,341
Income received in advance (Unearned Income)	-	14,90,775
	23,28,717	**78,43,331**

Tata Motors Insurance Broking & Advisory Services Limited

Notes forming part of Financial Statements

Note No. "7"

Fixed Assets

Rupees

Particulars	Gross Book Value				Accumulated Depreciation				Net Book Value	
	Opening as at April 1,2013	Additions	Deletions /Adjustments	Closing as at March 31,2014	Opening as at April 1,2013	Depreciation /amortisation for the year	on Deletions /Adjustments	Closing as at March 31,2014	As at March 31,2014	As at March 31,2013
(i) Tangible Assets										
Leasehold Improvement	3,04,768	-		3,04,768	2,98,740	6,028		3,04,768	-	6,028
Office Equipments	11,79,919	2,11,473	1,63,940	12,27,452	4,11,017	1,85,192	1,63,940	4,32,269	7,95,183	7,68,902
Furniture Fixtures	2,46,093	9,558	2,46,093	9,558	2,46,093	570	2,46,093	570	8,988	-
Computer	1,52,486	13,900	4,875	1,61,511	49,020	40,727	4,875	84,872	76,639	1,03,466
Motor Vehicle	20,94,759	10,46,723	-	31,41,482	5,83,794	6,13,291	-	11,97,085	19,44,397	15,10,965
Total Tangible Assets (A)	**39,78,025**	**12,81,654**	**4,14,908**	**48,44,771**	**15,88,664**	**8,45,808**	**4,14,908**	**20,19,564**	**28,25,207**	**23,89,361**
(ii) Intangible Assets										
Website Development	1,62,746	-	-	1,62,746	44,138	54,243	-	98,381	64,365	1,18,608
Software	-	4,25,484	-	4,25,484	-	50,912		50,912	3,74,572	-
Total Intangible Assets (B)	**1,62,746**	**4,25,484**	**-**	**5,88,230**	**44,138**	**1,05,155**	**-**	**1,49,293**	**4,38,937**	**1,18,608**
Grand Total (A)+(B)	**41,40,771**	**17,07,138**	**4,14,908**	**54,33,001**	**16,32,802**	**9,50,963**	**4,14,908**	**21,68,857**	**32,64,144**	**25,07,969**
Previous Year	29,55,032	14,09,582	2,23,843	41,40,771	9,36,189	8,68,094	1,71,481	16,32,802	25,07,969	

Tata Motors Insurance Broking & Advisory Services Limited

Notes forming part of Financial Statements

			As at March 31,2014 Rupees	As at March 31,2013 Rupees
Note No. "8"				
Deferred tax assets				
Major components of deferred tax arising on account of timing differences are:				
Depreciation			96,24,351	1,06,33,735
Unasborbed depreciation			3,77,912	-
Employee benefits / expenses allowable on payment basis			15,04,935	11,59,745
Provision for doubtful debts			32,50,530	16,53,372
Net deferred tax asset			**1,47,57,728**	**1,34,46,852**
Note No. "9"				
Long Term Loan & Advances				
(i) (Unsecured and considered good)				
(a) Advance Income Tax (net of provision)			5,25,09,305	4,97,21,045
(b) MAT Credit entitlement			12,31,121	12,31,121
(c) Deposits			3,000	-
			5,37,43,426	**5,09,52,166**
(ii) Unsecured and considered doubtful				
Income Tax Receivable			4,53,293	4,53,293
Less : Provision for doubtful receivable			4,53,293	4,53,293
			-	**-**
			5,37,43,426	**5,09,52,166**
Note No. "10"				
Other Non Current assets				
(Unsecured and Considered good)				
Interest Accrued on FD			-	1,54,562
Prepaid Expenses			-	1,996
			-	**1,56,558**
Note No. "11"				
Current Investment -Others (at Cost or Fair Value whichever is lower)				
Investment in Mutual Funds: Unquoted	**Face Value**	**Units (Refer note (a) below)**		
HDFC Cash Management -Treasury Advantage - Retail Growth	10	0.000	-	26,95,220
		(1,09,048.829)		
HDFC Liquid Fund- Option Growth	10	1,14,468.868 (-)	27,75,763	-
Birla Sun Life Saving Fund - Growth	100	67,518.787 (48,019.179)	1,59,79,335	1,06,58,050
Kotak Liquid Scheme Plan A- Growth	1,000	1,496.392 (-)	37,47,228	-
Kotak Floater Long Term- Growth	10	93,934.453 (3,33,546.394)	18,61,666	61,59,901
ICICI Prudential Money Market Fund Growth	100	9,222.805 (-)	15,67,517	-
ICICI Prudential Flexible Income Plan Regular Growth	10	43,260.038 (38,699.215)	1,00,47,797	84,44,649
			3,59,79,306	**2,79,57,820**
Net Asset Value			3,73,92,427	2,81,75,677

Note (a): Figures in bracket relates to units as on March 31, 2013

Notes forming part of Financial Statements

	As at March 31,2014 Rupees	As at March 31,2013 Rupees
Note No. "12"		
Trade Receivables		
(i) Over six months : (unsecured)		
Considered good	1,05,10,363	35,22,607
Considered doubtful	1,00,18,586	50,95,923
Less: Provision for Doubtful Debts	(1,00,18,586)	(50,95,923)
	1,05,10,363	**35,22,607**
(ii) Others (unsecured)		
Considered good	1,43,96,376	8,74,97,579
	1,43,96,376	**8,74,97,579**
	2,49,06,739	**9,10,20,186**
Note No. "13"		
Cash and Bank Balances		
(i) Cash and cash equivalents		
Cash on hand	5,292	3,293
Cheques on hand	10,000	-
Balances with Banks - in Current Account	59,61,590	4,52,42,116
	59,76,882	**4,52,45,409**
(ii) Other bank balances (with more than 3 months but less than 12 months maturity)		
Bank deposits*	50,00,000	40,00,000
	50,00,000	**40,00,000**
(iii) Other bank balances (with more than 12 months maturity)		
Bank deposits*	-	10,00,000
	-	**10,00,000**
	1,09,76,882	**5,02,45,409**
**Includes Fixed Deposit of Rs. 5,000,000 (previous year Rs. 5,000,000) under lien with Insurance Regulatory & Development Authority*		
Note No. "14"		
Short-term loans and advances		
(Unsecured and considered good)		
Security Deposits	64,93,200	58,50,000
	64,93,200	58,50,000
Note No. "15"		
Other Current Assets		
Interest Accrued on Fixed Deposits	5,28,689	2,91,887
Service Tax Input	20,15,789	4,56,197
Prepaid Expenses	22,70,616	29,92,382
Others	48,489	73,998
	48,63,583	**38,14,464**

Tata Motors Insurance Broking & Advisory Services Limited

Notes forming part of Financial Statements

	Year ended March 31,2014 Rupees	Year ended March 31,2013 Rupees
Note No. "16"		
Income From Operation		
Brokerage Income	34,05,88,271	56,00,53,936
Advisory Fees	94,675	5,77,963
	34,06,82,946	**56,06,31,899**
Note No. "17"		
Other Income		
Interest on Fixed deposit with bank	4,62,867	4,59,727
Interest on Income Tax refund	40,15,302	-
Profit on sale of current investments	30,95,983	18,13,877
Miscellaneous Income	513	-
Profit on sale of Fixed Assets	800	-
	75,75,465	**22,73,604**
Note No. "18"		
Employee Benefit Expenses		
Salary, bonus and wages	5,79,86,148	5,63,36,810
Contribution to Provident and Other Funds	30,02,277	25,64,790
Gratuity Expenses (Unfunded)	7,69,923	13,57,000
Staff Welfare Expenses	23,90,260	25,64,545
	6,41,48,608	**6,28,23,145**
Note No. "19"		
Other Expenses		
Rent	1,64,43,398	1,46,81,268
Electricity & Water Charges	8,83,455	8,63,435
Rates and Taxes	42,884	4,76,896
Insurance Premium	37,61,632	18,99,901
Repairs and Maintenance (Other than on buildings and plant & machinery)	10,03,856	8,82,304
Travelling & Conveyance Expenses	99,69,550	1,18,14,829
Legal & Professional Charges	68,92,587	36,19,249
Auditors' Remuneration (Refer Note No. 24)	5,70,000	3,80,000
Transaction Processing Charges	23,51,88,234	38,08,18,313
Provision for Doubtful Debts	49,22,663	50,95,923
Loss on sale of Fixed Assets (net)	-	18,287
Penalty	25,00,000	-
Miscellaneous Expenses	77,87,886	71,94,666
	28,99,66,145	**42,77,45,071**

TATA MOTORS INSURANCE BROKING & ADVISORY SERVICES LIMITED

Notes forming part of Financial Statements

Note "1" - Significant Accounting Policies

A. BACKGROUND

Tata Motors Insurance Broking & Advisory Services Limited ("TMIBASL" or "the Company" – Erstwhile – Tata Motors Insurance Services Limited) was incorporated in July 1997 under the Companies Act, 1956.

The Company's application for renewal of license was pending with IRDA. On October 11, 2013, the IRDA vide circular no. IRDA/DIST/BRK/CIR/MISC/204/10/2013 directed Insurers not to accept any business from Insurance brokers who do not valid license effective from 1st November, 2013. As such the Company has not solicited new business w.e.f. November 1, 2013 to March 26, 2014

The Insurance Regulatory and Development Authority (the "IRDA") has since renewed the Company's License on 26th March, 2014 which is valid for the period from May 13, 2011 to May 12, 2014.

B. SIGNIFICANT ACCOUNTING POLICIES

i. Basis of Preparation

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continues to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act/ 2013 Companies Act, as applicable . The financial statements have been prepared on accrual basis under the historical cost convention and on a going concern basis.

ii. Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in the current and future years.

iii. Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation/ amortisation and impairment losses, if any.

Cost includes the purchase price (excluding refundable taxes) and expenses directly attributable to the asset to bring the asset to the site and in the working condition for its intended use. Examples of directly attributable expenses included in the cost are delivery and handling costs, installation, legal services and consultancy services.

Depreciation is provided on straight line basis at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956 except in the case of:-

- Leasehold improvements are amortised over the period of lease.
- Data processing equipment- at 23.75% (SLM)
- Car –at 23.75% (SLM)
- Website development cost is amortised over three years.
- Mobile handsets are depreciated fully in the year of purchase.
- Assets costing Rs. 5,000 or less are fully depreciated in the year of purchase.

iv. Impairment of assets

The carrying values of assets forming part of any cash generating units at each balance sheet are reviewed for impairment at each balance sheet date. If any indication for such impairment exists, the

recoverable amounts of those assets are estimated and impairment loss is recognised if the carrying amount of those assets exceeds their recoverable amount. The recoverable amount is the greater of

the net selling price and their value in use. Value in use is arrived at by discounting the estimated future cash flows to their present value based on an appropriate discount factor.

v. Revenue Recognition

The Company earns brokerage from insurance companies on insurance policies placement and revenue therefore is recognised from the risk start date when the policy placement is substantially completed and accepted and the ultimate collection thereof is reasonably certain. Income is stated net of service tax.

Interest income is accrued evenly over the year on the instrument.

vi. Employee Benefits

(a) Gratuity

The Company provides for gratuity, a defined benefit retirement plan covering all regular employees. Benefits under the defined plans are typically based on years of service and the employee's compensation (generally immediately before separation). Expenses for defined-benefit gratuity payable to employees is computed as at the balance sheet date by independent actuary in a manner that distributes expenses over the employee's working life. These commitments are valued at the present value of expected future payments, with consideration for calculated future salary increases, utilising a discount rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on government bonds with a remaining term that is almost equivalent to the average balance working period of employees on an actuarial basis. This liability is not externally funded.

(b) Superannuation

The Company has defined contribution superannuation plan. The contribution to superannuation fund is at the option of the Employee. Contributions towards superannuation are to be paid into a Superannuation fund. The Company recognises such contributions as an expense when incurred. The Company has no further obligation beyond this contribution. The Company contributes up to15% of the eligible employees' salary to the trust every year. The Superannuation contribution is paid to the superannuation Fund of Tata Motors Limited.

(c) Provident Fund

The eligible employees of the Company are entitled to receive benefits under the 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 Provident Fund under the law is paid to the provident fund set up by Tata Motor Limited and Pension contributions are paid to the Regional Provident Fund Commissioner. The Company's payment to the defined contribution plan is reported as expense during the period in which the employees perform the services that the payment covers.

(d) Compensated absences

The Company provides for encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment. The liability is provided based on the number of days of unutilised leave at each balance sheet date on the basis of an independent actuarial valuation.

vii. Investments

Long term Investments are carried at cost, less provision for diminution other than temporary, in value, if any.

Current investments are stated at cost or fair value whichever is lower.

Cost includes the purchase and related expenses such as brokerage and stamp duties. The difference between the cost and the redemption / sale proceeds net of expenses is recognised in the Statement of Profit and Loss.

For calculation of profit / loss on investment, cost is calculated on weighted average basis. Dividend income is accounted when the right to receive the income is established.

viii. Taxes on Income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognized, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets in respect of unabsorbed depreciation and carried forward of losses are recognized if there is virtual certainty that there will be sufficient future taxable income available to realise such losses.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantially enacted by the balance sheet date

Minimum Alternate tax (MAT) paid in accordance to the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as assets if there is convincing evidence supporting the Company's expectations of future economic benefits in the form of adjustment against discharge of normal tax liability.

ix. Lease

Leases are classified as operating lease where significant portion of risks and reward of ownership of assets acquired under lease are retained by the lessor. Lease rentals for such leases are charged to Statement of Profit and Loss on a straight-line basis over the lease term.

x. Provisions and Contingencies

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised. A contingent asset is neither recognised nor disclosed.

Notes forming part of Financial Statements

20. Contingent liabilities in respect of service tax claims against the Company not acknowledged as debt Rs. 199,400 (Previous year: Rs. 191,700). Capital commitment as at March 31, 2014 is Rs. 18,481 (as at March 31, 2013 Rs. Nil)

21. The Company has received a license from the IRDA to act as a Direct Broker identified in the Insurance Regulatory and Development Authority (Insurance Brokers) Regulations, 2013 effective from May 13, 2011. Apart from insurance broking activities, the Company does not have any other business segments. Also, in absence of separate geographical segments, segment information as required by the Accounting Standard (AS) 17 on "Segment Reporting" has not been furnished.

22. Particulars of earnings per share (EPS)

Particulars	**Year ended March 31, 2014**	**Year ended March 31, 2013**
(Net Loss) / Net Profit attributable to equity shareholders - Rs.	(5,518,783)	62,341,839
Weighted average number of equity shares outstanding for calculation of Basic EPS for the year	2,500,000	2,500,000
Weighted average number of equity shares outstanding for calculation of Diluted EPS for the year	2,500,000	2,500,000
Nominal value of shares - Rs.	10.00	10.00
Earnings per share – Basic and Diluted - Rs.	(2.21)	24.94

23. Expenditure in foreign currency

Particulars	**Year ended March 31, 2014**	**Year ended March 31, 2013**
Travel Expenses	-	202,280

24. Auditors' remuneration

Amount (Rs.)

Particulars	**Year ended March 31, 2014**	**Year ended March 31, 2013**
Audit fees	500,000	300,000
Tax audit fees	50,000	50,000
Other matters	20,000	30,000
Total *	**570,000**	**380,000**

**Excluding Service Tax Rs.70,452 (Previous year: Rs 46,968) claimed as input credit.*

25. Defined benefit plan / Long term Compensated absences - As per actuarial valuation as on March 31, 2014

Amount (Rs.)

S. No.	Particulars	Gratuity		Compensated Absences	
		2014	2013	2014	2013
I	**Component of employer expenses**				
	Current Service Cost	682,605	360,033	374,891	336,350
	Interest Cost	213,847	108,375	135,657	69,101
	Expected return on plan assets	-	-	-	-
	Actuarial (Gains) /Losses	(126,529)	888,405	15,186	882,650
	Total expenses recognised in the Statement of Profit and Loss	769,923	1,357,000	525,734	1,288,101
ii	**Actual Contribution and Benefit Payments**				
	Actual benefit payments	141,923	-	318,734	634,101
	Actual Contribution	-	-	-	-
iii	**Net liability recognised in Balance Sheet**				
	Present Value of Defined Benefit Obligation	3,260,000	2,632,000	1,991,000	1,784,000
	Fair Value of plan assets	-	-		
	Net liability recognised in the Balance Sheet	(3,260,000)	(2,632,000)	(1,991,000)	(1,784,000)
iv	**Change in Defined Benefit Obligations (DBO)**				
	Present Value of DBO at the beginning of the year	2,632,000	1,275,000	1,784,000	1,130,000
	Current Service Cost	682,605	360,033	3,74,891	336,350
	Acquisitions/ Transfer in	-	-	-	-
	Interest cost	213,847	108,375	135,657	69101
	Actuarial (Gains) /Losses	(126,529)	888,405	15,186	882,650
	Benefits paid	(141,923)	-	(318,734)	(634,101)
	Present Value of DBO	3,260,000	2,632,000	1,991,000	1,784,000
v	**Actuarial Assumptions**				
	Discount rate (%)	9.20%	8.35%	9.20%	8.35%
	Expected Return on plan assets (%)	N/A	N/A	N/A	N/A
	Salary escalation	10% For First Five Years and 7.5% thereafter	10% For First Five Years and 7.5% thereafter	10% For First Five Years and 7.5% thereafter	10% For First Five Years and 7.5% thereafter
	Mortality	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

(a) Defined Contribution Plan

The Company's contribution to defined contribution plan aggregated Rs. 3,002,277 (Previous year Rs. 2,564,790) for the year ended March 31, 2014 has been recognised in the Statement of Profit and Loss in note no 18.

(b) The assumptions of future salary increases, considered in actuarial valuation, takes into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

TATA MOTORS INSURANCE BROKING & ADVISORY SERVICES LIMITED

Notes forming part of Financial Statements

26. **Related party disclosures**

Names of related parties and description of relationship:

a. Where control exists - Holding Company - Tata Motors Limited

b. Fellow subsidiaries (with whom the Company has transactions) - Sheba Properties Ltd

Amount (Rs.)

Nature of Transaction	Holding Company	Fellow Subsidiary
	Tata Motors Limited	**Sheba Properties Ltd**
1. Interest on Inter Corporate Deposit	- (117,370)	- (792,937)
2. Inter Corporate Deposit received during the year	- (-)	- (51,500,000)
3. Expenses	254,582 (10,660)	- (-)
4. Inter Corporate Deposit repaid during the year	- (17,000,000)	- (51,500,000)
5. Closing Balance outstanding as at March 31, 2014	67,794 (11,978)	- (-)

Sub Notes:

1. The reimbursement of expenses has not been considered for reporting related party transactions.
2. Figures in brackets relate to the previous year.

27. Previous year's have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

Signature to note 1 to 27
For and on behalf of the Board

Rajesh Bagga

V B Somaiya

Directors

Deepak Sharma
Principal Officer

Place: Mumbai
Date: 8th May, 2014

Tata Motors Insurance Broking & Advisory Services Limited

Balance Sheet as at March 31, 2014

	Note No.	As at March 31,2014 Rupees	As at March 31,2013 Rupees
I. EQUITY AND LIABILITIES			
1 **Shareholder's Funds**			
(a) Share Capital	"2"	2,50,00,000	2,50,00,000
(b) Reserves and Surplus	"3"	8,78,76,323	9,33,95,106
		11,28,76,323	**11,83,95,106**
2 **Non-current Liabilities**			
Long-term Provisions	"4"	51,96,225	43,84,683
3 **Current Liabilities**			
(a) Trade Payables	"5"	3,42,84,968	10,92,50,237
(b) Other Current Liabilities	"6"	23,28,717	78,43,331
(c) Short-term Provisions	"4"	2,98,775	60,78,067
		3,69,12,460	**12,31,71,635**
TOTAL		**15,49,85,008**	**24,59,51,424**
II. ASSETS			
1 **Non-Current Assets**			
(a) Fixed Assets	"7"		
(i) Tangible Assets		28,25,207	23,89,361
(ii) Intangible Assets		4,38,937	1,18,608
		32,64,144	25,07,969
(b) Deferred Tax Assets	"8"	1,47,57,728	1,34,46,852
(c) Long Term Loan & Advances	"9"	5,37,43,426	5,09,52,166
(d) Other Non Current Assets	"10"	-	1,56,558
		7,17,65,298	**6,70,63,545**
2 **Current Assets**			
(a) Current Investments	"11"	3,59,79,306	2,79,57,820
(b) Trade Receivables	"12"	2,49,06,739	9,10,20,186
(c) Cash and Bank Balances	"13"	1,09,76,882	5,02,45,409
(d) Short Term Loan & Advances	"14"	64,93,200	58,50,000
(e) Other Current Assets	"15"	48,63,583	38,14,464
		8,32,19,710	**17,88,87,879**
TOTAL		**15,49,85,008**	**24,59,51,424**
Notes forming part of Financial Statements	"1-27"		

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Rupen K Bhatt
Partner

Mumbai
Date: 8th May 2014

For and on behalf of the Board

Rajesh Bagga

V B Somaiya
Directors

Deepak Sharma
Principal Officer

Mumbai
Date: 8th May 2014

Tata Motors Insurance Broking & Advisory Services Limited

Statement of Profit and Loss for the year ended March 31 ,2014

		Note No.	Year ended March 31,2014 Rupees	Year ended March 31,2013 Rupees
I.	Revenue from operations	"16"	34,06,82,946	56,06,31,899
II.	Other Income	"17"	75,75,465	22,73,604
III.	**Total Revenue (I + II)**		**34,82,58,411**	**56,29,05,503**
IV.	**Expenses :**			
(a)	Employee cost / benefits expense	"18"	6,41,48,608	6,28,23,145
(b)	Finance Costs (Interest on ICD)		-	9,10,306
(c)	Depreciation and Amortisation Expense		9,50,963	8,68,094
(d)	Other Expenses	"19"	28,99,66,145	42,77,45,071
	Total Expenses		**35,50,65,716**	**49,23,46,616**
V.	**(Loss) / Profit Before Tax (III-IV)**		**(68,07,305)**	**7,05,58,887**
VI	**Tax Expense / (Benefit):**			
(i)	**Current Tax**			
(a)	Current Tax		-	2,16,77,870
(b)	(Less): MAT credit		-	(13,970)
(c)	Short / (Excess) provision for tax relating to prior years		22,354	-
	Net current tax expense		22,354	2,16,63,900
(ii)	**Deferred Tax (Benefit)**		(13,10,876)	(1,34,46,852)
	Total (i)+(ii)		**(12,88,522)**	**82,17,048**
	(Loss) / Profit for the year (V-VI)		**(55,18,783)**	**6,23,41,839**
VII	**Earnings Per Equity Share :**			
	Basic and Diluted Earning Per Share (Nominal Value per share Rs. 10) (refer note No.22)		**(2.21)**	**24.94**
	Notes forming part of Financial Statements	"1-27"		

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Rupen K Bhatt
Partner

Mumbai
Date: 8th May 2014

For and on behalf of the Board

Rajesh Bagga

V B Somaiya
Directors

Deepak Sharma
Principal Officer

Mumbai
Date: 8th May 2014

Tata Motors Insurance Broking & Advisory Services Limited

Cash Flow Statement for the year ended March 31 ,2014

	Year ended March 31,2014 Rupees	Year ended Mar 31,2013 Rupees
A. Cash flows from Operating Activities		
(Loss) / Net Profit Before Tax as per Statement of Profit and Loss	(68,07,305)	7,05,58,887
Adjustment for:		
Depreciation	9,50,963	8,68,094
Provision for doubtful debts	49,22,663	50,95,923
(Profit) /Loss on redemption of investments (net)	(30,95,983)	(18,13,877)
(Profit) /Loss on sale of Fixed Assets (net)	(800)	18,287
Interest expense on Inter Corporate Deposit	-	9,10,306
Interest on Fixed Deposit	(4,62,867)	(4,59,727)
Operating (Loss)/Profit before Working Capital Changes	**(44,93,329)**	**7,51,77,893**
Trade receivables	6,11,90,784	(1,75,18,673)
Other assets	(14,10,235)	(28,46,364)
Trade Payables	(7,49,65,269)	4,06,97,096
Other Current Liabilities	(55,14,614)	(60,05,926)
Provisions	8,82,000	20,82,000
Cash flow (used in) /from Operations	(2,43,10,663)	9,15,86,026
Taxes (Paid) / Refund	(28,10,614)	(2,40,06,116)
Net Cash flow (used) /from in Operating Activities	**(2,71,21,277)**	**6,75,79,910**
B. Cash Flows from Investing Activities		
Purchase of Fixed Assets	(17,07,138)	(13,32,082)
Sale of Fixed Assets	800	34,075
Interest received	3,34,341	3,06,791
Purchase of Investments (Mutual Fund Units)	(14,52,00,001)	(28,25,10,000)
Sale of Investments (Mutual Fund Units)	14,02,74,498	26,65,01,762
Fixed deposit placed with Bank with a maturity exceeding 3 months (under lien with Insurance Regulatory and Development Authority (IRDA) of India)	(40,00,000)	(40,00,000)
Fixed deposit with Bank realised (under lien with Insurance Regulatory and Development Authority (IRDA) of India)	40,00,000	40,00,000
Net Cash flow (used) in Investing Activities	**(62,97,500)**	**(1,69,99,454)**
C. Cash Flows from Financing Activities		
Repayment of Inter Corporate Deposit (repayable on demand)	-	(6,85,00,000)
Proceeds from Inter Corporate Deposit (repayable on demand)	-	5,15,00,000
Interest paid on Inter Corporate Deposit	-	(9,10,306)
Dividend Paid	(50,00,000)	(37,50,000)
Dividend Tax Paid	(8,49,750)	(6,08,344)
Net Cash flow (used) in Financing Activities	**(58,49,750)**	**(2,22,68,650)**
Net Cash Inflow / (Outflow) in Cash and Cash Equivalents	**(3,92,68,527)**	**2,83,11,806**
Cash and Cash Equivalents as at beginning of the year	4,52,45,409	1,69,33,603
Cash and Cash Equivalents as at end of the year	**59,76,882**	**4,52,45,409**
Composition of Cash and Cash Equivalents		
Cash in Hand	5,292	3,293
Balances with Banks		
in Current Accounts	59,61,590	4,52,42,116
in Cheque in hand	10,000	-
	59,76,882	**4,52,45,409**
Add: Fixed deposit placed with Bank (under lien with IRDA) with a maturity exceeding 3 months considered as investing / operating activity	50,00,000	50,00,000
Cash and bank balance as per Note No 13	**1,09,76,882**	**5,02,45,409**

Notes forming part of Financial Statements "1-27"

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Rupen K Bhatt
Partner

Mumbai
Date: 8th May 2014

For and on behalf of the Board

Rajesh Bagga

V B Somaiya
Directors

Deepak Sharma
Principal Officer

Mumbai
Date: 8th May 2014

Tata Motors Insurance Broking & Advisory Services Limited

Notes forming part of Financial Statements

	As at March 31,2014 Rupees	As at March 31,2013 Rupees
Note No. "2"		
Share Capital		
Authorised:		
189,000,000 (as at March 31, 2013: 189,000,000) Equity Shares of Rs.10 each	1,89,00,00,000	1,89,00,00,000
	1,89,00,00,000	**1,89,00,00,000**
Issued, subscribed & paid up:		
2,500,000 (as at March 31, 2013: 2,500,000) Equity Shares of Rs.10 each fully paid-up	2,50,00,000	2,50,00,000
	2,50,00,000	**2,50,00,000**
Note:-		
(A) The Company has issued only one class of equity shares having a par value of Re. 10/- per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed by the board of director's is subject to the approval of shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company the holder of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts. Distribution will be in proportion of equity shares held by the shareholders.		
(B) All the above equity shares are held by Tata Motors Limited (the holding company) and its nominees		
Note No. "3"		
Reserves and Surplus		
(i) General Reserve :		
Opening Balance	60,90,000	14,10,000
Add: Transferred from Statement of Profit & Loss	-	46,80,000
	60,90,000	**60,90,000**
(ii) Statement of Profit & Loss		
Balance brought forward from previous year	8,73,05,106	3,54,93,017
Add: (Loss) / Profit for the year	(55,18,783)	6,23,41,839
Amount available for appropriation	**8,17,86,323**	**9,78,34,856**
Appropriations:		
(a) General Reserve	-	46,80,000
(b) Proposed Dividend	-	50,00,000
(c) Tax on Proposed Dividend	-	8,49,750
	-	**1,05,29,750**
Balance carried forward	**8,17,86,323**	**8,73,05,106**
	8,78,76,323	**9,33,95,106**
Note No. "4"		
Long - Term Provisions		
Provision for employee benefits :		
Provision for Gratuity (unfunded)	31,43,708	25,73,425
Provision for Long Term Services Awards	2,15,000	1,73,000
Provision for Compensated Absences (unfunded)	18,37,517	16,38,258
	51,96,225	**43,84,683**
Short term provisions		
(i) Provision for employee benefits :		
Provision for Gratuity (unfunded)	1,16,292	58,575
Provision for Long Term Services Awards	29,000	24,000
Provision for Compensated Absences (unfunded)	1,53,483	1,45,742
	2,98,775	**2,28,317**
(ii) Other Provisions		
Proposed Dividend	-	50,00,000
Tax on Proposed Dividend	-	8,49,750
	-	**58,49,750**
	2,98,775	**60,78,067**
Note No. "5"		
Trade Payables		
Creditors	3,42,84,968	10,92,50,237
	3,42,84,968	**10,92,50,237**
Note:-		
(A) The Company has sought confirmation from "suppliers" regarding their status under Micro Small and Medium Enterprises Development Act, 2006. Based on the information available with company, there are no amounts unpaid as at 31st March 2014		
Note No. "6"		
Other Current Liabilities		
Statutory dues	15,54,717	56,67,215
Employee Benefit (Superannuation)	7,74,000	6,85,341
Income received in advance (Unearned Income)	-	14,90,775
	23,28,717	**78,43,331**

Tata Motors Insurance Broking & Advisory Services Limited

Notes forming part of Financial Statements

Note No. "7"

Fixed Assets

Rupees

Particulars	Gross Book Value				Accumulated Depreciation				Net Book Value	
	Opening as at April 1,2013	Additions	Deletions /Adjustments	Closing as at March 31,2014	Opening as at April 1,2013	Depreciation /amortisation for the year	on Deletions /Adjustments	Closing as at March 31,2014	As at March 31,2014	As at March 31,2013
(i) Tangible Assets										
Leasehold Improvement	3,04,768	-		3,04,768	2,98,740	6,028		3,04,768	-	6,028
Office Equipments	11,79,919	2,11,473	1,63,940	12,27,452	4,11,017	1,85,192	1,63,940	4,32,269	7,95,183	7,68,902
Furniture Fixtures	2,46,093	9,558	2,46,093	9,558	2,46,093	570	2,46,093	570	8,988	-
Computer	1,52,486	13,900	4,875	1,61,511	49,020	40,727	4,875	84,872	76,639	1,03,466
Motor Vehicle	20,94,759	10,46,723	-	31,41,482	5,83,794	6,13,291	-	11,97,085	19,44,397	15,10,965
Total Tangible Assets (A)	**39,78,025**	**12,81,654**	**4,14,908**	**48,44,771**	**15,88,664**	**8,45,808**	**4,14,908**	**20,19,564**	**28,25,207**	**23,89,361**
(ii) Intangible Assets										
Website Development	1,62,746	-	-	1,62,746	44,138	54,243	-	98,381	64,365	1,18,608
Software	-	4,25,484	-	4,25,484	-	50,912		50,912	3,74,572	-
Total Intangible Assets (B)	**1,62,746**	**4,25,484**	**-**	**5,88,230**	**44,138**	**1,05,155**	**-**	**1,49,293**	**4,38,937**	**1,18,608**
Grand Total (A)+(B)	**41,40,771**	**17,07,138**	**4,14,908**	**54,33,001**	**16,32,802**	**9,50,963**	**4,14,908**	**21,68,857**	**32,64,144**	**25,07,969**
Previous Year	29,55,032	14,09,582	2,23,843	41,40,771	9,36,189	8,68,094	1,71,481	16,32,802	25,07,969	

Tata Motors Insurance Broking & Advisory Services Limited

Notes forming part of Financial Statements

			As at March 31,2014 Rupees	As at March 31,2013 Rupees
Note No. "8"				
Deferred tax assets				
Major components of deferred tax arising on account of timing differences are:				
Depreciation			96,24,351	1,06,33,735
Unasborbed depreciation			3,77,912	-
Employee benefits / expenses allowable on payment basis			15,04,935	11,59,745
Provision for doubtful debts			32,50,530	16,53,372
Net deferred tax asset			**1,47,57,728**	**1,34,46,852**
Note No. "9"				
Long Term Loan & Advances				
(i) (Unsecured and considered good)				
(a) Advance Income Tax (net of provision)			5,25,09,305	4,97,21,045
(b) MAT Credit entitlement			12,31,121	12,31,121
(c) Deposits			3,000	-
			5,37,43,426	**5,09,52,166**
(ii) Unsecured and considered doubtful				
Income Tax Receivable			4,53,293	4,53,293
Less : Provision for doubtful receivable			4,53,293	4,53,293
			-	**-**
			5,37,43,426	**5,09,52,166**
Note No. "10"				
Other Non Current assets				
(Unsecured and Considered good)				
Interest Accrued on FD			-	1,54,562
Prepaid Expenses			-	1,996
			-	**1,56,558**
Note No. "11"				
Current Investment -Others (at Cost or Fair Value whichever is lower)				
Investment in Mutual Funds: Unquoted	**Face Value**	**Units (Refer note (a) below)**		
HDFC Cash Management -Treasury Advantage - Retail Growth	10	0.000	-	26,95,220
		(1,09,048.829)		
HDFC Liquid Fund- Option Growth	10	1,14,468.868	27,75,763	-
		(-)		
Birla Sun Life Saving Fund - Growth	100	67,518.787	1,59,79,335	1,06,58,050
		(48,019.179)		
Kotak Liquid Scheme Plan A- Growth	1,000	1,496.392	37,47,228	-
		(-)		
Kotak Floater Long Term- Growth	10	93,934.453	18,61,666	61,59,901
		(3,33,546.394)		
ICICI Prudential Money Market Fund Growth	100	9,222.805	15,67,517	-
		(-)		
ICICI Prudential Flexible Income Plan Regular Growth	10	43,260.038	1,00,47,797	84,44,649
		(38,699.215)		
			3,59,79,306	**2,79,57,820**
Net Asset Value			3,73,92,427	2,81,75,677

Note (a): Figures in bracket relates to units as on March 31, 2013

Notes forming part of Financial Statements

	As at March 31,2014 Rupees	As at March 31,2013 Rupees
Note No. "12"		
Trade Receivables		
(i) Over six months : (unsecured)		
Considered good	1,05,10,363	35,22,607
Considered doubtful	1,00,18,586	50,95,923
Less: Provision for Doubtful Debts	(1,00,18,586)	(50,95,923)
	1,05,10,363	**35,22,607**
(ii) Others (unsecured)		
Considered good	1,43,96,376	8,74,97,579
	1,43,96,376	**8,74,97,579**
	2,49,06,739	**9,10,20,186**
Note No. "13"		
Cash and Bank Balances		
(i) Cash and cash equivalents		
Cash on hand	5,292	3,293
Cheques on hand	10,000	-
Balances with Banks - in Current Account	59,61,590	4,52,42,116
	59,76,882	**4,52,45,409**
(ii) Other bank balances (with more than 3 months but less than 12 months maturity)		
Bank deposits*	50,00,000	40,00,000
	50,00,000	**40,00,000**
(iii) Other bank balances (with more than 12 months maturity)		
Bank deposits*	-	10,00,000
	-	**10,00,000**
	1,09,76,882	**5,02,45,409**
**Includes Fixed Deposit of Rs. 5,000,000 (previous year Rs. 5,000,000) under lien with Insurance Regulatory & Development Authority*		
Note No. "14"		
Short-term loans and advances		
(Unsecured and considered good)		
Security Deposits	64,93,200	58,50,000
	64,93,200	58,50,000
Note No. "15"		
Other Current Assets		
Interest Accrued on Fixed Deposits	5,28,689	2,91,887
Service Tax Input	20,15,789	4,56,197
Prepaid Expenses	22,70,616	29,92,382
Others	48,489	73,998
	48,63,583	**38,14,464**

Tata Motors Insurance Broking & Advisory Services Limited

Notes forming part of Financial Statements

	Year ended March 31,2014 Rupees	Year ended March 31,2013 Rupees
Note No. "16"		
Income From Operation		
Brokerage Income	34,05,88,271	56,00,53,936
Advisory Fees	94,675	5,77,963
	34,06,82,946	**56,06,31,899**
Note No. "17"		
Other Income		
Interest on Fixed deposit with bank	4,62,867	4,59,727
Interest on Income Tax refund	40,15,302	-
Profit on sale of current investments	30,95,983	18,13,877
Miscellaneous Income	513	-
Profit on sale of Fixed Assets	800	-
	75,75,465	**22,73,604**
Note No. "18"		
Employee Benefit Expenses		
Salary, bonus and wages	5,79,86,148	5,63,36,810
Contribution to Provident and Other Funds	30,02,277	25,64,790
Gratuity Expenses (Unfunded)	7,69,923	13,57,000
Staff Welfare Expenses	23,90,260	25,64,545
	6,41,48,608	**6,28,23,145**
Note No. "19"		
Other Expenses		
Rent	1,64,43,398	1,46,81,268
Electricity & Water Charges	8,83,455	8,63,435
Rates and Taxes	42,884	4,76,896
Insurance Premium	37,61,632	18,99,901
Repairs and Maintenance (Other than on buildings and plant & machinery)	10,03,856	8,82,304
Travelling & Conveyance Expenses	99,69,550	1,18,14,829
Legal & Professional Charges	68,92,587	36,19,249
Auditors' Remuneration (Refer Note No. 24)	5,70,000	3,80,000
Transaction Processing Charges	23,51,88,234	38,08,18,313
Provision for Doubtful Debts	49,22,663	50,95,923
Loss on sale of Fixed Assets (net)	-	18,287
Penalty	25,00,000	-
Miscellaneous Expenses	77,87,886	71,94,666
	28,99,66,145	**42,77,45,071**

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TATA MOTORS FINANCE LIMITED

Annual Report 2013 – 14

TATA MOTORS FINANCE LIMITED
DIRECTORS' REPORT

THE MEMBERS
TATA MOTORS FINANCE LIMITED

The Directors have pleasure in presenting the Eighth Annual Report and the Audited Statement of Accounts for the year ended March 31, 2014.

1. FINANCIAL RESULTS

(Rs in crores)

	2013-14	2012-13
Total Income	**3026.47**	**2825.64**
Less: Finance Costs	**1733.76**	**1561.72**
Expenditure	**1117.56**	**800.67**
Depreciation / Amortization	**19.82**	**13.66**
Profit/ (Loss) Before Tax	**155.33**	**449.59**
Less: Provision For Tax		
Current Tax including Fringe Benefit Tax	**249.57**	**127.30**
Deferred tax	**(195.11)**	**12.99**
Profit/ (Loss) After Tax	**100.88**	**309.30**
Balance brought forward from previous year	**333.00**	**186.29**
Amount Available for Appropriations	**433.87**	**495.59**
APPROPRIATIONS		
General Reserve		
Special Reserve	**20.18**	**61.86**
Proposed Dividend	**38.68**	**86.10**
Tax on Dividend	**6.57**	**14.63**
Surplus carried to Balance Sheet	**368.44**	**333.00**

The Company is registered with the Reserve Bank of India, under Section 45-IA of the RBI Act 1934, as a 'Systemically Important, Non-Deposit taking Non-Banking Finance Company' (NBFC) and has been classified as an Asset Finance Company.

2. DIVIDEND

The Board of Directors are pleased to recommend a dividend of Rs. 0.30 per equity share (previous year Rs.0.70 per share), payable to those Members whose names appear in the Register of Members as on the date of book closure. The dividend, including dividend tax, will absorb a sum of Rs. 45.25 crores.

3. BUSINESS OUTLOOK

During the financial year ended March 31, 2014, the total income grew by 7.11 % to Rs. 3026.47 crores (previous year : Rs. 2825.64 crores). The profit before tax significantly declined to Rs. 155.33 crores from the previous year's amount of Rs. 449.59 crores. The profit after tax at Rs. 100.88 crores was 67.38 % lower than that in the previous year (Rs.309.30 crores).

Due to severely strained market conditions, total disbursements (including refinance) by the Company declined by 22% at Rs. 8,767.56 crores as compared to Rs.11,180.03 crores . The Company financed a total of 157,886 vehicles reflecting a de-growth of 38 % over the 254,086 vehicles financed in the previous year.

Disbursements for commercial vehicles were at Rs. 7,504.35 crores (123,989 units) as compared to Rs 8,814.90 crores (183,514 units) of the previous year. Disbursements of passenger vehicles declined by 49% to Rs.1,213.46 crores (32,637 units) from a level of Rs.2,363.53 crores (70,563 units).

With a view to de-risk the portfolio and explore additional sources of revenue, the used vehicle finance business was re-launched by seeding the business in select geographies during the year. Disbursements achieved under refinance were at Rs.49.74 crores (1,260 vehicles) during the current year as against Rs.1.60 crores (9 vehicles) in the previous year.

Various monetary and fiscal measures were unable to stimulate growth across segments which led to the nation's GDP growth rate falling for 10 consecutive quarters to below 5% levels during the year. Due to this environment of sluggish growth and consequent lower demand of all commercial & passenger vehicles the Company recorded a significant decline in disbursements across most segments. However, with a highly motivated employee workforce, significantly greater customer orientation and an increased branch network/ field infrastructure, the company is poised for significant, sustainable growth and is confident that it would deliver on its vision for the future.

Due to weak operating and economic environment in India, movement of commercial vehicles has slowed down in all segments and large and small fleet operators have large waiting period for loads and reduced number of trips. Delay in receipt of payments by large fleet operators from companies is further delaying payments to attached vehicles of smaller operators. Low income and increased levels of provisioning is due to loss of contracts by small fleet operators/First time users in MHCV/ LCV segment since last few months. The performance of heavy commercial vehicle loans was the weakest due to slow economic growth, overcapacity and rising input costs.

Though the current default level would be higher than normal, the Company is expecting that with the improvement in overall market scenario coupled with increased collection focus, the situation will start improving and eventually the terminal losses would be under control even though the provisions may be higher for some time.

The company increased its reach by opening a number of limited services branches (called Spoke branches) exclusively in Tier 2 & 3 towns. This has also helped in reducing the turn-around-times to improve customer satisfaction. Based on the success of these branches, the company plans to further expand the concept and reach in FY 14-15.

The Company's new initiative of Channel Finance and fee based Insurance support business has also helped improve the Company's profitability. The company is confident of significantly adding to its revenues and profitability through these new businesses in the coming period. The company has also tied up with Tata Motors Ltd's used vehicle business for working together to improve realization value from the sale of repossessed stocks by refurbishing them and selling them through TMLs dealers.

The Company has further enhanced its “Office of the Customer initiative” as well as its spokes branch network & infrastructure and is confident that these investments will pay rich dividends through significantly increased interactions/relations with its customers and dealers.

4. FINANCE

During the year under review, interest rates remained high owing to the firm stance of the Reserve Bank with regard to inflation. After the initial rate cut of 25 bps in May 2013, there were a series of rate hikes totaling to 75 bps. On a net basis, policy rates increased by 50 bps in FY 2013-14. The money market saw significant volatility in the second quarter after the RBI directives on money market tightening to curb the slide of the rupee. Liquidity conditions improved in H2 FY 2014, due to relaxations by the RBI. The Company continued its efforts and focus on raising Non-convertible Debentures (NCDs) and Commercial Papers (CPs) and raised NCDs and CPs to the extent of Rs 5,905 crores and Rs.2,090 crores respectively during the year. Bank borrowings, through secured and unsecured term loans, continued to remain as the major source of funds for long term borrowing and stood at Rs.9,865 crores as on March 31, 2014, lower by Rs 760 crores, than the previous year’s level of Rs.10,625 crores. Incremental borrowings from banks during the year totalled Rs 5,340 crores.

The weighted average cost of borrowings for the year ended March 31, 2014 was 10.01 % per annum (previous year: 10.16 %) on total borrowings of Rs. 17,826 crores (previous year: Rs. 17,008 crores).

The Company issued unsecured perpetual Non Convertible Debentures worth Rs.75 crores towards Tier 1 Capital during the financial year. The total amount of NCDs raised as Tier 1 capital, as on March 31, 2014, now stands at Rs. 325 crores. The Company also successfully issued unsecured long term NCDs worth Rs 155.10 crores as Tier 2 capital to enhance its Capital Adequacy ratio. As at year-end the total Tier 2 Capital raised by the Company stood at Rs.899.90 crores.

5. CREDIT RATING

The CRISIL vide its rating rationale dated January 10, 2014 had upgraded Company’s rating on the long-term debt instruments and bank facilities to ‘CRISIL AA / Stable from ‘CRISIL AA - /Positive’. The ratings on the short-term debt instruments and bank facilities have also been reaffirmed at ‘CRISIL A1+’. There have been no changes in any of the Credit Ratings since then.

6. CAPITAL ADEQUACY

The Company closed the year with a Capital adequacy of 17.07% higher than the RBIs mandated level of 15.0 %.

7. SECURITISATION

During the year, the Company securitized gross receivables aggregating to Rs.685 crores (previous year Rs. 1904 crores) by way of Special Purpose Vehicles to banks as per the revised RBI guidelines dated August 21, 2012. These receivables were rated ‘AAA (so)’ (indicating highest degree of certainty regarding fulfillment of obligation) by CRISIL and ICRA.

The company has been able to conclude these securitization deals under the revised guidelines issued by the RBI and at rates which have been lower that the average cost of borrowing from other sources.

During the year, a total of 12 pools initially securitized by way of Direct Assignment were bought back by the company. All dues pertaining to these pools have been settled with the Trustee / Assignee Representative and the ratings on all these pools had been withdrawn.

8. SHARE CAPITAL

The Company is a wholly owned subsidiary of Tata Motors Limited (TML). As at March 31, 2014, the paid-up Share Capital of the Company was Rs.1289.35 crores (last year: Rs. 1230 crores). During the year under review, the Company raised Rs 200 crores by issuing 5,93,47,181 equity shares of Rs. 10 each at a premium of Rs.23.70 per share to TML.

9. JOURNEY TOWARDS BUSINESS EXCELLENCE

The Company has made significant progress in its Business Excellence journey over the last 4 years and achieved a level that signifies the presence of effective, systematic approaches with evidence of improvement trends in areas of importance to the accomplishment of the organization's mission.

To accelerate the BE journey, a capability enhancement program has been initiated within the organization by training 174 leaders in the TBEM Assessor program. The company now has 4 TBEM External assessors and 9 Gold Assessors. (last year : 1)

Some key initiatives that have been implemented include the redesign of Enterprise Strategy Map and Balance Score Card and the launch of Tata Innoverse – at Ideation and Innovation platform. In addition, in order to improve the communication and interaction with the entire workforce initiatives including a direct one-to-one communication forum with the Managing Director, the formulation of the Occupational Health and Safety performance index as well as formulation of Carbon Abatement strategy and implementation of green initiatives on reduction of electricity, paper and travel were started. The company's reward and recognition program for its employees – ' Shine' was well accepted by its employees.

The 'Office of the Customer' set up two years ago to create an effective platform for redressal of customer complaints and strengthen relationship with existing customers, continued to make significant progress through its various initiatives including 'Sampark', and the setting up of the ' Voice of Customer Council',

Two of the companies significant innovations, the Risk Scored Pricing Model (RSPM) and the integrated Hand Held Machine model for cash collections, were nominated for International and National (Tata Innovista) Awards during the year.

10. HUMAN RESOURCES

The Company continued to lay stress on its most valuable resource - its employees. Several steps were also taken to enhance employee engagement, increased empowerment and nurturing of skill sets and talent. The employee engagement initiatives helped in keeping the voluntary attrition rate at 13.75 % (previous year 14.28%) which is below the industry average of 20.1 %. During the year Train the Trainer workshops were conducted. These certified trainers have further trained a large number of associate manpower in sales and collections verticals. The Company conducted a survey to gauge the level of employee engagement and received a score of 4.03 placing it amongst 'High Performing Organisations'.

The Company had 1,112 employees on its rolls as on March 31, 2014 (960 employees as on March 31, 2013)

11. COMPLIANCE

The Company has complied with all the applicable laws and regulations including those of the Reserve Bank of India. The Company is also compliant with all applicable laws for its branch, regional and corporate offices.

12. DEPOSITS

The Company has not accepted any public deposits during the year under review.

13. ACCOUNTS AND ACCOUNTING STANDARDS

The Company adheres to the prudential guidelines prescribed by the Reserve Bank of India and to the Accounting Standards issued by the Institute of Chartered Accountants of India in preparation of its financial statements.

The particulars on related party exposures, non-performing assets and business levels in lease and hire purchase and other activities, required to be disclosed in the format prescribed by the RBI are contained in the Schedule forming part of the accounts.

14. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

In view of the nature of activities which are being carried out by the Company, Rules 2A and 2B of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, concerning conservation of energy and technology absorption, are not applicable to the Company. During the year the Company did not have any earnings in foreign exchange (previous year Rs. nil) and outgo in foreign exchange was Rs. 29.03 lakhs (previous year Rs. 37.97 lakhs).

15. DIRECTORS

The Board of Directors at its meeting held on April 30, 2014 has appointed, subject to approval of shareholders, Mr. Nasser Munjee and Mr. Hoshang Sinor as Independent Directors under Section 149 of the Companies Act, 2013 for the term of 5 years commencing April 1, 2014.

In accordance with the requirements of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Ravindra Pisharody is liable to retire by rotation at this Annual General Meeting and is eligible for re -appointment.

Mr. Bharat Vasani, Director resigned from the Board with effect from October 18, 2013. The Board placed on record the very significant and valuable contributions made by

Mr. Vasani during his tenure as Member of the Board, Audit and Nomination & Remuneration Committees.

16. INTERNAL AUDIT, CONTROL SYSTEMS AND THEIR ADEQUACY

The Company generally has adequate internal control systems to ensure operational efficiency, safeguarding its assets, accuracy and promptness in financial reporting and compliance with laws and regulations. The effectiveness of the functioning of internal control systems is the responsibility of all the employees. Internal Audit Department evaluates the adequacy and effectiveness of Governance, Risk Management and Controls in the organisation on a Risk Based approach under the plan approved by Audit Committee of Board. The reports are discussed and reviewed by the Senior Management and recommendations for improving the control environment are implemented.

The Company has its Chief Internal Auditor having functional reporting to Audit Committee of Board and administratively to Managing Director & Chief Executive Officer of the company. Further, the Chief Internal Auditor of Tata Motors Ltd continues to have an oversight on the internal audit function of the company. The Internal Audit function of the company reviews and ensures that the audit observations are acted upon on a timely basis. The Audit Committee of the Board reviews the Internal Audit reports and the adequacy and effectiveness of its internal controls. The Company's audit comments are also separately reviewed by the Audit Committee of Tata Motors Limited.

M/s Ernst & Young, Chartered Accountants, support the Internal Audit Department of the company for conducting audits of all centralized and support functions at Head Office. M/s PKF Sridhar and Santhanam, Chartered Accountants, continued to conduct the internal audits of all branches. M/s Ernst & Young, Chartered Accountants, work closely with M/s PKF Sridhar & Santhanam, Chartered Accountants.

17. RISK AND CONCERNS

The Company recognizes the importance of risk management on account of increased competition and market volatility in the financial services business. The Company regularly reviews all the Key risks prioritized for Management as a part of its enterprise risk management framework with Risk Management Committee' of Directors. The Company is exposed to the following key risks - credit risk, operational risk, fraud risk, technology risk, liquidity risk (arising from a mismatch of tenor of funds borrowed and loaned) and interest rate risk. By design, the Company caters to some high risk profile customers. The Company has a well-developed and robust credit appraisal process which is amended, as required, to address any regulatory changes in the financial sector. Well defined norms and approval escalation processes are in place for approving credit.

As a credit risk management strategy, the company runs a risk sharing program with Tata Motors Ltd, particularly for the high risk segments. The Company also has a risk sharing program with some of its dealers.

During the year, the scope and reach of the Loan Origination System (LOS) was increased with over 85% of the Company's business flowing through this system. The Company has also been ensuring deployment of analytics in key collections strategies and processes, with an objective of enhancing efficiency and effectiveness in delivery of results.

The Company continues to face risks from increased competition, economic slowdown, challenges of retaining manpower and possible decline in asset quality. The Company has in place suitable mechanisms to effectively reduce and manage such risks.

The 'Asset Liability Supervisory Committee' of Directors continued to closely monitor mismatches of assets liabilities and the 'Risk Management Committee' of Directors oversees the management of the integrated risks of the Company.

18. CORPORATE GOVERNANCE

a. The Company recognizes its role as a corporate citizen and endeavors to adopt the best practices and the highest standards of Corporate Governance through transparency in business ethics, accountability to its customers, government and others.
b. The day to day management of the Company is in the hands of the Managing Director who is assisted by a team of senior professionals. The Managing Director functions under the overall superintendence of the Board. The Board has constituted the following Committees:-

    - Audit Committee;
    - Risk Management Committee;
    - Asset Liability Supervisory Committee;
    - Nomination and Remuneration Committee;
    - Corporate Social Responsibility Committee; and
    - Stakeholders' relationship Committee.

c. The Board comprises of Mr. Nasser Munjee, Chairman, Mr. Hoshang Sinor, Mr. C Ramakrishnan, Mr. Ravindra Pisharody, Non - Executive Directors and Mr. Shyam Mani - Managing Director. During the year under review, nine meetings were held on May 15, 2013, June 17, 2013, July 30, 2013; August 20, 2013, September 11, 2013, November 7, 2013, January 30, 2014, March 3, 2014 and March 26, 2014.
d. The Audit Committee comprises of Mr. Hoshang Sinor, Chairman, Mr. Ravindra Pisharody and Mr. C Ramakrishnan. During the year under review, seven meetings were held on May 14, 2013, June 4, 2013, July 30, 2013; August 20, 2013, October 31, 2013, January 13, 2014 and January 30, 2014.
e. The Audit Committee meetings are attended by Managing Director, Statutory Auditors, Chief Internal Auditor of TML, Chief Internal Auditor of the Company, Chief Financial Officer, Head- CV & PC Business, Head- Corporate Affairs and Company Secretary. The minutes of the Audit Committee meetings form part of the Board papers circulated for Board Meetings. The Chairman of the Audit Committee briefs the Board members about significant discussions at Audit Committee meetings.
f. The Company has signed an agreement (BE-BP Agreement) with Tata Sons Limited subscribing to the TATA Brand Equity and Business Promotion Scheme. The Company abides by the Tata Code of Conduct and norms for new Tata brand identity.
g. As a good corporate governance practice, the Company is adopting quarterly audited accounts.
h. During the period under review, besides the transactions mentioned elsewhere in the Annual Report, there were no other related party transactions by the Company.
i. The Company follows Accounting Standards issued by the Institute of Chartered Accountants of India and in the preparation of financial statements, the Company has not adopted a treatment different from that prescribed in any Accounting Standard.
j. The Board adopted the Whistle-Blower Policy which provides a formal mechanism for all employees of the Company to approach the Management/ Audit Committee and make protective disclosures to the Management about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The disclosures reported are addressed in the manner and within the time frames prescribed in the Policy. No employee of the Company has been denied access to the Audit Committee.
k. The 'Asset Liability Supervisory Committee' of Directors oversees the implementation of the Asset Liability Management system and periodically reviews

its functioning. The 'Asset Liability Committee' comprising of senior executives constituted to carry out the necessary spade work for formalizing the ALM system in the Company reports to the 'Asset Liability Supervisory Committee' of Directors.

l. The "Risk Management Committee' of Directors manages the integrated risks of the Company.

m. The 'Nomination and Remuneration Committee' of Directors had been constituted to ensure appointment of directors with 'fit and proper' credentials and to review the performance of the Managing/Whole-time Directors, to review and recommend remuneration/compensation packages for the Executive Directors, to decide commission payable to the directors, to formulate and administer ESOPs and to review employee compensation vis-à-vis industry practices and trends.

n. The Company has also recently constituted Corporate Social Responsibility (CSR) Committee to formulate and recommend to the Board, a CSR policy, recommend the amount of expenditure to be incurred on the activities and monitor CSR activities of the Company and Stakeholders' relationship Committee to consider and resolve the grievances of security holders of the Company.

o. The Company lays great emphasis on risk management, primarily in the areas of risk, interest rate and liquidity risk and operational risk.

19. AUDITORS

M/s. Deloitte Haskins & Sells (DHS) (ICAI Firm Registration number 117366W), who are the Statutory Auditors of the Company, holds office until the ensuing Annual General Meeting. It is proposed to re-appoint them to examine and audit the accounts of the Company from the conclusion of the forthcoming AGM until the conclusion of the AGM for the financial year 2016-17. DHS have, under Section 139 of the Companies Act, 2013, furnished a certificate of their eligibility for re-appointment.

20. PARTICULARS OF EMPLOYEES

Information in accordance with sub-section (2A) of Section 217 of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, and forming part of the Directors' Report for the period ended March 31, 2014, is given as an Annexure to this Report.

21. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors, based on the representations received from the Operating Management, confirm that:-

i. in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;

ii. they have, in the selection of the accounting policies, consulted the Statutory Auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

iii. they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;

iv. they have prepared the annual accounts on a going concern basis.

22. ACKNOWLEDGEMENTS

The Directors would like to place on record their gratitude for the valuable guidance and support received from the Reserve Bank of India and other Government and regulatory

agencies and to convey their appreciation to Tata Motors Limited, dealers of Tata Motors Limited, its other customers, bankers, lenders, vendors and all other business associates for the continuous support given by them to the Company. The Directors also place on record their appreciation of all its employees for their commendable efforts, team work and professionalism.

On behalf of the Board of Directors

Nasser Munjee
Chairman

Mumbai, May 2, 2014

Tata Motors Finance Ltd.

Annexure to Directors' report

Information as per Section 217(2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended March 31, 2014

Sr no	Name	Age (Yrs)	Designation / Nature of duties	Gross Remuneration Rs.	Net Remuneration Rs.	Qualifications	Experience (Years)	Date of Joining	Last Employment
1	ADARSH KUMAR	44	Business Head - CV & PV Business	13690671	8775942	BA.,PGDBM	20	14-Mar-2008	Bajaj Auto Finance Limited
2	ALOK CHADHA	51	Head - Collections	6344965	3550856	B.Com., PGDBM	30	4-Feb-2008	Chrysallis Financial Services Pvt. Ltd
3	ANIL RATHI	43	Head - CPC	8400674	4853640	B.E. MMS	20	14-Jul-2008	ICICI Bank Limited
4	HARI SIVARAMAN	45	Head - Credit & Operations	7694763	4909500	B Com	21	28-Nov-2005	ICICI Bank Limited
5	JITENDRA JADHWANI	48	Chief Technology Officer	8144917	5612381	B.E., PGDS., CFA	26	4-May-1995	Research and Training Institute
6	KEVAL KRISHAN SHARMA	50	Head - Sales	10725909	6324822	M.Sc., PGDBM	27	21-Dec-2007	Maruti Suzuki India Limited
7	PARAS N JHA	40	Regional Business Head, North	9222696	5708195	B E (Production Engineering & Management)	18	31-Aug-1995	First employment
8	PAVAN TRIVEDI	43	Chief Financial Officer	11495349	6841147	B.Com., CA., ICWA	18	1-Feb-2008	Reliance Communication Limited
9	SANDHYA V VARTAK	49	Deputy Vice President - SAP Project Team	8913675	5656888	M.Com., ICWA	26	23-Jun-1987	First employment
10	SANJAY GOEL	51	Regional Collection Head, North	6054287	3812015	Dip in Automobile Engineering	30	1-Jun-1995	Ashok Leyland Ltd
11	SHANTANU PADHYE	45	Regional Business Head, West	7569316	5087200	B E (Mech)	22	25-Feb-2008	Eicher Motors Limited
12	SHYAM MANI	60	Managing Director & CEO	28331671	14720841	B. Tech	39	23-Oct-2000	Tata Capital Limited
13	SRINIVAS PRASAD PANDA	43	Head - Cross Sell	6031050	3946821	BA (Eco). MBA	17	15-Sep-2008	Bajaj Auto Finance Limited
14	SUDIP ROY	48	Regional Collection Head, East	8954535	5816407	B Com	25	12-Sep-1988	First employment
15	TARUN SAMANT	50	Head - Corporate Affairs	14327077	8398202	BA (Eco). MBA	27	7-Aug-2006	GMAC Financial Services Limited

Notes:

(1) The Gross Remuneration shown above is subject to tax and comprises of salary, allowance, monetary value of perquisites as per Income-tax rules and Company's contribution to provident fund and superannuation fund

(2) In addition to the above remuneration, employees are entitle to gratuity, medical benefits, etc. in accordance with the Company's rules.

(3) The net remuneration is arrived at by deducting from the gross remuneration, income-tax, Company's contribution to provident fund, superannuation fund and the monetary value of non-cash perquisites, wherever applicable.

(4) The remuneration as disclosed above, includes performance linked payments for employees for the previous year, which were approved by the management during the year.

(5) All the employees have adequate experience to discharge the responsibilities assigned to them.

(7) None of the employees mentioned above is relative of any Director of the Company.

(8) * against a name indicates that the employee was in service only for a part of the year

On behalf of the Board of Directors

Nasser Munjee
Chairman

Mumbai, May 2, 2014

Deloitte
Haskins & Sells LLP

Chartered Accountants
Indiabulls Finance Centre
Tower 3, 27th - 32nd Floor
Senapati Bapat Marg
Elphinstone Road (West)
Mumbai - 400 013
Maharashtra, India

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INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
TATA MOTORS FINANCE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **TATA MOTORS FINANCE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of

the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

(b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by Section 227(3) of the Act, we report that:

   (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs).

(e) On the basis of the written representations received from the directors as on March 31, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

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

Rupen K. Bhatt
(Partner)
(Membership No. 46930)

MUMBAI: May 2, 2014

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 in section 'Report on Other Legal and Regulatory Requirements' of our report of even date)

(i) Having regard to the nature of the Company's business/activities/result, clauses (ii), (viii) and (xiii) of paragraph 4 of the Order are not applicable.

(ii) In respect of its fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.

(b) Some of the fixed assets were physically verified during the year by the Management in accordance with a programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) The fixed assets disposed-off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.

(iii) According to the information and explanations given to us, the Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.

(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of fixed assets and the sale of services. The activities of the Company do not involve purchase of inventory and sale of goods. During the course of our audit, we have not observed any major weakness in the internal control system.

(v) To the best of our knowledge and belief and according to the information and explanations given to us, there are no transactions that needed to be entered into the register maintained under Section 301 of the Companies Act, 1956.

(vi) According to the information and explanations given to us, the Company has not accepted any deposit from the public to which the provisions of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 would apply.

(vii) In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants and an external agency appointed by the Management have been commensurate with the size of the Company and the nature of its business.

(viii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Sales Tax, Wealth Tax, Service Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. As informed to us, the provisions of Investor Education and Protection Fund, Employees' State Insurance, Customs Duty and Excise Duty were not applicable to the Company during the year.

(b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Sales Tax, Wealth Tax, Service Tax, Cess and other material statutory dues in arrears as at March 31, 2014 for a period of more than six months from the date they became payable. The due date is calculated from the date of registration received under various statutes.

(c) There were no dues of Wealth Tax, Service Tax and Cess which have not been deposited as on March 31, 2014 on account of disputes. Details of dues of Sales tax and Income tax which have not been deposited as of March 31, 2014 on account of dispute are given below:

Name of the Statute	Nature of the Dues	Amount (` in Lakhs)	Period to which the amount relates	Forum where pending
Income Tax Act, 1961	Income Tax	379.13	F.Y.2010-11	Commissioner of Income Tax (Appeals)
The Uttar Pradesh Value Added Tax Act,2008	Sales Tax	9.00	F.Y.2007-08 & 2008-09	Commercial Tax Tribunal, Lucknow (Appeal)
Jharkhand Value Added Tax Act,2006	Sales tax	5.51	F.Y.2008-09	Commercial Tax Tribunal Jharkahand & Ranchi (Appeal)
The Madhya Pradesh Value Added Tax Act,2006	Entry Tax	5.49	F.Y.2010-11	Appellate Authority, Commercial Tax Bhopal

(ix) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(x) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks, financial institutions and debenture holders.

(xi) In our opinion and according to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xii) The Company is not dealing in or trading in shares, securities, debentures and other investments.

(xiii) In our opinion and according to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks and financial institutions.

(xiv) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained, other than temporary deployment pending application.

(xv) According to the information and explanations given to us and on the basis of the statement of Structural Liquidity prepared by the Company in accordance with the Reserve Bank of India's (RBI) Guidelines and submitted by the Company to the RBI on April 17, 2014, we report that funds raised on short-term basis have, prima facie, not been used for long-term investment.

(xvi) The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.

(xvii) According to the information and explanations given to us, during the period covered by our audit report, the Company had issued 20,082 secured debentures of `.10,00,000 each. The Company has created security in respect of all debentures issued during the year.

(xviii) The Company has not raised any money by public issues during the year.

(xix) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the company or on the company has been noticed or reported during the year except as stated in Note 42 to the financial statements, an amount of Rs.7 crores arising from continuing discrepancies in accounting and reporting in respect of bank reconciliation statement, dated back several years, has been dealt with in the books of account only recently. The Board of Directors of the Company has taken adequate steps to deal with the matter.

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

Rupen K. Bhatt
(Partner)
(Membership No. 46930)

MUMBAI: May 2, 2014

TATA MOTORS FINANCE LIMITED

Balance Sheet as at March 31, 2014

(Rs. in Lakhs)

Particulars	Notes	As at March 31, 2014	As at March 31, 2013
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	**3**	1289,34.72	1230,00.00
(b) Reserves and Surplus	**4**	1654,88.02	1458,60.63
		2944,22.74	**2688,60.63**
(1A) Share Application money pending allotment		**100,00.00**	-
(2) Non-Current Liabilities			
(a) Long-term borrowings	**5**	10555,32.69	7928,01.27
(b) Other Long term liabilities	**6**	195,30.46	208,15.44
(c) Long term provisions	**7**	67,34.61	63,91.02
		10817,97.76	**8200,07.73**
(3) Current Liabilities			
(a) Short-term borrowings	**8**	2348,51.22	1969,45.15
(b) Trade payables	**9**	158,27.62	206,46.05
(c) Other Current liabilities	**10**	5277,61.21	7478,71.66
(d) Short-term provisions	**7**	214,90.31	125,23.91
		7999,30.36	**9779,86.77**
Total		**21861,50.86**	**20668,55.13**
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	**11**	107,96.89	84,76.63
(ii) Intangible assets	**12**	8,41.71	10,76.26
(iii) Capital work-in-progress		1,32.42	2,45.64
(b) Non-current investments	**13**	40,01.43	66,69.22
(c) Deferred tax assets (net)	**15**	318,92.15	123,80.68
(d) Finance Receivables	**16**	10023,32.64	11915,58.82
(e) Long term loans and advances	**17**	86,05.09	101,20.78
(f) Other Non current assets	**18**	135,35.61	210,56.74
		10721,37.94	**12515,84.77**
(2) Current assets			
(a) Current investments	**14**	325,97.51	45,32.51
(b) Trade receivables	**20**	835,76.47	147,42.74
(c) Cash and bank balances	**21**	822,06.28	811,32.51
(d) Finance Receivables	**16**	8774,08.75	6613,81.41
(e) Short term loans and advances	**19**	298,01.39	403,86.90
(f) Other current Assets	**18**	84,22.52	130,94.29
		11140,12.92	**8152,70.36**
Total		**21861,50.86**	**20668,55.13**

The accompanying notes are an integral part of the financial statements.

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

RUPEN K. BHATT
Partner

For and on behalf of the Board of Directors

NASSER MUNJEE H. N. SINOR

R. PISHARODY C. RAMAKRISHNAN

Directors

SHYAM MANI
Managing Director

VINAY LAVANNIS
Company Secretary

Mumbai
Date: May 2, 2014

TATA MOTORS FINANCE LIMITED

Statement of Profit and Loss for the year ended March 31, 2014

(Rs. in Lakhs)

Particulars	Notes	April 01, 2013 to March 31, 2014	April 01, 2012 to March 31, 2013
I. Revenue from operations	**22**	2904,08.59	2717,10.12
II. Other income	**23**	122,38.35	108,53.97
III. Total Revenue (I + II)		**3026,46.94**	**2825,64.09**
IV. Expenses:			
Employee benefits expenses	**24**	133,78.77	138,00.39
Finance cost	**26**	1733,75.74	1561,72.25
Depreciation and Amortisation expense	**11,12**	19,81.73	13,65.84
Other expenses	**25**	983,77.35	662,67.10
Total expenses		**2871,13.59**	**2376,05.58**
V. Profit before exceptional and extraordinary items and tax (III-IV)		**155,33.35**	**449,58.51**
VI. Exceptional items		-	-
VII. Profit before extraordinary items and tax (V - VI)		**155,33.35**	**449,58.51**
VIII.Extraordinary Items		-	-
IX. Profit before tax from continuing operations (VII- VIII)		**155,33.35**	**449,58.51**
X. Tax expense:			
(1) Current tax		245,24.00	127,29.00
(2) Short provision for tax relating to prior years		4,33.30	-
(3) Net current tax expense		249,57.30	127,29.00
(4) Deferred tax	**15**	(195,11.47)	12,99.17
		54,45.83	**140,28.17**
XI. Net Profit for the year from continuing operations (IX - X)		**100,87.52**	**309,30.34**
XII. Earnings per equity share (of Rs. 10/- each)			
Basic and Diluted (in Rs.)		**0.80**	**2.55**
Weighted average number of outstanding shares		1,25,97,54,888	1,21,52,05,479

The accompanying notes are an integral part of the financial statements.

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

RUPEN K. BHATT
Partner

Mumbai
Date: May 2, 2014

For and on behalf of the Board of Directors

NASSER MUNJEE
H. N. SINOR
R. PISHARODY
C. RAMAKRISHNAN

Directors

SHYAM MANI
Managing Director

VINAY LAVANNIS
Company Secretary

TATA MOTORS FINANCE LIMITED

Cash Flow Statement for the year ended March 31, 2014

(Rs. in Lakhs)

Particulars	April 01, 2013 to March 31, 2014	April 01, 2012 to March 31, 2013
A. CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES		
Net Profit for the year	**100,87.52**	**309,30.34**
Adjustments for:		
Interest income on long term trade investments, bank deposits, etc.	(52,16.95)	(55,29.09)
Discounting charges on Commercial Papers and discount on issue of Zero Coupon Bonds and amortisation of premium on redemption of Zero Coupon Bonds	267,85.31	288,28.33
Depreciation and amortisation expense	19,81.73	13,65.84
Net gains on sale of current Investments	(18,34.85)	(11,47.33)
Share issue Expense	20.00	15.00
Write off, Loss on sale of fixed assets (net)	36.80	1,97.72
Provison for Diminution in the value of Investment	(41.10)	41.10
Provision for employee benefit schemes	(8,29.19)	1,96.97
Provision for Indirect tax	9,37.26	6,78.32
Provision for doubtful finance receivables and finance receivables written off	1243,48.66	371,73.60
Provision in respect of liability for servicing direct assigned receivables	(3,68.02)	(13,26.83)
Provision for credit loss on securitisation	(7,54.69)	2,46.56
Provisions on Standard Assets	(1,79.99)	7,08.99
Provision for Doubtful Security Deposits	(1.36)	18.46
Current tax	249,57.30	127,29.00
Deferred tax	(195,11.47)	12,99.17
Operating cash flow before working capital changes and discounting charges	**1604,16.96**	**1064,26.15**
Discounting charges on commercial papers and Zero coupon Bonds paid	(216,16.13)	(184,50.38)
Movements in working capital:		
Other Assets	117,09.45	(169,17.55)
Short term advances	105,86.87	(335,93.87)
Finance Receivables	(1511,49.82)	(3079,88.83)
Long term advances	6,76.04	4,87.94
Trade Receivables	(688,33.73)	(62,58.59)
Trade payables	(49,08.94)	9,33.07
Other current liabilities	20,08.66	81,07.67
Other Long term liabilities	(11,94.47)	75,61.90
Margin Money/ Cash Collateral with banks*	68,68.79	(42,41.97)
	(2158,53.28)	**(3703,60.61)**
Current taxes paid (net)	(93,61.90)	(103,16.21)
Net cash used in operating activities	**(647,98.22)**	**(2742,50.67)**
B. CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES		
Purchase of fixed assets (including capital work-in-progress and capital advances)	(46,23.71)	(54,84.21)
Proceeds from sale of fixed assets	43.10	2,17.35
Investment in Senior Pass Through Certificates	13,58.91	(108,31.83)
Purchase of current investments	(49694,35.70)	(29402,70.00)
Proceeds from sale / redemption of current investments	49443,10.53	29414,17.33
Redemption of trade investments	2,45.00	2,11.00
Interest income on long term trade investments, bank deposits, etc.	52,19.29	57,06.50
Net cash used in investing activities	**(228,82.58)**	**(90,33.86)**
C. CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES		
Issue of share capital (including securities premium thereon) (net of share issue expenses Rs.20 lakhs; previous year Rs.15 lakhs)	199,80.00	149,85.00
Share Application money pending allotment	100,00.00	-
Increase / (decrease) in cash credit (net)	309,29.04	(212,29.50)
Proceeds / Repayments from short term borrowings less than 3 months	(443,14.11)	(990,73.74)
Proceeds from short term borrowings 3 months and above	2497,85.04	1443,38.34
Repayment of short term borrowings 3 months and above	(2015,43.31)	(1465,51.07)
Proceeds from long term borrowings	7252,54.56	7390,12.89
Repayment of long term borrowings	(6860,13.93)	(3350,00.00)
Dividend Paid (including Corporate Dividend Tax)	(100,73.27)	(67,99.02)
Net cash from financing activities	**940,04.02**	**2896,82.90**
Net increase in cash and cash equivalents	**63,23.22**	**63,98.37**

* Not freely available for use by the Company.

TATA MOTORS FINANCE LIMITED

Cash Flow Statement for the year ended March 31, 2014

(Rs. in Lakhs)

Particulars	April 01, 2013 to March 31, 2014	April 01, 2012 to March 31, 2013
Cash and cash equivalents as at the beginning of the year	**223,57.53**	**159,59.16**
Cash and cash equivalents as at the end of the year	**286,80.75**	**223,57.53**
Net increase in cash and cash equivalents	**63,23.22**	**63,98.37**

Notes:
1. Finance cost has been considered as arising from operating activities in view of the nature of the Company's business.
2. Previous year figures have been regrouped, wherever necessary.

The accompanying notes are an integral part of the financial statements.

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

RUPEN K. BHATT
Partner

For and on behalf of the Board of Directors

NASSER MUNJEE

H. N. SINOR

R. PISHARODY

C. RAMAKRISHNAN

Directors

VINAY LAVANNIS
Company Secretary

SHYAM MANI
Managing Director

Mumbai
Date: May 2, 2014

Notes forming part of the financial statements for the year ended March 31, 2014

Note 1 – CORPORATE INFORMATION

The Company is a wholly owned subsidiary of Tata Motors Limited (TML) and is registered as a Non-Banking Financial (Non Deposit Accepting or Holding) Company with the Reserve Bank of India with effect from August 09, 2006

Note 2 – SIGNIFICANT ACCOUNTING POLICIES

1. Basis for preparation of Financial statements

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 (Accounting Standards) Rules, 2006 (as amended) ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act/ 2013 Companies Act, as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. Further, the Company follows the directions issued by the Reserve Bank of India (RBI) for Non- Banking Financial Companies (NBFC). The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent liabilities as at the date of these financial statements and reported amounts of revenue and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in the current and future years.

3. Revenue recognition

a. Income on Finance receivables

Income on Finance receivables is accounted for by using the internal rate of return method. Consequently, a constant rate of return on net outstanding amount is accrued over the period of the contract, except that no income is recognised on non-performing / doubtful assets as per the prudential norms for income recognition issued by the RBI for NBFCs. Interest income on such assets is recognised on receipt basis.

Late payment charges are accounted on receipt basis on account of uncertainty of ultimate collection.

b. Income from assignment of receivables

Receivables on assignment are derecognised as all the rights, title and interest thereof are assigned to the investor. On derecognition, the difference between the book value of receivables assigned and consideration received is dealt with as under:

i) Revenue recognition consequent to revised securitization guidelines

The RBI, vide DNBS. PD. No. 301/3.10.01/2012-13 dated 21st August 2012, issued revised guidelines on securitisation of standard assets. The Company has applied these guidelines to the securitisation transactions effected by the Company post 21st August, 2012. Consequently, the amount of profit received in cash is recorded as a liability under the head "Cash Profit on Loan Transfer Transactions Pending Recognition", maintained on individual transaction basis. The amount recorded in the account is amortised in the statement of profit and loss at each reporting period-end based on a predefined formula given in the aforesaid guidelines.

In case of securitisation transactions where the Company retains the contractual right to receive some of the interest amount due on the transferred assets, the present value of such interest receivable from the Special Purpose Vehicle (SPV) is capitalised as an Interest Only Strip (I/O Strip). The corresponding gain arising on recording of I/O Strip is accounted as a liability under the head "Unrealised Gain on Loan Transfer Transactions". The gain is recognised in the Statement of Profit and Loss when the I/O Strip is redeemed in cash.

ii) In respect of securitisation transaction effected prior to August 21, 2012

Profits on assignment through Special Purpose Vehicle (SPV) (net of expenses such as Direct Selling Agents (DSA)/dealer commission, securitisation expenses, liability for servicing assigned receivables and gross of income such as interest subsidy, etc.) are amortised over the balance life of the securities issued / to be issued to the investor, in the ratio of interest that would have been earned on the securitised receivables over such balance period.

Profits on direct assignment of receivables (net of expenses such as DSA/dealer commission, securitisation expenses, liability for servicing assigned receivables etc. and gross of income such as interest subsidy, etc.) are recognised in the statement of profit and loss in the period in which the assignment is effected.

iii) Legal and incidental expenses are charged to the statement of profit and loss in the period in which the assignment / securitisation is effected.

c. Income from service charges

Income from service charges is recognised as per contractual terms on an accrual basis.

d. Compensation towards interest loss

Compensation towards interest loss receivable from parent company is accrued and recognized as per the contractual terms when such loss occurs.

e. Utilization of delinquency support

The amount credited to profit and loss account on utilization of delinquency support is determined on portfolio of contracts basis taking into account the estimates of expected future loss.

4. Provision for Standard/Non Performing Assets

i) The Company provides an allowance for Finance receivables based on the prudential norms issued by the RBI relating to income recognition, asset classification and provisioning for non-performing assets. In addition to the provisioning as per the RBI norms, provision is also being made for the anticipated non recoverable, where any of the installments are overdue for a period exceeding 11 months.

The Company also makes provision for assigned/securitised receivables in the same manner as above. The Company also makes provision, if any, to comply with the Guidelines on Securitisation of Standard Assets issued by the RBI.

ii) The Company makes a provision on all outstanding standard assets as per the prudential norms / guidelines issued by the RBI.

5. Depreciation and Amortisation

Depreciation and amortisation is provided on the straight-line method (SLM), at the rates and manner prescribed in Schedule XIV to the Companies Act, 1956 except in the case of:

a. Laptops – 23.75% (SLM)
b. Vehicles – 23.75% (SLM)
c. Hand Held Machines - 23.75% (SLM)
d. Capital assets, located in the premises the ownership of which does not vest in the Company, are depreciated over the estimated period of their utility or five years, whichever is lower.
e. Software of a cost in excess of Rs. 0.25 Lakhs is amortised over a period of 60 months or on the basis of their estimated useful life, whichever is lower.
f. Assets costing less than Rs.5000/- are fully depreciated in the period of purchase.

6. Fixed assets

Fixed assets are stated at cost of acquisition less depreciation, which comprises of purchase price and other directly attributable costs of bringing the assets to their working condition for the intended use.

7. Investments

Long term investments are stated at cost. Provision for diminution is made to recognise a decline, other than temporary, in the value of such investments. Current investments are stated at lower of cost and fair value.

8. Commission to agents

Commission paid/ payable to DSAs/dealers for sourcing of contracts is amortised over the term of the contract in the ratio of interest earned. Commission paid / payable on achievement of targets is amortised equally over the term of the contract. Commission paid on collection is charged to the statement of profit and loss when incurred.

9. Employee benefits

i) Defined contribution plans

Contributions to the Company's defined contribution plans, as described below, are charged to the statement of profit and loss.

a) Provident fund

The employees are entitled to receive benefits under provident fund, where both, the employees and the Company, make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' eligible salary). The contribution is paid to the fund managed by the parent Company, except that the employer's contribution towards pension fund is paid to the Regional Provident Fund office. The Company is generally liable for annual contribution and any shortfall to the extent of Company's share in the fund managed by parent Company, based on the Government specified minimum rates of return and recognises such contributions and shortfall, if any, as an expense in the year incurred.

b) Superannuation

Contribution to the superannuation fund is made at 15% of basic salary for the employees who have opted to the scheme, managed by the parent Company and is charged to the statement of profit and loss.

ii) Defined benefit plans

Provision for the Company's defined benefit plans, as described below, are actuarially determined using the projected unit credit method, based on an independent actuarial valuation at the end of the year. Actuarial gains and losses are charged to the profit and loss account.

a) Gratuity

Contributions are made towards gratuity, covering eligible employees, which provides for a lump sum payment of an amount equivalent to 15 to 30 days salary, payable for each completed year of service. Vesting occurs upon completion of five years of service. The actuarially determined liability is compared with the fair value of plan assets and the shortfall or excess is accounted for as a liability or an asset respectively.

b) Compensated absences

Provision is made for 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.

c) Post retirement Medicare scheme

Under this scheme, the employees are provided medical benefits after retirement, subject to certain limits.

d) Bhavishya Kalyan Yojana (BKY)

The benefits of the plan are provided to eligible employees based on their entitlement on death or permanent disablement, while in service.

10. Business segment

The Company has been operating only in one segment viz, financial activities and the operations being only in India, the disclosure requirements of Accounting Standard-17 Segment Reporting are not applicable.

11. Leases

i) Assets taken on operating lease

Leases, where the lessor effectively retains substantially all the risks and rewards incidental to ownership of the leased assets are classified as operating leases. Operating lease rent paid is recognised as an expense in the statement of profit and loss on the straight-line basis over the lease term.

ii) Assets given on operating lease

Vehicles given on operating lease are included in fixed assets. Lease income is recognised in the statement of profit & loss on a straight line basis over the lease term. Costs including depreciation are recognised as an expense in the statement of profit & loss. Initial direct costs such as insurance cost etc. are recognised immediately in the statement of profit & loss.

12. Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

13. Taxation

Current tax is the amount of tax payable on the taxable income for the financial year, as determined in accordance with the provisions of the Income-tax Act, 1961.

Deferred tax is recognised, subject to consideration of prudence, on timing difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognised if there is reasonable certainty that there will be sufficient future taxable income available to realise such assets based on the future estimate of the profits.

14. Provisions, contingent liability and contingent assets

Provisions are recognised in accounts in respect of present probable obligations arising out of past events, the amount of which can be reliably estimated.

Contingent liabilities are disclosed in respect of possible obligations that arise from the past events but their existence is confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent assets are neither recognised, nor disclosed in the financial statements.

15. Delinquency support

Delinquency support receivable from parent company, being compensation towards provision / write off of finance receivable, is credited to the profit and loss account as per the contractual terms when the provision on the underlying portfolio of contracts is recognized.

TATA MOTORS FINANCE LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2014

Note "3"

Share Capital

(Rs. in Lakhs)

Particulars	As at March 31, 2014		As at March 31, 2013	
	Number	Amount	Number	Amount
Authorised				
Equity Shares of Rs.10 each	2,00,00,00,000	2000,00.00	2,00,00,00,000	2000,00.00
Preference shares of Rs.100 each (redeemable)	7,50,00,000	750,00.00	7,50,00,000	750,00.00
	2,07,50,00,000	**2750,00.00**	**2,07,50,00,000**	**2750,00.00**
Issued, Subscribed and Fully Paid up				
Equity Shares of Rs.10 each	1,28,93,47,181	1289,34.72	1,23,00,00,000	1230,00.00
Total	**1,28,93,47,181**	**1289,34.72**	**1,23,00,00,000**	**1230,00.00**

a) **Reconciliation of the shares outstanding at the beginning and at the end of the reporting year**

(Rs. in Lakhs)

Equity Shares	As at March 31, 2014		As at March 31, 2013	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	1,23,00,00,000	1230,00.00	1,17,00,00,000	1170,00.00
Shares Issued during the year	5,93,47,181	59,34.72	6,00,00,000	60,00.00
Shares outstanding at the end of the year	**1,28,93,47,181**	**1289,34.72**	**1,23,00,00,000**	**1230,00.00**

b) As at March 31, 2014 and March 31, 2013 all the Equity Shares were held by Tata Motors Ltd., the holding company and its nominees.

c) **Terms / rights attached to equity shares**

The Company has issued only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share. The holders of equity shares are also entitled for the dividend as proposed by the Board of Directors and approved in the Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Note "4"

Reserves & Surplus

(Rs.in Lakhs)

Particulars	As at March 31, 2014	As at March 31, 2013
a. Securities Premium Account		
Balance as per the last financial statements	970,00.00	880,00.00
Add: Securities premium credited on Share issue	140,65.28	90,00.00
Closing Balance	**1110,65.28**	**970,00.00**
b. Special Reserve*		
Balance as per the last financial statements	155,60.90	93,74.83
Add: Transfer from surplus in the statement of Profit and Loss	20,17.50	61,86.07
Closing Balance	**175,78.40**	**155,60.90**
c. Surplus in the statement of profit and loss		
Balance as per the last financial statements	332,99.73	186,28.73
Add: Net Profit for the year	100,87.52	309,30.34
Less: Transfer to Special Reserve	20,17.50	61,86.07
Less: Proposed dividend (Rs 0.30 per share) (previous year Rs 0.70 per share) {see note below}	38,68.04	86,10.00
Less: Tax on dividend	6,57.37	14,63.27
Net surplus in the statement of Profit and Loss	**368,44.34**	**332,99.73**
Total	**1654,88.02**	**1458,60.63**

***Transfer to Special reserve**

As per Section 45-IC of Reserve Bank of India Act, 1934 every non-banking financial company shall create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared. No appropriation of any sum from the reserve fund shall be made by the non-banking financial company except for the purpose as may be specified by the Reserve Bank of India from time to time and every such appropriation shall be reported to the Reserve Bank of India within twenty-one days from the date of such withdrawal.

Note: The Board of Directors, at its adjourned meeting held on May 2, 2014 recommended a dividend of Rs 0.30/- per share, which will be subject to approval of the share holders at their ensuing Annual General meeting.

TATA MOTORS FINANCE LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2014

Note "5"

Long term Borrowings

(Rs. in Lakhs)

Particulars	As at March 31, 2014	As at March 31, 2013
(i) Bonds / Debentures		
(a) Privately placed non convertible debentures (Secured) (Net of unamortised discount on issue of Rs.57,70.05 lakhs; March 31, 2013 Rs.136,08.73 lakhs and gross of accredited value of premium on redemption of Rs. 5,32.73 lakhs; March 31, 2013 NIL)	2365,42.69	2158,21.27
(b) Privately placed non-convertible subordinated debentures (Unsecured)	899,90.00	744,80.00
(c) Privately placed non convertible Subordinated Perpetual Debt (Unsecured)	325,00.00	250,00.00
	3590,32.69	**3153,01.27**
(ii) Term loans from banks		
Secured	3765,00.00	4075,00.00
Unsecured	3200,00.00	700,00.00
	6965,00.00	**4775,00.00**
Total	**10555,32.69**	**7928,01.27**

Nature of Security for Secured Borrowings outstanding as on March 31, 2014

Nature of security on borrowings :

a. Privately placed non-convertible debentures are fully secured by:
i) First charge on Company's residential flat.
ii) Pari - passu charge is created in favour of the debenture trustee on:
- All receivables of the Company arising out of loan and trade advances,
- All book debts arising out of loan and trade advances

iii) First charge on secured / unsecured loans given by the Company as identified from time to time and accepted by the debenture trustee.
iv) Any other security as identified by the Company and acceptable to the debenture trustee.

b. Term Loans from banks and others are secured by a pari-passu charge in favour of the security trustee on receivables, Receivables from pass through certificates and book debts specified in (a)(ii) above and such current assets as may be identified by the Company from time to time and accepted by the security trustee.

Terms of repayment for Term Loans
Term loans from banks are repayable on bullet i.e at the end of tenure. Tenure of such loans ranges between 2 to 3 years. Loans are borrowed at a floating rate of interest linked to bank's base rate plus spread with quarterly / half-yearly / yearly reset option. On the reset date the company has an option to repay the loans.

TATA MOTORS FINANCE LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2014

Terms of repayment of bonds / debentures outstanding as at March 31, 2014

A. Privately placed Non Convertible Debentures (including Zero Coupon Debentures) - Face value of Rs. 10 Lakhs each (Redeemable at par) except otherwise stated

Particulars	(Rs. in lakhs)	Redemption Date
10.25% Non Convertible Debentures-X FY 2013-14	20,00.00	20-Mar-19
10.2556% Non Convertible Debentures-AF FY 2013-14	5,00.00	19-Mar-19
10.25% Non Convertible Debentures-V FY 2013-14	15,00.00	5-Mar-19
TMFL ZERO COUPON DEBENTURES "AC" FY 2013-14*	21,06.27	27-Feb-19
10.25% Non Convertible Debentures-M FY 2013-14	20,00.00	10-Jan-19
TMFL ZERO COUPON DEBENTURES "P" FY 2013-14*	56,16.30	17-Aug-17
TMFL ZERO COUPON DEBENTURES "J" FY 2013-14*	63,00.70	25-Jul-17
TMFL ZERO COUPON DEBENTURES "T" FY 2013-14*	9,88.79	13-Apr-17
TMFL ZERO COUPON DEBENTURES "Q" FY 2013-14*	4,06.55	6-Apr-17
10.25% Non Convertible Debentures-Y FY 2013-14	44,00.00	20-Mar-17
10.2598% Non Convertible Debentures-AD FY 2013-14	50,00.00	20-Mar-17
TMFL ZERO COUPON DEBENTURES "R" FY 2013-14*	8,97.38	2-Mar-17
10.2553% Non Convertible Debentures-W FY 2013-14	8,00.00	23-Feb-17
TMFL ZERO COUPON DEBENTURES "K" FY 2013-14*	24,03.68	27-Jan-17
TMFL ZERO COUPON DEBENTURES "H" FY 2013-14*	21,32.65	20-Jan-17
TMFL ZERO COUPON DEBENTURES "I" FY 2013-14*	6,50.43	20-Oct-16
TMFL ZERO COUPON DEBENTURES "G" FY 2013-14	45,30.00	28-Jun-16
9.40% Non Convertible Debentures-K FY 2013-14	200,00.00	10-Jun-16
TMFL ZERO COUPON DEBENTURES "S" FY 2013-14*	8,35.34	7-Jun-16
9.40% Non Convertible Debentures-J FY 2013-14	270,00.00	5-Jun-16
TMFL Zero Coupon Debentures - F FY 2013-14*	26,20.61	2-Jun-16
9.40% Non Convertible Debentures-I FY 2013-14	250,00.00	31-May-16
9.60% Non Convertible Debentures-H FY 2013-14	50,00.00	30-May-16
TMFL ZERO COUPON DEBENTURES "O" FY 2013-14*	10,45.94	25-May-16
10.2310% Non Convertible Debentures-AE FY 2013-14	20,00.00	16-May-16
TMFL Zero Coupon Debentures - C FY 2013-14	4,00.00	10-May-16
9.60% Non Convertible Debentures-C FY 2013-14	75,00.00	9-May-16
TMFL ZERO COUPON DEBENTURES "AB" FY 2013-14*	24,63.07	7-May-16
10.2085% Non Convertible Debentures-N FY 2013-14	50,00.00	3-May-16
TMFL Zero Coupon Debentures - O FY 2012-13	84,80.00	28-Apr-16
TMFL ZERO COUPON DEBENTURES "U" FY 2013-14*	22,75.90	18-Apr-16
10.254% Non Convertible Debentures- Z FY 2013-14	18,20.00	4-Apr-16
TMFL Zero Coupon Debentures - B FY 2013-14	13,10.00	31-Mar-16
10.25% Non Convertible Debentures-AA FY 2013-14	40,00.00	20-Mar-16
TMFL Zero Coupon Debentures - D FY 2013-14*	12,74.97	5-Jan-16
9.60% Non Convertible Debentures-D FY 2013-14	50,00.00	13-Nov-15
9.9850% Non Convertible Debentures-R FY 2012-13	25,00.00	26-Oct-15
10.75% Non Convertible Debentures-L FY 2013-14	75,00.00	27-Sep-15
TMFL Zero Coupon Debentures - Q FY 2012-13	31,20.00	6-Aug-15
TMFL Zero Coupon Debentures - G FY 2012-13	6,90.00	4-Aug-15
9.89% Non Convertible Debentures-V FY 2012-13	100,00.00	26-Jun-15
10.40% Non Convertible Debentures-E FY 2012-13	20,00.00	15-Jun-15
9.592% Non Convertible Debentures-G FY 2013-14	100,00.00	15-Jun-15
10.40% Non Convertible Debentures-F FY 2012-13	30,00.00	12-Jun-15
TMFL Zero Coupon Debentures - AE FY 2011-12	24,50.00	1-Jun-15
10.40% Non Convertible Debentures-B FY 2012-13	73,00.00	22-May-15
9.60% Non Convertible Debentures-E FY 2013-14	25,00.00	13-May-15
TMFL Zero Coupon Debentures - K FY 2012-13	30,20.00	7-May-15
9.60% Non Convertible Debentures-B FY 2013-14	25,00.00	7-May-15
10.40% Non Convertible Debentures-D FY 2012-13	20,00.00	6-May-15
TMFL Zero Coupon Debentures - E FY 2013-14	50,00.00	2-May-15
TMFL Zero Coupon Debentures - F FY 2012-13	17,30.00	16-Apr-15
TMFL Zero Coupon Debentures - A FY 2013-14	18,00.00	14-Apr-15
TMFL Zero Coupon Debentures - B FY 2012-13	72,90.00	10-Apr-15
TMFL Zero Coupon Debentures - J FY 2012-13	10,00.00	9-Apr-15
TMFL Zero Coupon Debentures - AH FY 2011-12	13,00.00	6-Apr-15
TMFL Zero Coupon Debentures - A FY 2012-13	26,40.00	2-Apr-15
TMFL Zero Coupon Debentures - P FY 2012-13	54,40.00	2-Apr-15
TMFL Zero Coupon Debentures - AL FY 2012-13	34,40.00	31-Mar-15
9.92% Non Convertible Debentures-Q FY 2012-13	35,00.00	27-Mar-15
9.80% Non Convertible Debentures-Z FY 2012-13	25,00.00	26-Mar-15
9.5650% Non Convertible Debentures-F FY 2013-14	120,00.00	25-Mar-15
9.80% Non Convertible Debentures-Y FY 2012-13	100,00.00	23-Mar-15
9.60% Non Convertible Debentures-A FY 2013-14	110,00.00	20-Mar-15
10.10% Non Convertible Debentures-O FY 2012-13	50,00.00	16-Mar-15

TATA MOTORS FINANCE LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2014

Terms of repayment of bonds / debentures outstanding as at March 31, 2014

A. Privately placed Non Convertible Debentures (including Zero Coupon Debentures) - Face value of Rs. 10 Lakhs each (Redeemable at par) except otherwise stated

Particulars	(Rs. in lakhs)	Redemption Date
TMFL Zero Coupon Debentures - C FY 2012-13	13,20.00	9-Mar-15
TMFL Zero Coupon Debentures - AG FY 2011-12	13,30.00	6-Mar-15
TMFL Zero Coupon Debentures - D FY 2012-13	19,70.00	4-Mar-15
TMFL Zero Coupon Debentures - AB FY 2011-12	39,70.00	9-Feb-15
TMFL Zero Coupon Debentures - AC FY 2011-12	6,60.00	3-Feb-15
TMFL Zero Coupon Debentures - W FY 2011-12	25,00.00	27-Jan-15
TMFL Zero Coupon Debentures - T FY 2011-12	6,70.00	23-Jan-15
9.85% Non Convertible Debentures-X FY 2012-13	60,00.00	22-Jan-15
9.90% Non Convertible Debentures-W FY 2012-13	50,00.00	12-Jan-15
TMFL Zero Coupon Debentures - S FY 2011-12	10,60.00	6-Jan-15
TMFL Zero Coupon Debentures - P FY 2011-12	20,00.00	29-Dec-14
10.19% Non Convertible Debentures-K FY 2012-13	250,00.00	27-Dec-14
TMFL Zero Coupon Debentures - Q FY 2011-12	46,30.00	18-Dec-14
TMFL Zero Coupon Debentures - E FY 2012-13	12,90.00	15-Dec-14
10.00% Non Convertible Debentures-U FY 2012-13	25,00.00	12-Dec-14
TMFL Zero Coupon Debentures - R FY 2011-12	15,80.00	11-Dec-14
10.00% Non Convertible Debentures-T FY 2012-13	20,00.00	26-Nov-14
10.00% Non Convertible Debentures-S FY 2012-13	105,00.00	25-Nov-14
10.25% Non Convertible Debentures-M FY 2012-13	150,00.00	15-Sep-14
10.20% Non Convertible Debentures-N FY 2012-13	150,00.00	15-Sep-14
TMFL Zero Coupon Debentures - V FY 2011-12	43,00.00	10-Jul-14
10.30% Non Convertible Debentures-H FY 2012-13	50,00.00	16-Jun-14
10.30% Non Convertible Debentures-G FY 2012-13	50,00.00	15-Jun-14
TMFL Zero Coupon Debentures - L FY 2012-13	61,00.00	6-Jun-14
TMFL Zero Coupon Debentures - AA FY 2011-12	35,90.00	2-Jun-14
TMFL Zero Coupon Debentures - I FY 2012-13	6,10.00	2-Jun-14
TMFL Zero Coupon Debentures - H FY 2012-13	40,70.00	8-May-14
10.40% Non Convertible Debentures-C FY 2012-13	20,00.00	5-May-14
TMFL Zero Coupon Debentures - U FY 2011-12	37,20.00	25-Apr-14
TMFL Zero Coupon Debentures - AK FY 2011-12	26,60.00	8-Apr-14
	4385,08.58	
Less: Unamortised Discount allowed on issue	79,07.82	
Less: Unamortised Premium on redemption	77,25.85	
Total	**4228,74.91**	
Less: Current portion of Long Term borrowings	1863,32.22	
Total	**2365,42.69**	

* These NCDs are zero coupon NCDs issued at par value and redeemable at premium and the figures stated above are gross of premium on redemption.

B. Privately placed Non Convertible Subordinated Debentures

Face value of Rs. 10 Lakhs each (Redeemable at par)

Particulars	(Rs. in lakhs)	Redemption Date
10.15% TMFL – Tier II Bonds – A FY 2013-14	55,10.00	28-May-23
9.85% TMFL – Tier II Bonds – B FY 2013-14	100,00.00	24-May-23
10.46% TMFL – Tier II Bonds – C FY 2012-13	28,00.00	28-Dec-22
Face value of Rs. 5 Lakhs each (Redeemable at par)		
10.65% TMFL – Tier II Bonds – B FY 2012-13	25,00.00	03-Aug-22
11.00% TMFL – Tier II Bonds – A FY 2012-13	37,40.00	22-May-22
11.00% TMFL – Tier II Bonds – C FY 2011-12	10,00.00	26-Mar-22
11.00% TMFL – Tier II Bonds – B FY 2011-12	69,15.00	02-Mar-22
11.00% TMFL – Tier II Bonds – A FY 2011-12	75,30.00	17-Sep-21
10.70% TMFL – Tier II Bonds – D FY 2009-10	111,00.00	28-Apr-20
10.70% TMFL – Tier II Bonds – C FY 2009-10	100,00.00	10-Apr-20
10.75% TMFL – Tier II Bonds – B FY 2009-10	88,95.00	25-Mar-20
10.90% TMFL – Tier II Bonds – A FY 2009-10	200,00.00	20-Jan-20
	899,90.00	

C. Privately placed Non Convertible Subordinated Perpetual Debentures

Particulars	(Rs. in lakhs)	Face Value (Rs.)
11.35% TMFL Perpetual "A" FY 2010-11	150,00.00	5 Lakhs
11.50% TMFL Perpetual "A" FY 2012-13	26,90.00	5 Lakhs
11.25% TMFL Perpetual "B" FY 2012-13	73,10.00	5 Lakhs
11.03% TMFL Perpetual "A" FY 2013-14	52,70.00	10 Lakhs
11.33% TMFL Perpetual "B" FY 2013-14	22,30.00	10 Lakhs
	325,00.00	

Terms of Redemption:
Redemption period is not applicable as the NCDs are perpetual. However, the Company has a call option on the NCDs after 10 years from the date of issue and at the end of every month thereafter, which may be exercised only with the prior approval of the Reserve Bank of India.There is a step up option of 50 bps in the event that the call option is not exercised by the Company.

TATA MOTORS FINANCE LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2014

Note "6"

Other long term liabilities

(Rs. in Lakhs)

Particulars	As at March 31, 2014	As at March 31, 2013
Trade Payables	-	90.51
Income received in advance	4,05.42	10,72.13
Unrealised Gain on Loan Transfer Transactions	27,18.42	61,90.50
Delinquency support	161,98.13	130,57.14
Deposits from Customers / Dealers	2,08.49	4,05.16
Total	**195,30.46**	**208,15.44**

Note "7"

Provisions

(Rs. in Lakhs)

Particulars	As at March 31, 2014	As at March 31, 2013
A) Long Term Provisions		
Provision for employee benefit schemes	8,38.90	9,23.04
Provision for Indirect tax	31,84.43	22,47.17
Provision for expected loss on future direct assigned /securitised receivables	8,05.96	3,52.99
Provision in respect of liability for servicing direct assigned receivables	-	4.08
Provisions against Standard Assets	19,05.32	28,63.74
Total	**67,34.61**	**63,91.02**
B) Short Term Provisions		
Provision for employee benefit schemes	33.54	30.50
Provision for income tax, net of advances	142,87.62	1,21.46
Provision for expected loss on future direct assigned /securitised receivables	34.07	1,03.50
Provision in respect of liability for servicing direct assigned receivables	9.01	3,72.95
Provisions against Standard Assets	26,00.66	18,22.23
Provision for proposed dividend	38,68.04	86,10.00
Provision for tax on dividend	6,57.37	14,63.27
Total	**214,90.31**	**125,23.91**

Movement of provisions (Long Term and Short Term)

a. Provision for Indirect taxes

(Rs. in Lakhs)

Particulars	As at March 31, 2014	As at March 31, 2013
Opening Balance	22,47.17	15,68.85
Add: Provision for the year	9,37.26	6,78.32
Closing Balance	**31,84.43**	**22,47.17**

The expected settlement period depends on relevant judgement of authorities in similar matters.

b. Provision in respect of liability for servicing direct assigned receivables

(Rs. in Lakhs)

Particulars	As at March 31, 2014	As at March 31, 2013
Opening Balance	3,77.03	17,03.86
Less: Utilisation	3,68.02	13,26.83
Closing Balance	**9.01**	**3,77.03**

c. Provision for expected loss on future direct assigned / securitised receivables

(Rs. in Lakhs)

Particulars	As at March 31, 2014	As at March 31, 2013
Opening Balance	4,56.49	8,49.22
Add: Provision for the year	8,06.38	2,76.51
Less: Utilizations during the year	4,06.96	6,07.78
Less: Other adjustments	15.88	61.46
Closing Balance	**8,40.03**	**4,56.49**

d. Contingent Provisions against Standard Assets

The RBI issued notification on January 17, 2011 vide notification number DNBS.PD.CC.No.207/ 03.02.002 /2010-11 requiring all NBFCs to make a provision of 0.25% on all outstanding standard assets. The amount of provision for the Company as on March 31,2014 is Rs 45,05.98 lakhs (March 31, 2013 Rs. 46,85.97 lakhs).

e. The provision for expected loss on future direct assigned / securitised receivables is expected to be settled by Financial Year 2017-18 and the provision in respect of liability for servicing direct assigned / securitised receivables is expected to be settled by Financial Year 2014-15.

TATA MOTORS FINANCE LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2014

Note "8"

Short term borrowings

(Rs. in Lakhs)

Particulars	As at March 31, 2014	As at March 31, 2013
(i) Loans repayable on demand		
From Banks		
-Cash Credit (Secured)	765,01.13	455,72.09
-Working Capital Demand Loan (Secured)	425,00.00	620,00.00
-Other Loans (Secured)	50,00.00	125,00.00
	1240,01.13	**1200,72.09**
(ii) Inter Corporate Deposits (Unsecured)		
-from others	10,00.00	-
(iii) Commercial Papers (Unsecured) (net of unamortised discounting charges Rs. 57,14.91 Lakhs; March 31, 2013 Rs. 18,76.94 Lakhs) (Maximum amount outstanding Rs. 23,62,15 Lakhs; for the previous year ended March 31, 2013: Rs. 25,39,00 lakhs)	1098,50.09	768,73.06
Total	**2348,51.22**	**1969,45.15**

Nature Of Security for Secured Borrowings outstanding as on March 31, 2014

Loans from banks for cash credit, working capital demand loans and other loans are secured by a pari-passu charge in favour of the security trustee on receivables and book debts as listed below and such current assets as may be identified by the Company from time to time and accepted by the security trustee.

Pari - passu charge is created with the security trustee for loans from banks on:

- All receivables of the Company arising out of loan and trade advances,
- All book debts arising out of loan and trade advances,
- Receivables from pass through certificates.

Note "9"

Trade payables

(Rs. in Lakhs)

Particulars	As at March 31, 2014	As at March 31, 2013
Dues to Micro, Small and Medium enterprises	31.71	25.70
Dues to Others	157,95.91	206,20.35
Total	**158,27.62**	**206,46.05**

Information in respect of micro enterprises and small enterprises to whom the Company owes dues, which are outstanding as at the balance sheet date and disclosed above as defined under Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

Note "10"

Other Current liabilities

(Rs. in Lakhs)

Particulars	As at March 31, 2014	As at March 31, 2013
Current maturities of long-term debt		
Privately placed non convertible debentures (Secured) (Net of unamortised discount on issue of Rs.21,37.78 lakhs; March 31, 2013 Rs.28,56.76 lakhs)	1863,32.22	1202,03.24
Term loans from banks		
Secured	2200,00.00	2525,00.00
Unsecured	650,00.00	3200,00.00
	4713,32.22	**6927,03.24**
Interest accrued but not due on borrowings	244,49.60	146,28.18
Income received in advance	9,05.49	13,02.52
Unrealised Gain on Loan Transfer Transactions	75,19.25	90,07.95
Payable to investors of assigned /securitised receivables	116,35.91	153,23.15
Liability for Gratuity	-	7,48.09
Statutory dues	15,56.93	14,87.92
Other Liabilities	103,61.81	126,70.61
Total	**5277,61.21**	**7478,71.66**

Nature Of Security for Secured Borrowings outstanding as on March 31, 2014

a) Privately placed non-convertible debentures are fully secured by:

i) First charge on Company's residential flat.

ii) Pari - passu charge is created with the security trustee for loans from banks on:

- All receivables of the Company arising out of loan and trade advances,
- All book debts arising out of loan and trade advances.

iii) First charge on secured / unsecured loans given by the Company as identified from time to time and accepted by the debenture trustee.

iv) Any other security as identified by the Company and acceptable to the debenture trustee.

b) Term Loans from banks are secured by a pari-passu charge in favour of the security trustee on receivables, Receivables from pass through certificates and book debts specified in (a)(ii) above and such current assets as may be identified by the Company from time to time and accepted by the security trustee.

TATA MOTORS FINANCE LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2014

Note "11"

Tangible Assets

(Rs. in Lakhs)

Particulars	Gross Block				Depreciation				Net Block
	Opening balance as at April 01, 2013	Additions	Deletions	**Closing balance as at March 31, 2014**	**Opening balance as at April 01, 2013**	Depreciation for the period	Deletions	**Closing balance as at March 31, 2014**	**As at March 31, 2014**
Office Premises/ Residential flat	22,98.11	17,55.51	-	40,53.62	89.01	58.33	-	1,47.34	39,06.28
	22,98.11	-	-	*22,98.11*	*51.55*	*37.46*	-	*89.01*	*22,09.10*
Furniture and fixtures	39,03.22	15,42.41	43.92	54,01.71	10,89.44	6,83.07	17.14	17,55.37	36,46.34
	23,89.51	*19,24.46*	*4,10.75*	*39,03.22*	*5,94.88*	*6,20.44*	*1,25.88*	*10,89.44*	*28,13.78*
Vehicles	8,77.11	1,33.56	1,06.55	9,04.12	3,20.17	2,06.97	67.47	4,59.67	4,44.45
	7,63.64	*3,73.96*	*2,60.49*	*8,77.11*	*3,50.36*	*1,91.85*	*2,22.04*	*3,20.17*	*5,56.94*
Vehicles - Operating lease	2,73.36	1,27.72	-	4,01.08	39.68	79.72	-	1,19.40	2,81.68
	-	*2,73.36*	-	*2,73.36*	-	*39.68*	-	*39.68*	*2,33.68*
Office equipment	27,15.18	5,75.59	16.45	32,74.32	2,03.99	6,26.27	4.33	8,25.93	24,48.39
	11,70.87	*16,51.85*	*1,07.54*	*27,15.18*	*1,11.97*	*1,17.75*	*25.73*	*2,03.99*	*25,11.19*
Data processing machines	13,65.58	-	23.62	13,41.96	12,13.64	80.27	21.70	12,72.21	69.75
	14,36.97	*0.12*	*71.51*	*13,65.58*	*10,70.48*	*2,04.73*	*61.57*	*12,13.64*	*1,51.94*
Total	**114,32.56**	**41,34.79**	**1,90.54**	**153,76.81**	**29,55.93**	**17,34.63**	**1,10.64**	**45,79.92**	**107,96.89**
As of March 31, 2013	*80,59.10*	*42,23.75*	*8,50.29*	*114,32.56*	*21,79.24*	*12,11.91*	*4,35.22*	*29,55.93*	*84,76.63*

Note : Office Premises/ Residential flat include Rs. 1,000/- being value of investment in 20 shares of Rs. 50/- each in Nilgiri Upvan Co-operative Housing Society Limited.

Note "12"

Intangible Assets - Other than internally generated

(Rs. in Lakhs)

Particulars	Gross Block				Amortisation				Net Block
	Opening balance as at April 01, 2013	Additions	Deletions	**Closing balance as at March 31, 2014**	**Opening balance as at April 01, 2013**	Amortisation for the period	Deletions	**Closing balance as at March 31, 2014**	**As at March 31, 2014**
Computer Software	**15,20.27**	**12.55**	**-**	**15,32.82**	**4,44.01**	**2,47.10**	**-**	**6,91.11**	**8,41.71**
As of March 31, 2013	*3,08.57*	*12,11.70*	-	*15,20.27*	*2,90.08*	*1,53.93*	-	*4,44.01*	*1,076.26*

Note: Total Depreciation and Amortisation for the current year is Rs. 19,81.73 Lakhs; for the previous year ended 31st March 2013 is Rs. 13,65.84 Lakhs.
Figures in italics pertain to previous year ended March 31, 2013.

TATA MOTORS FINANCE LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2014

Note "13"

Non current Investments (Unquoted) (at cost unless otherwise stated)

(Rs. in Lakhs)

Particulars	As at March 31, 2014	As at March 31, 2013
Trade investments		
Investments in debentures of Jayem Automotive Limited (16,18,000-14% (as of March 31, 2013: 16,18,000 -14%) Optionally Convertible Debentures of Rs. 100/- each)	-	1,66.00
Non Trade investments		
Investment in Senior Pass Through Certificates	40,01.43	65,03.22
Total	**40,01.43**	**66,69.22**

Note "14"

Current Investments (at cost unless otherwise stated)

(Rs. in Lakhs)

Particulars		As at March 31, 2014	As at March 31, 2013
Trade investments (Unquoted)			
Current maturity of Investments in debentures of Jayem Automotive Limited (16,18,000 -14% (as of March 31, 2013: 16,18,000 -14%) Optionally Convertible Debentures of Rs. 100/- each) (Note 13) (Net of diminution in valuation of investment of Rs. Nil; March 31, 2013 Rs. 41.10 lakhs)		1,66.00	2,03.90
Non Trade investments			
Investment in Senior Pass Through Certificates (Unquoted)		54,71.49	43,28.61
Equity Shares (Quoted) (at Cost or fair value whichever is lower) Investment in the equity shares of State Bank of India(No.of shares 1,27,800 and Market value Rs. 24,51.59 Lacs)		19,60.02	-
Mutual Funds (at Cost or fair value whichever is lower) (Unquoted)			
Entity	**Scheme**		
Reliance Mutual Fund	Liquid Fund- Treasury Plan- Growth Plan	55,00.00	
Birla Sun Life Mutual Fund	Cash Plus- Growth Regular Plan	15,00.00	
LIC Nomura Mutual Fund	Liquid Fund- Growth Plan	10,00.00	
Principal Mutual Fund	Cash Management Fund- Regular Plan Growth	10,00.00	
Union KBC Mutual Fund	Liquid Fund Growth	10,00.00	
UTI Mutual Fund	Liquid Fund Growth	10,00.00	
IDFC Mutual Fund	Cash Fund- Super Inst Plan C Growth	15,00.00	
Religare Invesco Mutual Fund	Liquid Fund- Growth Plan	15,00.00	
Axis Mutual Fund	Liquid Fund- Growth Plan	10,00.00	
ICICI Prudential Mutual Fund	Liquid-Regular Plan- Growth	15,00.00	
HDFC Mutual Fund	Cash Management Fund-Savings Plan-Growth	15,00.00	
SBI Mutual Fund	Premier Liquid Fund- Regular Plan-Growth	15,00.00	
Tata Mutual Fund	Liquid Fund Plan A-Growth	15,00.00	
IDBI Mutual Fund	Liquid Fund- Regular Plan-Growth	15,00.00	
Kotak Mutual Fund	Liquid Fund Plan A-Growth	15,00.00	
Sundaram Mutual Fund	Money Fund Regular Growth	10,00.00	
	Investment in Mutual Funds	**250,00.00**	**-**
Total		**325,97.51**	**45,32.51**

The aggregate amount of quoted investments is Rs. 19,60.02 and unquoted investments is Rs. 346,38.92

Note "15"

Deferred Tax Assets (net)

Major components of deferred tax arising on account of timing differences **(Rs. in Lakhs)**

Particulars	As at March 31, 2013	(Charge) / Credit for the Period	As at March 31, 2014
Assets			
Provision for doubtful finance receivables, assigned/securitised receivables, expected loss on future assigned/securitised receivables and standard assets.	137,75.97	198,11.04	335,87.01
Provision in respect of liability for servicing assigned receivables	1,28.15	(1,25.09)	3.06
Retirement benefits/expenses allowable on payment basis	2,34.69	(27.98)	2,06.71
Disallowances u/s 43B of the Income Tax Act.	7,74.77	2,94.33	10,69.10
Others	13.97	(13.97)	-
	149,27.55	**199,38.33**	**348,65.88**
Liabilities			
DSA/Dealer Commission claimed on incurrence basis	(23,97.34)	(5,62.00)	(29,59.34)
Depreciation	(1,49.53)	1,35.14	(14.39)
	(25,46.87)	**(4,26.86)**	**(29,73.73)**
Net deferred tax assets / (liabilities)	**123,80.68**	**195,11.47**	**318,92.15**
previous year	*136,79.85*	*(12,99.17)*	*123,80.68*

TATA MOTORS FINANCE LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2014

Note "16"

Finance Receivables

(Rs. in Lakhs)

Particulars	As at March 31, 2014	As at March 31, 2013
A) Finance Receivables - Non Current		
Vehicle Loans (#)		
- To Related Parties (Secured, considered good)	-	0.25
- To Others		
-Secured, considered good	10023,32.64	11915,58.57
-Considered Doubtful	561,62.36	194,38.76
Less: Provision for Doubtful Loans	561,62.36	194,38.76
Total	**10023,32.64**	**11915,58.82**
B) Finance Receivables - Current		
Vehicle Loans (#)		
- To Related Parties (Secured, considered good)	0.25	1.44
- To Others		
-Secured, considered good	8774,08.50	6613,79.97
-Considered Doubtful	373,06.65	148,10.65
Less: Provision for Doubtful Loans	373,06.65	148,10.65
Total	**8774,08.75**	**6613,81.41**

Vehicle loans are secured against hypothecation of the underlying vehicle.

Note "17"

Long Term loans and advances

(Rs. in Lakhs)

Particulars	As at March 31, 2014	As at March 31, 2013
Unsecured, considered good		
Capital Advances	12,92.95	7,03.36
Security Deposits	8,94.85	7,77.27
Other Loans and advances		
- Loans to employees	0.95	1.12
- Prepaid expenses	28,52.12	36,45.57
- Advance payment of income tax, net of provisions	35,64.22	49,93.46
Total	**86,05.09**	**101,20.78**

TATA MOTORS FINANCE LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2014

Note "18"

Other Assets

(Rs. in Lakhs)

Particulars	As at March 31, 2014	As at March 31, 2013
A) Other Non Current Assets		
Unsecured, considered good unless otherwise stated		
Direct assigned / securitised receivables (@)		
-Secured, considered good	30.23	28,35.48
-Doubtful	4,35.35	7,02.49
Less: Provision for doubtful direct assigned / securitised receivables	4,35.35	7,02.49
	30.23	**28,35.48**
Margin Money/ Cash collateral with banks (Note 21)	99,36.42	115,55.76
Interest Only Strip	27,18.42	61,90.50
Interest Accrued but not due on Bank deposits, Margin Money/ Cash Collateral with banks	8,50.54	4,75.00
Total	**135,35.61**	**210,56.74**
B) Other Current Assets		
Unsecured, considered good unless otherwise stated		
Direct assigned / securitised receivables (@)		
-Secured, considered good	5,05.65	23,11.13
-Doubtful	4,25.47	12,96.56
Less: Provision for doubtful direct assigned / securitised receivables	4,25.47	12,96.56
	5,05.65	**23,11.13**
Interest Only Strip	75,19.25	90,07.95
Interest Accrued but not due on Bank deposits, Margin Money/ Cash Collateral with banks	1,30.12	15,38.44
Interest Accrued on Investments	70.77	-
Stamp papers	1,96.73	2,36.77
Total	**84,22.52**	**130,94.29**

(@) Direct assigned / securitised receivables are secured against hypothecation of the underlying vehicle.

Note "19"

Short term loans and advances

(Rs. in Lakhs)

Particulars	As at March 31, 2014	As at March 31, 2013
Unsecured, considered good unless otherwise stated		
Security Deposits		
-Considered good	80.83	1,87.40
-Doubtful	40.43	41.79
	1,21.26	**2,29.19**
Less: Provision for Doubtful Security Deposits	40.43	41.79
	80.83	**1,87.40**
Prepaid expenses	50,87.96	48,84.59
Loans/ Advances		
-Loans / advances to employees	33.65	33.78
-Loans to others	231,08.04	333,19.11
-Other advances		
-Considered good	14,90.91	19,62.02
-Doubtful	2,63.53	37.70
	17,54.44	**19,99.72**
Less: Provision for doubtful advances	2,63.53	37.70
	14,90.91	**19,62.02**
Total	**298,01.39**	**403,86.90**

TATA MOTORS FINANCE LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2014

Note "20"

Trade Receivables

(Rs. in Lakhs)

Particulars	As at March 31, 2014	As at March 31, 2013
Receivables on account of service charges, incentives and others. (Unsecured, considered good)		
From Related Parties (Note 31)		
Due for more than 6 months	-	-
Due for 6 months or less	835,27.46	146,89.40
From Others (Due for 6 months or less)	49.01	53.34
Total	**835,76.47**	**147,42.74**

Note "21"

Cash and Bank Balances

(Rs. in Lakhs)

Particulars	As at March 31, 2014	As at March 31, 2013
Cash and cash equivalents		
Balances with banks - Current accounts	199,32.26	143,53.90
Cheques/drafts on hand	53,86.46	44,89.30
Cash on hand	33,62.03	35,14.33
	286,80.75	**223,57.53**
Other Bank Balances		
-Margin Money/ Cash Collateral with banks	134,61.95	203,30.74
-Deposits with banks	500,00.00	500,00.00
	634,61.95	**703,30.74**
Total	**921,42.70**	**926,88.27**
Less: Margin Money/ Cash Collateral with banks having residual maturity of more than 12 months (Note 18)	99,36.42	115,55.76
Total	**822,06.28**	**811,32.51**

TATA MOTORS FINANCE LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2014

Note "22"

Revenue from operations

(Rs. in Lakhs)

Particulars	April 01, 2013 to March 31, 2014	April 01, 2012 to March 31, 2013
Interest Income:		
-Interest Income from finance receivables	2411,37.19	2407,30.38
-Interest from unsecured loans to others	31,25.61	18,77.31
	2442,62.80	**2426,07.69**
Other Financial services:		
-Net Income on assignment / securitised receivables	63,49.22	28,41.94
-Loan Processing fees and other charges	128,77.97	152,57.58
-Interest income on Pass Through Certificates investment	6,90.65	2,90.80
-Interest income on Margin Money/ Cash Collateral with banks	15,64.05	12,46.58
-Compensation towards interest loss	151,92.24	32,81.46
-Service charges	3,37.09	9,48.65
-Support services income	67,03.04	28,06.88
-Others	24,31.53	24,28.54
	461,45.79	**291,02.43**
Total	**2904,08.59**	**2717,10.12**

Note "23"

Other Income

(Rs. in Lakhs)

Particulars	April 01, 2013 to March 31, 2014	April 01, 2012 to March 31, 2013
Interest income:		
- on long term trade investments	1,82.18	13.24
- on bank deposits (gross)	50,34.77	55,15.85
- on Income tax refund	3,68.61	5,68.83
Net gain on sale of current investments	18,34.85	11,47.33
Recovery of bank charges (net of bank charges incurred and service tax thereon of Rs.15,69.78 lakhs; previous year Rs.14,50.61 lakhs)	34,99.16	25,49.50
Miscellaneous Receipts / Recoveries	13,18.78	10,59.22
Total	**122,38.35**	**108,53.97**

TATA MOTORS FINANCE LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2014

Note "24"

Employee benefits Expenses

(Rs. in Lakhs)

Particulars	April 01, 2013 to March 31, 2014	April 01, 2012 to March 31, 2013
Salaries	115,28.50	112,76.98
Contributions to employee benefit funds	4,98.02	12,83.58
Staff welfare expenses	13,52.25	12,39.83
Total	**133,78.77**	**138,00.39**

Note "25"

Other expenses

(Rs. in Lakhs)

Particulars		April 01, 2013 to March 31, 2014		April 01, 2012 to March 31, 2013
Electricity		6,75.21		6,23.34
Rent (net of recoveries)		17,90.74		17,14.44
Repairs to office premises		1,23.48		92.95
Insurance		69.25		52.37
Rates and taxes		1,27.29		1,05.79
Incentive / commission*		118,26.58		119,47.20
Information Technology / Consultancy Expenses		53,39.68		55,18.04
Service providers Fees		85,58.81		79,97.45
Payment to Auditors (Note (i))		60.44		49.85
Provisions & Write Offs:				
-Provision for doubtful Finance Receivables	592,19.60		(62,47.21)	
Less: Delinquency support	(380,34.01)	211,85.59	(26,23.40)	(88,70.61)
-Provision for credit loss on :				
i) doubtful direct assigned / securitised receivables		(11,38.23)		6,39.29
ii) expected loss on future direct assigned / securitised receivables		3,83.54		(3,92.73)
-Finance receivables written off (net of recoveries of Rs.37,44.66 lakhs; previous year Rs.41,71.13 lakhs)	651,29.06		434,20.81	
Less: Delinquency support	(327,53.57)	323,75.49	(116,42.00)	317,78.81
Total		**528,06.39**		**231,54.76**
Provisions on Standard Assets		(1,79.99)		7,08.99
Provison for Diminution in the Value of Investment		(41.10)		41.10
Loss on sale of Assets (net)		9.22		49.40
Support services Charges		29,33.42		12,87.29
Other expenses*		142,77.93		129,24.13
Total		**983,77.35**		**662,67.10**

* Net of reversal of liability for servicing direct assigned/securitised receivables.

(i). Auditors' remuneration (excluding service tax):

(Rs. in Lakhs)

Particulars	April 01, 2013 to March 31, 2014	April 01, 2012 to March 31, 2013
As Auditors - Statutory audit	46.00	40.00
Tax audit	5.00	5.00
For other Services	5.37	2.87
Reimbursement of out of pocket expenses	4.07	1.98
Total	**60.44**	**49.85**

Note "26"

Finance Cost

(Rs. in Lakhs)

Particulars	April 01, 2013 to March 31, 2014	April 01, 2012 to March 31, 2013
Interest expense including discounting charges	1728,22.25	1556,78.20
Other borrowing cost	5,53.49	4,94.05
Total	**1733,75.74**	**1561,72.25**

Note "27"

Expenditure in foreign currency (on accrual basis)

(Rs. in Lakhs)

Particulars	April 01, 2013 to March 31, 2014	April 01, 2012 to March 31, 2013
Traveling	29.03	15.06
Professional fees	-	22.91
Total	**29.03**	**37.97**

TATA MOTORS FINANCE LIMITED
Notes forming part of the financial statements for the year ended March 31, 2014

Note "28"

Disclosure in respect of operating leases

1 Assets taken on Lease

(Rs. in Lakhs)

Particulars	For the year ended 31st March 2014	For the year ended 31st March 2013
Lease payments for the year recognized in the statement of profit and loss	16,38.09	14,81.80
General description of significant leasing agreements- The Company has entered into cancellable operating lease arrangements for commercial properties and IT equipments.		

2 Assets Given on Lease

i) Aggregate of Minimum lease payment Rs. 2,23.54 Lakhs (as at March 31, 2013: Rs. 1,72.25).
ii) Maturity pattern of Lease Receivable:

(Rs. in Lakhs)

Particulars	As at March 31, 2014	As at March 31, 2013
The future minimum lease receivables:		
a) not later than one year	98.70	57.83
b) later than one year and not later than five years	1,24.84	1,14.42
c) later than five years	-	-
Total	**2,23.54**	**1,72.25**
General description of significant leasing agreements- The Company has entered into Non - cancellable operating lease arrangements for passenger vehicles.		

Note "29"

Contingent Liabilities and commitments

1 Commitments

a) Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 1,50.07 lakhs (as at March 31, 2013: Rs. 3,07.76 lakhs).

b) Loan commitment towards vehicle financing Rs. 7,11.59 lakhs (as at March 31, 2013: Rs. 2,68.45 lakhs)

2 Contingent liabilities to the extent not provided for
Description of claims and assertions where a potential loss is possible, but not probable is reported under note a) and b) below:

a) Claims against the company not acknowledged as debts:

(Rs. in Lakhs)

Particulars	As at March 31, 2014	As at March 31, 2013
In respect of Income Tax matters	15.27	3,21.40
In respect of Value Added Tax and Entry Tax matters	38.42	31.10
In respect of pending Consumer disputes	4,31.18	3,43.23
	4,84.87	**6,95.73**

b) Other money for which the Company is contingently liable:

(Rs. in Lakhs)

Particulars	As at March 31, 2014	As at March 31, 2013
Cash collateral with banks in respect of finance receivables assigned/securitised*	134,61.95	203,30.74
In respect of guarantees given for liability against receivables assigned by way of securitisation * - by banks	400,11.21	1249,20.98
In respect of subordinated over dues on securitisation transactions	1,04.20	2,95.10

* Gross of provision for assigned/securitised receivables Rs. 17,00.86 lakhs (as at March 31, 2013 Rs. 24,55.54 lakhs).

TATA MOTORS FINANCE LIMITED
Notes forming part of the financial statements for the year ended March 31, 2014

Note "30"

Employee defined benefits

(Rs. in Lakhs)

	Particulars		Gratuity	Compensated absences	Post employment medicare scheme	Bhavishya Kalyan Yojana
Defined benefit plans / long term compensated absences - as per actuarial valuations as at March 31, 2014						
I	**Components of expense recognised in the Statement of Profit and Loss for the year ended March 31, 2014**					
1	Current service cost		4,26.50	76.50	17.60	56.76
			2,94.98	*40.58*	*14.25*	*43.89*
2	Interest cost		2,02.00	44.39	10.51	19.63
			1,42.47	*31.91*	*8.49*	*16.30*
3	Expected return on plan assets		(1,63.61)	-	-	-
			(1,02.71)	-	-	-
4	Actuarial losses/(gains)		(6,21.45)	(89.84)	(26.05)	(68.52)
			4,13.34	*2,04.52*	*3.19*	*(16.93)*
5	**Total expense recognised in the Statement of Profit and Loss**		**(1,56.56)**	**31.05**	**2.06**	**7.87**
			7,48.08	***2,77.01***	***25.93***	***43.26***
II	**Actual contribution and benefit payments for the year ended March 31, 2014**					
1	Actual benefit payments		(152.74)	1,22.08	-	-
			(67.87)	*1,19.33*	-	-
2	Actual contributions		7,48.09	1,22.08	-	-
			7,84.47	*1,19.33*	-	-
III	**Net asset / (liability) recognised in the balance sheet as at respective year ends and experience adjustments**					
1	**Defined benefit obligation**					
		31-Mar-14	(23,50.06)	(5,01.67)	(1,27.87)	(2,42.90)
		31-Mar-13	(24,95.57)	(5,92.70)	(1,25.81)	(2,35.03)
		31-Mar-12	(17,10.08)	(4,35.02)	(99.88)	(1,85.29)
		31-Mar-11	(9,16.02)	(3,17.94)	(1,74.46)	(1,46.86)
		31-Mar-10	(6,46.80)	(2,39.42)	(1,29.55)	(1,13.98)
2	**Fair value of plan assets**					
		31-Mar-14	25,06.63			
		31-Mar-13	17,47.49			
		31-Mar-12	9,25.61		Not applicable	
		31-Mar-11	6,56.33			
		31-Mar-10	5,58.38			
3	**Net asset / (liability) recognised in balance sheet**					
		31-Mar-14	1,56.56	(5,01.67)	(1,27.87)	(2,42.90)
		31-Mar-13	(7,48.08)	(5,92.70)	(1,25.81)	(2,35.03)
		31-Mar-12	(7,84.47)	(4,35.02)	(99.88)	(1,85.29)
		31-Mar-11	(2,59.69)	(3,17.94)	(1,74.46)	(1,46.86)
		31-Mar-10	(88.42)	(2,39.42)	(1,29.55)	(1,13.98)
4	**Experience adjustments arising on**					
	a) Plan liabilities [gain/(loss)]					
		31-Mar-14	60.85	30.16	(30.74)	(25.56)
		31-Mar-13	6.21	(204.11)	12.56	25.04
		31-Mar-12	(3,33.66)	(22.69)	56.00	18.96
		31-Mar-11	(42.48)	(66.33)	18.65	(18.39)
		31-Mar-10	92.45	11.37	(33.55)	24.66
	b) Plan assets [gain/(loss)]					
		31-Mar-14	0.18			
		31-Mar-13	(1.21)			
		31-Mar-12	(2.22)			
		31-Mar-11	2.66		Not applicable	
		31-Mar-10	14.20			
IV	**Change in defined benefit obligation (DBO) for the year ended March 31, 2014**					
1	Present value of DBO at beginning of year		24,95.57	5,92.70	1,25.81	2,35.03
			17,10.08	*4,35.02*	*99.88*	*1,91.77*
2	Current service cost		4,26.50	76.5	17.60	56.76
			2,94.98	*40.58*	*14.25*	*43.89*
3	Interest cost		2,02.00	44.39	10.51	19.63
			1,42.47	*31.91*	*8.49*	*16.30*
4	Transfers from other funds		-	-	-	-
			3.78	-	-	-
5	Actuarial (gains)/ losses		(6,21.27)	(89.84)	(26.05)	(68.52)
			4,12.13	*2,04.52*	*3.19*	*(16.93)*
6	Benefits paid		(1,52.74)	(1,22.08)	-	-
			(67.87)	(1,19.33)	-	-
7	**Present value of DBO at the end of the year**		**23,50.06**	**5,01.67**	**1,27.87**	**2,42.90**
			24,95.57	***5,92.70***	***1,25.81***	***2,35.03***

TATA MOTORS FINANCE LIMITED

Notes forming part of the financial statements for the year ended March 31, 2014

	Particulars	Gratuity	Compensated absences	Post employment medicare scheme	Bhavishya Kalyan Yojana
V	**Change in fair value of plan assets for the year ended March 31, 2014**				
1	Plan assets at beginning of year	17,47.49 *9,25.61*	Not applicable		
2	Expected return on plan assets	1,63.61 *1,02.71*			
3	Acquisition Adjustments	- *3.78*			
4	Actual Company contributions	7,48.09 *7,84.47*			
5	Actuarial gains/(loss)	0.18 *(1.21)*			
6	Benefits paid	(1,52.74) *(67.87)*			
7	**Plan assets at the end of year**	**25,06.63** ***17,47.49***			
VI	**Actuarial assumptions**				
1	Discount rate	9.20% *8.35%*	9.20% *8.35%*	9.20% *8.35%*	9.20% *8.35%*
2	Expected rate of return on plan assets	8.00% *8.00%*	Not applicable		
3	Salary escalation	9% to 9.5% *9% to 12.5%*	9% to 9.5% *9% to 12.5%*	*NA*	9% to 9.5% *9% to 12.5%*
4	Medical cost inflation	Not applicable		6.00% *5.00%*	Not applicable
5	Indian Assured Lives Mortality (2006-08)(modified) ultimate				

VII	**Effect of one percentage point change in assumed medical inflation rate**	**One percentage point increase in medical inflation rate**	**One percentage point decrease in medical inflation rate**
	Revised DBO as at March 31, 2013	1,58.80 *1,42.04*	1,03.77 *1,11.89*
	Revised service cost for 2012-2013	21.12 *18.06*	13.28 *11.33*
	Revised Interest cost for 2012-2013	37.66 *10.48*	24.04 *6.94*

		Gratuity	Compensated absences	Post employment medicare scheme	Bhavishya Kalyan Yojana
VIII	**The major categories of plan assets as percentage of total plan assets**				
1	Govt Bonds	42.96% *41.10%*	Not applicable		
2	Infra Bonds	27.69% *25.90%*			
3	Corporate Bonds	14.58% *21.40%*			
4	Others	14.77% *11.60%*			
IX	**Current non current diclosure**				
	Current portion	- *7,48.08*	31.47 *28.00*	0.28 *1.03*	1.79 *1.47*
	Non Current portion	(1,56.56) -	4,70.20 *5,64.70*	1,27.59 *1,24.78*	2,41.11 *2,33.56*
	Total	**(1,56.56)** *7,48.08*	**5,01.67** *5,92.70*	**1,27.87** *1,25.81*	**2,42.90** *2,35.03*

Notes

1 Defined Contribution Plans – The Company's contribution to defined contribution plan aggregating Rs. 6,57.43 lakhs (2012-13 Rs. 5,39.27 lakhs) for the year ended March 31, 2014 has been recognised in the Statement of Profit and Loss.

2 The assumption of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

3 The plan assets in respect of gratuity represent funds managed by the insurers. The company expects to contribute Rs. NIL lakhs in financial year 2014-15 towards gratuity fund.

4 Discount rate is based on government bond yields as at the year end.

5 Figures in italics pertain to previous year.

TATA MOTORS FINANCE LIMITED
Notes forming part of the financial statements for the year ended March 31, 2014

Note "31"

Related Party disclosures:

1) Related parties and their relationship

a) Holding Company
Tata Motors Limited

b) Fellow Subsidiaries with whom there are transactions

1	Concorde Motors (India) Limited (CONCORDE)
2	Tata Technologies Limited (TTL)

c) Key management personnel:

Mr. Shyam Mani	Managing Director

2) Transactions with related parties

a) Tata Motors Limited - holding company

(Rs. in Lakhs)

Sr. No.	Particulars	Year ended March 31, 2014	Year ended March 31, 2013
1	Subscription towards equity share capital and securities premium	200,00.00	150,00.00
2	Share Application Money Pending Allotement	100,00.00	-
3	Dividend Paid	86,10.00	58,50.00
4	Terrorism Insurance Premium (Reimbursement)	-	0.32
5	Service charges – income	3,33.79	9,54.71
6	Service charges – Expenses	3,69.95	-
7	Rent – expenditure	24.55	60.17
8	Hotel expenses	-	2.00
9	Delinquency support	949,78.02	214,98.85
10	Interest subsidy received	6,75.54	6,08.96
11	Lease Charges received	48.67	36.02

(Rs. in Lakhs)

Closing balances	As at March 31, 2014	As at March 31, 2013
Net Receivables	835,27.46	146,89.40

(b) Fellow subsidiaries

(Rs. in Lakhs)

Sr. No.	Particulars	Year ended March 31, 2014	Year ended March 31, 2013
1	Commission – expenditure (includes unamortized commission) – CONCORDE	1,98.80	69.72
2	Information Technology support service charges – TTL	2.49	8.31
3	Interest on Long Term Deb-Unsec Rated NCD TIER II - TTL	55.00	54.93
4	Vehicle loan principal repayments received from TTL	1.42	1.30
5	Interest Income - Vehicle loan (TTL)	0.08	0.20
6	Refund of Inter corporate deposits received from TTL	-	20,00.00
7	Interest on ICD accepted from TTL	-	5.48
8	Lease Charges received from TTL	88.07	36.12

(Rs. in Lakhs)

Closing balance	As at March 31, 2014	As at March 31, 2013
Payables		
CONCORDE	38.92	1.36
TTL	5,29.23	5,30.31
Receivables		
TTL	0.25	1.69

(c) Key management personnel – remuneration *

(Rs. in Lakhs)

Name	Year ended March 31, 2014	Year ended March 31, 2013
Mr. Shyam Mani	2,83.32	2,47.06

* Excludes provision for encashable leave and gratuity as separate actuarial valuation is not available

TATA MOTORS FINANCE LIMITED
Notes forming part of the financial statements for the year ended March 31, 2014

Note "32"

Maturity pattern of certain items of assets and liabilities as required by paragraph 10 of the Non Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007

(Rs. in Lakhs)

	1 day to 30/31 days (one month)	Over One month to Two months	Over Two months to Three months	Over Three months to Six months	Over Six months to One year	Over One year to Three years	Over Three year to Five years	Over Five years	Total
Liabilities									
Borrowings from Banks/ Financial Institutions (Note 1)	49,98.31 *799,99.99*	175,00.00 *500,00.00*	825,00.00 *1000,00.00*	700,00.00 *2000,00.00*	2340,02.82 *2575,72.10*	6315,00.00 *4825,00.00*	650,00.00 -	- -	11055,01.13 *11700,72.09*
Market Borrowings (Note 2 and 3)	148,80.00 *40,30.00*	77,55.00 *502,90.00*	203,00.00 *372,60.00*	917,50.00 *280,90.00*	1703,50.00 *821,40.00*	2286,19.98 *2209,50.00*	214,18.60 *84,80.00*	1224,90.00 *994,80.00*	6775,63.58 *5307,20.00*
Assets									
Advances (Note 4)	1688,46.61 *1678,01.40*	512,71.33 *538,30.79*	504,21.90 *474,08.29*	1490,56.02 *1572,44.36*	2805,30.04 *3030,80.45*	8188,38.93 *8845,55.08*	4528,90.68 *2987,17.69*	258,59.64 *150,16.35*	19977,15.15 *19276,54.41*
Investments	276,16.05 *5,55.26*	4,79.90 *3,41.53*	4,81.08 *3,49.59*	14,06.72 *10,63.28*	26,13.76 *22,22.85*	39,76.15 *65,37.46*	25.28 *1,31.76*	- -	365,98.94 *112,01.73*

Notes
1. Includes Term loans repayable on demand, which are classified in line with their original maturity pattern.
2. Includes Commercial Paper and Secured Zero Coupon Debentures issued at discount, which are considered gross of unamortised discounting charges and unamortised discount on issue, respectively.
3. Includes premium payable on redemption of Zero Coupon Debentures
4. Advances are reported gross of provision for Non-Performing Assets.
5. Figures in italics pertains to previous year

TATA MOTORS FINANCE LIMITED
Notes forming part of the financial statements for the year ended March 31, 2014

Note "33"

Disclosure of loans and advances given to parent company, associates etc. (as certified by the management) as required by clause 28 of listing Agreement for debt securities.

(Rs. in Lakhs)

Particulars	Balance as at		Maximum Balance for the year ended	
	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13
a) Loans and advances in the nature of loans to parent company,Tata Motors Limited	-	-	-	-
b) Loans and advances in the nature of loans to associates	-	-	-	-
c) Loans and advances in the nature of loans where there is;				
i) No Repayment schedule or repayment beyond seven years; or	-	-	-	-
ii) No interest or interest below section 372A of the Companies Act, 1956.	-	-	-	-
d) Loans and advances in the nature of loans to firms/companies in which directors are interested	-	-	-	-

Note "34"

Capital to Risk Assets Ratio (CRAR) as required by paragraph 10 of the Non Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Direction, 2007
The ratios calculated in accordance with the Reserve Bank of India guidelines are as under:

	Particulars	As at March 31, 2014	As at March 31, 2013
i)	CRAR (%)	17.07%	16.13%
ii)	CRAR - Tier I capital (%)	13.34%	12.91%
iii)	CRAR - Tier II capital (%)	3.73%	3.22%

Note "35"

The Company does not have exposure to to the real estate sector.

TATA MOTORS FINANCE LIMITED
Notes forming part of the financial statements for the year ended March 31, 2014

Note "36"

Disclosure on Securitisation/Direct assignment of Standard Asset

A) Securitisation of standard assets effected in line with the revised securitisation guidelines issued by RBI, dated August 21, 2012. (#)

(Rs. in Lakhs)

Sr.No	Particulars	As at March 31, 2014	As at March 31, 2013
1	No of SPVs sponsored by the company for securitisation transactions	11	9
2	Total amount of securitised assets as per books of the SPVs sponsored by the company	1606,30.40	1758,88.99
3	Total amount of exposures retained by the company to comply with MRR as on the date of balance sheet		
	a) Off-balance sheet exposures		
	First loss	-	-
	Others	-	-
	b) On-balance sheet exposures		
	First loss	99,36.42	71,88.54
	Others	94,72.92	108,31.83
4	**Amount of exposures to securitisation transactions other than MRR**		
	a) Off-balance sheet exposures		
	i) Exposure to own securitisations		
	First Loss	-	-
	Others	240,89.37	146,05.97
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own securitisations		
	First loss	-	-
	Others	112,36.22	201,68.20
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-

(#) The above figures are based on the information obtained from the SPV's, which is duly certified by the SPV's auditors.

B) Securitisation/Direct Assignment of standard assets effected earlier, pursuant to old securitisation guidelines issued by RBI, dated February 1, 2006.

(Rs. in Lakhs)

Particulars	For the year ended 31st March 2014	For the year ended 31st March 2013
a) Total number of contracts securitised/direct assigned	-	-
b) Book value of loan assets securitised/direct assigned	-	-
c) Sale consideration received	-	-
d) Gross gain on sale on account of securitisation/direct assignement	-	-
	As at March 31, 2014	**As at March 31, 2013**
e) Form & quantum of services provided by way of credit enhancement, liquidity support etc		
i) cash collateral with banks in respect of receivables assigned	35,25.53	102,79.80
ii) In respect of guarantees given for liability against receivables assigned by way of securitisation		
By banks	159,21.84	1103,15.01
By others		
iii) In respect of subordinated overdues on securitisation transactions	11.61	2,13.70
iv) In respect of excess interest spread (EIS) on securitisation/assignment transactions	-	-

TATA MOTORS FINANCE LIMITED
Notes forming part of the financial statements for the year ended March 31, 2014

Note "37"

Disclosure of restructured advances (appendix 4) in accordance with guidelines on restructured advances issued in Jan 2014 by RBI

(Rs. in Lakhs)

Sr. No.	Type of Restructuring =>	Under CDR Mechanism*					Under SME Debt Restructuring Mechanism *					Others					Total				
	Asset Classification =>	Standard	Sub Standard	Doubtful	Loss	Total	Standard	Sub Standard	Doubtful	Loss	Total	Standard	Sub Standard	Doubtful	Loss	Total	Standard	Sub Standard	Doubtful	Loss	Total
1	**Restructured Accounts as on April 1, 2013 (opening figures)**																				
	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	1	-	-	-	1	1	-	-	-	1
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-	411.00	-	-	-	411.00	411.00	-	-	-	411.00
	Provision Amount	-	-	-	-	-	-	-	-	-	-	41.10	-	-	-	41.10	41.10	-	-	-	41.10
2	**Fresh Restructuring During the Year 2013 - 2014**																				
	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	255	1	-	256	-	255	1	-	256
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	1,06.46	0.00	-	1,06.46	-	1,06.46	0.00	-	1,06.46
	Provision Amount	-	-	-	-	-	-	-	-	-	-	-	11.79	0.00	-	11.79	-	11.79	0.00	-	11.79
3	**Upgradations to restructured standard category during the year**																				
	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision Amount	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	**Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY**																				
	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision Amount	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	**Downgradations of restructured accounts during the FY**																				
	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision Amount	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

TATA MOTORS FINANCE LIMITED
Notes forming part of the financial statements for the year ended March 31, 2014

Note "37"

Disclosure of restructured advances (appendix 4) in accordance with guidelines on restructured advances issued in Jan 2014 by RBI

(Rs. in Lakhs)

Sr. No.	Type of Restructuring =>	Under CDR Mechanism*					Under SME Debt Restructuring Mechanism *					Others					Total				
	Asset Classification =>	Standard	Sub Standard	Doubtful	Loss	Total	Standard	Sub Standard	Doubtful	Loss	Total	Standard	Sub Standard	Doubtful	Loss	Total	Standard	Sub Standard	Doubtful	Loss	Total
6	**Write offs of restructured accounts during the FY**																				
	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	(1)	-	-	(1)	-	(1)	-	-	(1)
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	(0.44)	-	-	(0.44)	-	(0.44)	-	-	(0.44)
	Provision Amount	-	-	-	-	-	-	-	-	-	-	-	(0.04)	-	-	(0.04)	-	(0.04)	-	-	(0.04)
7	**Recovery from restructured accounts during the FY**																				
	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	(1)	-	-	(1)	-	(1)	-	-	(1)
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-	(245.00)	(3.38)	-	-	(248.38)	(245.00)	(3.38)	-	-	(248.38)
	Provision Amount	-	-	-	-	-	-	-	-	-	-	(41.10)	0.03	-	-	(41.07)	(41.10)	0.03	-	-	(41.07)
8	**Restructured Accounts as on March 31, 2014 (closing figures)**																				
	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	1	253	1	-	255	1	253	1	-	255
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-	166	1,02.64	0.00	-	2,68.64	1,66.00	1,02.64	0.00	-	2,68.64
	Provision Amount	-	-	-	-	-	-	-	-	-	-	-	11.77	0.00	-	11.77	-	11.77	0.00	-	11.77

* The company has not done any restructuring under CDR mechanism and SME Debt restructuring mechanism. So these two columns are not applicable.

TATA MOTORS FINANCE LIMITED
Notes forming part of the financial statements for the year ended March 31, 2014

Note "38"

Perpetual Debt Instruments

(Rs. in Lakhs)

Particulars	**Year ended March 31, 2014**	**Year ended March 31, 2013**
Funds raised through Perpetual Debt Instruments	75,00.00	100,00.00
Amount outstanding at the end of year	325,00.00	250,00.00
Percentage of amount of Perpetual Debt Instrument of the amount of Tier I Capital*	11.05%	8.92%
Financial Year in which interest on Perpetual Debt Instruments is not paid on account of 'Lock-in Clause'.	Nil	Nil

* Before adjustment of securitisation exposure

Note "39"

During the year there has been a refinement in the basis of determining the amount of credit to be taken in profit and loss account on utilization of delinquency support receipts. The same is now accounted on portfolio of contracts basis taking into account the estimates of expected future loss, which hitherto was accounted on contract-by-contract basis. Consequently the profit and reserves for the year ended March 31, 2014 are higher by Rs.31 crores.

Note "40"

As required by Reserve Bank of India circular No RBI/2011-12/424 DNBS.PD.CC. No. 256 /03.10.042 / 2011-12 dated March 02, 2012 on Monitoring of Frauds, the Company has reported fraud amounting to Rs.59.66 Lakhs in Financial Year 2013-14 vide form FMR 1.

Note "41"

The Company has received share application money from its holding company. The parties will mutually agree to the terms and conditions, including the number of shares to be issued and the price and the shares will be allotted within statutory time limit.

Note "42"

During the year Board of Directors of the Company investigated a matter relating to certain discrepancies in accounting and reporting in respect of old bank reconciliation statement amounting to Rs. 7 crores. The Board noted that the discrepancies were restricted to one account and dated back several years. On account of the continuing discrepancy which could be dealt with in the books of account only recently, and the Management failing to report the matter to the Board as a matter of good governance, the Board took adequate steps to ensure better control and proper reporting in the future.

Note "43"

Previous year's figures

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

For and on behalf of the Board of Directors

NASSER MUNJEE H. N. SINOR

R. PISHARODY C. RAMAKRISHNAN

Directors

VINAY LAVANNIS
Company Secretary

SHYAM MANI
Managing Director

Mumbai
Date : May 2, 2014

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Annual Report & Financial Statements of

Tata Motors European Technical Centre plc.

For the Financial Year Ending 31 March 2014

Company Registration No: 05551225

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Officers and Professional Advisers

Directors:

Mr Karl J Slym	Non-Executive Chairman (Deceased 26th January 2014)
Mr R S Yadav	Non-Executive Chairman (Appointed 5th March 2014)
Dr Timothy A Leverton	Non-Executive Director
Mr N H Fell	Executive Director

Secretary:

Pennsec Limited

Registered office:

18 Grosvenor Place
London
SW1X 7HS

Business address:

4th Floor, International Automotive Research Centre
University of Warwick
Coventry
CV4 7AL

Auditor:

Deloitte LLP
Four Brindley Place
Birmingham
B1 2HZ

Bankers:

Standard Chartered Bank
1 Basinghall Avenue
London
EC2V 5DD

Solicitors:

Penningtons Solicitors LLP
Basingstoke
Hampshire
RG21 4EQ

STRATEGIC REPORT

Tata Motors European Technical Centre plc (TMETC) was established in 2005 by Indian parent company Tata Motors Limited (TML) as a wholly-owned subsidiary with the purpose of strengthening TML's technical capabilities through delivery of world-class automotive engineering services. Its success has allowed it to grow organically to its current strength of around 350 engineering and other professionals, and it is now an intrinsic part of TML's development capacity. Its location on the campus of University of Warwick (UoW) in the UK has been a key enabler both of attracting the right calibre of staff and conducting collaborative research with academia and with other commercial organizations. TMETC has a mandate to apply a proportion of its capacity to non Tata brand customers to maintain and strengthen the skills base it is able to deploy on its core work for TML.

In December 2012, TML adopted new Mission, Vision, and Values (MVV) statements to focus its culture and planning. In turn, TMETC adopted the same MVV and developed 10 Company-specific objectives to support their delivery. Of these, 6 are focused on customer requirements, while the balance addresses enablers such as safety, employee development and retention, and processes. Throughout 2013-14, progress against the objectives was reviewed on a monthly basis using 17 KPI's with owners and targets.

Following reviews with the Group Chairmen and TML MD in January 2013, TMETC's role has been focused on the new vehicle concept development stages of the product development cycle. This phase, prior to full programme approval and industrialisation, includes critical design and engineering decisions but relatively low resource commitments, and so it is the period when TMETC can offer maximum added value to the parent company. TML's current priorities and high demand for TMETC's capabilities has resulted in an almost exclusive focus on Tata brand passenger vehicle work; new projects for Tata commercial vehicles and external customers were not being pursued during the year. The Company's activities were characterised by a relatively small number of high value projects of strategic importance to TML. These projects costs are now being capitalised by the shareholder in line with its profitable business plans for the vehicle programmes, thus increasing shareholder wealth.

It has been the intention to house TMETC in a purpose-built technical centre since the Company was established, but until recently no workable proposal could be found and TMETC currently occupies various premises on short-term leases. In November 2013, the TML Board demonstrated its commitment to TMETC's long-term future through its approval of participation in the National Automotive Innovation Centre (NAIC). NAIC is a joint project by UoW, Jaguar Land Rover (JLR), and TMETC for an institution that fosters collaboration to create and develop innovative vehicle technologies. It will be housed in a new 33,000m^2 signature building on the campus of UoW, and is a unique opportunity to provide:

- Co-location of TMETC's Design and Engineering teams in world-class facilities for the research and concept development of Tata vehicles
- A Tata Motors strategic facility that maximises collaborative R&D with JLR, UoW, and suppliers
- Help to attract, develop and retain highly talented people
- A long term home for the Company which is fully compliant with modern environmental and BREEAM standards

The TML Board approved both TMETC's commitment to the project, and the funding of its 30% share of the costs totalling £25M which to date has been through the infusion of new equity. NAIC has now progressed to a final, costed concept design, and the planning application has been submitted. The building is planned to be ready for occupancy in January 2017.

The Company's financial performance for the year ended 31st March 2014 is summarised below, and is compared with the previous year. The increase in turnover is attributable to the growth in demand for TMETC's services from parent TML, particularly in Design and new vehicle concept development.

	2013-14	**2012-13**	**2013-14**	**2012-13**
	£'000	**£'000**	***INR Cr***	***INR Cr***
Turnover	**41,694**	**33,976**	**414.99**	**278.94**
Cost of Sales	(29,109)	(21,477)	(289.73)	(176.32)
Gross Profit	**12,585**	**12,499**	**125.26**	**102.62**
Other operating income	29	342	0.29	2.80
Administrative expenses	(10,231)	(8,796)	(101.82)	(72.22)
Operating Profit/ (Loss)	**2,383**	**4,045**	**23.73**	**33.20**
Exceptional Item – Fundamental restructuring	-	(3,146)	-	(25.83)
Profit/ (Loss) on ordinary activities before finance charges and taxation	**2,383**	**899**	**23.73**	**7.37**

During the year ended 31 March 2014 TML funded the first tranche of NAIC costs of £1.28M (INR 12.75 Cr) through equity infusions, bringing total equity to £28.53M (INR 283.96 Cr).

To maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Company restructured its debt by taking a loan from parent for £2.25M during the year and repaying £3.75M to Standard Chartered Bank. This leaves outstanding loans totalling £6M (£2.25M TML and £3.75M Standard Chartered Bank).

The Company's fixed assets at the year-end totalled £3.945M (INR 39.27 Cr) (2013: £3.861M (INR 31.70 Cr)), comprising of computer equipment and peripherals, manufacturing equipment, vehicles, office equipment, and intangible software licenses.

No dividends have been paid or are proposed on ordinary shares by the Company during the year.

The Company's activities expose it, to a degree, to the financial risks of changes in foreign currency exchange rates. The Company reduces its exposure by entering into all contracts with TML and other customers in sterling. Therefore the parent Company has taken on any foreign exchange risks and can mitigate against currency fluctuations using the various financial instruments available to it.

For and on behalf of the Board
Tata Motors European Technical Centre plc

23/5/14

N H Fell
Director and Head
Tata Motors European Technical Centre plc
18 Grosvenor Place
London SW1X 7HS
United Kingdom

DIRECTORS' REPORT

1. Environmental and social matters

Tata Group, including TML, is a signatory to the United Nations Global Compact and as part of the Group's corporate philosophy, individual Tata companies seek to contribute to development of the society local to their operations. TMETC fosters relationships with a network of universities for collaborative research and to contribute to students' education. TMETC's employees regularly make technical presentations at institutional and trade events, and provide inputs to the development of national policy, standards and legislation. The reduction of transport pollutants and CO_2 emissions is at the heart of much of the Company's engineering and development effort, and is exemplified by its hybridisation and lightweighting projects.

TMETC makes charitable contributions through its participation in Group-wide initiatives, as an individual company, and through providing matched contributions to funds raised by employees for human charities. In total, the company and its employees donated £11,854 in 2013-14, with the largest single beneficiary being the Uttarakhand Appeal (£8,140), followed by Cancer Research, Myton Hospice, and Warwickshire Air Ambulance.

2. Employees

Tata Motors' mission is "To be passionate in anticipating and providing the best vehicles and experiences that excite our customers globally". In pursuit of this mission, TMETC has an objective to attract, develop and retain the best automotive talent. It strongly encourages continuous professional development and membership of the relevant professional institutions across all functions. In addition to fulfilling vocational training needs identified through the annual appraisal process, TMETC has a well-established policy of supporting up to 5% of its permanent workforce through degree courses by the payment of fees and providing study leave.

There continues to be a major skills shortage in this sector in the UK, and competition for experienced automotive engineers remains fierce. Therefore since 2011-12, TMETC has been recruiting graduates directly from university in addition to more experienced staff. An IMechE-accredited Monitored Professional Development Scheme (MPDS) has been established to progress engineering graduates to Chartered status. In 2013-14, the Company recruited 16 graduates; it also hosted internships for 12 students, assisting their development and giving the Company extended experience of potential future recruits.

There were 351 employees at the end of the financial year (March 2013: 289), consisting of 248 permanent, 19 fixed term and 85 contractors. The Company is an equal opportunities employer.

3. Board of directors

The Board of Directors is the apex decision making body within the Company. Following the sad loss of Mr Karl J Slym in January, Mr Ranjit Yadav has taken over as Chairman. The other Board Directors continue to be Dr Timothy A Leverton, and Mr Nicholas H Fell.

The Company's Articles do not mandate the retirement of directors by rotation. Accordingly, none of the Directors seeks re-appointment by the shareholders.

In January 2007, the Committee of the Board signed an agreement with Tata Sons Limited to formally adopt the 'Tata Code of Conduct'. This is a comprehensive document that serves as the ethical road map for Tata Group employees and companies.

4. Post balance sheet events

There have been no significant post balance sheet events since the financial year ending 31 March 2014 which have had a material effect on the business of the Company and require disclosure in the Directors' Report or the financial statements.

5. Trade suppliers' payment policy

The Company agrees payment terms with its suppliers when it enters into binding purchase contracts. The Company seeks to abide by the payment terms agreed with suppliers whenever it is satisfied that the supplier has provided the goods or services in accordance with the agreed terms and conditions and to treat all its suppliers fairly and has a standard which deals specifically with the payment of suppliers. When an invoice from a supplier is contested, it is Company policy to have the dispute or difference settled between both parties in an amicable and expeditious manner.

6. Auditor

Each of the persons who is a director at the date of this report confirms that:

a) So far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
b) The director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of the Companies Act 2006.

Deloitte LLP has expressed its willingness to continue in office. The Board recommends that it be reappointed.

7. Going Concern

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and in addition, the parent company has provided a letter of comfort to Standard Chartered Bank which is TMETC's lender. Accordingly they continue to adopt the going concern basis in preparing the financial statements. The Board has reviewed the strategy and objectives of the Company and feel there is no danger or risk with regards to going concern.

The directors review regularly the credit, liquidity and cash flow risks which may affect the Company and take appropriate steps to mitigate any such risks, where necessary. The Company has indication of forecasted revenue from its primary customer and has an order book that covers a substantial part of the coming year's revenue.

For and on behalf of the Board
Tata Motors European Technical Centre plc

23/5/14

N H Fell
Director and Head
Tata Motors European Technical Centre plc
18 Grosvenor Place
London SW1X 7HS
United Kingdom

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether Financial Reporting Standard 101 Reduced Disclosure Framework has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TATA MOTORS EUROPEAN TECHNICAL CENTRE PLC

We have audited the financial statements of Tata Motors European Technical Centre plc for the year ended 31 March 2014 which comprise the Statement of Profit or Loss and Other Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 23. The financial reporting framework that has been applied in their preparation is applicable law and Financial Reporting Standard 101 Reduced Disclosure Framework.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TATA MOTORS EUROPEAN TECHNICAL CENTRE PLC (CONTINUED)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Peter Gallimore FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Birmingham, United Kingdom

23 May 2014

Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 March 2014

	Notes	31 March 2014		31 March 2013	
		£	*INR Cr*	£	*INR Cr*
Turnover	2	41,693,545	414.99	33,976,196	278.94
Cost of sales		(29,108,691)	(289.73)	(21,476,525)	(176.32)
Gross Profit		**12,584,854**	**125.26**	**12,499,671**	**102.62**
Other operating income		29,036	0.29	341,611	2.80
Administrative expenses		(10,230,796)	(101.82)	(8,796,238)	(72.22)
Operating Profit/(Loss)		**2,383,094**	**23.73**	**4,045,044**	**33.20**
Exceptional item – Fundamental restructuring	8	-	-	(3,146,170)	(25.83)
Profit on ordinary activities before finance charges and taxation		**2,383,094**	**23.73**	**898,874**	**7.37**
Net interest expenses	4	61,395	0.61	(324,503)	(2.66)
Profit/(Loss) on ordinary activities before taxation	3	**2,444,489**	**24.34**	**574,371**	**4.71**
Tax charge on profit on ordinary activities	7	18,043	0.18	(399,102)	(3.28)
Profit/(Loss) from ordinary activities	19	**2,462,532**	**24.52**	**175,269**	**1.43**
Statement of Other Comprehensive Income					
Gain/(Loss) on property valuation		-	-	-	-
Income tax relating to components of other comprehensive income		-	-	-	-
Available for sale financial assets		-	-	-	-
Cash flow hedges		-	-	-	-
Other comprehensive income for the period net of tax		-	-	-	-
Total comprehensive income for the year		**2,462,532**	**24.52**	**175,269**	**1.43**

All activities are from continuing operations.

Balance Sheet
As at 31 March 2014

	Notes	31 March 2014 £	31 March 2014 INR Cr	31 March 2013 £	31 March 2013 INR Cr
Fixed Assets					
Intangible Assets	9	2,389,327	23.78	2,474,951	20.32
Tangible Assets	10	1,556,106	15.49	1,386,536	11.38
Investments in subsidiaries	11			-	-
		3,945,433	**39.27**	**3,861,487**	**31.70**
Current Assets					
Stocks	12	2,297,448	22.87	1,909,223	15.67
Debtors					
- Due within one year	13	21,045,121	209.47	16,516,828	135.60
- Due after one year	13	909,871	9.06	-	-
Cash at bank and in hand		1,775,282	17.67	526,882	4.33
		26,027,722	**259.07**	**18,952,933**	**155.60**
Creditors: Amounts falling due within one year	14	(15,940,648)	(158.67)	(9,150,103)	(75.12)
Net Current Assets		**10,087,074**	**100.40**	**9,802,830**	**80.48**
Total Assets less Current Liabilities		**14,032,507**	**139.67**	**13,664,317**	**112.18**
Creditors: Amounts falling due after one year	15	(4,125,000)	(41.06)	(7,500,000)	(61.57)
Provision for liabilities	17	(100,000)	(1.00)	(100,000)	(0.82)
Net Assets		**9,807,507**	**97.61**	**6,064,317**	**49.79**
Capital and Reserves					
Called up share capital	18	28,529,085	283.96	27,248,427	223.71
Profit and Loss Account	19	(18,721,578)	(186.35)	(21,184,110)	(173.92)
Shareholders' Funds		**9,807,507**	**97.61**	**6,064,317**	**49.79**

These financial statements were approved by the Board of Directors on

Signed on behalf of the Board by

23/5/14

Mr N H Fell
Director and Head
Company No: 05551225

Statement of Changes in Equity
For the year ended 31 March 2014

	Notes	Called up Share Capital £	Called up Share Capital *INR Cr*	Profit and Loss Account £	Profit and Loss Account *INR Cr*	Total £	Total *INR Cr*
Balance at 1 April 2012		**26,414,222**	**215.34**	**(21,359,379)**	**(174.12)**	**5,054,843**	**41.22**
Profit for the period		-	-	175,269	1.43	175,268	1.43
Other comprehensive income for the period		-	-	-	-	-	-
Foreign exchange difference		-	-	-	(1.23)	-	(1.23)
Total Comprehensive Income for the period		-	-	**175,269**	**0.20**	**175,269**	**0.20**
Issue of share capital		834,205	6.85	-	-	834,205	6.85
Dividends		-	-	-	-	-	-
Foreign exchange difference		-	1.52	-	-	-	1.52
Balance at 31 March 2013	18 & 19	**27,248,427**	**223.71**	**(21,184,110)**	**(173.92)**	**6,064,317**	**49.79**
Profit for the period		-	-	2,462,532	24.51	2,462,532	24.51
Other comprehensive income for the period		**-**	**-**	**-**	**-**	**-**	**-**
Foreign exchange difference		-	-	-	-	**-** -	**---** -
Total Comprehensive Income for the period		-	-	-	-	-	-
Issue of share capital		1,280,658	12.75	-	-	1,280,658	12.75
Dividends		-	-	-	-	-	-
Foreign exchange difference		-	47.50	-	(36.94)	-	10.57
Balance at 31 March 2014	18 & 19	**28,529,085**	**283.96**	**(18,721,578)**	**(186.35)**	**9,807,507**	**97.62**

Notes to the Financial Statements
For the year ended 31 March 2014

1. ACCOUNTING POLICIES

a) Basis of preparation

The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly, in the year ended 31 March 2014 the Company has undergone transition from reporting under UK Generally Accepted Accounting Practice to FRS 101 as issued by the Financial Reporting Council. The financial statements have therefore been prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council. This transition is not considered to have had a material effect on the financial statements.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to business combinations, share-based payment, non-current assets held for sale, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective, impairment of assets and related party transactions.

The financial statements are prepared in accordance with the historical cost convention and on the going concern basis as noted in the Directors' Report.

b) Going concern

The Company closely manages its working capital through monthly and weekly reviews of its cash flow. In support of this, close working relationships have been established with debtors and creditors to maintain positive cash flow and prevent any requirements for an overdraft. Further to this, material expenditure is reviewed on a regular basis to ensure customer requirements are met. To mitigate against foreign exchange exposure relating to international suppliers, the Company forward purchases currency where possible and leverages economies of scale.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus the Company continues to adopt the going concern basis of accounting in preparing the annual financial statements.

c) Turnover

Turnover consists of amounts chargeable by the Company to its customers (at present primarily to the parent company) for services provided and is exclusive of value added tax. The turnover is derived from work undertaken for customers on long term contracts. Work is undertaken for customers either on the basis that time and materials are billed as incurred or according to the terms of fixed price contracts. For time and material contracts, turnover and profit are recognised when the right to consideration has been established according to time worked and materials expended. With respect to fixed price contracts, turnover is recognised according to the achievement of contractual milestones. Revenue and profit are recognised from project variations when it is expected that it will be recovered from customers.

d) Tangible fixed assets

Fixed assets are stated at cost less provision for depreciation and any impairment. Depreciation on tangible fixed assets is provided to write off the value (being cost less estimated residual value) of tangible fixed assets over their estimated useful economic lives below:

Plant & Machinery (Computers & Software):	Over a period of 4 years
Office Equipment:	Over a period of 4 years
Engineering, Manufacturing & Hire Purchase Equipment:	Over a period of 3-10 years; assessed by each individual asset
Motor Vehicles:	Over a period of 4 years

Notes to the Financial Statements (continued)
For the year ended 31 March 2014

1. ACCOUNTING POLICIES (continued)

e) Intangible assets – research & development

Research expenditure is written off as incurred. Development expenditure is also written off, except where the directors are satisfied as to the technical, commercial and financial viability of individual projects. In such cases, the identifiable expenditure is deferred and amortised over the period during which the Company is expected to benefit. This period is between three and five years. Provision is made for any impairment.

f) Intangible assets – intellectual property

Intellectual property is included at cost and amortised in equal annual instalments over a period of 7 years which is their estimated useful economic life. Provision is made for any impairment.

g) Intangible assets – perpetual licences

Perpetual licences are included at cost and amortised in equal annual instalments over a period of 4 - 5 years which is their estimated useful economic life. Provision is made for any impairment.

h) Pensions & other benefits

The Company operates a Group Personal Pensions Plan (GPPP), which is a defined contributions scheme, provided by Aviva ['the provider'] and arranged by St James's Place Ltd ['SJP'].The Company has constituted the said pension plan to attract and retain good talent from the industry. The Company makes a contribution of up to 5% of the employees' gross basic salary, subject to the employees' making a matching contribution towards the pension plan, as per the provisions of the Scheme. Pension costs for the Company's Group Personal Pensions Plan are charged to the Profit and Loss Account in the year in which they are incurred. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the Balance Sheet.

The Company has also established an approved group life assurance plan for the benefit of the employees, which would provide financial protection to the employee's dependants in the event of the employees' death. HMRC has approved the said plan and the contributions paid towards the said plan would be eligible for deductions from profits chargeable to corporation tax under the Income and Corporation Taxes Act 1988 (ICTA 1988). The policy covers the insurance of the employees up to a limit of 4 times the employee's basic salary, subject to the overall Company ceiling cover of £1,250,000. Premiums paid towards the said policy have been charged to the Profit and Loss Account in the year in which they are incurred.

The Company has also established a Group Income Protection Plan through Canada Life Limited ('Canada Life Group'), in order to provide finance to cover the work normally completed by the employee and protect employees' income in the event of their absence due to long term illness, whereby the employee is provided with a basic benefit of up to 50% of their basic annual salary up to a maximum period of 5 years. The benefits become payable after the expiry of 13 consecutive weeks from the date of incapacity of a member of the policy, subject to the rules of the policy. Premiums paid for the said income protection plan have been charged to the profit and loss account in the year in which they are incurred.

i) Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Notes to the Financial Statements (continued)
For the year ended 31 March 2014

1. ACCOUNTING POLICIES (continued)

j) Cash flow statement

The Company has taken advantage of the exemption conferred by Financial Reporting Standard 101 Section 8 not to present a cash flow statement.

k) Foreign exchange

Transactions denominated in foreign currencies are translated from the functional currency at the periodic rate ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated at the rates ruling at that date. These translation differences are dealt with in the Profit and Loss Account.

l) General note on translation to Indian Rupees

The financial information prepared is in accordance with FRS 101 and is expressed in Pounds Sterling. The balances presented in Indian Rupees alongside the Pounds Sterling balances represent the FRS 101 balances translated into Indian Rupees at a fixed exchange rate of 1 Pounds Sterling = INR 99.53510 as at 31 March 2014, 1 Pound Sterling = INR 82.0985 as at 31 March 2013. These have been provided solely for the convenience of the reader and to meet the requirements of Section 212 of the Indian Companies Act, which requires that a parent company must also file subsidiary financial statements in India. These translations should not be construed as a representation that any or all the amounts could be converted into Indian Rupees at this or any other rate, or that any of the amounts presented are prepared in accordance with Indian GAAP.

m) Investments in subsidiaries

Investments in subsidiaries are shown at cost less provision for impairment. The Company has taken advantage of the exemption from producing group accounts given that its parent company, Tata Motors Limited, have included the group within its consolidated financial statements.

n) Long-term contracts

Amounts recoverable on long-term contracts, which are included in debtors, are stated at the net sales value of the work done less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account. Cumulative costs incurred net of amounts transferred to cost of sales, less provision for contingencies and anticipated future losses on contracts are included in the work in progress balance within stock.

o) Finance costs

Finance costs of financial liabilities are recognised in the Profit and Loss Account over the term of such instruments at a constant rate on the carrying amount.

p) Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

q) Bank borrowings

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the Profit and Loss Account using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Notes to the Financial Statements (continued)
For the year ended 31 March 2014

1. ACCOUNTING POLICIES (continued)

r) Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes materials, transport and handling costs and any other directly attributable costs. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow-moving or defective items where appropriate.

s) Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

t) Government grants

Government grants which have been made to reimburse expenses are charged to the Profit and Loss Account when they become receivable and in the appropriate period so to match with the expenses which it relates.

2. TURNOVER

Revenues for the year ended 31 March 2014 aggregated £41,693,545 (INR 414.99 Cr) (2013: £33,976,196 (INR 278.94 Cr)) including £41,609,098 (INR 414.15 Cr) (2013: £32,423,085 (INR 266.19 Cr)) from the provision of services to India.

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	31 March 2014		31 March 2013	
	£	*INR Cr*	£	*INR Cr*
Profit on ordinary activities before taxation	**2,444,489**	**24.34**	**574,371**	**4.71**
This is stated after charging:				
Depreciation & amortisation	1,356,956	13.51	1,271,482	10.43
Exceptional items	-	-	3,146,170	25.83
Payment for licence to occupy land & buildings	1,797,655	17.89	1,579,258	12.97
Profit on disposal of assets	3,952	0.04	44,607	0.37
Government grant income	25,541	0.25	318,938	2.62
Foreign exchange (losses)/gains	(1,225,539)	(12.2)	6,249	0.05
Research and development expenditure	29,108,691	289.73	21,476,525	176.32
The analysis of auditors remuneration is as follow:				
Audit fees	27,500	0.27	24,000	0.20
Non audit fee	-	-	-	-

Notes to the Financial Statements (continued)
For the year ended 31 March 2014

4. NET INTEREST EXPENSE

	31 March 2014		31 March 2013	
	£	*INR Cr*	£	*INR Cr*
Bank interest received	505	0.01	6,333	0.05
Interest on Indian tax	363,073	3.61	-	-
Interest income on loan to Miljøbil Grenland AS	-	-	125,901	1.03
Interest on hire purchase contracts	-	-	95	-
Total interest income	**363,578**	**3.62**	**132,329**	**1.08**
Interest expense on bank loan	(235,385)	(2.34)	(445,080)	(3.65)
Interest expense on loan taken (from group undertaking)*	(46,851)	(0.47)	-	-
Interest on Indian tax	(20,041)	(0.20)	(11,752)	(0.09)
Other interest	94	-	-	-
Total interest expenses	**(302,183)**	**(3.01)**	**(456,832)**	**(3.74)**
Net interest expenses	**61,395**	**0.61**	**(324,503)**	**(2.66)**

Further details regarding the loan provided and associated interest is contained within Note 15 herein.

Notes to the Financial Statements (continued)
For the year ended 31 March 2014

5. DIRECTORS' EMOLUMENTS

	31 March 2014		31 March 2013	
	£	*INR Cr*	£	*INR Cr*
Directors Remuneration				
Emoluments	268,303	2.67	257,096	2.11
Bonus	57,247	0.57	-	-
Cash sum in lieu of Company Car	13,000	0.13	13,000	0.11
Pension contribution	16,000	0.16	15,200	0.12
	354,550	**3.53**	**285,296**	**2.34**

The figures above reflect remuneration for Two Directors. Two Directors are remunerated by a fellow group company.

	Number	Number
The number of directors who:		
Are members of a money purchase pension scheme	1	1

	31 March 2014		31 March 2013	
	£	*INR Cr*	£	*INR Cr*
Remuneration of the highest paid director:				
Emoluments	200,000	1.99	190,000	1.56
Bonus	57,247	0.57	-	-
Cash sum in lieu of Company Car	13,000	0.13	13,000	0.11
Pension contribution	16,000	0.16	15,200	0.12
	286,247	2.85	218,200	1.79

The Company has a money purchase pension scheme whereby personal contributions are matched up to 8%. There is no share option scheme in operation within the Company at present.

6. EMPLOYEE INFORMATION

	31 March 2014		31 March 2013	
	£	*INR Cr*	£	*INR Cr*
Staff Cost				
Salaries & Wages (including directors, but excluding non-executive directors)	13,465,374	134.03	12,183,274	100.02
Social security costs	1,586,360	15.79	1,401,455	11.51
Other pension costs (See Note 21)	467,524	4.65	370,185	3.04
	15,519,258	**154.47**	**13,954,914**	**114.57**

Notes to the Financial Statements (continued)
For the year ended 31 March 2014

6. Number of Employees (including the directors but excluding non-executive directors)

	31 March 2014 (In Numbers)	31 March 2013 (In Numbers)
Permanent	248	215
Fixed Term	19	4
Contractors	85	70
	352	**289**

There were no unpaid pension contributions in the current year toward the pension scheme (2013: Nil).

7. TAXATION

	31 March 2014		31 March 2013	
	£	*INR Cr*	£	*INR Cr*
Analysis of tax charge on ordinary activities				
UK Corporation tax for the period	-	-	-	-
Foreign tax of current period	987,347	9.83	1,015,909	8.34
Indian Tax on Witholding tax interest	157,065	1.56	-	-
Adjustments to foreign tax in respect of previous periods	(307,901)	(8.51)	137,493	1.13
Group/Consortium surrender in respect to previous periods	(854,554)	(3.06)	(754,300)	(6.19)
	(18,043)	**(0.18)**	**399,102**	**3.28**
Deferred Tax:				
Deferred tax charge	-	-	-	-
Adjustments in respect of previous periods	-	-	-	-
Tax charge on ordinary activities	**(18,043)**	**(0.18)**	**399,102**	**3.28**

Notes to the Financial Statements (continued)
For the year ended 31 March 2014

7. Factors affecting current tax charge for the period

The taxation rate for the period is different to the standard rate of corporation tax in the UK (23%). The differences are reconciled below:

Profit on ordinary activities before tax	2,444,489	24.33	574,371	4.71
Tax 23% (2012/13 at 24%)	562,233	5.6	137,849	1.13
Effects of:				
Expenses not deductible for tax purposes	477	0	220,335	1.81
Capital allowances (in excess)/less than depreciation	(80,775)	(0.80)	151,237	1.24
Other timing differences	-	-	(34,159)	(0.28)
Tax losses arising in the year	(177,146)	(1.76)	781,764	6.42
R&D tax relief	-	-	(1,013,208)	(8.32)
Adjustments to tax charge in respect of previous periods	(307,901)	(3.06)	137,493	1.13
Difference in tax rates	-	-	-	-
Indian tax on withholding tax interest	157,065	1.56	-	-
Overseas tax expenses	(77,700)	(0.77)	(243,818)	(2.00)
Irrecoverable overseas tax	987,347	9.83	1,015,909	8.34
Group relief surrendered	(854,554)	(8.52)	(754,300)	(6.19)
Expense relief on foreign tax suffered	(227,089)	(2.26)	-	-
Total tax charge/(credit) for the period	**(18,043)**	**(0.18)**	**399,102**	**3.28**

During the period, the Finance Act 2013 was enacted which included provision to reduce the main rate of Corporation tax from 23% to 21% from 01 April 2014 and 20% from 01 April 2015. Accordingly UK corporation tax has been provided at 23%.

Notes to the Financial Statements (continued)
For the year ended 31 March 2014

8. EXCEPTIONAL ITEMS – FUNDAMENTAL RESTRUCTURING

	31 March 2014		31 March 2013	
	£	*INR Cr*	£	*INR Cr*
Nature of Exceptional Item				
Write down of Ace EV fixed assets	-	-	801,895	6.59
Write down of Vista EV fixed assets	-	-	16,166	0.13
Write down of Ace EV stock	-	-	1,354,130	11.12
Write down of Vista EV stock	-	-	(84,312)	(0.69)
Sale costs associated with the disposal of Miljøbil Grenland AS	-	-	577,510	4.74
Severance payments relating to cessation of Ace EV manufacturing program	-	-	143,063	1.17
Provision against loan Miljøbil Grenland AS	-	-	211,817	1.74
Provision against loan interest Miljøbil Grenland AS	-	-	125,901	1.03
	-	**-**	**3,146,170**	**25.83**

There were no exceptional costs in the current year.

In the year 2013 the termination of the manufacture of the Ace EV, all stock and fixed assets specifically related to Ace EV manufacturing has been considered obsolete and therefore, fully written down during the year. Additional expenditure incurred during the year regarding the manufacture of the Vista EV has also been fully written down given it was deemed obsolete as of March 2012.

The investment of Miljøbil Grenland AS was fully impaired during 2011-12 and subsequently sold on 30th August 2012. All associated sale costs have been included as Exceptional Items in 2012-2013 given the sale was as a result of the termination of the EV manufacturing program mentioned.

A provision was made against the loan advanced to Miljøbil Grenland AS and the associated interest to reflect the recoverability of the asset.

9. INTANGIBLE FIXED ASSETS

	Perpetual Licences		Intellectual Property		Total	
	£	*INR Cr*	£	*INR Cr*	£	*INR Cr*
Cost						
As at 1 April 2013	1,578,075	12.96	1,834,978	15.06	3,413,053	28.02
Additions	621,646	6.19	-	-	621,646	6.19
Exchange difference	-	2.75	-	3.2	-	5.95
As at 31 March 2014	**2,199,721**	**21.90**	**1,834,978**	**18.26**	**4,034,699**	**40.16**
Amortisation						
As at 1 April 2013	675,962	5.55	262,140	2.15	938,102	7.70
Charge for the year	445,130	4.43	262,140	2.61	707,270	7.04
Exchange difference	-	1.18	-	0.46	-	1.64
As at 31 March 2014	**1,121,092**	**11.16**	**524,280**	**5.22**	**1,645,372**	**16.38**
Net Book Value						
As at 31 March 2014	**1,078,629**	**10.74**	**1,3106,98**	**13.04**	**2,389,327**	**23.78**
As at 31 March 2013	902,113	7.41	1,572,838	12.91	2,474,951	20.32

Notes to the Financial Statements (continued)
For the year ended 31 March 2014

10. TANGIBLE FIXED ASSETS

	Plant & Machinery (Computers & Software)	Office & Engineering Equipment & Hire Purchase Assets	Motor Vehicles	Total Tangible Assets
	£	£	£	£
Cost				
As at 1 April 2013	1,834,770	1,127,354	202,529	3,164,653
Additions	567,181	192,717	74,338	834,236
Disposals	(45,439)	-	(29,888)	(75,327)
As at 31 March 2014	**2,356,512**	**1,320,071**	**246,979**	**3,923,562**
Depreciation				
As at 1 April 2013	1,038,230	658,084	81,802	1,778,116
Charge for the year	408,533	166,904	74,249	649,686
Disposals	(44,779)	-	(15,567)	(60,346)
As at 31 March 2014	**1,401,984**	**824,988**	**140,484**	**2,367,456**
Net Book Value				
As at 31 March 2014	**954,528**	**495,083**	**106,495**	**1,556,106**
As at 31 March 2013	796,539	469,270	120,727	1,386,536
As at 31 March 2012	634,427	1,232,114	121,219	1,987,760
	INR Cr	***INR Cr***	***INR Cr***	***INR Cr***
Cost				
As at 1 April 2013	15.09	9.26	1.64	25.99
Additions	5.65	1.95	0.74	8.34
Disposals	(0.45)	-	(0.30)	(0.75)
Exchange difference	3.16	1.93	0.37	5.46
As at 31 March 2014	**23.45**	**13.14**	**2.45**	**39.04**
Depreciation				
As at 1 April 2013	8.52	5.40	0.67	14.59
Charge for the year	4.07	1.66	0.74	6.47
Disposals	(0.45)	-	(0.15)	(0.60)
Exchange difference	1.79	1.15	0.15	3.09
As at 31 March 2014	**13.93**	**8.21**	**1.41**	**23.55**
Net Book Value				
As at 31 March 2014	**9.52**	**4.93**	**1.04**	**15.49**
As at 31 March 2013	6.56	3.85	0.97	11.38
As at 31 March 2012	5.19	10.04	0.98	16.21

As at 31 March 2014, there were no fixed assets held under finance leases.

Notes to the Financial Statements (continued)
For the year ended 31 March 2014

11. INVESTMENT IN SUBSIDIARIES

The company holds no investment in subsidiaries. The company sold its entire stake in Norwegian battery technology company Miljøbil Grenland AS on the 30th August 2012. The Company holds no other investments.

12. STOCKS

	As at 31 March 2014		As at 31 March 2013	
	£	*INR Cr*		
Raw materials and components	-	-	-	-
Finished goods	-	-	-	-
	-	**-**	**-**	**-**
Long term contract balances	2,297,448	22.87	1,909,223	15.67
	2,297,448	**22.87**	**1,909,223**	**15.67**

13. DEBTORS

	As at 31 March 2014		As at 31 March 2013	
	£	*INR Cr*	£	*INR Cr*
Amounts falling due within one year				
Trade debtors	855,187	8.51	405,098	3.33
Amounts due from parent company	13,268,179	132.06	7,487,427	61.47
VAT	592,520	5.90	135,140	1.11
Accrued income and other debtors	632,969	6.30	657,274	5.40
Prepayments	670,111	6.67	746,498	6.12
Withholding tax recoverable	5,026,155	50.03	7,084,665	58.16
Other taxation and social security	-	-	726	0.01
	21,045,121	**209.47**	**16,516,828**	**135.60**
Amounts falling due after one year				
Prepayments	909,871	9.06	-	-
	21,954,992	**218.53**	**16,516,828**	**135.60**

Notes to the Financial Statements (continued)
For the year ended 31 March 2014

14. CREDITORS FALLING DUE WITHIN ONE YEAR

As at the end of the year ending 31 March 2014, the details of creditors falling due within one year are given below:

	As at 31 March 2014		As at 31 March 2013	
	£	*INR Cr*	£	*INR Cr*
Bank loan	1,875,000	18.66	-	-
Hire purchase	-	-	-	-
Trade creditors	2,313,461	23.03	2,258,731	18.54
Amounts owed to associated undertakings	279,543	2.78	279,543	2.30
Other creditors	160,740	1.60	64,625	0.53
Other taxation and social security	10,207	0.10	-	-
Accruals	3,007,547	29.94	2,402,220	19.72
Accruals (contract related)	8,294,150	82.56	4,144,984	34.03
	15,940,648	**158.67**	**9,150,103**	**75.12**

15. CREDITORS FALLING DUE AFTER ONE YEAR

As at the end of the year ending 31 March 2014, the details of creditors falling due beyond one year are given below:

	As at 31 March 2014		As at 31 March 2013	
	£	*INR Cr*	£	*INR Cr*
Bank loan	1,875,000	18.66	7,500,000	61.57
Loan from parent company	2,250,000	22.40	-	-
	4,125,000	**41.06**	**7,500,000**	**61.57**

The said loan from the parent company was agreed in December 2013, after renegotiation of the reduction in the bank loan. Interest is accrued and calculated at the three month LIBOR + 300 basis points.

Interest on the bank loan from Standard Chartered Bank is calculated at the three monthly LIBOR + 300 basis points on a daily basis, based on actual number of days elapsed from the date of draw down of the facility, and is accrued from the first day of the initial draw down of the facility, and is calculated accordingly. The rate of interest as at the balance sheet date is 3.47984% p.a. (2013: 4.3050%), with the interest rate due to be reviewed in November 2015. Interest is payable on a quarterly basis on the aggregate amount of the facility outstanding.

Notes to the Financial Statements (continued)
For the year ended 31 March 2014

16. DEFERRED TAX

There are no recognised deferred tax amounts in the current and preceding year.

	As at 31 March 2014		As at 31 March 2013	
Analysis of unrecognised deferred tax balance				
Capital allowances in excess of depreciation	(637,500)	(6.35)	(601,262)	(4.94)
Other short term timing differences	(16,655)	(0.17)	(33,116)	(0.27)
Tax losses carried forward	(3,287,732)	(32.72)	(3,052,111)	(25.06)
	(3,941,887)	**(39.24)**	**(3,686,489)**	**(30.27)**

At 31 March 2014 the Company had unused trading losses of £15,655,866 (INR Cr 155.8) (2013: £13,270,046 (INR Cr 108.95)). No provision for deferred tax has been recognised in respect of these losses and other timing differences due to the uncertainty over whether there will be sufficient taxable profits in future periods to use them.

17. PROVISIONS

	£	*INR Cr*
As at 1 April 2012	130,000	1.06
Amounts incurred and charged against the provision	(30,000)	(0.25)
Foreign exchange difference	-	0.01
Balance at 31 March 2013	**100,000**	**0.82**
As at 1 April 2013	100,000	0.82
Foreign exchange difference	-	0.18
Balance at 31 March 2014	**100,000**	**1.00**

No additional provisions have been made during the year
In 2013 changes to claimable expenditure regarding government grant funding led to a probable penalty to be incurred by the Company for £100,000 whereby the timing of the payment is yet to be determined.

Notes to the Financial Statements (continued)
For the year ended 31 March 2014

18. CALLED UP SHARE CAPITAL

	As at 31 March 2014		As at 31 March 2013	
	£	*INR Cr*	£	*INR Cr*
Allotted, called up and fully-paid share of £1 each				
Ordinary shares already issued	27,248,427	223.71	26,414,222	215.34
Issue of ordinary shares during the year	1,280,658	12.75	834,205	6.85
Foreign exchange difference	-	47.50	-	1.52
	28,529,085	**283.96**	**27,248,427**	**223.71**

During the year 1,280,658 ordinary shares of £1 each were issued at par and fully subscribed to.

19. RESERVES

	Profit and Loss Account	
	£	*INR Cr*
At 1 April 2012	(21,359,379)	(174.12)
Loss for the financial year	175,269	1.43
Foreign exchange difference	-	(1.23)
Balance at 31 March 2013	**(21,184,110)**	**(173.92)**
At 1 April 2013	(21,184,110)	(173.92)
Profit for the financial year	2,462,532	24.51
Foreign exchange difference	-	(36.94)
Balance at 31 March 2014	**(18,721,578)**	**(186.35)**

20. COMMITMENTS

	As at 31 March 2014		As at 31 March 2013	
	£	*INR Cr*	£	*INR Cr*
	Other	Other	Other	Other
Expiry Date:				
- Within one year	67,065	0.67	123,783	1.02
- Between two and five years	1,481,890	14.75	361,479	2.97
- After five years	-	-	1,229,448	10.09
	1,548,955	**15.42**	**1,714,710**	**14.08**

The Company has several rental commitments regarding the various sites from which it operates, the largest of which concerns the site based at the University of Warwick; annual rental costs are £1,481,890 (INR 2.24 Cr) (2013: £1,229,448 (INR 10.09 Cr)).

Notes to the Financial Statements (continued)
For the year ended 31 March 2014

21. DEFINED CONTRIBUTION SCHEMES

The total cost charged to income of £467,524 (INR 4.65 Cr) (2013: £370,185 (INR 3.04 Cr)) represents contributions payable to these schemes by the group at rates specified in the rules of the plans.

22. ULTIMATE CONTROLLING PARTY

The parent undertaking of the Company is Tata Motors Limited, a company registered in the Republic of India, with the ultimate parent company being Tata Sons Limited.

Tata Motors Limited is the parent company of the group to which this Company belongs and for which the smallest and largest group accounts are prepared. Copies of the consolidated financial statements of Tata Motors Limited can be obtained from the parent's registered office situated at Bombay House, 24 Homi Mody Street, Mumbai 400 001, India.

23. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption available under FRS 101 Section 8 not to disclose details of transactions with wholly owned group members.

Trading transactions with non-wholly owned group companies are summarised below:

Purchase of goods or services

	31 March 2014		31 March 2013	
	£	*INR Cr*	£	*INR Cr*
Tata Sons Limited	33,233	0.27	15,170	0.12
Tata Johnson Controls Automotive Limited	-	-	5,552	0.05
Miljøbil Grenland AS	-	-	(629,832)	(5.17)
	33,233	**0.27**	**(609,110)**	**(5.00)**

Trade Creditor Balances

	As at 31 March 2014		As at 31 March 2013	
	£	*INR Cr*	£	*INR Cr*
Tata Elxsi Limited	4,579	0.05	4,579	0.04
Miljøbil Grenland AS	-	-	186,140	1.52
	4,579	**0.05**	**190,719**	**1.55**

7



TAL MANUFACTURING SOLUTIONS LIMITED

14TH ANNUAL REPORT
2013-14

Registered Office:
PDO Building, TATA Motors Campus,
Chinchwad, Pune - 411 033 (MH).
CIN: U29100PN2000PLC130290
Tel: 020 – 6613 5509
Fax: 020 – 6613 6318
Website: www.tal.co.in

TAL MANUFACTURING SOLUTIONS LIMITED

FOURTEENTH ANNUAL REPORT 2013-2014

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Board of Directors:

R.S. Thakur (Chairman),
Satish Pradhan,
N. S. Kulkarni,
Satish Borwankar
Rajesh Khatri (Executive Director & CEO)

Company Secretary:

Kavita Sethi Jain.

Registered Office:

PDO Building,
TATA Motors Campus, Chinchwad,
Pune - 411 033 (MH).
CIN: U29100PN2000PLC130290
Tel: 020 – 6613 5509
Fax: 020 – 6613 6318
Website: www.tal.co.in

Auditors:

Deloitte Haskins & Sells

Directors' Report

To the Members of
TAL MANUFACTURING SOLUTIONS LIMITED

The Directors present their Fourteenth Annual Report and the Audited Statement of Accounts for the year ended March 31, 2014.

FINANCIAL RESULTS

(Figures in Rupees Lakhs)

Particulars	2013-14	2012-13
(i) Total Income	13,136	19,860
(ii) Total Expenses	15,887	21,534
(iii) Profit/(Loss) before Interest & Depreciation	(2,751)	(1,674)
(iv) Depreciation	417	486
(v) Interest (Net after capitalization)	71	40
(vi) Profit/(Loss) Before Exceptional Item &Tax	(3,239)	(2,200)
(a) Exceptional Items	0	0
(vii) Provision for Taxation/(Deferred Tax)	0	4
(viii) Profit/(Loss)After Tax	(3,239)	(2,204)
(ix) Balance brought forward	1,967	4,171
(x) Balance Carried to Balance Sheet	(1,272)	1,967

DIVIDEND

Taking into consideration the losses during the year, your Directors do not recommend any dividend on equity shares for FY2013-14.

OPERATIONS AND PERFORMANCE

Your Company achieved total revenue of Rs. 13,136 Lakhs during the year under review as compared to Rs. 19,860 Lakhs for the previous year. The company suffered a loss of Rs. 3,239 Lakhs as compared to previous year's loss of Rs. 2,204 Lakhs. The significant decline in volumes as well as pressure on profit margin has affected the profitability of the Company.

Industrials Division

The year under review was marked with unabated economic slowdown with the Index of Industrial Production (IIP) touching decade low figures with manufacturing output contracting 0.7% in April-Feb period (as against 1% growth in the previous year). India's growth further decelerated as a slump in industry and investment spread to consumption and exports. Though inflation and the fiscal deficit were reined in, the current account deficit rose to a record high.

Delays in resolving structural impediments to growth were compounded by a global trade slowdown. Economic growth in fiscal year 2013-14 decelerated to 4.7% from 5% in FY 2012-13. The steep fall in the rupee has further impacted industrial investments and output.

Automobile industry and Capital Goods have seen the sharpest declines. While the Auto sector has grown by 3.5%, the passenger cars and commercial vehicles have had a negative growth of (5%) and (21%) respectively. With a large dependence on these sectors, the Company could achieve an order booking (excluding excise duty) of Rs 11,900 Lakhs, a decrease of 27% YoY for the Industrials division. The loss in the Industrials division was Rs 36 Crs - restricted to the same levels as the previous year despite the significant (34%) drop in revenues.

The volatile foreign exchange situation with about 10% depreciation of rupee during the year against major international currencies such as dollar & euro also resulted in higher material costs and had a 1.8% negative impact on the margins.

The Company's thrust on cost reduction and improving operational efficiency resulted in 19% reduction of fixed cost YoY, driven by right-sizing and lean initiatives. These efforts have helped the Company to restrict the loss, despite lower revenues.

With focused efforts, the Company was able to reduce its working capital levels, thereby minimizing its borrowing costs.

Continued thrust on improvement in quality and reliability and introduction of new models enabled the Machine Tool Division (MTD) to gain 42% (v/s 35% in the previous year) of its orders from OEMs and Tier 1 customers. The MTD successfully launched its VTL based on technology from Maus, Italy.

In the Fluid Power business, the front end cylinders were successfully launched after extensive trials and testing. The 57cc Gear Pumps are under validation.

The Projects business has been restructured and consolidated in to a single 'Integrated Manufacturing Solution' business. Several new business development initiatives including smart tooling, prototype build, refurbishment of existing paint shops, etc. have been identified and are being actively implemented. Organizational changes to achieve effective project management have been effected. Initiatives were taken for design optimization and out sourcing to reduce the procurement costs. The company decided to exit the loss making Car Parking business.

The Company, along with TML, has successfully completed development of Wheeled Armored Platform (WHAP) Hull in a record time of 2 months.

Aerospace Business Unit

The dedicated facility at MIHAN –SEZ, Nagpur is achieving traction and has commercialized its production, mainly from supply of precision machined metallic parts during the year and is gearing for an accelerated rate ramp-up of its supplies.

During the year under review, more than 16,000 nos. precision machined metallic parts were supplied. Several critical milestones leading to qualification for commercial production were achieved to stringent customer specifications. Business processes integrated through SAP are being reinforced to ensure risk free deliveries.

The Company achieved "2013 Performance Excellence Award – Gold Level" for maintaining a Gold composite performance rating for each month of the performance period Oct. 1, 2012 to Sep.30, 2013 from its customer.

Machines located at the Technology Centre in Pune were shifted to the Generic Facility at Nagpur. The same have been operationalized for production from January'14.

Focused efforts put to enter long term contracts for Sheet Metal parts have started yielding results.

The manpower is being augmented in line with the production ramp up. Training and development continue to be the focus areas.

OUTLOOK

With the expectations of a stable and decisive government post elections, India's economic outlook for 2014-15 looks better than the current fiscal year due to resurgence in exports, global economic revival and moderation in inflation. However, a below normal monsoon could prove to be spoil sport and reign in higher interest rates.

In line with its Strategic Plan 2020, Low Cost Automation, Aerospace and Integrated Manufacturing Solutions will be the key growth engines for the Company.

The Company has embarked on its project for design and manufacture of a low cost robot. The first prototype will be built and put for validation in Q1 FY15 – commercial production for which is targeted for Q4' FY15.

With a projected 5% CAGR long-term growth in commercial aircrafts, the Aerospace segment continues to offer good growth opportunities. The OEM and Tier-1 companies are keen to source their requirements - parts, assemblies and tooling, from India to leverage low-cost advantage and fulfill offset obligations. Given the stringent quality demands and the associated high penalties and contractual obligations, not many companies in India seem to be ready.

Your company has taken proactive steps to exploit the growing opportunity in Aerospace. The revenues from the dedicated facility at Nagpur are expected to grow exponentially as the production rate gets ramped up.

Intensified business development efforts to grow and leverage opportunities with major international customers based on long term partnering is likely to be reflected in long term contracts being awarded to your Company in the near future. Collaborative efforts with other TATA Group companies are also likely to generate good business opportunities, especially for

Tooling and Ground Support Equipment. These will be laying the foundation for the growth of the Sheet Metal and Assembly operations from the Generic facility.

The Company continues its efforts to reduce its dependence on the cyclical Auto sector by extending its offerings to other sectors like Railways, Construction Equipment and Pharmaceuticals and focusing on offering Integrated Manufacturing Solutions in place of discreet selling of equipment alone. New business development initiatives undertaken by the company are expected to yield results.

There exists an opportunity to garner a higher share of business by collaborating with Group companies (in addition to TML).

The WHAP is expected to generate good business opportunity for the Company in future.

Continued thrust on cost reduction will be key to survival. Manpower right-sizing and restructuring are expected to provide full benefits during the coming years

HUMAN RESOURCES

HR strategy at TAL is linked to business strategy and facilitates the organization to achieve the company objectives by building people capabilities. The company is focusing on acquiring right talent and capability development.

This year has been crucial in rationalizing the manpower considering the economic down turn & the business requirement. Accordingly, the man power strength has been reduced by about 40 % in Industrials division.

The Company continues to have cordial relations with its workmen union. During the year, there was continuous engagement and communication between the management and the union on improving the operations of the Company. The ex gratia settlement agreement for 2012 – 13 with bargainable workforce is under discussion and yet to be concluded. The total strength of employees as on March 31, 2014 was 583 numbers.

FIXED DEPOSITS

During the year under review, the company has neither invited nor accepted/renewed any deposits from the Public within the meaning of Section 58A of the Companies Act, 1956; (2012-13: NIL).

SEGMENT REPORTING

The Company is engaged, mainly in the business of the engineering products and manufacturing solutions, the new aerospace business has started operations during the period and have been reported as a separate segment for the year, which in the context of Accounting Standard 17 on Segment Reporting, issued by the Institute of Chartered Accountants of India, is considered to constitute a reportable segment.

DIRECTORS

Mr. Arvind Mathew resigned as a Director of the Company w.e.f. February 28, 2014. Mr. Ravi Kant, has stepped down as Non-Executive Chairman w.e.f June 1, 2014, on account of his retirement as per the policy of the Tata Group, adopted by the Company. The Board of Directors

placed on record the warm and sincere appreciation of the services rendered by Mr. Mathew and Mr. Kant during their tenure. Mr. R.S. Thakur has been appointed as Chairman w.e.f June 1, 2014

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company Mr. R. S. Thakur and Mr. Satish Pradhan are liable to retire by rotation and are eligible for re-appointment.

AUDITORS & AUDITORS' REPORT

M/s. Deloitte Haskins & Sells (DHS), the Statutory Auditors of the Company, hold the office until the conclusion of the ensuing Annual General Meeting. It is proposed to reappoint them to examine and audit the accounts of the Company for a period of three years.

M/s. Deloitte Haskins & Sells (Registration No.117365W), as per the provisions of the Companies Act, 2013, furnished the relevant letter, confirming their eligibility and willingness for their re-appointment as the Statutory Auditors, should they be so appointed. The members are requested to appoint Auditors for three years and fix their remuneration.

AUDIT COMMITTEE

The Audit Committee of Directors comprises of three non–executive Directors, viz. Mr. R. S. Thakur, Mr. Satish Pradhan and Mr. N. S. Kulkarni during the FY 2013-14. The Audit Committee had 5 meetings during the year. These meetings were attended by the Executive Director & CEO, Chief Financial Officer, Asst General Manager– Finance, Internal Auditor and Statutory Auditors of the Company. The Company Secretary of the Company acted as the Secretary to the Audit Committee. The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company.

The Audit Committee has been reconstituted on May 2, 2014. The Audit Committee now comprises of three non–executive Directors, viz. Mr. Satish Pradhan, Mr. N. S. Kulkarni and Mr. Satish Borwankar.

COST AUDITOR

M/s Mani & Co., having registration No. 00004 have been re-appointed as Cost Auditors of the Company for auditing the cost accounting records maintained by the Company, as applicable, for the financial year ended March 31, 2015. The members are requested to ratify the remuneration of the Cost Auditor.

Section 148 of the Companies Act, 2013 is notified and applicable w.e.f. April 1, 2014, the draft Companies (Cost Records and Cost Audit) Rules, 2013 have not been published in the Official Gazette which would be applicable on or after 1st April, 2014. As a result the Company would have to follow the erstwhile Cost Records and Cost Audit Rules 2011.

CORPORATE GOVERNANCE

Given herein below are relevant disclosures, as required under Section-II (B) of Part-II of Schedule XIII to the Companies Act, 1956:

Managerial Remuneration

a) Remuneration Committee: The Remuneration Committee comprises of three non-executive Directors during FY 13-14 viz. Mr. Ravi Kant, Mr. R.S.Thakur and Mr. Satish Pradhan. The Committee considers, approves and recommends the remuneration payable to the

Managerial personnel of the Company. During the year, one meeting of the Committee was held on May 27, 2013.

b) Remuneration Policy: The Remuneration Committee decides the remuneration payable to Managerial personnel based on criteria such as industry benchmarks, responsibilities shouldered, the Company's performance vis-à-vis the industry, performance / track record of the Managerial personnel and reports' to the Board of Directors. The Company pays remuneration to its Managerial personnel by way of salary, perquisites and allowances (fixed component) and commission and/or incentive remuneration (variable component).

Annual increments are recommended by the Remuneration Committee and approved by the Board of Directors within the salary scale approved by the members and are effective from April 1, annually.

As per the resolution passed by the Remuneration Committee and Board of Directors in the Meetings held on May 27, 2013, at a total remuneration of Rs. 114.75 Lakhs was paid to Mr. Khatri, comprising of salary - Rs. 37.80 Lakhs; Allowances and Perquisites - Rs. 51.42 Lakhs, Incentive Remuneration wrt the FY 2012-13 – Rs 13.50 Lakhs and Retiral Benefits of Rs. 12.02 Lakhs during the year 2013-14.

The salient features of the agreement executed by the Company with the Executive Director are as under:

Period of Appointment	October 1 , 2012 to September 31, 2017
Salary	In the scale of Rs. 3,00,000/- per month upto a maximum of Rs.6,00,000/- per month (Basic Salary Rs.315000 pm commencing from April 1, 2013). The annual increments which will be effective 1st April each year, will be decided by the Board and will be merit-based and take into account the Company's performance as well.
Commission	In addition to the salary, perquisites and allowances payable, payment of commission, if any, will be paid as a percentage to the net profits of the Company in a particular financial year as per Section 349 and 350 of the earlier Companies Act, 1956, subject to the overall ceilings stipulated in Sections 198 and 309 of the 1956 Act. The commission payable to Mr. Khatri would be based on certain performance criteria, as may be laid down by the Board of Directors / Remuneration Committee, and payable annually after the Annual Accounts have been approved by the Board of Directors and adopted by the Members.
Incentive Remuneration	Upto 200% of salary to be paid annually at the discretion of the Board / Remuneration Committee based on certain performance criteria.

Perquisites & Allowances	a. House Rent and House Maintenance Allowances aggregating 85% of the basic salary or Company leased accommodation in lieu thereof as per norms of the company. b. Medical benefits, Transport and other facilities: i. Medical benefits under the Medical Insurance Scheme in force in the Company. ii. A Company Car, as per the rules of Company. iii. Housing Loan Interest subsidy, as per the Rules of the Company. c. Other perquisites and allowances given below subject to a maximum of 55% of the Basic salary:- i. Cash Allowances 33.34% ii. Leave Travel Concession/ Allowance 8.33% iii. Medical allowance 8.33% 50.00% iv. Personal Accident Insurance) @ actual subject to v. Club Membership fees) a cap of 5.00% 55.00%
Minimum Remuneration	Where in any financial year during the currency of the tenure, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of Salary, Benefits, Perquisites and Allowances, and Performance Bonus as specified above for a period not exceeding 3 years.
Notice period on either side	Six month notice or Company paying six month's salary in lieu of the notice.
Stock option details	Not applicable

The Shareholders have passed a Special Resolution in the Extra Ordinary General Meeting held on June 7, 2014, approving Mr. Khatri's remuneration as per the provisions of the Companies Act, 2013.

c) Remuneration to Non-Executive Directors: A sitting fee of Rs. 10,000/- per meeting per Director is paid to each of the *Non-executive Directors for attending the meetings of the Board of Directors, Audit Committee and Remuneration Committee attended by them. Sitting fees paid to the Non-Executive Directors for attending various Board/Committee meetings held during the financial year 2013-14 are furnished below:

(Figures in Rupees)

Name of the Director	Sitting fees paid				Total sitting fees paid during 2013 - 14
	Board	Audit Committee	Remuneration Committee	ESS Committee **	
Mr. Ravi Kant	70,000	Nil	10,000	NA	80,000

Mr. Satish Pradhan	60,000	50,000	Nil	10,000	120,000
Mr. R. S. Thakur	80,000	50,000	10,000	10,000	1,50,000
Mr. N. S. Kulkarni	80,000	50,000	Nil	Nil	1,30,000
Mr. Satish Borwankar	Nil	Nil	Nil	Nil	Nil
Mr. Arvind Mathew (resigned wef Feb 28, 2014)	40,000	Nil	Nil	Nil	40,000
Mr. Rajesh Khatri – Executive Director & C.E.O	Nil	Nil	Nil	Nil	Nil

*except Executive Directors of Tata Motors Limited

** Committee constituted for reviewing the Early Separation Scheme (ESS) of the Company.

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

Information pertaining to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings & Outgo as required under the provisions of Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules,1988,are given as an Annexure to the Director's Report.

DIRECTORS'RESPONSIBILITYSTATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors, based on the representations received from the Operating Management, confirm that:

(i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures ;

(ii) they have, in the selection of the accounting policies, consulted the Statutory Auditors and have applied them consistently and made judgments and estimates that are reason able and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit & loss of the Company for that year;

(iii) they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;

(iv) they have prepared the annual accounts on a "going concern basis;

ACKNOWLEDGEMENTS

The Directors wish to convey their sincere appreciation to all the Company's employees and employees' Union for their enormous personal efforts and their collective contribution to enable the Company to meet targets and overcome the challenges faced by the Company during the year. The Directors would also like to thank Company's shareholders, bankers, auditors, suppliers and all other business associates and stakeholders for the continuous support given by them to the company and for their confidence in its management.

On behalf of the Board of Directors

Sd/-

Date: June 16, 2014 **R.S Thakur**

Place: Nagpur **Chairman**

Annexure to Directors' Report for the year ended March 31, 2014

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings & Outgo

A. Conservation of Energy

The company has always been conscious of the need for conservation of energy. Energy conservation measures have been implemented in all the plants and offices of the Company.

Particulars	2013-2014	2012-13
Electrical Energy(KWH in lakhs)	52.51*	46.20

**Increase in activity in Nagpur plant*

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B. Technology Absorption

The Company had signed a per petual License Agreement for manufacturing and m arketing various vertical turning centers in India and s elected countries worldwide, with MAUS, S.p.A, Italy. The Company was successful in absorption of technology for building MAUS VTL products manufactured under technical license from Maus and 5 -axis Flexicut machine developed with the technology from Exechon.

Further, these products have been well accepted in the market and the Company has already booked three major orders for VTL products from the O.E.Ms. The Company expects finalization of major orders for these products during the coming years.

C. Foreign Exchange Earnings & Outgo

Particulars	2013-14	2012-13
Foreign Exchange Earnings and Outgo	*(Equivalent in Rs.lakhs)*	*(Equivalent in Rs. lakhs)*
i) Foreign Exchange Earnings	1,423	877
ii) Foreign Exchange Outgo	4,729	2,265

Information as per Section 217(2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975 and forming part of the Director's Report for the year ended March 31, 2014

Sr No.	***Name***	***Age (Yrs)***	***Designation / Nature of Duties***	***Gross Remune-ration. Rs. lakhs***	***Qualifications***	***Total Experience (yrs)***	***Date of Joining***	***Last Employment held Designation /Period***
1.	Mr. Rajesh Khatri	51	Executive Director & CEO	114.75	B.E. in Production Engineering.	29	October 1, 2012 as Executive Director.	*JCB India Executive Vice President, Pune Plant, 4 years*
2	Mr. Amit Bhingurde	45	Chief Operating Officer (COO) Industrial Division	15.49*	B.E. in Industrial Production	22	January 10, 2014	*Kuka Systems as CEO & Director / 5 years*

** For part of the year*.

Notes:

(1) The Gross Remuneration shown above is subject to tax and comprises of salary, allowances, monetary value of perquisites as per Income-Tax Rules and Company's contribution to provident fund, superannuation fund and gratuity. In addition to this, an employee is entitled to medical benefits, etc as per Company's Rules.

(2) Mr. Khatri's remuneration, as disclosed above, includes 'Performance Linked Pay' (pertaining to the previous Financial Year 2012-13) paid during the year.

(3) The Incentive Remuneration of the above officials for the FY 2013-14, will be paid in FY 2014-15, hence, the same has not been included in the above remuneration.

(4) Mr. Khatri and Mr. Bhingurde are not relatives of any Director of the Company.

On behalf of the Board of Directors

Sd/-
R.S Thakur
Chairman

Nagpur
June 16, 2014

INDEPENDENT AUDITORS'REPORT

TO THE MEMBERS OF
TAL MANUFACTURING SOLUTIONS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **TAL MANUFACTURING SOLUTIONS LIMITED**("the Company"), which comprise the Balance Sheet as at 31st March , 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act")(which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13thSeptember, 2013of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply withethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;

(b) in the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by Section 227(3) of the Act, we report that:

   (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs).

   (e) On the basis of the written representations received from the directors as on31stMarch, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm Registration No. 117365W)

Sd/-
(Amol A.Apte)
(Partner)
(Membership No. 76289)

Pune.
17.062014

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

1. Having regard to the nature of the Companies business/activities/results during the year, clauses (xi), (xiii), (xiv), (xvi), (xviii), (xix), (xx) of paragraph 4 of the Order are not applicable to the Company.

2. In respect of its fixed assets:

   a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

   b) The Company has a programme for physical verification of fixed assets in accordance with which fixed assets are physically verified once every three years. In accordance with the said programme, no physical verification was planned / conducted in the current year and accordingly, the question of discrepancies on physical verification does not arise. In our opinion, the frequency of physical verification of fixed assets is reasonable having regard to the size of the Company and the nature of the assets.

   c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.

3. In respect of its inventories:

   a) As explained to us, inventories were physically verified during the year by the Management at reasonable intervals. In our opinion, the frequency of verification is reasonable. In case of inventories lying with third parties, certificates confirming stocks have been received in respect of a substantial portion of the stocks held as at 31st March, 2014.

   b) In our opinion and according to information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.

   c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

4. According to the information and explanations given to us, the Company has not granted or taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under Section 301of the Companies Act, 1956.

5. In our opinion and according to the information and explanations given to us and having regard to the explanation that most of the items purchased/sold are of a special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, with regard to purchase of inventory and fixed assets and with regard to sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal controls system.

6. To the best of our knowledge and belief and according to the information and explanations given to us, there are no contracts or arrangements that needed to be entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956.

7. According to information and explanations given to us, the Company has not accepted any deposits from the public to which the provisions of Sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under apply.

8. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

9. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011, prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

10. According to information and explanations given to us, in respect of statutory dues:

    a) The Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Custom Duty, Excise Duty, Cess and other material statutory dues with the appropriate authorities.

    b) There are no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employee's State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it in arrears as at 31st March, 2014 for a period of more than six months from the date they became payable.

    c) Details of dues of Income-tax, Sales Tax/Value Added Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on March 31, 2014 on account of disputes are given below:

Name of statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	11,868,800	A.Y. 2010-11	Commissioner of Income-Tax (Appeals)
Income Tax Act, 1961	Income Tax	17,426,970	A.Y. 2011-12	Commissioner of Income-Tax (Appeals)

11. The accumulated losses of the Company at the end of the financial year are less than fifty percent of its net worth and the Company has incurred cash losses during the current financial year covered by our audit. The Company had reported cash profits in the immediately preceding financial year.

12. In our opinion and in accordance with information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. According to information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions and accordingly the provisions of paragraph 4(xv) are not applicable.

14. In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis, have, *prima facie*, been used during the year for long term investment.

15. According to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm Registration No. 117365W)

Sd/-

(Amol A. Apte)
(Partner)
(Membership No. 76289)

Pune.
17.06.2014

TAL MANUFACTURING SOLUTIONS LIMITED

Balance Sheet as at March 31, 2014

	Note No.	Rupees	As at March 31, 2014 Rupees	As at March 31, 2013 Rupees
I. EQUITY AND LIABILITIES				
(1) **Shareholder's Funds**				
(a) Share Capital	1	**650,000,000**		650,000,000
(b) Reserves and Surplus	2	**(127,158,828)**		196,735,457
			522,841,172	846,735,457
(2) **Non-Current Liabilities**				
(a) Deferred Tax Liabilities (Net)	3	**-**		-
(b) Other Long-term Liabilities	4	**12,892,000**		17,256,345
(c) Long-term Provisions	5	**99,253,817**		103,825,950
			112,145,817	121,082,295
(3) **Current Liabilities**				
(a) Short-term Borrowings	6	**6,349,174**		-
(b) Trade Payables	7	**420,333,326**		375,968,944
(c) Other Current Liabilities	8	**1,041,836,055**		1,177,149,352
(d) Short-term Provisions	9	**20,041,528**		21,810,461
			1,488,560,083	1,574,928,757
TOTAL			**2,123,547,072**	2,542,746,509
II. ASSETS				
(1) **Non-current Assets**				
(a) Fixed Assets				
(i) Tangible Assets	10	**426,922,664**		289,607,887
(ii) Intangible Assets	11	**14,112,384**		19,518,118
(iii) Capital Work-in-progress		**279,761,847**		223,793,314
(iv) Intangible Assets under development		**1,151,395**		-
		721,948,290		532,919,319
(b) Long-term loans and advances	12	**154,523,495**		133,960,537
(c) Other Non-current Assets	13	**3,500,000**		3,500,000
			879,971,785	670,379,856
(2) **Current Assets**				
(a) Inventories	14	**454,187,951**		428,060,452
(b) Trade Receivables	15	**416,532,421**		456,996,010
(c) Cash and Cash Equivalents	16	**25,530,859**		48,408,212
(d) Short-term loans and advances	17	**207,838,324**		605,112,066
(e) Other Current Assets	18	**139,485,732**		333,789,913
			1,243,575,287	1,872,366,653
TOTAL			**2,123,547,072**	2,542,746,509

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

sd/-
Amol A. Apte
Partner

For and on behalf of the Board

sd/-
R.S.THAKUR, Chairman
sd/-
SATISH PRADHAN, Director
sd/-
N.S.KULKARNI, Director
sd/-
RAJESH KHATRI, Executive Director

sd/-
SB. SHIRALI, VP & CFO
sd/-
KAVITA SETHI JAIN, Company Secretary

Place: Pune
Date: 17/06/2014

Place: Nagpur
Date: 16/06/2014

TAL MANUFACTURING SOLUTIONS LIMITED
Statement of Profit and Loss for the year ended March 31, 2014

	Particulars	Note No.	For the year ended March 31, 2014 Rupees	For the year ended March 31, 2013 Rupees
I.	Revenue from Operations - Gross		**1,370,145,896**	1,936,682,540
	Less: Excise duty		**121,858,676**	185,225,646
	Revenue from Operations - Net	A(1)	**1,248,287,220**	1,751,456,894
II.	Other Income	A(2)	**65,319,713**	234,526,123
III.	**Total Revenue (I + II)**		**1,313,606,933**	1,985,983,017
IV.	Expenses :			
	Cost of Materials Consumed	B (1)	**870,758,979**	1,209,262,630
	Changes in Inventories of finished goods and work-in-progress	B (2)	**31,107,208**	3,429,083
	Employee Benefits Expense	B (3)	**449,898,153**	570,185,716
	Finance Costs	B (4)	**7,062,525**	3,997,803
	Depreciation and Amortisation Expense	B (5)	**41,700,367**	48,604,229
	Other Expenses	B (6)	**377,258,650**	484,678,519
	Expenditure transferred to capital and other accounts		**(140,284,664)**	(114,197,595)
V.	**Total Expenses**		**1,637,501,218**	2,205,960,385
VI.	**Profit / (Loss) Before Tax (III - V)**		**(323,894,285)**	(219,977,368)
VII.	Tax Expense :			
	- Current Tax		**-**	-
	- Deferred Tax		**-**	-
	- Short/ (Excess) provision for current tax/ fringe benefit tax in respect of earlier year		**-**	436,890
			-	436,890
VIII.	**Profit / (Loss) After Tax (VI - VII)**		**(323,894,285)**	(220,414,258)
IX.	**Earnings Per Equity Share:**			
	Ordinary Share			
	- Basic (Nominal Value per share Rs. 10)		**(4.98)**	(3.39)
	- Diluted (Nominal Value per share Rs. 10)		**(4.98)**	(3.39)

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

In terms of our report attached to the Balance Sheet

For Deloitte Haskins & Sells
Chartered Accountants

sd/-
Amol A. Apte
Partner

Place: Pune
Date: 17/06/2014

For and on behalf of the Board

sd/-
R.S.THAKUR, Chairman
sd/-
SATISH PRADHAN, Director
sd/-
N.S.KULKARNI, Director
sd/-
RAJESH KHATRI, Executive Director
sd/-
S.B. SHIRALI, VP & CFO
sd/-
KAVITA SETHI JAIN, Company Secretary

Place: Nagpur
Date: 16/06/2014

TAL MANUFACTURING SOLUTIONS LIMITED
Cash Flow Statement for the year ended March 31, 2014

	For the year ended March 31, 2014		For the year ended March 31, 2013	
	Rupees		Rupees	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit/(Loss) before tax		(323,894,285)		(219,977,368)
Adjustments for:				
Depreciation / amortisation	41,700,367		48,604,229	
Profit on sale of assets (net)	(3,133,162)		(994,940)	
Finance Costs	7,062,525		3,997,803	
Interest received	(31,938,835)		(41,059,011)	
Compensation received from a customer	(14,000,000)		(148,074,284)	
		(309,105)		(137,526,203)
Operating Profit before Working Capital changes		(324,203,390)		(357,503,571)
Adjustments for:				
Inventories	(26,127,499)		39,749,357	
Trade receivables	40,463,589		104,024,815	
Long term and Short term Loans and Advances, Other Current and Non-Current	267,224,470		182,517,710	
Trade Payables	44,364,382		(106,079,439)	
Other Current and Long term Liabilities	(140,817,713)		422,599,119	
Short-term and Long-term Provisions	(6,341,066)		39,424,859	
		178,766,163		682,236,421
Cash generated from operations		(145,437,227)		324,732,850
Income taxes paid (net)		(6,104,168)		(13,921,809)
Net Cash from / (used in) Operating Activities		(151,541,395)		310,811,041
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of fixed assets (net of compensation received from a customer)	(250,805,705)		63,301,804	
Sale of fixed assets	4,244,263		1,525,254	
Deposits for Margin Money placed	-		15,515,268	
Compensation received towards validation support, wear & tear and warranty cost	14,000,000		101,504,000	
Inter Corporate Deposit matured / (placed) (net)	330,000,000		(430,000,000)	
Interest received	31,938,835		42,771,923	
Net Cash from / (used in) Investing Activities		129,377,393		(205,381,751)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Compensation received from a customer	-		46,570,284	
Proceeds / (Repayment) of short term borrowings from Banks (net)	6,349,174		(134,307,771)	
Dividend	-		(32,500,000)	
Tax on Dividend distribution	-		(5,272,313)	
Interest paid	(7,062,525)		(6,196,141)	
Net Cash from / (used in) Financing Activities		(713,351)		(131,705,941)
D. NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS		(22,877,353)		(26,276,651)
Cash and cash equivalents (Opening Balance)		48,408,212		74,684,863
Cash and cash equivalents (Closing Balance)		25,530,859		48,408,212
Note:				-

1 Figures in the brackets represents outflow of Cash and cash equivalents.

2 Cash and Cash equivalents comprises of :

	As at 31st March, 2014 Rs.	As at 31st March, 2013 Rs.	As at 31st March, 2012 Rs.
Cash on hand	179,842	54,325	88,474
Cheques, drafts on hand and Remittances in transit	22,413,810	13,043,376	12,091,806
Balances with Bank	2,937,207	35,310,511	62,504,583
	25,530,859	48,408,212	74,684,863

In terms of our report attached to the Balance Sheet

For Deloitte Haskins & Sells
Chartered Accountants

sd/-
Amol A. Apte
Partner

For and on behalf of the Boa

sd/-
R.S.THAKUR, Chairman
sd/-
SATISH PRADHAN, Director
sd/-
N.S.KULKARNI, Director
sd/-
RAJESH KHATRI, Executive Director

sd/-
S. B. SHIRALI, VP & CFO
sd/-
KAVITA SETHI JAIN, Company Secretary

Place: Pune
Date: 17/06/2014

Place: Nagpur
Date: 16/06/2014

TAL MANUFACTURING SOLUTIONS LIMITED

Notes forming part of the Financial Statements

NOTE 1 - SHARE CAPITAL

	As at March 31, 2014 Rupees	As at March 31, 2013 Rupees
Authorised :		
90,000,000 (31st March, 2013- 90,000,000) equity shares of Rs.10/- each	**900,000,000**	900,000,000
Issued, subscribed and paid up :		
65,000,000 (31st March, 2013- 65,000,000) equity shares of Rs.10/- each fully paid up	**650,000,000**	650,000,000

Reconciliation of number of shares outstanding at the beginning and the end of the period :	As at March 31, 2014 No. of shares	As at March 31, 2014 Rupees	As at March 31, 2013 No. of shares	As at March 31, 2013 Rupees
No. of shares outstanding at the beginning of the period				
-Equity Shares	65,000,000	650,000,000	65,000,000	650,000,000
Add: Additional shares issued during the period				
-Equity Shares	-	-	-	-
Less: Shares forfeited/ Bought back during the period				
-Equity Shares	-	-	-	-
No. of equity shares outstanding at the end of the period				
-Equity Shares	65,000,000	650,000,000	65,000,000	650,000,000

		No. of shares as at March 31, 2014	No. of shares as at March 31, 2013
1	**Number of Shares held by each shareholder holding more than 5 percent shares in the Company are as follows :**		
	Equity Shares :		
	Tata Motors Ltd., The Holding Company	**64,999,930**	64,999,930

2 65,000,000 (Previous year 31st March, 2013 - 65,000,000) equity shares are held by the holding company and its nominees.

3 The Share Capital as above is after reduction of Equity Share Capital, under sections 100 to 105 of the Companies Act, 1956, amounting to Rs. 850,000,000 which was registered on 24th November, 2004.

4 The Company has a single class of equity shares. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaning assets of the Company, after distribution of all preferencial amounts in proportion to their sharehol

TAL MANUFACTURING SOLUTIONS LIMITED

Notes forming part of the Financial Statements

NOTE 2 - RESERVES AND SURPLUS	**As at March 31, 2013 Rupees**	**Additions (Profit / (Loss) for the year)**	**Deductions**	**Appropriations**	**As at March 31, 2014 Rupees**
Surplus i.e. Balance in Profit and Loss Statement	**196,735,457**	**(323,894,285)**	-	**-**	**(127,158,828)**
As at March 31, 2013	417,149,715	(220,414,258)	-	-	196,735,457

TAL MANUFACTURING SOLUTIONS LIMITED

Notes forming part of the Financial Statements

		As at March 31, 2014 Rupees	As at March 31, 2013 Rupees
NOTE 3 - DEFERRED TAX LIABILITY (NET)			
(i) Break up of deferred tax liability as at period end:			
Nature of timing difference			
Provision for Depreciation		**23,132,000**	19,832,000
(ii) Break up of deferred tax asset as at period end:			
Nature of timing difference			
Provision for Doubtful Trade Receivables and Security deposits	**23,132,000**		19,832,000
Total Deferred Tax Assets		**23,132,000**	19,832,000
Deferred tax asset/(liability) net:		**-**	-

NOTE 4 - OTHER LONG TERM LIABILITIES

	As at March 31, 2014 Rupees	As at March 31, 2013 Rupees
Other than Trade Payable- Others	**12,892,000**	17,256,345

NOTE 5 - LONG TERM PROVISIONS

	As at March 31, 2014 Rupees	As at March 31, 2013 Rupees
Provision for employee benefits	**91,864,583**	103,825,950
Provision for product warranty	**7,389,234**	-
	99,253,817	103,825,950

NOTE 6 - SHORT TERM BORROWINGS	**As at March 31, 2014 Rupees**	As at March 31, 2013 Rupees
Loans repayable on demand from Banks (Secured):		
Cash Credit	**6,349,174**	-

Note: Cash credit from banks are secured by hypothecation by way of first charge on stock of raw material, work-in-progress, stores, spares, finished goods and book debts.

NOTE 7 - TRADE PAYABLES	**As at March 31, 2014 Rupees**	As at March 31, 2013 Rupees
Trade Payables (See note 34)	**420,333,326**	375,968,944

NOTE 8 - OTHER CURRENT LIABILITIES		**As at March 31, 2014 Rupees**	As at March 31, 2013 Rupees
(a) Compensation received from customer pending adjustments against future cost to be incurred and future period costs (See note 38)		**767,267,454**	868,283,206
(b) Amount Due to Customer in respect of Contract work		**2,946,000**	12,102,000
(c) Other Payables			
- Advance from Customer	**194,030,393**		232,741,073
- Payables for purchase of fixed assets	**24,864,821**		23,724,750
- Withholding taxes, employee related statutory obligations	**52,727,387**		40,298,323
		271,622,601	296,764,146
		1,041,836,055	1,177,149,352

NOTE 9 - SHORT TERM PROVISIONS		**As at March 31, 2014 Rupees**	As at March 31, 2013 Rupees
(a) Provision for Employee benefits		**9,358,417**	9,998,051
(b) Provision - Others			
- Provision for Tax - Current (Net of Advance Tax)	**2,900,422**		2,900,422
- Provision for product warranty	**7,782,689**		8,911,988
		10,683,111	11,812,410
		20,041,528	21,810,461

TAL MANUFACTURING SOLUTIONS LIMITED

Notes forming part of the Financial Statements

NOTE 10 - TANGIBLE ASSETS **(Amount in Rupees)**

Particulars	Cost				Depreciation / Amortisation				Net Book Value	
	As at March 31, 2013	Additions during the year	Disposals during the year	As at March 31, 2014	Up to March 31, 2013	For the year	On Disposals	Up to March 31, 2014	As at March 31, 2014	As at March 31, 2013
Tangible Assets										
(a) Leasehold Land	64,828,136	-	-	**64,828,136**	3,643,740	654,729	-	**4,298,469**	**60,529,667**	61,184,396
	(64,828,136)	-	-	(64,828,136)	(2,982,722)	(661,018)	-	(3,643,740)	(61,184,396)	
(b) Buildings (See note 38)	1	143,230,683	-	**143,230,684**	-	909,526	-	**909,526**	**142,321,158**	1
	(-)	(1)	(-)	(1)	(-)	(-)	(-)	(-)	(1)	
(c) Improvement to leased premises	1,493,386	-	-	**1,493,386**	1,493,386	-	-	**1,493,386**	**-**	-
	(1,493,386)	(-)	(-)	(1,493,386)	(1,493,386)	(-)	(-)	(1,493,386)	(-)	
(d) Plant & Equipment (See Note 38 and note below)	482,554,344	28,838,567	12,539,040	**498,853,871**	281,405,462	27,528,212	11,458,792	**297,474,882**	**201,378,989**	201,148,882
	(482,230,820)	(1,793,550)	(1,470,026)	(482,554,344)	(246,985,188)	(35,652,615)	(1,232,341)	(281,405,462)	(201,148,882)	
(e) Furniture and Fixtures	15,185,599	163,064	-	**15,348,663**	7,761,293	688,122	-	**8,449,415**	**6,899,248**	7,424,306
	(15,185,599)	(-)	(-)	(15,185,599)	(7,026,249)	(735,044)	(-)	(7,761,293)	(7,424,306)	
(f) Vehicles (See Note)	5,080,413	168,303	949,671	**4,299,045**	2,309,288	571,121	949,671	**1,930,738**	**2,368,307**	2,771,125
	(4,174,284)	(2,837,596)	(1,931,467)	(5,080,413)	(3,787,955)	(226,057)	(1,704,724)	(2,309,288)	(2,771,125)	
(g) Office Equipment (See note)	47,793,881	1,105,668	95,309	**48,804,240**	30,714,704	4,728,697	64,456	**35,378,945**	**13,425,295**	17,079,177
	(44,220,326)	(4,511,245) *	(937,690)	(47,793,881)	(26,283,376)	(5,303,132)	(871,804)	(30,714,704)	(17,079,177)	
Total	**616,935,760**	**173,506,285**	**13,584,020**	**776,858,025**	**327,327,873**	**35,080,407**	**12,472,919**	**349,935,361**	**426,922,664**	**289,607,887**
As at March 31, 2013	612,132,551	9,142,392 *	4,339,183	616,935,760	288,558,876	42,577,866	3,808,869	327,327,873		

Notes :

Includes Plant and Equipment, Office Equipment and Vehicles having gross block as at 31st March, 2014 of Rs. 6,939,211, Rs. 3,437,771 and Rs. 1,071,203 (31st March, 2013 - Rs. 1,697,913, Rs. 3,428,367 and Rs.1,777,337) and net block of Rs. Nil, Rs. 56,785 and Rs. Nil (31st March, 2013 Rs. 12,138, Rs. 111,157 and Rs. Nil) respectively, held for disposal. The management estimates that the net realisable value is at least equivalent to the carrying amount of the assets.

* Includes Rs. 1,966,782 wrongly debited to cost of materials consumed in the earlier year.

Figures in bracket are in respect of previous year

TAL MANUFACTURING SOLUTIONS LIMITED

Notes forming part of the Financial Statements

NOTE 11 - INTANGIBLE ASSETS

(Amount in Rupees)

	Cost				Amortisation				Net Book Value	
Particulars	**As at March 31, 2013**	**Additions during the year**	**Disposals during the year**	**As at March 31, 2014**	**Up to March 31, 2013**	**For the year**	**On Disposals**	**Up to March 31, 2014**	**As at March 31, 2014**	**As at March 31, 2013**
Intangible Assets (Other than internally generated)										
(a) Computer Software	32,738,079	1,214,226	-	**33,952,305**	25,144,688	3,540,885	-	**28,685,573**	**5,266,732**	7,593,391
	(26,060,388)	(6,677,691)	(-)	(32,738,079)	(22,938,925)	(2,205,763)	(-)	(25,144,688)	(7,593,391)	
(b) Technical know how	34,255,079	-	-	**34,255,079**	22,330,352	3,079,075	-	**25,409,427**	**8,845,652**	11,924,727
	(27,060,919)	(7,194,160)	(-)	(34,255,079)	(18,509,752)	(3,820,600)	(-)	(22,330,352)	(11,924,727)	
Total	**66,993,158**	**1,214,226**	**-**	**68,207,384**	**47,475,040**	**6,619,960**	**-**	**54,095,000**	**14,112,384**	**19,518,118**
As at March 31, 2013	53,121,307	13,871,851	-	66,993,158	41,448,677	6,026,363	-	47,475,040		

Figures in bracket are in respect of previous year

TAL MANUFACTURING SOLUTIONS LIMITED

Notes forming part of the Financial Statements

NOTE 12 - LONG TERM LOANS AND ADVANCES

		As at March 31, 2014 Rupees	As at March 31, 2013 Rupees
Loans and Advances to other than related parties:			
(Unsecured, considered good unless otherwise stated)			
(a) Capital Advances		**65,076,650**	44,971,313
(b) Security Deposits			
Considered good	**7,496,251**		7,082,289
Considered doubtful	**610,373**		635,373
	8,106,624		7,717,662
Less: Provision for doubtful Security Deposits	**610,373**		635,373
		7,496,251	7,082,289
(c) VAT, other taxes recoverable and dues from Government		**36,371,262**	47,554,129
(d) Advance income tax (net of provisions of Rs. 89,675,684/- (31st March 2013 - Rs. 89,675,684/-) - unsecured, considered good		**22,260,005**	16,155,837
(e) Other Loans and Advances (including advances and loans to employees, prepaid expenses, employee benefit fund balances, claims recoverable, etc.)		**23,319,327**	18,196,969
		154,523,495	133,960,537

TAL MANUFACTURING SOLUTIONS LIMITED

Notes forming part of the Financial Statements

NOTE 13 - OTHER NON- CURRENT ASSETS		**As at March 31, 2014 Rupees**	As at March 31, 2013 Rupees
(Unsecured, considered good unless otherwise stated)			
(a) Long term Trade Receivables			
Considered Good	**3,500,000**		3,500,000
Considered Doubtful	**-**		3,956,743
	3,500,000		7,456,743
Less : Allowances for Doubtful Receivables	**-**		3,956,743
		3,500,000	3,500,000
		3,500,000	3,500,000

NOTE 14 - INVENTORIES	**As at March 31, 2014 Rupees**	As at March 31, 2013 Rupees
(a) Stores and spares	**22,496,318**	13,514,030
(b) Raw materials	**304,284,626**	256,032,207
(c) Work-in-progress	**103,632,209**	134,556,590
(d) Finished goods	**23,774,798**	23,957,625
	454,187,951	428,060,452

Notes:

1 Above includes goods-in-transit :

(i) Raw materials and components	**4,443,933**	299,925
(ii) Finished goods	**6,175,316**	9,511,549
	10,619,249	9,811,474

2 The above items are valued at lower of cost and net realisable value.

NOTE 15 - TRADE RECEIVABLES	**As at March 31, 2014 Rupees**	As at March 31, 2013 Rupees
(Unsecured, considered good unless otherwise stated)		
(a) Trade Receivables due for a period exceeding six months:		
Considered Good	**124,994,506**	82,225,984
Considered Doubtful	**47,059,053**	52,045,821
	172,053,559	134,271,805
(b) Others Trade Receivables		
Considered Good	**291,537,915**	374,770,026
	463,591,474	509,041,831
Less : Allowances for Doubtful Receivables	**47,059,053**	52,045,821
	416,532,421	456,996,010

TAL MANUFACTURING SOLUTIONS LIMITED

Notes forming part of the Financial Statements

NOTE 16 - CASH AND CASH EQUIVALENTS	**As at March 31, 2014 Rupees**	As at March 31, 2013 Rupees
(a) Cash on hand	**179,842**	54,325
(b) Cheques, drafts on hand	**22,413,810**	13,043,376
(c) Balances with Banks		
(i) In Current / Cash credit accounts	**2,937,207**	35,310,511
	25,530,859	48,408,212

NOTE 17 -SHORT TERM LOANS AND ADVANCES		**As at March 31, 2014 Rupees**	As at March 31, 2013 Rupees
(Unsecured, considered good unless otherwise stated)			
(a) Loans & Advances to related parties :			
- Inter corporate deposits		**100,000,000**	430,000,000
(b) Loans & Advances to other than related parties :			
- VAT, other taxes recoverable and dues from Government			
Considered good	**60,998,335**		77,363,445
Considered doubtful	**5,638,543**		-
	66,636,878		**77,363,445**
Less: Provision for doubtful VAT, other taxes recoverable and dues from Government	**5,638,543**		-
		60,998,335	**77,363,445**
- Advances to suppliers		**35,753,115**	49,990,181
- Other (Including Prepaid expenses, advances and loans to employees, deposits, claims recoverable etc.)		**11,086,874**	47,758,440
		207,838,324	605,112,066

NOTE 18: OTHER CURRENT ASSETS	**As at March 31, 2014 Rupees**	As at March 31, 2013 Rupees
(a) Amount due from Customer in respect of contract work		
Considered Good	**138,354,000**	221,125,000
Considered Doubtful	**83,840,000**	83,040,000
	222,194,000	304,165,000
Less: Provision for doubtful Construction In Progress	**83,840,000**	**83,040,000**
	138,354,000	221,125,000
(b) Compensation and interest receivable from customer	**1,131,732**	112,664,913
	139,485,732	333,789,913

TAL MANUFACTURING SOLUTIONS LIMITED

Notes forming part of the Financial Statements

NOTE A(1) - REVENUE FROM OPERATIONS - NET

	For the year ended March 31, 2014 Rupees	For the year ended March 31, 2013 Rupees	
Sale of Products (including Revenue from Construction contracts)	**1,297,195,330**	1,807,428,041	*
* Net of reversal related to earlier years - Rs. 4,180,286/-			
Sale of Services (including Revenue from Construction contracts)	**56,219,142**	110,729,483	
Other operating revenues - Scrap Sales	**16,731,424**	18,525,016	
	1,370,145,896	1,936,682,540	
Less: Excise duty	**121,858,676**	185,225,646	
	1,248,287,220	1,751,456,894	

NOTE A(2) - OTHER INCOME

	For the year ended March 31, 2014 Rupees	For the year ended March 31, 2013 Rupees
(a) Interest income		
On Bank deposits, employee loans, customer dues, Inter	**31,938,835**	41,059,011
Interest Income on VAT	**2,423,794**	-
(b) Other Non-operating Income		
Compensation received from customer (See Note 38)	**-**	82,447,460
Profit on Sale/write off of Fixed Assets (Net)	**3,133,162**	994,940
Other Compensation received from customer (See Note 38)	**14,000,000**	101,504,000
Recovery of Expenses	**-**	41,463
Net gain on foreign currency transaction & translation	**-**	1,544,836
Sundry Creditors Balance no longer required written back (Net)	**12,868,286**	2,982,820
Miscellaneous Income	**955,636**	3,951,593
	65,319,713	234,526,123

TAL MANUFACTURING SOLUTIONS LIMITED

Notes forming part of the Financial Statements

NOTE B (1) - COST OF MATERIALS CONSUMED	**For the year ended March 31, 2014 Rupees**	For the year ended March 31, 2013 Rupees
Raw Material consumed	**870,758,979**	1,209,262,630
- Including processing charges for year ended March 31, 2014 Rs. 42,086,788 (31st March, 2013 - Rs. 68,657,151)		
- Net off of Office equipments (Laptops) of Rs. Nil (31st March, 2013- Rs. 1,966,782) wrongly debited in the earlier year, now capitalised		
	870,758,979	1,209,262,630

NOTE B (2) - CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS	**For the year ended March 31, 2014 Rupees**	For the year ended March 31, 2013 Rupees
Opening Stocks:		
Finished Goods	**23,957,625**	53,642,703
Work-in-progress	**134,556,590**	108,300,595
	158,514,215	161,943,298
Less: Closing Stock:		
Finished Goods	**23,774,798**	23,957,625
Work-in-progress	**103,632,209**	134,556,590
	127,407,007	158,514,215
	31,107,208	3,429,083

NOTE B (3)- EMPLOYEE BENEFITS EXPENSE	**For the year ended March 31, 2014 Rupees**	For the year ended March 31, 2013 Rupees
Salaries & Wages	**393,418,077**	495,948,788
Contribution to provident and other funds	**32,118,800**	43,409,496
Staff welfare expenses	**24,361,276**	30,827,432
	449,898,153	570,185,716

NOTE B(4) - FINANCE COST	**For the year ended March 31, 2014 Rupees**	For the year ended March 31, 2013 Rupees
Interest expense on:		
a) Borrowings	**1,177,102**	1,873,222
b) Interest on delayed payment of Octroi / Income taxes	**5,336,226**	165,986
Other Borrowing Cost	**549,197**	1,958,595
	7,062,525	3,997,803

NOTE B (5) - DEPRECIATION AND AMORTISATION EXPENSES	**For the year ended March 31, 2014 Rupees**	For the year ended March 31, 2013 Rupees
Depreciation on Tangible assets (see note 10)	**35,080,407**	42,577,866
Amortisation of Intangible assets (see note 11)	**6,619,960**	6,026,363
	41,700,367	48,604,229

Notes forming part of the Condensed Financial Statements

NOTE B (6) - OTHER EXPENSES		**For the year ended March 31, 2014 Rupees**	For the year ended March 31, 2013 Rupees
Consumption of stores and spare parts		**51,115,960**	31,601,744
Power and fuel		**35,765,814**	28,806,621
Rent		**18,454,951**	14,501,716
Repairs and maintenance to Buildings		**7,500**	11,211
Repairs and maintenance to Plant and Equipments		**6,950,896**	3,021,150
Repairs and maintenance to Others		**6,418,611**	2,449,871
Insurance		**4,180,313**	7,164,079
Rates and taxes		**258,298**	94,883
Excise Duty :			
- Relating to Increase / (Decrease) in Closing Stocks		**(192,301)**	831,000
- Others		**3,070,689**	9,127,267
		2,878,388	9,958,267
Freight outward (net of recoveries of Rs. 1,812,899 ((31st March, 2013 - Rs. 4,416,192))		**27,787,524**	32,087,586
Commission on sales		**3,280,450**	4,516,735
Cost of Services Procured		**38,014,714**	34,996,315
Travelling & Conveyance		**47,342,835**	55,419,040
Product warranty		**8,140,159**	212,229
Net loss on Foreign Currency transaction and translation (other than considered as Finance Cost)		**1,080,056**	-
Provision for doubtful debts and advances (net)		**(3,304,968)**	5,233,390 #
Provision for doubtful Construction In Progress		**800,000**	83,040,000
Bad debts written off		**13,249,890**	1,336,707
Late Delivery Charges		**2,314,442**	7,158,115
Director's Sitting Fees		**520,000**	400,000
Contract labour		**8,844,544**	19,300,755
Erection and Commissioning charges		**55,982,623**	82,355,712
Miscellaneous Expenses		**44,825,650**	58,682,393
Auditors remuneration			
- Statutory Audit Fees	2,200,000		2,000,000
- Tax Audit Fees	150,000		150,000
- Other services	-		180,000
		2,350,000	2,330,000
		377,258,650	484,678,519

(# reversal includes debt erroneously provided during the prior year, Rs.1,320,000 and in respect of sales of Rs. 4,180,286/-, erroneously recorded during prior year which have been reversed during the previous year.)

19. **Statement of Significant Accounting Policies**

A Basis of preparation and accounting

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act/ 2013 Act, as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

B Major Accounting Policies

(a) **Sales**

Sale of products is recognized when all significant risks and rewards of ownership have been transferred to the buyers. Sales include excise duty but exclude sales tax and value added tax.

Income from services is recognized as and when services are rendered.

Commission is recognized based on terms of arrangement with parties.

Interest income is accounted for on accrual basis.

(b) **Accounting of Construction Contracts**

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognized by reference to the stage of completion of the contract activity at the balance sheet date, determined with reference to the proportion that contract costs incurred on contracts for work performed up to the reporting date bear to the estimated total contract costs. For construction contracts entered into with effect from 1 June 2013 the stage of completion is determined based on technical estimates of completion of physical proportion of contract work.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognized as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately as allowance for foreseeable loss.

When costs incurred on construction contracts plus recognized profits (less recognized losses) exceeds billings to contract customers, the balance is shown as amount due from contract customers. When billings to contract customers exceed costs incurred plus recognized profits (less recognized losses), the balance is shown as amount due to contract customers.

(c) **Fixed Assets**

Fixed assets are stated at cost of acquisition or construction less depreciation and diminution in value of fixed assets. All costs attributable to the acquisition and installation of fixed assets are capitalized.

(d) **Depreciation/ Amortization**

Depreciation on tangible fixed assets is provided on straight line basis at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956 except in the case of assets of individual value below Rs.5,000 each which are fully depreciated in the year of purchase and vehicles which are depreciated at 19 percent.
Leasehold land is amortized over the period of the lease.
Improvements to leased premises is amortized over the period of 24 months.

Intangible assets are amortized on the Straight line method at the following rates:-

Software	– 3333%
Technical Knowhow	– 20%

(e) **Transactions in Foreign Currency**

Transactions in foreign currency are recorded at the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities are translated at the year end exchange rates and the resulting exchange gains/ losses and also the realized exchange gains / losses are recognized in the statement of Profit and Loss. Premium or discount on forward exchange contracts is amortized over the life of such contract and is recognized as income or expense.

Pursuant to the announcement on accounting for derivative issued by the Institute of Chartered Accountants of India (ICAI), the Company in accordance with the principle of prudence as enunciated in Accounting Standard 1, 'Disclosure of Accounting Policies', provides for losses in respect of all outstanding derivative contracts at the Balance Sheet by marking them to market. Any net unrealised gains arising on such mark to market are not recognised.

(f) **Inventories**

Inventories are valued at lower of cost and net realizable value. Cost of purchased materials is ascertained on a moving weighted average basis. Work in progress and finished goods are valued on full absorption cost basis.

(g) **Employee Benefits**

(i) Short-term Employee Benefits:
The undiscounted amount of short-term employee benefits expected to be paid in exchange of services rendered by the employees is recognized during the year when the employees render the service.

(ii) Post-Employment Benefits:

Defined Contribution Plans:
Payments to defined contribution retirement benefit schemes viz. Company's Provident Fund Scheme and Superannuation Fund are recognized as an expense when the employees have rendered the service entitling them to the contribution.

Defined Benefit plans:

Gratuity:
The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment in an amount equivalent to 15 to 30 days salary depending upon the number of completed year of service payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company accounts for the liability for future gratuity benefits ascertained based on an independent actuarial valuation as at the end of the year.
Superannuation:
The Company has two superannuation plans, a defined benefit plan and a defined contribution plan.

Employees who are members of the defined benefit superannuation plan are entitled to benefits depending on the years of service and salary drawn. The monthly pension benefits after retirement range from 0.75% to 2% of the annual basic salary for each year of service. The Company accounts for the liability for future benefits under the plan based on an independent actuarial valuation carried out at the year end.

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, and therefore, has become a defined contribution plan.

(iii) Other Long-term Employee Benefits:

Compensated absences:
The Company provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment. The liability is provided based on the number of days of unutilised leave at each balance sheet date on the basis of an independent actuarial valuation.

Post-retirement Medicare Scheme:
Under this Scheme, employees are entitled medical benefits for ten to twenty years from the date of retirement depending on their grade 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. The liability for this scheme is based on independent actuarial valuation.

Bhavishya Kalyan Yojana (BKY):
The benefits of the plan accrue to an eligible employee at the time of death or permanent disablement, while in service, either as a result of an injury or as certified by the Company's Medical Board. The monthly payment to dependents of the deceased/disabled employee under the plan equals 50% of the salary drawn at the time of death or accident or a specified amount, whichever is more. The Company accounts for the liability for future benefits based on an independent actuarial valuation carried out at the year end.

(h) **Use of Estimates**

The preparation of Financial Statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financials statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which results are known / materialised.

(i) **Product Warranty Expenses**

(I) Product warranty expenses are determined based on past experience and estimates, and are accrued in the period in which the revenues are recognized.

(II) Cost of product warranties is included/ disclosed under the head

a) 'raw material consumed' as consists of free replacement of spares and components.

b) 'employee benefit expenses' as consists of the cost of manpower spent on the warranty jobs.

c) 'other expenses' which includes provision for warranties (net) and debits received from customers.

(j) **Borrowing Costs**

Borrowing Costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as a part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

(k) **Taxes on Income**

Tax expense comprises of current tax and deferred tax.

Current tax is measured at the amount expected to be paid to/ recovered from the tax authorities, using the applicable tax rates and tax laws.

Deferred tax is recognized on timing differences between taxable income and accounting income which originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and tax laws enacted or substantively enacted as at the reporting date. Deferred tax assets are recognized for timing differences other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future income will be available against which these can be realized. Deferred tax assets in respect of unabsorbed depreciation
and carried forward losses are recognized only if there is virtual certainty that sufficient future taxable income will be available to realize the assets. Deferred tax assets are reviewed at each balance sheet date for their realisability.

(l) **Earning per share**

The Company reports basic and diluted earnings per share (EPS) in accordance with Accounting Standard 20 "Earnings per Share". Basic EPS is computed by dividing the profit or loss after tax for the year attributable to equity shareholder by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing the net profit or loss attributable to equity shareholders by weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

(m) **Cash Flow Statement**

Cash flows are reported using the "indirect method" set out in Accounting Standard 3 "Cash Flow Statements" and presents the cash flow by operating, investing and financing activities of the Company.

Cash and cash equivalents presented in cash flow statement consists of cash in hand and unencumbered, highly liquid bank and other balances that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

19A. During the year the Company has changed the method of determining the stage of completion of construction contracts. The stage of completion which was earlier determined with reference to the proportion that contract costs incurred on contracts for work performed up to the reporting date bear to the estimated total contract costs is now determined technical estimates of completion of physical proportion of contract work.

20. The Company, based on debit advices received, has paid Rs. 51,100,464 (31st, March, 2013 - Rs. 56,087,501) to Tata Motors Ltd., holding company, towards its share of expenditure incurred on common services/ facilities availed.

21. **Contingent Liabilities:**

(a) Bill discounted with bank outstanding as on 31st March, 2014 Rs. 47,247,840 (31st March, 2013 - Rs.41,140,436)

(b) Claims against the Company not acknowledged as debts as on March 31, 2014:
- Income Tax Demand - Rs.29,585,540 (31st March, 2013 - Rs. 12,158,570).
- Fringe Benefit Tax Demand - Rs.601,140 (31st March, 2013 - Rs. 601,140).
- Sales Tax Matters - Rs. 6,280,000 (31st March, 2013 - Rs. Nil)
- Other Matters - Rs. 37,302,017 (31st March, 2013 - Rs. 35,054,000)

Future cash outflows in respect of above matters are determinable only on receipt of judgements / decisions pending at various forums / authorities.

22. (a) Estimated amount of contracts remaining to be executed on capital account and not provided for:
i) Tangible assets Rs. 413,798,888 (31st March, 2013 – Rs. 295,891,137).
ii) Intangible assets Rs. 2,426,176 (31st March, 2013 – Rs.2,105,349).

TAL Manufacturing Solutions Limited

Notes forming part of the Financial Statements

23. **(i) Details of Gross Sales and Finished Goods stock under broad heads :**

	Particulars	Finished Goods -Opening Stock		Finished Goods - Closing Stock		Sales (Gross)	
		As at 1st April, 2013 (Rupees)	As at 1st April, 2012 (Rupees)	As at 31st March, 2014 (Rupees)	As at 31st March, 2013 (Rupees)	For the year ended 31st March, 2014 (Rupees)	For the year ended 31st March, 2013 (Rupees)
1	Metal Cutting & Grinding Machines (including Machining Centers)	9,794,396	29,215,839	12,414,891	9,794,396	504,282,369	538,320,350
2	Jigs & Fixtures	-	435,571	-	-	161,338,257	412,583,356
3	Material Handling Equipments & Parts thereof	-	5,420,328	-	-	174,687,710	258,599,041
4	Paint shop & Parts thereof	-	-	-	-	61,089,239	276,469,021
5	Car Parking System	-	-	-	-	12,945,474	9,605,936
6	Brake Dynamometer	-	-	-	-	36,091,920	-
7	Fluid Power Solutions - Hydraulic Pumps & Telescopic Cylinders	14,163,229	18,570,965	8,938,245	14,163,229	198,614,412	257,467,353
8	Aerospace components	-	-	2,421,662	-	146,021,793	18,139,969
9	Other Products (including parts of machines & equipment etc.)	-	-	-	-	74,939,156	280,455,190
10	Increase/(Decrease) in Contracts in Progress	-	-	-	-	(72,815,000)	(244,212,175)
	TOTAL	**23,957,625**	**53,642,703**	**23,774,798**	**23,957,625**	**1,297,195,330**	**1,807,428,041**

TAL Manufacturing Solutions Limited

Notes forming part of the Financial Statements

(ii) Details of income derived from Services rendered (Net) under broad heads :

	Particulars	Sale of Services	
		For the year ended 31st March, 2014 (Rupees)	For the year ended 31st March, 2013 (Rupees)
1	Income from Services rendered - Other (includes reconditioning of machines, processing charges, deployment of company personnel to others etc.)	56,219,142	110,729,483
	Total	**56,219,142**	**110,729,483**

(iii) Details of Work-in-Progress stock under broad heads :

	Particulars	WIP - Opening Stock		WIP - Closing Stock	
		As at 1st April, 2013 (Rupees)	As at 1st April, 2012 (Rupees)	As at 31st March, 2014 (Rupees)	As at 31st March, 2013 (Rupees)
1	Metal Cutting & Grinding Machines (including Machining Centres)	115,388,522	78,500,353	83,580,983	115,388,522
2	Material Handing equipments and parts thereof	3,121,414	1,818,450	11,683,038	3,121,414
3	Jigs & Fixtures	10,367,300	1,834,029	5,505,803	10,367,300
4	Car Parking System	5,679,354	19,693,763	2,862,385	5,679,354
5	Fluid Power Solutions - Hydraulic Pumps & Telescopic Cylinders	-	6,454,000	-	-
	Total	**134,556,590**	**108,300,595**	**103,632,209**	**134,556,590**

	For the Year ended March 31, 2014 Rupees	For the Year ended March 31, 2013 Rupees
24. **CIF Value of Imports**		
Raw materials	252,920,035	164,939,366
Capital goods	181,382,948	45,469,108
Others	20,132,679	-
25. **Earnings in foreign exchange**		
FOB Value of Exports	140,018,478	60,887,459
*[excluding exports of Rs.52,658,168/- (31st March, 2013 - Rs. 23,143,933/-) where payment is receivable in Rupees]		
Interest Income	2,244,458	26,855,192
26. **Expenditure in foreign currency**		
Professional and Consultation fees (Debited to CWIP Rs. Nil (31st March, 2013 - Rs. 247,050))	548,160	247,050
Commission on sales	-	2,656
Inspection, Supervision and installation charges (Debited to CWIP Rs. 292,191 (31st March, 2013 - Rs. 4,242,000))	398,632	4,242,000
Travelling Expenses (Debited to CWIP Rs. 211,355 (31st March, 2013 - Rs. 290,350))	1,875,068	2,189,095
Hiring Services (Debited to CWIP Rs. 1,015,527 (31st March, 2013 - Rs. Nil))	1,103,485	1,607,927
Erection and Commissioning charges	7,013,789	-
Warranty Expenses	7,389,234	-
Exhibition Fees (net of TDS)	-	31,929
Other expenses (Debited to CWIP Rs. 170,970 (31st March, 2013 - Rs. 179,575))	170,970	590,020
Techincal Knowhow	-	7,194,160

27. **Value and Percentage of Imported and Indigenous Raw material consumed**

Particulars	**For the year ended 31st March, 2014**		**For the year ended 31st March, 2013**	
	Rs.	**Percentage %**	**Rs.**	**Percentage %**
(a) Imported	167,211,089	19.20	142,390,176	11.77
(b) Indigenously obtained	703,547,890	80.80	1,066,872,454	88.23
Total	**870,758,979**	**100.00**	**1,209,262,630**	**100.00**

28. **Details of Raw Material Consumption under broad heads :**

Particulars	For the Year Ended March 31, 2014 Rupees	For the Year Ended March 31, 2013 Rupees
Steel	36,314,085	31,830,077
CNC Systems	66,379,610	85,447,845
Castings	153,864,290	106,347,900
Titanium	60,420,925	10,019,981
Others	553,780,069	975,616,827
	870,758,979	**1,209,262,630**

Notes:

The consumption figures shown above are after adjusting excesses and shortages ascertained on physical verification. The figures of “Others” is a balancing figure based on total consumption shown in the Statement of Profit and Loss.

TAL Manufacturing Solutions Limited

Notes forming part of the Financial Statements

29. **Related Party Disclosures**

a) Name of related party and nature of relationship where control exists:

Name of the related party	Nature of relationship
Tata Motors Limited	Holding Company

b) **Related Party Transactions:**

Nature of Transactions	Holding Company	Companies under common control with the Company	Key Management Personnel
	Rs.	Rs.	Rs.
Purchases of Goods	3,989,441	-	-
	(6,647,904)	(-)	(-)
Sale of Goods – Gross	230,895,694	59,267,990	-
(Refer Footnote iii)	(449,278,548)	(11,206,303)	(-)
License fees for premises	20,224,800	-	-
	(16,179,840)	(-)	(-)
Services received #	51,100,464	1,733,781	-
	(56,087,501)	(2,097,683)	(-)
Purchase of Fixed Aseets	-	2,586,247	-
	(-)	(4,476,318)	(-)
Late Delivery Charges	472,642	-	-
	(582,100)	(-)	(-)
Services rendered #	13,710,965	224,720	-
(Refer Footnote iii)	(6,984,170)	(1,685,400)	(-)
Advance received in respect of	16,988,261	8,264,912	-
contract work/sale of products	(18,197,510)	(4,267,085)	(-)
Inter Corporate deposit Given	220,000,000	-	-
	(910,000,000)	(-)	(-)
Inter Corporate deposit recovered	550,000,000	-	-
	(480,000,000)	(-)	(-)
Interest Received	28,847,945	-	-
	(12,979,862)	(-)	(-)
Remuneration *	-	-	12,643,200
	(-)	(-)	(19,608,484)
Amount outstanding as at the end of the year			
- Receivable	78,432,202	13,565,088	-
	(86,052,664)	(6,385,525)	(-)
- Payable	2,240,697	578,845	-
	(1,120,643)	(1,691,897)	(-)
- Receivable (in respect of loans)	100,000,000	-	-
	(430,000,000)	(-)	(-)

Including reimbursement of expenses

* Remuneration of Executive Director includes incentive provision of Rs. 2,700,000 which is subject to the approval of the Board of Directors.

c) Details of Material Related Party Transactions with companies under common control with the Company:

Nature of Transactions	TML Drivelines Ltd (See Foot Note vii)	Tata Morcopolo Motors Ltd.	Tata Technologies Ltd.
Sale of Goods – Gross	57,732,283	1,535,707	-
(Refer Footnote iii)	(10,486,788)	(719,515)	(-)
Services rendered	224,720	-	-
(Refer Footnote iii)	(561,800)	(1,123,600)	(-)
Services received	-	-	1,733,781
	(-)	(-)	(2,097,683)
Purchase of Fixed Aseets	-	-	2,586,247
	(-)	(-)	(4,476,318)
Advance received in respect of	6,325,269	1,939,643	-
contract work /sale of products	(4,224,250)	(42,835)	(-)

Footnotes:

i The related parties included in the various categories above, are given below:

Category	Name of the Related Party
Holding Company	Tata Motors Limited
Companies under common control with the Company	TML Drivelines Ltd Tata Marcopolo Motors Ltd. Tata Technologies Ltd.
Key Management Personnel	Mr. R.K. Khatri (w.e.f. 1st Oct. 2012) Mr. A.P.Arya (upto 15th Oct. 2012)

ii Figures in brackets are in respect of the previous year ended 31st March, 2013.

iii Sale of Goods- Gross and Services rendered includes billing done in respect of construction contracts for which revenue is recognized in the Statement of Profit and Loss on percentage completion method.

iv Rs. 12,084,162 has been provided for doubtful debts in respect of debts due from related parties as at 31st March, 2014 (Rs. 12,084,162 as at 31st March, 2013). No amount has been written off or written back in respect of debts due from or to related parties.

v The remuneration excludes gratuity contribution and leave encashment for the key managerial personnel, as the contribution / provision is made for the Company as a whole. The above remuneration also excludes pension payable to Ex Managing Director which was approved after his retirement.

30. Earnings per Share (EPS):

Particulars	For the year ended 31st March, 2014	For the year ended 31st March,
a) Net Profit / (Loss) attributable to share hold	(323,894,285)	(219,977,368)
b) Weighted average number of Equity		
- Basic	65,000,000	65,000,000
- Diluted	65,000,000	65,000,000
Nominal value of equity share (In Rs.)	10	10
Earnings per share (In Rs.)		
- Basic	(4.98)	(3.39)
- Diluted	(4.98)	(3.39)

Note: There is no dilution to basic EPS since there are no outstanding potentially dilutive equity shares

Notes forming part of the Condensed Financial Statements

31. Disclosures under Accounting Standard – 7 (Revised) "Construction Contracts"

a) i) Contract Revenue recognized for the year ended 31st March, 2014 Rs. 494,612,245 (31st March, 2013 - Rs. 543,600,502)

ii) Method used to determine the contract revenue recognized and the stage of completion of contracts in progress [Refer Note: B (b) of Note 19]

b) Disclosure in respect of contracts in progress as at the year end:

i) Aggregate amount of costs incurred and recognized profits (less recognized losses) – Rs. 2,354,868,761 (31st March, 2013 – Rs. 2,590,163,902)

ii) Advances received are Rs. 77,538,661 (31st March, 2013 - Rs. 140,061,171)

iii) Retention money is Rs. 87,901,784 (31st March, 2013 - Rs. 132,783,604)

32. Details of provisions and movements in each class of provisions as required by the Accounting Standard on Provisions, Contingent Liabilities and Contingent Assets (Accounting Standard – 29):-

Particulars	Product Warranty
	(Rs.)
Carrying Amount as at the beginning of the year	8,911,989 (12,737,793)
Additional Provision made during the year (Refer note below)	17,142,490 (4,006,653)
Amounts Used during the year	10,882,556 (7,832,457)
Unused amount reversed during the year	- (-)
Carrying Amount as at the end of the year (Refer note below)	15,171,923 (8,911,989)

Note: Includes long - term warranty provision of Rs. 7,389,234/- (31st March 2013 - Rs. Ni

Figures in bracket are in respect of the previous year ended 31st March, 2013.

Product warranty

Provision for product warranties has been made based on past experience and estimates to meet expected warranty claims. The closing balance of the provision represents the provision made during the period in respect of products supplied for which product warranty period has not elapsed. The provision would be utilized towards expenditure to be incurred in the following year (except provision that is considered long term) and the provision required as at the end of the following period would be reassessed.

33. **Segment information**

The Company has identified business segments as its primary segment and geographical segments as its secondary segment. Business segments are primarily Aerospace Business Segment and Industrials Division Segment. Aerospace Business Segment caters to the needs of Aerospace Industry. Industrials Division Segment caters to various products of capital goods industry. Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment, manpower efforts and other factors. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Geographical revenues are allocated based on the location of the customer. Geographical segments of the Company are United State of America (USA), India and Rest of World.

Primary Segment	For the year ended 31 March, 2014				
	Business segments		Total	Inter Segment Eliminations	Total
	Aerospace	Industrials Division			
Revenue					
External Revenue	**156,512,629**	**1,091,774,591**	**1,248,287,220**	**-**	**1,248,287,220**
	19,860,838	*1,731,596,056*	*1,751,456,894*	-	*1,751,456,894*
Inter-segment revenue	**-**	**42,306,592**	**42,306,592**	**(42,306,592)**	**-**
	-	*25,136,374*	*25,136,374*	*(25,136,374)*	-
Other Income	**14,000,000**	**12,868,286**	**26,868,286**	**-**	**26,868,286**
	187,101,460	*2,982,820*	*190,084,280*	-	*190,084,280*
Total Revenue	**170,512,629**	**1,146,949,469**	**1,317,462,098**	**(42,306,592)**	**1,275,155,506**
	206,962,298	*1,759,715,250*	*1,966,677,548*	*(25,136,374)*	*1,941,541,174*
Segment results before other income, finance cost, tax	**459,703**	**(355,742,890)**	**(355,283,187)**	**-**	**(355,283,187)**
	98,816,333	*(359,237,741)*	*(260,421,408)*	-	*(260,421,408)*
Other income (unallocable)					**38,451,427**
					44,441,843
Finance Costs					**7,062,525**
					3,997,803
Loss before tax					**(323,894,285)**
					(219,977,368)
Tax expense					**-**
					(436,890)
Loss after tax					**(323,894,285)**
					(220,414,258)

Figures in *italics* are in respect of the previous year ended 31st March, 2013.

Primary Segment	For the year ended 31 March, 2014		
	Business segments		Total
	Aerospace	Industrials Division	
Segment assets	**763,533,417**	**1,097,044,994**	**1,860,578,411**
	535,538,230	*1,360,581,896*	*1,896,120,126*
Unallocable assets			**262,968,661**
			646,626,383
Total assets			**2,123,547,072**
			2,542,746,509
Segment liabilities	**922,278,264**	**582,776,342**	**1,505,054,605**
	967,175,412	*640,488,087*	*1,607,663,499*
Unallocable liabilities			**95,651,295**
			88,347,553
Total liabilities			**1,600,705,900**
			1,696,011,052
Other information			
Capital expenditure	**160,947,084**	**13,605,124**	**174,552,208**
	7,951,654	*5,938,289*	*13,889,944*
Capital expenditure (unallocable)			**168,303**
			9,124,300
Depreciation and amortisation	**6,062,710**	**35,637,657**	**41,700,367**
	1,793,213	*46,811,016*	*48,604,229*
Non-cash expenses other than depreciation	**-**	**-**	**-**
	-	-	-

Figures in *italics* are in respect of the previous year ended 31st March, 2013.

The geographical segments individually contributing 10 percent or more of the Company's revenues and segment assets are shown separately:

Secondary Segment	Revenues for the year ended 31 March, 2014	Segment assets as at 31 March, 2014	Capital expenditure incurred during the year ended 31 March, 2014
USA	**161,926,679**	**97,411,197**	**-**
	205,241,429	*158,922,083*	-
India	**1,071,107,871**	**1,739,381,237**	**174,720,511**
	1,684,131,866	*1,724,606,142*	*23,014,244*
Rest of World	**42,120,956**	**23,785,978**	**-**
	52,167,879	*12,591,902*	-

Figures in *italics* are in respect of the previous year ended 31st March, 2013.

34. a. Principal amount payable to Micro and Small Enterprises (to the extent identified by the Company from available information and relied upon by Auditors) as at 31st March, 2014 is Rs.965,305 (31st March, 2013 - Rs.12,99,570) including unpaid amounts of Rs.458,966 (31st March, 2013 - Rs.7,60,424) outstanding for more than 30/45 days. Estimated interest due thereon is Rs. 5,202 (31st March, 2013 - Rs. 7,864)

    b. Amount of payments made to suppliers beyond 30/45 days during the year is Rs. 6,117,317 (31st March, 2013 - Rs.16,207,952). Interest paid thereon is Rs. Nil (31st March, 2013 - Rs. Nil) and the estimated interest due and payable thereon is Rs. 139,535 (31st March, 2013 – Rs. 258,344).

    c. Amount of estimated interest accrued and remaining unpaid as at 31st March, 2014 is Rs.1,375,050 (31st March, 2013 - Rs. 1,230,313)

    d. The amount of estimated interest due and payable for the period from 1st April, 2014 to actual date of payment or 15th April, 2014 (whichever is earlier) is Rs.3,971.

TAL Manufacturing Solutions Limited

Notes forming part of the Condensed Financial Statements

35. a) **Details of Derivative Instruments (For Hedging)**

Name of the Instrument: Forward Contracts

Particulars	Amount in Foreign Currency		Equivalent amount in Rs.
	Currency	Amount	
Other Payables	USD	22,820 (-)	1,366,918 (-)
For firm commitments - reimbursements of cost of fixed ass	USD	- (2,041,446)	- (112,664,913)

b) **Details of Foreign Currency exposures that are not hedged by derivative instrument or otherwise:**

Particulars	Amount in Foreign Currency		Equivalent amount in Rs.
	Currency	Amount	
Trade and Other Payables	USD	1,085,586 (433,456)	65,026,600 (23,530,139)
	EURO	73,013 (37,482)	6,010,431 (2,606,821)
	JPY	1,043,391 (1,452,670)	607,880 (841,532)
	GBP	151 (2,371)	15,025 (194,673)
Trade Receivables	USD	587,070 (98,932)	35,153,760 (5,369,550)
Other Current Asset	USD	18,900 (-)	1,131,732 (-)

Note: Figures in bracket are in respect of previous year ended 31st March, 2013

36. Details of Employee Benefits as required by the Accounting Standard on Employee Benefits (Accounting Standard 15 (Revised 2005)) are as follows-:

A) **Defined contribution Plans**

The amount recognised as an expense, in the Statement of Profit and Loss in respect of Defined Contribution Plans is Rs. 25,496,716- (31st March, 2013 Rs. 27,972,487)

B) **A general description of the Employee Benefit Plans:-**

Funded Benefit Plans

a. **Gratuity**

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment in an amount equivalent to 15 to 30 days salary depending upon the number of completed year of service payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company accounts for the liability for future gratuity benefits ascertained based on an independent actuarial valuation as at the end of the year.

b. **Superannuation**

The Company has two superannuation plans, a defined benefit plan and a defined contribution plan.

Employees who are members of the defined benefit superannuation plan are entitled to benefits depending on the years of service and salary drawn. The monthly pension benefits after retirement range from 0.75% to 2% of the annual basic salary for each year of service. The Company accounts for the liability for future benefits under the plan based on an independent actuarial valuation carried out at the year end.

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, and therefore, has become a defined contribution plan.

Unfunded Benefit Plans

a. **Post-retirement Medicare Scheme**

Under this Scheme, employees are entitled medical benefits for ten to twenty years from the date of retirement depending on their grade 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. The liability for this scheme is based on independent actuarial valuation.

b. **Bhavishya Kalyan Yojana (BKY)**

The benefits of the plan accrue to an eligible employee at the time of death or permanent disablement, while in service, either as a result of an injury or as certified by the Company's Medical Board. The monthly payment to dependents of the deceased/disabled employee under the plan equals 50% of the salary drawn at the time of death or accident or a specified amount, whichever is more. The Company accounts for the liability for future benefits based on an independent actuarial valuation carried out at the year end.

TAL Manufacturing Solutions Limited

Notes forming part of the Financial Statements

C] (i) Defined Benefit Plan

Amount in Rs.

	Particulars	Gratuity		DBS Superannuation	
I	**Changes in the present value of defined obligation representing reconciliation of opening and closing balances thereof are as follows :**	**31st March, 2014**	**31st March, 2013**	**31st March, 2014**	**31st March, 2013**
1	Present Value of Defined Benefit Obligation at the beginning of the year	106,194,000	96,746,000	3,414,000	9,816,000
2	Current Service cost	7,006,000	6,515,000	0	66,000
3	Interest Cost	7,963,000	7,542,000	79,000	435,000
4	Losses (gains) on Curtailment	-	-	-	-
5	Liabilities extinguished on settlements	-	-	-	-
6	Plan ammendments	-	-	-	-
7	Past Service cost	-	-	-	-
8	Actuarial (gains) / losses	(5,931,000)	11,416,000	1,055,000	(156,000)
9	Benefits paid	(21,657,000)	(16,025,000)	(4,473,000)	(6,746,000)
10	Present value of Defined Benefit Obligation as on Balance Sheet date.	93,575,000	106,194,000	75,000	3,414,000
II	**Changes in the fair value of plan assets representing reconciliation of opening and closing balances thereof are as follows :**				
1	Fair value of Plan assets as at the beginning of the year	106,886,000	95,546,000	10,621,000	16,675,000
2	Expected return on plan assets	7,685,000	7,710,000	437,000	1,067,000
3	Actuarial gains and (losses)	(3,745,000)	1,977,000	(740,000)	(441,000)
4	Actual contributions by employers	-	17,678,000	1,362,000	66,000
5	Other Adjustments	-	-	(7,207,000)	-
6	Benefits paid	(21,657,000)	(16,025,000)	(4,473,000)	(6,746,000)
7	Plan assets as on Balance Sheet Date	89,169,000	106,886,000	-	10,621,000
III	**Analysis of Defined Benefit Obligation :**				
1	Defined Benefit Obligation as at 31st March	93,575,000	106,194,000	75,000	3,414,000
2	Fair Value of Plan assets at the end of the year	89,169,000	106,886,000	-	10,621,000
3	Net (Asset)/Liability recognized in the Balance Sheet as on Balance Sheet Date	4,406,000	(692,000)	75,000	(7,207,000)
IV	**Reconciliation of Present Value of Defined Benefit Obligation and fair value of plan assets showing amount recognized in the Balance Sheet :**				
1	Present value of Defined Benefit Obligation	93,575,000	106,194,000	75,000	3,414,000
2	Fair value of plan assets	89,169,000	106,886,000	-	10,621,000
3	Funded status [Surplus/(Deficit)]	(4,406,000)	692,000	(75,000)	7,207,000
4	Unrecognized Past Service Costs	-	-	-	-
5	**Net Asset/(Liability) recognized in Balance Sheet**	(4,406,000)	692,000	(75,000)	7,207,000
V	**Components of employer expenses recognized in the statement of profit and loss**				
1	Current Service cost	7,006,000	6,515,000	-	66,000
2	Interest cost	7,963,000	7,542,000	79,000	435,000
3	Expected return on plan assets	(7,685,000)	(7,710,000)	(437,000)	(1,067,000)
4	Curtailment cost/(credit)	-	-	-	-
5	Settlement cost/(credit)	-	-	-	-
6	Past Service cost	-	-	-	-
7	Actuarial Losses/(Gains)	(2,186,000)	9,438,000	1,795,000	285,000
8	Total expense recognised in the Statement of Profit & Loss under Contribution to Provident Fund and other Funds	5,098,000	15,785,000	1,437,000	(281,000)
VI	**Principal Actuarial Assumptions :**				
1	Discount Rate (%)	9.20	8.35	6.75	6.75
2	Expected Return on plan assets (%)	N/A	N/A	8.00	8.00
3	Salary escalation (EG & TM / S & OP) (%)	4.00 / 5.00	11 - 5.00 / 5.00	N/A	N/A
4	Medical cost inflation	N/A	N/A	N/A	N/A
VII	**The major categories of plan assets as percentage to total plan**				
	Debt securities	100%	100%	100%	100%
	Balances with banks	0%	0%	0%	0%

The expected rate of return on plan assets is based on market expectation, at the beginning of the period, for returns on major categories of plan assets over the entire life of the related obligation.

VIII **The major categories of plan assets as a percentage of total plan assets:**

The investment pattern given below is of the Trust which is a common trust for the Company and its Holding Company and other subsidiaries of the Holding Company:

1	Central Govt Securities	15%	17%	19%	23%
2	PSU Bonds	43%	41%	47%	46%
3	Private Sector Bonds	22%	21%	17%	17%
4	State Loans (RBI Guaranteed)	-	-	-	-
5	Mutual Funds (G Sec based)	-	-	-	-
6	Special Deposit with Banks	0%	0%	-	-
7	Balances with Banks & Others	0%	0%	-	-
8	SAIL Cent Guaranteed Bonds	-	-	-	-
9	State Government Bonds	20%	20%	17%	15%
IX	Contributions expected to be paid to the plan during the next financial year	Nil	Nil	Nil	Nil

a) The Discount rate is based on the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated terms of the obligations.

b) Expected Rate of Return of Plan Assets : This is based on the expectation of the average long term rate of return expected on investments of the Fund during the estimated term of obligations.

c) Salary Escalation Rate : The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors

TAL Manufacturing Solutions Limited

Notes forming part of the Financial Statements

C (ii) **Defined Benefit Plan**

Amount in Rs.

	Particulars	Bhavishya Kalyan Yojana		Post Employment Medical Benefits	
I	**Changes in the present value of defined obligation representing reconciliation of opening and closing balances thereof are as follows :**	**31st March, 2014**	**31st March, 2013**	**31st March, 2014**	**31st March, 2013**
1	Present Value of Defined Benefit Obligation at the beginning of the year	8,066,000	7,944,000	19,598,000	15,290,000
2	Current Service cost	1,160,000	1,192,000	245,000	229,000
3	Interest Cost	657,000	663,000	1,614,000	1,239,000
4	Losses (gains) on Curtailment	-	-	-	-
5	Liabilities extinguished on settlements	-	-	-	-
6	Plan ammendments	-	-	-	-
7	Actuarial (gains) / losses	(2,564,000)	(1,443,000)	(3,521,000)	4,267,000
8	Benefits paid	(400,000)	(290,000)	(543,000)	(1,427,000)
9	Present value of Defined Benefit Obligation as on Balance Sheet date * Total obligation - Rs.17,393,000 (31st March, 2013 - Rs.19,598,000) Less: Obligation in respect of services rendered in holding company borne by holding company - Rs.8,689,000 (31st March, 2013 - Rs.9,370,000/-) Net Obligation accounted by the company - Rs.8,704,000/- (31st March, 2013 - Rs.10,228,000/-)	6,919,000	8,066,000	17,393,000 *	19,598,000
II	**Changes in the fair value of plan assets representing reconciliation of opening and closing balances thereof are as follows :**				
1	Fair value of Plan assets as at the beginning of the year	-	-	-	-
2	Expected return on plan assets	-	-	-	-
3	Actuarial gains and losses	-	-	-	-
4	Actual contributions by employers	400,000	290,000	-	1,427,000
5	Benefits paid	(400,000)	(290,000)	-	(1,427,000)
6	Plan assets as on Balance Sheet Date	-	-	-	-
III	**Analysis of Defined Benefit Obligation :**				
1	Defined Benefit Obligation as at 31st March	6,919,000	8,066,000	17,393,000	19,598,000
2	Fair Value of Plan assets at the end of the year	-	-	-	-
3	Net (Asset)/Liability recognized in the Balance Sheet as on Balance Sheet Date	6,919,000	8,066,000	17,393,000 *	19,598,000
IV	**Reconciliation of Present Value of Defined Benefit Obligation and fair value of plan assets showing amount recognized in the Balance Sheet :**				
1	Present value of Defined Benefit Obligation	6,919,000	8,066,000	17,393,000	19,598,000
2	Fair value of plan assets	-	-	-	-
3	Funded status [Surplus/(Deficit)]	(6,919,000)	(8,066,000)	(17,393,000)	(19,598,000)
4	Unrecognized Past Service Costs	-	-	-	-
5	**Net Asset/(Liability) recognized in Balance Sheet**	(6,919,000)	(8,066,000)	(17,393,000) *	(19,598,000)
V	**Components of employer expenses recognized in the statement of profit and loss**				
1	Current Service cost	1,160,000	1,192,000	245,000	229,000
2	Interest cost	657,000	663,000	1,614,000	1,239,000
3	Expected return on plan assets	-	-	-	-
4	Curtailment cost/(credit)	-	-	-	-
5	Settlement cost/(credit)	-	-	-	-
6	Past Service cost	-	-	-	-
7	Actuarial Losses/(Gains)	(2,564,000)	(1,443,000)	(3,521,000)	4,267,000
8	**Total expense recognised in the Statement of Profit & Loss under Staff Welfare Expenses**	(747,000)	412,000	(1,662,000)	5,735,000
VI	**Principal Actuarial Assumptions :**				
1	Discount Rate (%)	9.20	8.35	9.20	8.35
2	Expected Return on plan assets (%)	N/A	N/A	N/A	N/A
3	Salary escalation (EG & TM / S & OP) (%)	4 - 4.00 / 5.00	11 - 5.00 / 5.00	4 - 4.00 / 5.00	11 - 5.00 / 5.00
4	Medical cost inflation	N/A	N/A	6.00	5.00

VII	**Effect of one percentage point change in assumed Medical inflation rate**	**One percentage point increase in Medical inflation rate**		**One percentage point decrease in Medical inflation rate**	
		2014	**2013**	**2014**	**2013**
	Revised Defined Benefit Obligation at the year end	8,241,000	21,079,000	5,751,000	18,062,000
	Revised service cost & Interest Cost for the year	NA	1,598,000	NA	1,344,000

a) The Discount rate is based on the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated terms of the obligations.

b) Salary Escalation Rate : The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

TAL Manufacturing Solutions Limited

Notes forming part of the Financial Statements

C (iii) **Other disclousure**

A	Funded Schemes	Gratuity					DBS Superannuation				
		31st March, 2014	31st March, 2013	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2014	31st March, 2013	31st March, 2012	31st March, 2011	31st March, 2010
1	Experience Gain / (loss) adjustments on plan liabilities	(4,366,000)	(11,427,000)	3,396,000	(2,401,000)	(1,095,000)	1,055,000	(156,000)	(441,000)	(103,000)	70,000
2	Experience Gain / (loss) adjustments on plan assets	3,745,000	1,977,000	59,000	(842,000)	(289,000)	(740,000)	(441,000)	2,358,000	6,433,000	206,000
3	Defined Benefit Obligation at the end of the period	(93,575,000)	(106,194,000)	(96,746,000)	(95,363,000)	(86,750,000)	(75,000)	(3,414,000)	(9,816,000)	(10,027,000)	(9,039,000)
4	Plan Assets at the end of the period	89,169,000	(106,886,000)	95,546,000	99,048,000	84,318,000	-	10,621,000	16,675,000	14,487,000	(40,818,000)
5	Funded Status	(4,406,000)	692,000	(1,200,000)	3,685,000	(2,432,000)	(75,000)	7,207,000	6,859,000	4,460,000	(49,857,000)

B	Unfunded Schemes	Bhavishya Kalyan Yojana					Post Employment Medical Benefits				
		31st March, 2014	31st March, 2013	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2014	31st March, 2013	31st March, 2012	31st March, 2011	31st March, 2010
1	Experience Gain / (loss) adjustments on plan liabilities	(1,866,000)	936,000	1,192,000	(572,000)	571,000	(3,305,000)	1,845,000	1,956,000	3,464,000	1,105,000
2	Experience Gain / (loss) adjustments on plan assets	-	-	-	-	-	-	-	-	-	-
3	Defined Benefit Obligation at the end of the period	6,919,000	8,066,000	7,944,000	9,020,000	6,833,000	17,393,000	19,598,000	15,290,000	16,781,000	20,669,000
4	Plan Assets at the end of the period	-	-	-	-	-	-	-	-	-	-
5	Funded Status	(6,919,000)	(8,066,000)	(7,944,000)	(9,020,000)	(6,833,000)	(17,393,000)	(19,598,000)	(15,290,000)	(16,781,000)	(20,669,000)

C (iv)

	Actual Return on plan assets	Gratuity		DBS Superannuation	
	Particulars	31st March, 2014	31st March, 2013	31st March, 2014	31st March, 2013
1	Expected return on plan assets	7,685,000	7,710,000	437,000	1,067,000
2	Acturial Gains and (Losses)	(3,745,000)	1,977,000	(740,000)	(441,000)
3	Actual return on plan assets	3,940,000	9,687,000	(303,000)	626,000

TAL Manufacturing Solutions Limited

Notes forming part of the Condensed Financial Statements

37. The net exchange differences arising during the year recognised appropriately in the Statement of Profit and Loss – net loss of Rs. 1,080,056 (31st March, 2013 – net gain of Rs. 1,544,836).

38. The Company is setting up a Greenfield Facility at MIHAN SEZ Area, Nagpur, (the "Project") for catering to the manufacturing requirements of the long-term supply contract executed with The Boeing Company, U.S.A. ("Boeing").

(a) The Company is incurring, inter alia, borrowing cost and incidental expenses in setting-up the Project which was expected to commence commercial operations in April 2009. Boeing has compensated the Company for the delay in completion of the Project resulting from its actions and accordingly, with effect from April 2009, the incidental expenses and borrowing costs incurred on the Project are not being capitalized but are charged to the Statement of Profit and Loss and the related compensation received is credited to the Statement of Profit and Loss upto 31 July, 2012. The commercial production of Composite Beam is further delayed and the Company has initiated discussions with Boeing for compensation of incidental expenses for the period commencing 1 August, 2012. Pending completion of this process, the incidental expenses incurred with effect from 1 August 2012 relating to Composite Floor Beam are being capitalised.

(b) (i) The Company has been compensated for costs expected to be incurred for modifications of certain fixed assets before they can be put to use. As at 31 March 2014, compensation of Rs. 29,795,032 is being carried forward as 'Compensation received from customer pending adjustments against future cost to be incurred and future period costs' under 'Other current liabilities' and will be settled on commencement of commercial production of Floor Beam Project.

(ii) A certain portion of compensation received in earlier years aggregating to Rs. 48,277,275 towards validation support expenses, warranty, restating etc. was credited to 'Compensation received from customer pending adjustments against future cost to be incurred and future period costs' under Other Current Liabilities as at 31 March 2013. The management estimated that no expenses would be incurred in future in respect of certain assets and has therefore credited Rs. 14,000,000 (previous year ended 31st March, 2013 - Rs. 101,504,000) to the Statement of Profit and Loss for the year ended 31 March 2014. The balance compensation of Rs. 34,277,275 is being carried forward pending incurrence of related costs.

(c) (i) Boeing has agreed to compensate for the cost of fixed assets, subject to final determination on commercial production, to be used in the Project and accordingly the cost of fixed assets and the capital work-in-progress as at 31 March, 2014 is net of the compensation of Rs. 1,651,889,180 [31 March, 2013: Rs.1,513,895,004] received from Boeing. Accordingly, individual assets capitalised are being carried at a nominal value of Rs. 1 each.

39 Previous year's figures have been regrouped / reclassified wherever necessary to conform with this year's classification /disclosures.

	sd /-	sd /-
Date: 16/06/2014	Executive Director	Director
Place: Nagpur		

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ANNUAL REPORT

2013-2014

TRILIX S.r.l.

Legal address: Largo Francia 114, 10143 Torino, Italy
Paid up Capital: Euro 100.000,00
Registered in the Chamber of Commerce of Torino
VAT number: 09353300016
Economic Administrative Registry (Rea) No.: 1044707

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Comments on Director's Report

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Financial Statements, including
- Balance Sheet (Pages 9 and 10)
- Profit & Loss Account (Pages 11 and 12)

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Notes to Account (Pages 14 to 29)

Section 1

Language and Currency

TRILIX is an Italian company subject to the laws of Italy, the official language for financial reporting is Italian and the functional currency is the Euro.

For the convenience of the readers the Balance Sheet and Financial Statement have been translated into English and the Euro (€) values in converted into Indian Rupees (INR.)

The exchange rate adopted was INR 82.73 / € 1.00

This exchange rate was valid as of 31st March 2014, however the results should not be construed as a representation that any or all the amounts could be converted in Indian Rupees at this or any other rate.

Section 2

Director's Report

TRILIX is not obliged by Italian law to produce an Annual Report to support its Financial Statements and has not done so on this occasion.

Section 3

Auditor's Report

TRILIX is not obliged by Italian law to have its Financial Statements subject to statutory audit (Article 2477 of the Italian Civil Code).

Despite this, TATA Motors Ltd. require that TRILIX have its accounts audited by an independent authority.

As Deloitte & Touche is TATA Motors Ltd.'s preferred global auditor, TRILIX commissioned the Turin Office of Deloitte & Touche S.p.A. to carry out the Audit.

The original and official report was prepared in Italian; attached hereto is an English "courtesy" translation provided by Deloitte.

Deloitte.

Deloitte & Touche S.p.A.
Galleria San Federico, 54
10121 Torino
Italia

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Fax: +39 011 544756
www.deloitte.it

AUDITORS' REPORT

To the Board of Directors of
TRILIX S.r.l.

1. We have audited, on a voluntary basis, the financial statements in short form of Trilix S.r.l. ("the Company") as of March 31, 2014. These financial statements prepared in accordance with the Italian law governing financial statements are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these financial statements based on our audit. This auditors' report has not been issued for Italian statutory purposes, due to the fact that the Company is not requested to appoint any auditor to perform a statutory audit, pursuant to art. 2477 of the Italian Civil Code.

2. We conducted our audit in accordance with Auditing Standards issued by the Italian Accounting Profession (CNDCEC) and recommended by Consob, the Italian Commission for listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Company's Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

   For the opinion on the prior year's financial statements, the balances of which are presented for comparative purposes, reference should be made to the auditors' report issued by us on June 12, 2013.

3. In our opinion, the financial statements give a true and fair view of the financial position of Trilix S.r.l. as of March 31, 2014, and of the results of its operations for the year then ended in accordance with the Italian law governing financial statements.

4. For a better comprehension of the statutory financial statements, we refer to the fact that, as indicated in the notes to the financial statements, as at March 31, 2014 IRES tax credits amounted to Euro 1,224 thousand. Such credits derive from the application, to the invoicing to the parent company Tata Motors Ltd, almost Company's exclusive customer, of a withholding tax, which, starting from 2013, amount to 20% of invoiced amount. Considering the actual business structure, the Company will produce tax credits in excess of its debts for taxes and other tax deductions. The Directors indicate that Company's strategy, with reference to the excess of IRES credit, is based on requesting the reimbursement to the competent Italian tax authorities, considering an estimated 2/3 years collection time.

   Directors also indicate that, as a consequence, financial structure and balance of funding sources of the Company, in particular with reference to a short-term horizon, are therefore closely dependent on the ability of the parent company to ensure a constant cash flow and timely payments for services provided.

DELOITTE & TOUCHE S.p.A.

Signed by
Giorgio Barbieri
Partner

Turin, Italy
June 17, 2014

TRICHIX

This report has been translated into the English language solely for the convenience of international readers.

Section 4

Financial Statements

Balance Sheet (Pages 9 and 10)

Profit & Loss Account (Pages 11 and 12)

The English Translation of the original Italian "Financial Statements" with values quoted in € (Euro), was approved and signed by the Board of Directors of TRILIX on 15th June 2014.

The Indian Rupee values quoted in this document were achieved using an exchange rate of 82.73 INR/€

TRILIX SRL

Head office, address TORINO - LARGO FRANCIA , 114

Capital Stock paid Euro 100.000,00

Registered to the Chamber of Commerce of TORINO

The identification N. - N. of enterprises registry 09353300016

Value-added tax identification number: 09353300016

No. Of the economic administrative registry (Rea): 1044707

Financial Statements at 31/03/2014

BALANCE SHEET

ASSETS	31/03/2014	31/03/2013
A) AMOUNTS DUE FROM STOCKHOLDERS		
Total amounts due from stockholders (A)	**0**	**0**
B) FIXED ASSETS		
I - Intangible fixed assets		
Gross value	88.027.036	70.548.090
Depreciation	60.591.617	46.913.122
Total intangible fixed assets (I)	27.435.419	23.634.968
II - Tangible fixed assets		
Gross value	49.712.292	40.728.558
Depreciation	28.127.125	22.206.966
Total tangible fixed assets (II)	21.585.167	18.521.592
III - Financial fixed assets		
Receivables		
After 12 months	182.006	0
Total Receivables	182.006	0
Total financial fixed assets (III)	182.006	0
Total fixed assets (B)	**49.202.592**	**42.156.561**
C) CURRENT ASSETS		
I - Inventories		
Total inventories (I)	0	0
II) Receivables		
Within 12 months	425.983.140	385.174.417
After 12 months		
Total receivables (II)	425.983.140	385.177.726
III) Financial assets not amou. to fixed assets		
Total finan. assets not amou.to fixed assets (III)	4.937.823	10.136.659
IV - Liquid funds		
Total liquid funds (IV)	82.482	27.301
Total current assets (C)	**431.003.445**	**395.341.686**

D) ACCRUED INCOME AND PREPAID EXPENSES		
Total accrued income and prepaid expenses (D)	**6.285.081**	**4.974.472**
TOTAL ASSETS	**486.491.118**	**442.472.718**

BALANCE SHEET

LIABILITIES	**31/03/2014**	**31/03/2013**
A) STOCKHOLDERS' EQUITY		
I - Capital stock	8.273.000	8.273.000
II - Additional paid-in capital	0	0
III - Revaluation reserves	0	0
IV - Legal reserve	1.654.600	1.654.600
V - Statutory reserves	0	0
VI - Reserve for own shares in portfolio	0	0
VII) Other reserves, distinctly indicated		
Extraordinary reserves	118.067.954	80.100.096
Rounding difference to Euro	83	83
Total other reserves (VII)	118.068.037	80.100.179
VIII - Profits (losses) brought forward	0	0
IX) Net profits (loss) for the year		
Net profits (loss) for the year	38.415.924	37.967.858
Retained earnings	38.415.924	37.967.858
Total stockholders' equity (A)	**166.411.560**	**127.995.637**
B) RESERVE FOR RISKS AND CHARGES		
Total reserve for risks and charges (B)	**0**	**0**
INDEMNITIES	**49.145.426**	**36.175.264**
D) PAYABLES		
Within 12 months	259.394.538	255.222.629
After 12 months	11.539.594	23.079.188
Total payables (D)	**270.934.132**	**278.301.817**
E) ACCRUED EXPENSES AND DEFERRED INCOME		
Total accrued expenses and deferred income (E)	**0**	**0**
TOTAL LIABILITIES	**486.491.118**	**442.472.718**

MEMORANDUM ACCOUNTS

	31/03/2014	31/03/2013

PROFIT & LOSS STATEMENT

	31/03/2014	31/03/2013
A) VALUE OF PRODUCTION		
1) Revenues from sales and services	691.262.097	687.046.011
5) Other profits and revenues		
Other	165.874	180.186
Total other income (5)	165.874	180.186
Total value of production (A)	**691.427.971**	**687.226.197**
B) PRODUCTION COSTS		
6) Raw, ancillary and consum.mater.&goo.for res.	6.766.073	3.370.917
7) Services received	166.832.243	204.618.839
8) Leases	44.179.061	37.987.630
9) Payroll costs:		
a) Wages and salaries	278.858.673	268.191.798
b) Social charges	76.357.143	73.638.883
c), d), e) Reser.for empl.term.Ind.,pens.&pay.cos.	19.614.125	18.331.727
c) Reserve for employee termination indemnities	19.614.125	18.331.727
Total payroll costs (9)	374.829.940	360.162.408
10) Depreciation, amortisation and writedowns:		
a), b), c) Of tangibles and intangibles	19.598.654	16.439.196
a) Amortisation of intangibles	13.678.495	10.800.402
b) Depreciation of tangibles	5.920.159	5.638.794
Total deprecation, amortisation and writed. (10)	19.598.654	16.439.196
14) Other operating expenses	4.178.113	5.009.715
Total production costs (B)	**616.384.084**	**627.588.705**
Differen. betw.value and costs of prod.(A-B)	**75.043.887**	**59.637.492**
C) FINANCIAL INCOME AND EXPENSES		
16) Other financial income:		
d) Other income:		
Other financial income	336.546	213.030
Total other income (d)	336.546	213.030
Total other financial income (16)	336.546	213.030
17) Interest and other financial charges:		
Other interest and financial charges	1.503.783	817.207
Total interest and other financial charges (17)	1.503.783	817.207
17-bis) Profits and losses on forex	1.903	5.791
Total finan. income & expen.(C) (15+16-17+-17-bis)	**-1.165.335**	**-598.386**
D) ADJUSTMENTS TO FINANCIAL ASSETS		
Total adjustments (D) (18-19)	**0**	**0**

E) EXTRAORDINARY INCOME AND EXPENSES		
20) Income		
Rounding difference to Euro	83	0
Other extraordinary income	45.336	6.058.897
Total extraordinary income (20)	45.419	6.058.897
21) Expenses		
Rounding difference to Euro	0	1
Other	149.328	3.475
Total extraordinary expenses (21)	149.328	3.557
Total extraord. income and expenses (E) (20-21)	**-103.909**	**6.055.340**
Results before taxation (A-B+-C+-D+-E)	**73.774.643**	**65.094.446**
22) Current income taxes, deferred and prepaid		
Current income taxes	35.355.410	27.124.851
Advance taxes	-3.309	-1.737
Total income taxes for the year (22)	35.358.719	27.126.588
23) NET PROFITS (LOSS) FOR THE YEAR	**38.415.924**	**37.967.858**

THE ADMINISTRATIVE BODY

NOTE:

The Indian Rupee values quoted in this document were achieved using an exchange rate of 82.73 INR/€

The English Translation of the original Italian "Financial Statements" with values quoted in € (Euro), was approved and signed by the following:

- **Dr. Tim Leverton, Chairman of the Borad of Directors, TRILIX s.r.l.**
- **Mr. Bryn Jones, Managing Director, TRILIX s.r.l.**
- **Mr. Nick Fell Director, TRILIX s.r.l.**

on June 15th 2014

Section 5

Notes to Financial Statements

The English Translation of the original Italian "Notes to Financial Statements" with values quoted in € (Euro), was approved and signed by the Board of Directors of TRILIX on 15th June 2014.

The Indian Rupee values quoted in this document were achieved using an exchange rate of 82.73 INR/€

TRILIX SRL

Head office, address TORINO - LARGO FRANCIA, 114

Capital Stock paid INR 8.273.000

Registered to the Chamber of Commerce of TORINO

Tax identification number and No. of the enterprises registry 09353300016

Value-added tax identification number: 09353300016 - No. of the economic administrative registry (Rea): 1044707

Notes to the Financial Statements at 31/03/2014

Drawn up in the Abbreviated Form in Accordance with Article 2435-bis of the Civil Code

Foreword

Dear Partners

We present to you and ask you to approve the financial statements for the year ended on 31/03/2014. This explanatory note is an integral part thereof, as set forth in article 2423, paragraph 1 of the Italian Civil Code. It complies with the company's duly kept accounting books and records and it has been drawn up in accordance with articles 2423, 2423 (iii), 2424, 2424 (ii), 2425, 2425 (ii) of the Italian Civil Code, following the drafting principles described in article 2423 (ii), paragraph 1, and the assessment criteria illustrated in article 2426 of the Italian Civil Code.

The financial statements of this year have been drawn up in the abbreviated form in conformity to the dispositions as set forth in Article 2435-bis of the Civil Code, as the Company meets the conditions in the first paragraph of said Article. As a consequence, in these notes to the financial statements we have omitted the information required by point 10 of Article 2426 and points 2, 3, 7, 9, 10 and 12 - 17 of Article 2427, as well as point 1 of the first paragraph of Article 2427-bis of the Civil Code.

In addition, these notes to the financial statements contain the information required by points 3 and 4 of Article 2428 of the Civil Code and therefore we did not prepare the performance report in accordance with the sixth paragraph of Article 2435-bis of the Civil Code.

The valuation criteria as set forth in Article 2426 of the Civil Code are the same as those used for drawing up the financial statements of the previous year and there were no exceptional circumstances requiring us to make recourse to the departures as set forth in the second paragraph of Articles 2423-bis and the fourth paragraph of Article 2423 of the Civil Code.

When applicable, the principles and recommendations published by the competent professional accounting bodies have been followed in order to present a truthful and accurate picture of the balance sheet and the profit and loss account.

Items stated under assets and liabilities belonging to several items of the balance sheet have been specifically cited.

Principles Used for Drawing Up the Financial Statements

Conforming to the provisions contained in Article 2423-bis of the Civil Code, the financial statements were drawn up based on the following principles:

- Individual items have been valued with prudence in view of normal continuation of the company, and by taking into account the economic use of items under assets and liabilities.
- Only profits actually earned during the year have been included.
- Income and costs were calculated with respect to accountancy on an accrual basis, regardless of the time of their financial manifestation.
- All risks and losses of the year have been recorded, even if they became known after the end of the year.
- Miscellaneous elements included in various items of the financial statements have been considered distinctly for the purpose of the relevant valuation.
- The valuation criteria used have not been changed with respect to the previous year.

Valuation Criteria

The criteria used for valuation of items on the financial statements shown below are the same as the provisions contained in Article 2426 of the Civil Code.

Intangible Fixed Assets

Intangible fixed assets have been entered at acquisition cost or internal production cost, including all directly imputed additional charges, and are systematically amortised using the straight-line method in connection with the possible remaining useful life of the asset, with a clearly formulated indication of the depreciation and of the devaluation carried out.

Industrial patents and intellectual property rights are amortised based on their expected period of usefulness, and therefore for no longer than the term of relevant licence agreements.

Amortisation of costs incurred for taking out loans is pegged to the term of the same.

Fixed assets whose value at the closing date for the year is considerably less than the remaining cost to amortise are entered at said lesser value. This is not maintained if the reasons for making the adjustment fail to materialise in following years.

Start-up and expansion costs derive from capitalisation of charges regarding the start-up and development stages of company business. The value stated on the balance sheet and amortisation made take into account future utility estimated at 5 years.

The costs for the non competition covenant are characterized by many years of utility and, therefore, are recorded as intangible assets and are subject to amortization with effect from 01.31.2014 (date of resignation of the manager Mr. Norek). These amounts do not represent a normal component of labor costs in the year they are paid, but have the function to compensate the worker abstention from future competition. The costs incurred for the non competition covenant are amortized over the term agreed upon then the same, 24 months.

We have applied the following rates laid down by fiscal laws, confirmed by company circumstances, as we believe they are representative of actual deterioration:

- software programs: 33%
- maintenance costs leasehold: 20%
- costs for non competition covenant: 2 months of 24

Tangible Fixed Assets

Tangible fixed assets have been entered at acquisition cost or production cost, including all directly imputed additional costs and charges, indirect costs pertaining to internal production, and charges pertaining to the financing of internal manufacturing sustained during the manufacturing period up until the time the asset may be utilised, and with express indication of depreciation and of the devaluations made.

The cost is revised according to currency appreciation laws and in all cases does not exceed the market value.

The cost of fixed assets with a limited period of use is systematically amortised every year based on economic and technical rates calculated taking into account possible remaining utility.

We have applied the following rates laid down by fiscal laws, confirmed by company circumstances, and reduced by 50% for acquisitions made during the year, as we believe they are representative of actual deterioration:

Plant and machinery: 15%

Other assets:

Electronic office machines: 20%

Office furnitures: 12% - 15%

Fixed assets whose value at the closing date for the year is considerably less than the residual costs to amortise have been recorded at said lesser value.

Financial Fixed Assets

Financial fixed assets have been recorded at acquisition cost, comprising additional charges. Receivables recorded as financial fixed assets are stated at their estimated realizable value. This item is represented by the costs incurred for the payment of the deposit on the lease, then having long-term nature.

Receivables

Receivables recorded under current assets have been entered at their expected break-up value. Said value has been calculated by adjusting the nominal value of outstanding receivables so as to take into account all risks of non-liquidation.

Conforming to the general principle of prudence prepaid taxes due connected to deductible temporary differences and fiscal losses have been recorded respectively with reasonably certainty that in the years the same will crystallise there will be taxable income of no less than the amount of the differences they will write off and future taxable income that may absorb losses carried forward in the year they are deductible.

Liquid Funds

Liquid funds have been recorded at their nominal value.

Accrued Income and Prepaid Expenses

Accrued income and prepaid expenses have been entered based on economic criteria.

Reserve for Employee Termination Indemnities

Reserve for employee termination indemnities has been recorded in obedience to provisions of law in force and amounts to the Company's actual commitment to individual employees at the closing date of the financial statements, after deducting any advances. The liability recognized in the balance sheet is expressed, also, net of fees paid, based on the choices made by individual employees, to supplementary pension funds.

Payables

Payables have been stated under liabilities based on their nominal value.

Commitments, Guarantees and Risks

They have been entered at their contract value at the bottom of the balance sheet according to the provisions in the third paragraph of Article 2424 of the Civil Code.

Costs and Revenues

They have been recorded according to the principle of prudence and economic criteria.

Taxes on income

They are allocated on an accrual basis and they include:

- the amounts paid or to be paid for taxes on the financial year income, based on the rates and regulations in force at the time when the Financial Statements are drawn up;
- the advance taxes on temporary differences due in previous financial years and reabsorbed during the current year.

Information on the Balance Sheet

Reductions in the value of tangible and intangible non-current assets

In the previous financial years as well as in the current one, no asset value reductions have been performed.

Revaluation of tangible and intangible non-current assets

In the previous financial years as well as in the current one, no asset value revaluations have been performed.

Current Assets - Inventories

Inventories entered under current assets amount to INR 0 (INR 0 the previous year).

The breakdown and movements of individual items are presented below:

Current Assets - Receivables

Receivables entered under current assets come to INR 425.983.140 (INR 385.177.726 the previous year).

The breakdown and movements of individual items are presented below:

Breakdown of receivables entered under current assets:

Description	Nominal value	Provisions for bad debts	Provisions for overdue debts	Net value
Receivables from Parent Company TATA within 12 months	259.618.653	0	0	259.618.653
Receivables from others within 12 months	1.678.344	0	0	1.678.344
Prepaid Tax asset Due within 12 months	163.489.206	0	0	163.489.206
From others due within 12 months	1.196.938	0	0	1.196.938
Tot.	**425.983.140**	**0**	**0**	**425.983.140**

The item "Receivables - Parent Company" refers to commercial relationships with the parent company TATA MOTORS LTD. This item includes INR 200.914.603 for activities to be billed, determined on the basis of the progress of the related assets.

Tax credits include VAT receivables of INR 56.721.674 (INR 60.183.428 in the previous year), and IRES tax credits for INR 101.276.742 (INR 57.965.188 the previous year).

With reference to above mentioned IRES tax credit, it should be noted that these credits refer to tributary activity subscription, consequent to taxes imposed on TRILIX in connection with the sale of services exclusively to its Indian parent company TATA MOTORS LTD, on whose invoices, in accordance with the tax regulations for export, a tax deduction (i.e. witholding tax) is applied. From the current fiscal year the withholding tax rate is 20% of the sales revenue (until the year 2012-2013 the rate applied was 10% circa).

From the Italian fiscal point of view, in accordance with the agreement to avoid "double taxation", this tax the results in the accrual of tax credits, which TRILIX has used in the past and within the limits foreseen by the pertinent regulations, will continue to use in compensation (so-called "horizontal") with other taxes.

However, as a result of TRILIX's business organization, which results in almost all revenues generated being subject to withholding tax, the tax credits which TRILIX accrues are greater than the tax debts and deductions.

The strategy foreseen to address the question of excess IRES credits, is to claim reimbursement from the competent Italian tax authorities.

However this will expose TRILX to the dangers related to the critical financial equilibrium caused by the time foreseen to receive such reimbursement (significant sums, proportional to the evolution of sales revenues) and which is estimated at 2/3 years.

Consequently, the financial structure and balance of the funding sources of the Company, particularly regarding the short-term horizon, are strictly dependent on the ability of the parent company, to guarantee a constant and timely flow of payments for the services provided. Delays with respect to payment deadlines and/or in the timely issue of orders (element necessary for invoicing by TRILIX) could result in financial instability - also of a significant nature.

Movements of receivables entered under current assets:

Description	Opening balance	Closing balance	Change
Receivables from TATA within 12 months	266.059.515	259.618.653	- 6.440.861
Receivables from others within 12 months	540.227	1.678.344	1.138.117
Prepaid Tax asset Due within 12 months	118.145.307	163.489.206	45.343.899
Advance Tax due after 12 months	3.309	0	-3.309
From others due within 12 months	429.369	1.196.938	767.569
Tot.	**385.177.726**	**425.983.140**	**40.805.414**

At the closing date for the year the company has no receivables for amounts due from stockholders.

Information about the changes which have taken part in the item "credit for the deferred tax" are illustrated in the section "Composition and transactions happened in the liabilities because of the deferred taxes and in the assets because of the deferred taxes (in advance)".

Current Assets – Financial Assets

Financial assets entered under current assets total INR 4.937.823 (INR 10.136.659 the previous year). The breakdown and movements of individual items are presented below:

Description	Opening balance	Closing balance	Change
UNICREDIT C/C BIKE INTERMODAL	10.136.659	4.937.823	-5.198.836
Tot.	**10.136.659**	**4.937.823**	**-5.198.836**

Current Assets – Liquid Funds

Liquid funds entered under current assets amount to INR 82.482 (INR 27.301 the previous year). The breakdown and movements of individual items are presented below:

Description	Opening balance	Closing balance	Change
Cash and cash equivalent	27.301	82.482	55.181
Tot.	**27.301**	**82.482**	**55.181**

List of Equity Investments in Subsidiary and Associated Companies

The company has no such equity investments.

Receivables – Transactions with Retrocession Agreement

The company has not performed any operations concerning receivables from transactions in which the purchaser is obliged to make a repurchase, in compliance with article 2427, no. 6 (iii) of the Italian Civil Code.

Receivables – Breakdown by Due Dates

The breakdown of receivables by due dates is provided below in accordance with point 6 of Article 2427 of the Civil Code:

Description	Within 12 months	After 12 months	After 5 years	Total
Receivables from Parent Company TATA within 12 months	259.618.653	0	0	259.618.653
Receivables from others within 12 months	1.678.344	0	0	1.678.344
Prepaid Tax asset Due within 12 months	163.489.206	0	0	163.489.206
From others due within 12 months	1.196.938	0	0	1.196.938
Tot.	**425.983.140**	**0**	**0**	**425.983.140**

Receivables – Breakdown by Geographic Areas

The breakdown of receivables by geographic areas is provided below in accordance with point 6 of Article 2427 of the Civil Code:

Description	Italy	Other EU countries	Rest of Europe	Other	Total
Receivables from Parent Company TATA within 12 months	0	0	0	259.618.653	259.618.653
Receivables from others within 12 months	1.678.344	0	0	0	1.678.344
Prepaid Tax asset Due within 12 months	163.489.206	0	0	0	163.489.206
From others due within 12 months	1.196.938	0	0	0	1.196.938
Tot.	**166.364.487**	**0**	**0**	**259.618.653**	**425.983.140**

Accrued Income and Prepaid Expenses

Accrued income and prepaid expenses amount to INR 6.285.081 (INR 4.974.472 the previous year). The movements of individual items are presented below:

Description	Opening balance	Closing balance	Change
Prepaid expenses	4.974.472	6.285.081	1.310.609
Tot.	**4.974.472**	**6.285.081**	**1.310.609**

Financial Charges Imputed to Balance Sheet Items

In the current financial year, no financial charges have been recognised within amounts stated under assets in the Statement of Assets and Liabilities, in accordance with point 8 of Article 2427 of the Civil Code.

Stockholders' Equity

At the end of the year stockholders' equity amounted to INR 166.411.560 (INR 127.995.637 the previous year).

The table below highlights the movement during the year of individual entries that make up stockholders' equity.

Description	Opening balance	Alloc. net prof./Alloc. of loss	Capital increases / decreases	Other movements	Closing balance
Capital stock	8.273.000	0	0	0	8.273.000
Legal reserve	1.654.600	0	0	0	1.654.600
Other reserves	80.100.179	37.967.858	0	0	118.068.037
Net profits (loss) for the year	37.967.858	- 37.967.858	0	38.415.924	38.415.924
Totals	**127.995.637**	**0**	**0**	**38.415.924**	**166.411.560**

The following table provides the information required by article 2427, no. 7 bis of the Italian Civil Code concerning the breakdown of net equity items in relation to their origin, expected useful life, and distribution capability, as well as to how they were used in the previous financial years:

Description	Final balance	Possible uses (A=incr., B=res. for losses, C=distr. to partners)	Available amount	Use in the prev. 3 financial years: Reserve for losses	Use in the prev. 3 financial years: Other
Capital stock	8.273.000	-	-	0	0
Legal reserve	1.654.600	B	-	0	0
Other reserve	118.068.037	A-B-C	118.068.037	0	0
Totals	127.995.637	-	118.068.037		

Financial Instruments

Pursuant to article 2427, paragraph 1, nos. 18 and 19, it should be noted that the company has not issued financial instruments of any kind.

Reserve for Risks and Charges

Reserve for risks and charges has been entered under liabilities and amounts to INR 0 (INR 0 the previous year).

Reserve for Employee Termination Indemnities

Reserve for employee termination indemnities has been recorded under liabilities and comes to INR 49.145.426 (INR 36.175.264 the previous year).

The breakdown and movements of individual items are presented below:

Description	Opening balance	Provisions of the year	Utilisations of the year	Closing balance	Change
Reserve for employee termination indemnities	36.175.264	12.970.161	0	49.145.426	12.970.161
Tot.	**36.175.264**	**12.970.161**	**0**	**49.145.426**	**12.970.161**

Payables

Payables have been recorded under liabilities and total INR 270.934.132 (INR 278.301.817 the previous year).

The breakdown of individual items is as follows:

Description	Opening balance	Closing balance	Change
Total due to banks for bank account	279.379	21.047.174	20.767.795
Total due to banks for loans	34.618.782	23.079.188	-11.539.594
Total due to other providers of finance	176.463	1.103.287	926.824
Total due to suppliers	132.855.528	74.797.020	-58.058.508
Total due to tax authorities	30.348.094	63.901.976	33.553.882
Total due to social security institutions	33.195.330	36.620.848	3.425.518
Total other payables	46.828.241	50.384.638	3.556.397
Tot.	**278.301.817**	**270.934.132**	**-7.367.686**

Payables – Transactions with Retrocession Agreement

The company has not performed any operations concerning transactions in which the purchaser is obliged to make a repurchase, in compliance with article 2427, no. 6 (iii) of the Italian Civil Code.

Payables – Breakdown by Due Dates

The breakdown of payables by due dates is provided below in accordance with point 6 of Article 2427 of the Civil Code:

Description	Within 12 months	After 12 months	After 5 years	Total
Total due to banks for bank account	21.047.174	0	0	21.047.174
Total due to banks for loans	11.539.594	11.539.594	0	23.079.188
Total due to other providers of finance	1.103.287	0	0	1.103.287
Total due to suppliers	74.797.020	0	0	74.797.020
Total due to tax authorities	63.901.976	0	0	63.901.976
Total due to social security institutions	36.620.848	0	0	36.620.848
Total other payables	50.384.638	0	0	50.384.638
Tot.	**259.394.538**	**11.539.594**	**0**	**270.934.132**

Payables Assisted by Secured Guarantees on Corporate Assets

According to art. 2427, section 6 of the italian Civil Code, we report that as of 31/03/2014, there are no debts secured by collateral.

Payables - Breakdown by Geographic Areas

The breakdown of payables by geographic areas is provided below in accordance with point 6 of Article 2427 of the Civil Code:

Description	Italy	Other EU countries	Rest of Europe	Other	Total
Total due to banks for bank account	21.047.174	0	0	0	21.047.174
Total due to banks for loans	23.079.188				23.079.188
Total due to other providers of finance	1.103.287	0	0	0	1.103.287
Total due to suppliers	75.004.093	289.307	0	0	74.797.020
Total due to tax authorities	63.901.976	0	0	0	63.901.976
Total due to social security institutions	36.620.848	0	0	0	36.620.848
Total other payables	50.384.638	0	0	0	50.384.638
Tot.	**270.644.825**	**289.307**	**0**	**0**	**270.934.132**

Financing by Shareholders

No financial operations have been performed by shareholders of the Company in according with point 19-bis of Article 2427 of the Civil Code.

Accrued Expenses and Deferred Income

Accrued expenses and deferred income have been entered under liabilities and amount to INR 0 (INR 0 the previous year).

Information on the Profit and Loss Account

Profits and Losses on Forex

Information concerning the breakdown of profits and losses on forex resulting from yearend valuation with respect to those actually realised is provided below:

Description	Profit part	Valuation part	Total
Profits on forex	1.903	0	1.903

Income Taxes

The following is a breakdown of individual items:

Description	Current taxes	Deferred taxes	Prepaid taxes	Revenues from "reg. traspar."
IRES	22.054.246	0	-2.565	0
IRAP	13.301.164	0	-745	0
Tot.	**35.355.410**	**0**	**-3.309**	**0**

Composition and Transactions happened in the liabilities because of the deferred taxes and in the assets because of the deferred taxes (in advance).

The composition and the transactions of the item "credit for the deferred taxes (in advance)" concerning the deductible temporary differences, are represented as follows:

Description	IRES Temporary differences	IRES Tax losses	IRAP Temporary differences	TOTAL
1. Initial balance	2.565	0	745	3.309
2. Increases				
2.1. Deferred taxes due for the current financial year	0	0	0	0
2.2. Other increases	0	0	0	0
3. Decreases				
3.1. Deferred taxes settled during the current financia year	2.565	0	745	3.306
3.2. Other decreases	0	0	0	0
4. Final balance	0	0	0	0

Other Information

Transactions with Managers, Directors, Auditors and Shareholders

No operation have been concluded with managers, directors, auditors and shareholders of the Company or subsidiary, associated and parent companies and companies controlled by the latter, in compliance with the national accounting principles guidelines.

Transactions with related parties

Pursuant to article 2427, no. 22 (ii), of the Italian Civil Code, we confirm that transactions have been carried out with the Company's majority shareholder TATA Motors Ltd. for a total value of INR 685.315.051 corresponding to 99,14% of the revenues of the financial year 2013/2014.

Agreements not recorded in the Statement of Assets and Liabilities

Pursuant to article 2427, paragraph 1 no. 22 (iii), the company has not entered into any agreements, not recorded in the Statement of Assets and Liabilities, which could effect on the company from a financial, economic, or assets point of view.

Information on Companies or Organisations Exercising Management or Coordinating Activities - Article 2497-bis of the Italian Civil Code

The Company is not subject to management or coordination by any company or organisation.

Equity Investments Entailing Unlimited Liability

According to the provisions in the second paragraph of Article 2361 comma 2 of the Italian Civil Code, it is confirmed that the Company has not acquired equity investments involving unlimited liability in any company.

Allocation of the Results for the Year

We request that you approve the financial statements for the year ended on 31/03/2014 , which yielded a net profit of INR 38.415.896 and to allocate said earnings as follows:

- financial year profit of INR 38.415.896 allocated in full to extraordinary reserve with no distribution to any shareholders.

THE ADMINISTRATIVE BODY

END

9

PT. TATA MOTORS INDONESIA AND ITS SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED MARCH 31, 2014

AND INDEPENDENT AUDITORS' REPORT

PT. TATA MOTORS INDONESIA AND ITS SUBSIDIARY
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Independent Auditors' Report

GA114 0688 TMI TLG

The Stockholders, Boards of Commissioner and Directors
PT. Tata Motors Indonesia

We have audited the accompanying consolidated financial statements of PT. Tata Motors Indonesia and its subsidiary (the "Company"), which comprise the consolidated statement of financial position as of March 31, 2014 and consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of such consolidated financial statements in accordance with Indonesian Financial Accounting Standards and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on such consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards established by the Indonesian Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Member of Deloitte Touche Tohmatsu Limited

Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of PT. Tata Motors Indonesia and its subsidiary as of March 31, 2014, and their financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

Other Matters

Our audit of the accompanying consolidated financial statements of the Company and its subsidiary as of March 31, 2014 and for the year then ended was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The accompanying financial information of the Company (Parent Entity), which consists of the statement of financial position as of March 31, 2014, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, which is presented as additional information to the attached consolidated financial statements, are presented for purposes of additional analysis and is not part of the accompanying consolidated financial statements required under Indonesian Financial Accounting Standards. This Parent Entity financial information is the responsibility of the Company's management and was derived from and relates directly to the underlying accounting and other records used to prepare the accompanying consolidated financial statements. Such Parent Entity financial information has been subjected to the auditing procedures applied in our audit of the accompanying consolidated financial statements in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. In our opinion, such Parent Entity financial information is fairly stated in all material respects, in relation to the accompanying consolidated financial statements taken as a whole.

OSMAN BING SATRIO & ENY



Tombang Lumban Gaol
Public Accountant License No. AP.0965

June 19, 2014

PT. TATA MOTORS INDONESIA AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
MARCH 31, 2014

	Notes	2014	2013
		INR	INR
ASSETS			
CURRENT ASSETS			
Cash on hand and in banks	5	42,070,653	181,999,418
Trade accounts receivable	6	28,426,489	-
Other accounts receivable			
Related parties	7,26	11,578,155	682,931
Third parties		1,983,749	-
Inventories - net of allowance for decline in value of Rp 488,529,170 at March 31, 2014	8	304,691,833	2,141,740
Prepaid taxes	9	64,702,581	524,340
Prepaid expenses	10	6,802,158	14,569,104
Other current assets		18,747,157	4,192,325
Total Current Assets		479,002,774	204,109,858
NONCURRENT ASSETS			
Property and equipment - net of accumulated depreciation of Rp 526,850,102 at March 31, 2014 and Rp 50,226,772 at March 31, 2013	11	42,797,219	1,632,563
Other noncurrent assets	12	56,790,669	8,997,447
Total Noncurrent Assets		99,587,887	10,630,011
TOTAL ASSETS		578,590,661	214,739,869
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Trade accounts payable - related party	13	176,701,017	-
Other accounts payable	14		
Related party	26	95,734,071	26,410,021
Third parties		32,811,287	10,306,457
Accrued expenses	15	64,936,516	21,177,532
Taxes payable	16	2,996,618	1,880,847
Total Current Liabilities		373,179,508	59,774,857
NONCURRENT LIABILITIES			
Deferred tax liability	24	274,697	-
Post-employment benefit obligation	25	9,915,033	5,461,346
Total Noncurrent Liabilities		10,189,729	5,461,346
EQUITY			
Capital stock - Rp 8,855 par value per share Authorized - 10,000,000 shares in 2014 and 4,000,000 shares in 2013 Subscribed and paid-up - 9,384,941 shares in 2014 and 3,150,000 shares in 2013	17	446,170,152	155,359,530
Additional paid-in capital	18	308,708	320,263
Advances for future capital stock subscription	19	499,838,650	307,510,318
Deficit		(749,816,774)	(313,729,468)
Equity attributable to the owners of the Company		196,500,736	149,460,644
NON-CONTROLLING INTERESTS		(1,279,313)	43,023
Total Equity		195,221,423	149,503,666
TOTAL LIABILITIES AND EQUITY		578,590,661	214,739,869

See accompanying notes to consolidated financial statements
which are an integral part of the consolidated financial statements.

PT. TATA MOTORS INDONESIA AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED MARCH 31, 2014

	Notes	2014	2013
		INR	INR
NET SALES	20	121,001,835	-
COST OF GOODS SOLD	21	131,829,058	-
GROSS LOSS		(10,827,223)	-
General and administrative expenses	22	(268,641,292)	(172,309,399)
Selling expenses	23	(190,978,541)	(136,701,304)
Gain on foreign exchange		22,235,268	250,828
Bank charges		(578,174)	(153,280)
Interest income		457,536	272,770
Others - net		(119,886)	(138,096)
LOSS BEFORE INCOME TAX		(448,452,313)	(308,778,479)
TAX EXPENSE - DEFERRED	24	274,697	-
NET LOSS FOR THE YEAR AND TOTAL COMPREHENSIVE INCOME		(448,727,010)	(308,778,479)
NET LOSS AND TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Owners of the Company		(447,406,226)	(308,772,181)
Non-controlling interests		(1,320,783)	(6,298)
NET LOSS FOR THE YEAR AND TOTAL COMPREHENSIVE INCOME		(448,727,010)	(308,778,479)

See accompanying notes to consolidated financial statements
which are an integral part of the consolidated financial statements.

PT. TATA MOTORS INDONESIA AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2014

	Notes	Capital stock	Additional paid-in capital	Advances for future capital stock subscription	Deficit	Equity attributable to owners of the Company	Non-controlling interests	Total Equity
		INR	INR	INR	INR	INR	INR	INR
Balance as of April 1, 2012		11,885,268	308,708	-	(4,778,434)	7,415,542	-	7,415,542
Issuance of 2,900,000 shares with Rp 8,855 par value per share	17	137,869,108	-	-	-	137,869,108	-	137,869,108
Shares of non-controlling interest		-	-	-	-	-	47,541	47,541
Advances for future capital stock subscription	19	-	-	296,415,777	-	296,415,777	-	296,415,777
Net loss and total comprehensive income for the year		-	-	-	(297,632,114)	(297,632,114)	(6,071)	(297,638,184)
Balance as of March 31, 2013		149,754,376	308,708	296,415,777	(302,410,548)	144,068,313	41,470	144,109,783
Issuance of 6,234,941 shares with Rp 8,855 par value per share	17,19	296,415,777	-	(296,415,777)	-	-	-	-
Advances for future capital stock subscription	19	-	-	499,838,650	-	499,838,650	-	499,838,650
Net loss and total comprehensive income for the year		-	-	-	(447,406,226)	(447,406,226)	(1,320,783)	(448,727,010)
Balance as of March 31, 2014		446,170,152	308,708	499,838,650	(749,816,774)	196,500,736	(1,279,313)	195,221,423

See accompanying notes to consolidated financial statements
which are an integral part of the consolidated financial statements.

PT. TATA MOTORS INDONESIA AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2014

	2014 INR	2013 INR
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	(437,134,945)	(308,778,479)
Adjustment for:		
Depreciation and amortization	7,654,126	295,071
Provision for post-employment benefit obligation	4,650,725	5,461,346
Provision for decline in value of inventories	2,622,835	-
Interest income	(666,128)	(272,770)
Loss on disposal of office equipment	32,134	97,609
Operating loss before changes in working capital	(422,841,254)	(303,197,223)
Changes in operating assets and liabilities:		
Trade accounts receivable	(28,426,489)	-
Other accounts receivable	(12,878,973)	(394,731)
Inventories	(305,172,927)	(2,141,740)
Prepaid value added taxes	(53,581,371)	(524,340)
Prepaid expenses	7,766,946	(14,569,104)
Other current assets	(14,554,832)	(7,375,922)
Trade accounts payable	176,701,017	-
Other accounts payable	91,828,880	36,558,775
Taxes payable	1,115,770	1,198,574
Accrued expenses	40,181,619	19,601,950
Cash Used in Operations	(519,861,612)	(270,843,762)
Income tax paid	(10,596,870)	-
Net Cash Used in Operating Activities	(530,458,482)	(270,843,762)
CASH FLOWS FROM INVESTING ACTIVITY		
Increase in other noncurrent assets	(52,863,441)	(5,333,561)
Acquisitions of property and equipment	(40,203,331)	(2,025,244)
Interest received	457,536	272,770
Net Cash Used in Investing Activities	(92,609,236)	(7,086,035)
CASH FLOWS FROM FINANCING ACTIVITY		
Proceeds from issuance of capital stock	-	143,029,408
Proceeds from advances for future capital stock subscription	483,138,954	307,510,318
Shares of non-controlling interest	-	49,320
Net Cash Provided by Investing Activities	483,138,954	450,589,047
NET INCREASE (DECREASE) IN CASH ON HAND AND IN BANKS	(139,928,765)	172,659,250
CASH ON HAND AND IN BANKS AT BEGINNING OF THE YEAR	181,999,418	9,340,167
CASH ON HAND AND IN BANKS AT END OF THE YEAR	42,070,653	181,999,418

See accompanying notes to financial statements
which are an integral part of the financial statements.

1. GENERAL

a. Establishment and General Information

PT. Tata Motors Indonesia (the "Company") was established within the framework of the Foreign Capital Investment Law No. 25 Year 2007, based on notarial deed No. 124, dated November 24, 2011, made before Andalia Farida S.H., M.H., notary public in Jakarta. The deed of establishment was approved by the Minister of Justice and Human Rights of the Republic of Indonesia based on decree No. AHU-64421.AH.01.01 dated December 29, 2011. The publication of the establishment in the State Gazette of the Republic of Indonesia is still in process as of the issuance of these consolidated financial statements. The articles of association have been amended several times, most recently by Notarial Deed No. 5 dated February 5th, 2014, made before Fardian, S.H., notary public in Jakarta, concerning the changes in management. This amendment was reported to the Minister of Justice and Human Rights of the Republic of Indonesia and has been acknowledged through his Letter No. AHU-AH.01.10-09685 dated March 10, 2014.

The Company has been in the development stage since its establishment on November 24, 2011. A development stage enterprise will typically be devoting most of its efforts to activities such as financial planning, raising funds, establishing sources of supply, acquiring property, equipment or the operating assets and construction of facilities. Development stage activities will be considered completed upon the commencement of commercial operations of the principal activities. Realization of major portion of the Company's assets is dependent upon the Company's ability to meet its future financing requirements and the success of future operations, the outcome of which cannot be presently determined.

The Company is domiciled in South Jakarta and its office is located in Pondok Indah Office Tower 3 Floor 8 Suite 801A, Jl. Sultan Iskandar Muda Kav.V-TA Pondok Pinang Jakarta Selatan 12310. The Company has 38 and 24 permanent employees as of March 31, 2014 and 2013, respectively.

In accordance with article 3 of the Company's articles of association, the scope of its activities is to engage in the industry of vehicles with four wheel or more, with business activities in manufacturing and/or assembling of vehicles such as sedan, jeep, mini truck, pick up, buses, station wagon, lori, big buses, (omnibuses), fire truck, ambulance, golf car, library car, steel armored car, ATV, go-karts, race car and similar and selling its production as a distributor/wholesaler in domestic or export market.

The Company is one of the companies owned by Tata Motors Limited (TML). As of March 31, 2014, the Company's management consists of the following:

President Commissioner	:	Mr. Ravindra Pisharody
Commissioners	:	Mr. Abhijit Arvind Gajendragadkar
		Mr. Ranjit Singh Yadav
President Director	:	Mr. Biswadev Sengupta
Director	:	Mr. Haji Achmad Djauhari, Sarjana Hukum

b. Consolidated Subsidiary

As of March 31, 2014, the Company has direct ownership interest of 99.6% in PT Tata Motors Distribusi Indonesia (TMDI), effective as of February 11, 2013 upon the Minister of Law and Human Rights Legislation Letter No. AHU-05503.AH.01.01.Tahun 2013 dated February 11, 2013 regarding the approval of the establishment of TMDI as stated in the Notarial Deed No. 70 dated January 23, 2013, made before Aryanti Artisari, Sarjana Hukum, notary public in Jakarta.

TMDI is domiciled in South Jakarta and the scope of its activities is to engage in the wholesale trading and after-sales service with business activities as distributors and importer for new cars, parts; for vehicles with four- wheel or more wheeled vehicles which include engine, gear box, axles and propeller shafts. TMDI started its commercial operations in September 2013 and had total assets of Rp 98,099,610,473 and Rp 2,231,794,800 as of March 31, 2014 and 2013, respectively.

2. ADOPTION OF NEW AND REVISED STATEMENTS OF FINANCIAL ACCOUNTING STANDARDS ("PSAK") AND INTERPRETATION OF PSAK ("ISAK")

a. Standards effective in the current period

In the current year, the Company and TMDI (collectively known as the "Group") has adopted all of the new and revised standards and interpretations issued by the Financial Accounting Standard Board of the Indonesian Institute of Accountants that are relevant to its operations and effective for accounting periods beginning on April 1, 2013.

- PSAK 38 (revised 2012), Business Combination of Entities Under Common Control

  This revised standard narrowed the scope to business combination transactions between entities under common control and changes the accounting for the difference between the transfer price and the net assets acquired (i.e. presented permanently in equity and not recycled to profit or loss). As the Group does not have common control business combination transaction, the initial adoption of the revised standard has had no material impact on the disclosure or amounts recognized in the consolidated financial statements.

- PSAK 60, Financial Instruments: Disclosures

  Among other things, the standard requires the disclosures of the description of collateral held as security and of other credit enhancements, and their financial effect (e.g., quantification of the extent to which collateral and other credit enhancements mitigate credit risk) in respect of the amount that best represents the maximum exposure to credit risk.

  The Group had determined that there is no significant impact as there are no collateral or other credit enhancements applicable to the Group which is required to be disclosed in accordance with the provisions of the revised standard.

b. Standards and Interpretations in issue not yet adopted

i. Effective for periods beginning on or after January 1, 2014 :
   - ISAK 27, Transfers of Assets from Customers
   - ISAK 28, Extinguishing Financial Liabilities with Equity Instruments
   - ISAK 29, Stripping Cost in the Production Phase of a Surface Mine
   - PPSAK 12, Withdrawal of PSAK 33, Stripping Cost Activity and Environmental Management in the Public Mining

ii. Effective for periods beginning on or after January 1, 2015:

   - PSAK 1 (revised 2013), Presentation of Financial Statements
   - PSAK 4 (revised 2013), Separate Financial Statements
   - PSAK 15 (revised 2013), Investments in Associates and Joint Ventures
   - PSAK 24 (revised 2013), Employee Benefits
   - PSAK 65, Consolidated Financial Statements
   - PSAK 66, Joint Arrangements

- PSAK 67, Disclosures of Interests in Other Entities
- PSAK 68, Fair Value Measurements

As of the issuance date of the financial statements, the management is still evaluating the effect of adoption of these standards on the consolidated financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of Compliance

The consolidated financial statements of the Group have been prepared in accordance with Indonesian Financial Accounting Standards. These consolidated financial statements are not intended to present the financial position, result of operations and cash flows in accordance with accounting principles and reporting practices generally accepted in other countries and jurisdictions.

b. Consolidated Financial Statement Presentation

The consolidated financial statements, except for the consolidated statements of cash flows, are prepared under the accrual basis of accounting. The reporting (presentation) currency used in the preparation of the consolidated financial statements is the Indonesian Rupiah, while the measurement basis is the historical cost, except for certain accounts which are measured on the bases described in the related accounting policies.

The consolidated statements of cash flows are prepared with classifications of cash flows into operating, investing and financing activities. Operating activities are prepared using the indirect method.

c. Principles of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate.

When necessary, adjustments were made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Company.

All intra-company transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are identified separately and presented within equity. The interest of non-controlling shareholders maybe initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net asset. The choice of measurement is made on acquisition by acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus non-controlling interests' share of subsequent changes in equity. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having deficit balance.

Changes in the Company's interests in existing subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Company's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

When the Company loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the 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 interest. When assets of the subsidiary are carried at revalued amount or fair values and the related cumulative gain or loss has been recognized in other comprehensive income and accumulated in equity, the amounts previously recognized in other comprehensive income and accumulated in equity are accounted for as if the Company had directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable accounting standards). 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 PSAK 55 (revised 2011), Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

d. Foreign Currency Transactions and Balances

The books of accounts of the Company and TMDI are maintained in Indonesian Rupiah, the currency of the primary economic environment in which the entity operates (its functional currency). Transactions during the year involving foreign currencies are recorded at the rates of exchange prevailing at the time the transactions are made. At reporting date, monetary assets and liabilities denominated in foreign currencies are adjusted to reflect the rates of exchange prevailing at that date. The resulting gains or losses are charged to profit or loss.

e. Transactions with Related Parties

A related party is a person or entity that is related to the Group (the reporting entity):

a. A person or a close member of that person's family is related to the reporting entity if that person:

   i. has control or joint control over the reporting entity;
   ii. has significant influence over the reporting entity; or
   iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

b. An entity is related to the reporting entity if any of the following conditions applies:

   i. The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
   ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
   iii. Both entities are joint ventures of the same third party.
   iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
   v. The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity, or an entity related to the reporting entity. If the reporting entity in itself such a plan, the sponsoring employers are also related to the reporting entity.
   vi. The entity is controlled or jointly controlled by a person identified in (a).

vii. A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or a parent of the entity).

All transactions with related parties, whether or not made at similar terms and conditions as those done with third parties, are disclosed in the consolidated financial statements.

f. Financial Assets

Financial assets are classified into the following categories: financial assets at fair value through profit or loss (FVPTL), available-for-sale financial assets, held-to-maturity investments and loans and receivables.

All financial assets are recognised and derecognised on trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

The Group's financial assets as of the reporting dates are classified as loans and receivables.

Loans and receivables

Financial assets that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables are measured at amortized cost using the effective interest method less impairment.

Interest is recognized by applying the effective interest rate method, except for short-term receivables when the recognition of interest would be immaterial.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

The objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organization.

For certain categories of financial asset, such as receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experiences of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of receivables, where the carrying amount is reduced through the use of an allowance account. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

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

g. Financial Liabilities and Equity Instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

Financial Liabilities at amortized cost

Financial liabilities, which include other payables and other borrowings, are initially measured at fair value, net of transaction costs, and subsequently measured at amortized cost using the effective interest method.

Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or has expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

h. Netting of Financial Assets and Financial Liabilities

The Group only offsets financial assets and liabilities and present the net amount in the consolidated statements of financial position where it:

- currently has a legal enforceable right to set off the recognized amount; and
- intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

i. Inventories

Inventories are stated at cost or net realizable value, whichever is lower. Cost is determined using weighted average method. Net realizable value represents the estimated selling price for inventories less all estimated costs necessary to make the sale.

j. Prepaid Expenses

Prepaid expenses are amortized over their beneficial periods using the straight-line method.

k. Property and Equipment

Property and equipment held for use in the supply of goods or for administrative purposes are stated at cost, less accumulated depreciation and any accumulated impairment losses.

Depreciation is recognized so as to write-off the cost of assets less residual values using the straight-line method based on the estimated useful lives of the assets as follows:

	Years
Vehicles	5
Furniture and fixtures and office equipment	4
IT equipment	4

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The cost of maintenance and repairs is charged to operations as incurred. Other costs incurred subsequently to add to, replace part of, or service an item of property and equipment, are recognized as asset if, and only if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

When assets are retired or otherwise disposed of, their carrying values are removed from the accounts and any resulting gain or loss is reflected in profit or loss.

Construction in progress is stated at cost and transferred to the respective property and equipment account when completed and ready for use.

l. Other Noncurrent Assets

System software, included under “Other noncurrent assets” account in the statement of financial position, is carried at cost less accumulated amortization and any impairment losses. Amortization is computed using the straight-line method for 4 years.

m. Impairment of Non-Financial Assets

At the end of each reporting date, the Group reviews the carrying amount of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Estimated recoverable amount is the higher of fair value less cost to sell and value in use. If the recoverable amount of the non-financial asset (cash generating unit) is less than its carrying amount, the carrying amount of the asset (cash generating unit) is reduced to its recoverable amount and an impairment loss is recognized immediately against earnings.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment loss may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed, only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the profit or loss. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

n. Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

o. Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognized as a liability. The aggregate benefit of incentives is recognized as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

p. Revenue and Expense Recognition

Sale of Goods

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Revenue from sale of goods is recognized when all of the following conditions are satisfied:

- The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Group; and
- The cost incurred or to be incurred in respect of the transaction can be measured reliably.

Expenses

Expenses are recognized when incurred.

q. Employee Benefits

The Group provides post-employment benefits as required under Labor Law No. 13/2003 (the "Labor Law") for all the local permanent employees. No funding of benefits has been made to date.

The cost of providing post-employment benefits is determined using the Projected Unit Credit Method. The accumulated unrecognized actuarial gains and losses that exceed 10% of the greater of the present value of the Group's defined benefit obligations and the fair value of plan assets are recognized on straight-line basis over the expected average remaining working lives of the participating employees (corridor approach). Past service cost is recognized immediately to the extent that the benefits are already vested, and otherwise is amortized on a straight-line basis over the average period until the benefits become vested.

The benefit obligation recognized in the consolidated statement of financial position represents the present value of the defined benefit obligation, as adjusted for unrecognized actuarial gains and losses and unrecognized past service cost, and as reduced by the fair value of scheme assets.

r. Income Tax

Current tax expense is determined based on the taxable income for the year computed using prevailing tax rates.

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of assets and liabilities and their respective tax bases. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for deductible temporary differences to the extent that it is probable that taxable income will be available in future periods against which the deductible temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on the tax rates (and tax laws) that have been enacted, or substantively enacted, by the end of the reporting date.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting date, to recover or settle the carrying amount of their assets and liabilities.

The carrying amount of deferred tax asset is reviewed at the end of each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when there is 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 Group intends to settle its current tax assets and current tax liabilities on a net basis.

Current and deferred tax are recognized as an expense or income in profit or loss, except when they relate to items that are recognized outside of profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognized outside of profit or loss, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is included in the accounting for the business combination.

4. CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

In the application of the Group's accounting policies, which are described in Note 3, the directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical Judgments in Applying Accounting Policies

In the process of applying the accounting policies described in Note 3, management has not made any critical judgment that has significant impact on the amounts recognized in the financial statements, apart from those involving estimates, which are dealt with below.

Key Sources of Estimation Uncertainty

The key assumptions concerning future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Impairment Loss on Receivables

The Group assesses its receivables for impairment at each reporting date. In determining whether an impairment loss should be recorded in profit or loss, management makes judgment as to whether there is objective evidence that loss event has occurred. Management also makes judgment as to the methodology and assumptions for estimating the amount and timing of future cash flows which are reviewed regularly to reduce any difference between loss estimate and actual loss.

The carrying amounts of receivables are disclosed in Note 6.

Allowance for Decline in Value of Inventories

The Group provides allowance for decline in value of inventories based on estimated future usage of such inventories. While it is believed that the assumptions used in the estimation of the allowance for decline in value of inventories are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of the allowance for decline in value of inventories, which ultimately will impact the result of the Group's operations.

The carrying amounts and provision for decline in value of inventories are disclosed in Note 8.

Estimated Useful Lives of Property and Equipment and System Software

The useful life of each item of the Group's property and equipment and system software are estimated based on the period over which the asset is expected to be available for use. Such estimation is based on internal technical evaluation and experience with similar assets. The estimated useful life of each asset is reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the asset. It is possible, however, that future results of operations could be materially affected by changes in the amounts and timing of recorded expenses brought about by changes in the factors mentioned above.

A change in the estimated useful life of any item of property and equipment and system software would affect the recorded depreciation and amortization expense and decrease in the carrying values of these assets.

The carrying amounts of property and equipment and system software are disclosed in Notes 11 and 12, respectively.

Post-employment benefits obligation

The determination of post-employment benefits obligation depends on selection of certain assumptions used by the actuary for the calculation of the liability. These assumptions include discount rate and rate of increase in salaries. Different realization from the Group's assumptions are accumulated and amortized over the future periods and consequently will affect the expense and liabilities recognized in the future. Although the assumptions of the Group are considered appropriate and reasonable, significant changes in fact or significant changes in assumptions used can significantly affect the post-employment benefits obligation of the Group.

The carrying amount of post-employees benefit obligation is disclosed in Note 25.

5. CASH ON HAND AND IN BANKS

	March 31, 2014	March 31, 2013
	INR	INR
Cash on hand	213,277	9,840
Cash in banks		
Indonesian Rupiah	7,914,441	12,529,028
US Dollar	33,942,935	169,460,550
Total	42,070,653	181,999,418

6. TRADE ACCOUNTS RECEIVABLE

This account represents the outstanding balances relating to the sales transactions with third parties. These are all denominated in Indonesian Rupiah.

Age category follows:

	March 31, 2014	March 31, 2013
	INR	INR
Not yet due	24,131,143	-
Past due:		
Under 30 days	1,279,832	-
31-60 days	3,015,515	-
Total	28,426,489	-

The average credit period on sales of goods is 30 days. No interests are charged on trade receivables and for the outstanding balance.

The Group holds post-dated checks as credit enhancements over these balances. The Group does not have a legal right of offset against any amounts owed by the Group to the counterparty.

In 2014, management is of the opinion that all receivables are collectible therefore no allowance for impairment losses is required to cover possible losses from the non-collectible accounts.

Management also believes that there are no significant concentrations of credit risk in third party receivables as the customer base is large and unrelated.

7. OTHER ACCOUNTS RECEIVABLE FROM RELATED PARTIES

As of March 31, 2014, receivable from related parties pertains to the reimbursement of various charges from TML.

As of March 31, 2013, this represents advance payments made by the Group on behalf of its shareholders, TML and Ajit Venkataraman, amounting to INR 633,610 and INR 49,320, respectively.

The foregoing accounts are non-interest bearing and collectible on demand. No allowance for impairment loss has been provided for these accounts as the management believes the receivables from related parties are fully collectible.

8. INVENTORIES

	March 31, 2014	March 31, 2013
	INR	INR
Vehicles	289,305,299	-
Spare parts	18,009,368	2,141,740
Total	307,314,667	2,141,740
Allowance in decline in value	(2,622,835)	-
Net	304,691,833	2,141,740

Provision for decline in value recognized in 2014 amounted to INR 2,622,835.

Management believes that the allowance for decline in value of inventories is adequate to cover possible losses to the Group.

Inventories were insured with PT. Asuransi RamaSatria Wibawa against earthquake, flood and RSCC (Riots, Strike, and Civil Commotions) for INR 356,222,485 and for marine cargo for US$ 2,000,000 as of March 31, 2014.

9. PREPAID TAXES

	March 31, 2014	March 31, 2013
	INR	INR
The Company		
Overpayment of corporate income tax - 2014	223,022	-
Value added tax (VAT) In	1,975,917	183,519
TMDI		
Overpayment of corporate income tax - 2014	10,373,848	-
VAT In	52,129,794	340,821
	64,702,581	524,340

10. PREPAID EXPENSES

	March 31, 2014	March 31, 2013
	INR	INR
Rental	6,802,158	13,070,809
Insurance	-	1,161,685
Others	-	336,610
Total	6,802,158	14,569,104

11. PROPERTY AND EQUIPMENT

	April 1, 2013	Additions	Deduction	March 31, 2014
	INR	INR	INR	INR
Cost:				
IT equipment	-	4,615,031	-	4,615,031
Furniture and fixtures and office equipment	1,912,316	24,168,704	57,127	26,023,893
Vehicles	-	5,599,879	-	5,599,879
Factory equipment	-	829,869	-	829,869
Construction in-progress	-	8,626,113	-	8,626,113
Total	1,912,316	43,839,597	57,127	45,694,786
Accumulated Depreciation:				
IT equipment	-	614,191	-	614,191
Furniture and fixtures and office equipment	279,753	1,935,456	24,993	2,190,216
Factory equipment	-	34,261	-	34,261
Total	279,753	2,583,907	24,993	2,838,667
Net Carrying Amount	1,632,563			42,856,119

	April 1, 2012	Additions	Deduction	March 31, 2013
	INR	INR	INR	INR
Cost:				
Office equipment	-	2,025,244	112,928	1,912,316
Accumulated Depreciation:				
Office equipment	-	295,071	15,319	279,753
Net Carrying Amount	-			1,632,563

The Group disposed property and equipment with carrying amount of INR 33,337 and INR 97,609 in 2014 and 2013, respectively. There were no proceeds from the disposal.

Depreciation expense recognized as part of general administrative expenses amounted to INR 2,583,907 and INR 295,071 in 2014 and 2013, respectively.

Vehicles were insured with PT. Asuransi Rama Satria Wibawa against FLEXA (Fire, Lightning, Explosion and Falling of Aricraft), RSMD (Riot, Strike and Malcious Damage) and catastrophe (typhoon, storm, flood, landslide and water damage) for INR 8,289,488 as of March 31, 2014.

12. OTHER NONCURRENT ASSETS

	March 31, 2014	March 31, 2013
	INR	INR
System software - net	51,316,862	90,161
Deposits	5,473,807	3,663,887
Advances for construction	-	5,243,400
Total	56,790,669	8,997,447

Movements of system software are as follows:

	March 31, 2014	March 31, 2013
	INR	INR
Cost		
Beginning balance	103,041	-
Additions	56,300,173	103,041
Ending balance	56,403,214	103,041
Accumulated Amortization:		
Beginning balance	12,880	-
Additions	5,070,219	12,880
Ending balance	5,083,099	12,880
Net	51,320,115	90,161

Amortization expense recognized as part of general administrative expenses amounted to INR 5,070,219 and INR 12,880 in 2014 and 2013, respectively.

13. TRADE ACCOUNTS PAYABLE

This balance pertains to the outstanding balance from purchases to TML, a related party.

These purchases have normal credit terms of 60 to 90 days. No interest is charged on past due trade accounts payable.

14. OTHER ACCOUNTS PAYABLE

	March 31, 2014	March 31, 2013
	INR	INR
Related parties		
TML	73,714,565	26,410,021
Tata Technologies Limited (TTL)	22,019,506	-
	95,734,071	26,410,021
Third parties	32,811,287	10,306,457

Other accounts payable to TML pertains to expenses and short-term loans that are utilized for the operating needs of the Group. The foregoing accounts are non-interest bearing and payable on demand.

Other accounts payable to TTL pertains to IT support charges. This is non-interest bearing and payable on demand.

Other accounts payable from third parties as of March 31, 2014 and 2013 represents amounts due to third parties for expenses incurred for advertising and promotions, rental, professional fees, insurance, travel and transportation, among others.

15. ACCRUED EXPENSES

	2014	2013
	INR	INR
Marketing cost	31,251,704	1,380,756
Bonus	18,012,456	6,126,768
Transportation and logistics	4,707,457	-
Professional fees	3,592,365	4,594,366
Construction in-progress	3,577,365	-
Rental	-	4,143,276
Salaries	-	183,803
Others	3,795,169	4,748,562
Total	64,936,516	21,177,532

16. TAXES PAYABLE

	2014	2013
	INR	INR
The Company		
Income taxes:		
Article 4(2)	-	511,455
Article 21	188,649	1,177,859
Article 23	5,071	81,490
TMDI		
Income taxes:		
Article 4(2)	400,220	102,246
Article 21	426,595	-
Article 22	98,118	-
Article 23	290,151	7,798
VAT	1,587,813	-
Total	2,996,618	1,880,847

17. CAPITAL STOCK

	2014		
Name of Stockholders	Number of Shares	Percentage of Ownership	Total Paid-up Capital
			Rp
Tata Motors Limited	9,383,941	99.99%	83,094,797,555
TM Holdings Pte., Ltd.	1,000	0.01%	8,855,000
Total	9,384,941	100%	83,103,652,555

	2013		
Name of Stockholders	Number of Shares	Percentage of Ownership	Total Paid-up Capital
			Rp
Tata Motors Limited	3,149,000	99.97%	27,884,395,000
Ajit Venkataraman	1,000	0.03%	8,855,000
Total	3,150,000	100%	27,893,250,000

Based on Notarial Deed No. 10 dated May 10, 2013, the shareholders of the Company agreed to increase the authorized share capital from 4,000,000 shares to 7,000,000 with par value per share of Rp 8,855 each. The shareholders also agreed to issue 2,822,315 shares to Tata Motors Limited converted from the advances for future capital stock subscription amounting to Rp 24,991,599,325 as discussed in Note 19. This was approved by Investment Coordinating Board (BKPM) on June 10, 2013 and the Minister of Justice and Human Rights of the Republic of Indonesia through his Letter No. AHU-31913.AH.01.02Tahun 2013 on June 12, 2013.

In addition, based on the Circular Resolution dated May 21, 2013, the shareholders of the Company agreed to increase the authorized share capital from 7,000,000 shares to 10,000,000 with face value of Rp 8,855 each. The shareholders of the Company also agreed to issue 3,412,626 shares to TML converted from the advances for future capital stock subscription amounting to Rp 30,218,803,230 as discussed in Note 19. This was approved by BKPM on June 10, 2013 and the Minister of Justice and Human Rights of the Republic of Indonesia through his Letter No. AHU-35273.AH.01.02Tahun 2013 dated June 28, 2013.

18. ADDITIONAL PAID-IN CAPITAL

This account relates to the difference in amount of subscribed and paid-up capital arising due to the difference between the foreign exchange rate stated in the Articles of Association and the foreign exchange rate at the time the stockholders paid their subscriptions.

19. ADVANCES FOR FUTURE CAPITAL STOCK SUBSCRIPTION

On October 23, 2012 and March 28, 2013, the Company received cash from TML, its majority stockholder, intended as advances for capital stock subscription amounting to Rp 24,991,599,325 and Rp 30,218,803,230, respectively. Such advances are intended to finance the Company's long-term capital requirements. These advances were converted to capital stock on June 12, 2013 and June 28, 2013, respectively.

On September 3, 2013, December 16, 2013 and February 27, 2014, the Company received cash from TML, its majority stockholder, intended as advances for future capital stock subscription amounting to Rp 54,518,428,580, Rp 19,476,864,715 and Rp 19,104,653,645, respectively. Such advances are intended to finance the Company's operations. Approval for the conversion of advances amounting to Rp 19,476,864,715 and Rp 19,104,653,645 is still in process as of the date of the issuance of the financial statements.

Based on Circular Resolution dated February 28, 2014, the shareholders of the Company agreed to increase the authorized share capital from 10,000,000 shares to 20,000,000 with face value of Rp 8,855 each. The shareholders of the Company also agreed to issue 6,156,796 shares to TML converted from the advances for future capital stock subscription amounting to Rp 54,518,428,580 as discussed above. This was approved by BKPM on March 14, 2014. As of the date of the issuance of the financial statements, approval from the Minister of Justice and Human Rights of the Republic of Indonesia is still in process.

20. SALES

	March 31, 2014	March 31, 2013
	INR	INR
Vehicles	117,579,964	-
Spareparts	3,421,871	-
Total	121,001,835	-

21. COST OF SALES

	March 31, 2014	March 31, 2013
	INR	INR
Vehicles	130,277,141	-
Spareparts	1,551,917	-
Total	131,829,058	-

22. GENERAL AND ADMINISTRATIVE EXPENSES

	2014	2013
	INR	INR
Salaries and employee benefits (Note 25)	129,308,842	74,664,315
Rental	51,837,843	48,158,670
Transportation, meal and allowance	41,143,102	6,430,379
Office expenses	15,843,828	1,263,036
Depreciation and amortization (Notes 11 and 12)	7,654,126	295,071
Professional fees	6,823,514	23,689,321
Utilities	3,317,218	1,703,362
Permits and licenses	525,019	12,462,786
Others (each below Rp 20,000,000)	12,187,799	3,642,457
Total	268,641,292	172,309,399

23. SELLING EXPENSES

	March 31, 2014	March 31, 2013
	INR	INR
Marketing	169,460,989	135,120,896
Sponsorship	17,667,160	-
Others	3,850,393	1,580,408
Total	190,978,541	136,701,304

24. TAXATION

The Group's income tax in 2014 represents deferred tax expense of the Company and TMDI amounting to INR. 79,643 and INR 195,054, respectively.

Current Tax

The reconciliations between loss before tax per consolidated statements of comprehensive income and the Company's fiscal losses are as follows:

	2014 INR	2013 INR
Loss before tax per consolidated statement of comprehensive income	(448,452,313)	(308,778,479)
Loss before tax of TMDI	330,000,806	1,574,484
Loss before tax of the Company	(118,451,507)	(307,203,996)
Temporary difference:		
Provision for (income from) post-employment benefit obligation	(570,187)	5,461,346
Difference between commercial and fiscal depreciation	(313,125)	(53,157)
Total	(883,312)	5,408,189
Permanent differences:		
Benefits in kind	31,555,662	40,035,457
Interest income subject to final tax	(233,866)	(272,770)
Non-deductible expenses	64,549	530,777
Total	31,386,345	40,293,464
Fiscal loss before fiscal loss carryforward	(87,948,473)	(261,502,343)
Fiscal loss carryforward	(261,502,343)	-
Fiscal Losses	(349,450,816)	(261,502,343)

No current tax expense was provided as the Company incurred fiscal loss. According to tax regulations, such loss maybe carried forward and applied against taxable income in any of the 5 years following the year in which the fiscal loss was incurred.

Deferred Tax

As of March 31, 2014 and 2013, the Company did not recognize deferred tax asset on temporary differences from available fiscal losses and post-employment obligation due to uncertainty of generating future taxable income.

Deferred tax liability amounting to INR 274,697 as of March 31, 2014 pertains to the difference between the carrying amounts of property and equipment and system software per commercial and per fiscal.

A reconciliation between the tax expense and the amounts computed by applying the enacted tax rates to loss before tax per consolidated statement of comprehensive income is as follows:

	2014 INR	2013 INR
Loss before tax per consolidated statement of comprehensive income	(448,452,313)	(308,778,479)
Loss before tax of TMDI	330,000,806	1,574,484
Loss before tax of the Company	(118,451,507)	(307,203,996)
Tax benefit at enacted tax rates	(29,612,877)	(76,800,999)
Tax effect of permanent differences:		
Benefits in kind	7,888,916	10,008,864
Interest income subject to final tax	(58,466)	(68,192)
Non-deductible expenses	16,137	132,694
Total	(21,766,290)	(66,727,633)
Unrecognized deferred tax	21,845,934	66,727,633
Tax Expense	79,643	-

25. POST-EMPLOYMENT BENEFIT OBLIGATION

The Group provides post-employment benefits in accordance with Labor Law No.13/2003 and other long-term employee benefits for its qualifying employees. The amounts of employee benefits obligation included in the Group's consolidated statement of financial position arising from post-employment benefits under Labor Law and other long-term employment benefits are as follows:

	March 31 2014 INR	March 31 2013 INR
Post-employment benefits	9,915,033	4,832,561
Other long-term employee benefits	-	628,785
Total	9,915,033	5,461,346

Post-employment Benefits under Labor Law No. 13/2003

The Group provides post-employment benefits for its qualifying employees in accordance with the Labor Law No. 13/2003. The number of employees entitled to the benefits is 38 and 24 in 2014 and 2013, respectively.

Amounts recognized as part of general and administrative expenses in the consolidated statements of comprehensive income in respect of these post-employment benefits are as follows:

	2014	2013
	INR	INR
Current service cost	5,235,520	4,497,566
Interest cost	152,400	12,415
Adjustment of resignation benefit	(109,809)	-
Actuarial gain	(21,287)	-
Past service costs	-	322,580
Total	5,256,824	4,832,561

The amounts included in the consolidated statement of financial position arising from the Group's obligation with respect to these post-employment benefits are as follows:

	2014	2013
	INR	INR
Present value of unfunded obligations	6,996,961	3,939,451
Unrecognized actuarial gain	2,918,072	893,110
Net liability	9,915,033	4,832,561

Movements in the present value of the post-employment benefits obligation were as follows:

	2014	2013
	INR	INR
Beginning balance	3,939,451	-
Current service cost	5,235,520	4,497,566
Interest cost	152,400	12,415
Adjustment of resignation benefit	(109,809)	-
Actuarial gain	(2,078,471)	(893,110)
Past service costs	-	322,580
Ending balance	7,139,091	3,939,451

Movements in the net liability recognized in the consolidated statement of financial position are as follows:

	2014	2013
	INR	INR
Beginning balance	4,832,561	-
Provision during the year	5,256,824	4,832,561
Ending balance	10,089,385	4,832,561

Other long-term employee benefits

In 2013, the Group provides long-term employee benefits in the form of a two (2) month grand leaves to qualifying employees determined based on years of service, the benefit settlement of which is every six (6) years.

Amounts recognized as part of general and administrative expenses in the consolidated statement of comprehensive income in respect of these other long-term employee benefits are as follows:

	2014	2013
	INR	INR
Current service cost	-	773,293
Curtailment gain	(606,099)	-
Actuarial gain	-	(144,508)
Total	(606,099)	628,785

The amounts included in the consolidated statement of financial position arising from the Group's obligation with respect to these other long-term employee benefits are as follows:

	2014	2013
	INR	INR
Present value of unfunded obligation	-	628,785
Net liability	-	628,785

Movements in the other long-term employee benefits were as follows:

	2014	2013
	INR	INR
Beginning balance	628,785	-
Current service cost	-	773,293
Curtailment gain	(628,785)	-
Actuarial gain	-	(144,508)
Ending balance	-	628,785

Movements in the net liability recognized in the consolidated statements of financial position are as follows:

	2014	2013
	INR	INR
Beginning balance	628,785	-
Provision (income) during the year	(628,785)	628,785
Ending balance	-	628,785

The cost of providing post-employment benefits under Labor Law No. 13/2003 and other long-term employee benefits is calculated by an independent actuary, PT Dayamandiri Dharmakonsilindo. The actuarial valuation was carried out using the following key assumptions:

		2014	2013
Discount rate	:	8.5% per annum	6% per annum
Salary increment rate	:	6% per annum	6% per annum
Mortality rate	:	USA Table of Mortality, Commissioners' Standard Ordinary 1980 (CSO '80)	USA Table of Mortality, Commissioners' Standard Ordinary 1980 (CSO '80)
Disability rate	:	10% of Mortality Rate	10% of Mortality Rate
Resignation rate	:	5% at age 30 reducing linearly to 0% at age 55	5% at age 30 reducing linearly to 0% at age 55
Retirement rate	:	100% at 55 years old	100% at 55 years old

26. NATURE OF RELATIONSHIP AND TRANSACTION WITH RELATED PARTIES

Nature of Relationship

a. TML is the majority stockholder of the Company and is also the ultimate controlling party of the Group.

b. Ajit Venkataraman was a stockholder of the Company in 2013.

c. TTL is an entity under same shareholder, which is TML.

Transactions with Related Parties

a. Purchases of spare parts and vehicles from related parties represent 100% of the total purchases in 2014. At reporting dates, the liabilities for these purchases were presented as trade accounts payable.

b. The Group entered into other transactions with related parties as disclosed in Notes 7 and 14.

c. The Group provides short-term employee benefits to its key management personnel amounting to INR. 19,306,329 and INR. 8,609,001 for 2014 and 2013, respectively.

27. MONETARY ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

At March 31, 2014 and 2013, the Group had monetary assets and liabilities in foreign currencies as follows:

		2014		2013	
		In Original Currency	Equivalent in INR	In Original Currency	Equivalent in INR
ASSETS					
Cash in banks	US$	554,385.40	33,942,935	3,121,148	169,460,550
Cash on hands	US$	1,000	61,226	-	-
Other accounts receivable	US$	189,105	11,578,189	11,670	633,610
Total Assets			45,582,350		170,094,160
LIABILITIES					
Trade accounts payable	US$	2,886,034	176,701,017	-	-
Other accounts payable					
Related party	US$	629,248	38,526,491	236,591	12,845,529
Third parties	US$	5,223	2,290,888	72,414	3,931,688
Total Liabilities			217,518,396		16,777,216
Net Assets (Liabilities)			(171,936,046)		153,316,944

The conversion rates per US$ used by the Group March 31, 2014 and March 31, 2013 and the prevailing rates on June 19, 2014 are Rp 11,404, Rp 9,748 and 11,916, respectively.

28. CATEGORIES AND CLASSES OF FINANCIAL INSTRUMENTS

	March 31, 2014	March 31, 2013
	INR	INR
Current Financial Assets		
Loans and receivables		
Cash on hand and in banks	42,070,653	181,999,418
Trade accounts receivables	28,426,489	-
Other accounts receivable		
Related parties	11,578,155	682,931
Third parties	1,983,749	-
Other current assets	13,842,988	-
Total	97,902,034	182,682,349
Current Financial Liabilities		
Liabilities at amortized cost		
Trade accounts payable	176,701,017	-
Other accounts payable		
Related party	95,734,071	26,410,021
Third parties	32,811,287	10,306,457
Accrued expenses	64,936,516	21,177,532
Total	370,182,891	57,894,009

29. FINANCIAL INSTRUMENTS, FINANCIAL RISK AND CAPITAL RISK MANAGEMENT

a. Capital risk management

The Group manages capital risk to ensure that it will be able to continue as going concern, in addition to maximizing the profits of the shareholders through the optimization of the balance of debt and equity. The Group's capital structure consists of cash on hand and in banks (Note 5) and equity shareholders consisting of capital stock (Note 17), additional paid-in capital (Note 18) and advances for future capital stock subscription (Note 19).

The Directors of the Group periodically reviews the Group's capital structure. As part of this review, the Directors consider the cost of capital and related risks.

b. Financial risk management objectives and policies

The Group’s overall financial risk management and policies seek to ensure that adequate financial resources are available for operation and development of its business, while managing its exposure to market risk (i.e. interest rate risk and foreign exchange rate risk), credit and liquidity risks. The core function of the Group’s risk management is to identify all key risks for the Group, measure these risks and manage the risk positions in accordance with its policies and Group’s risk appetite. The Group regularly reviews its risk management policies and systems to reflect changes in markets, products and best market practice.

The Group’s principal financial liabilities are due to related parties, which is included under “Other accounts payable” account. The main purpose of the Group’s due to related parties is to finance the developments and operations of the Group. It does not enter into derivative transactions. The Group has cash in banks, trade and other receivables, trade and other payables and accrued expenses that arise directly from its operations.

i. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group is exposed to market risks, in particular, interest rate risk and foreign currency exchange risk.

Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.
The Group believes that exposure to interest rate fluctuations is not significant because there are no borrowings which are interest bearing as of the reporting date. The interest rate risk exposure in deposits of cash in bank is considered manageable.

Foreign currency risk management

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group has foreign exchange exposure on its US Dollar denominated transactions and balances, mainly on its cash in bank, other accounts receivables, trade and other accounts payable. The Group periodically reviews the impact of foreign exchange rate movement so that appropriate action is taken to mitigate this risk.

The Group manages the foreign currency exposure by matching, as far as possible, receipts and payments in each individual currency. The Group's net open foreign currency exposure as of reporting date is disclosed in Note 27.

The following table details the Group's sensitivity to percentage rate increase and decrease in the Rupiah against US Dollar in 2014 and 2013. The percentage rate is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for change in foreign currency rates.

	2014		2013	
	Increase (decrease) in percentage	Increase (decrease) on loss before tax	Increase (decrease) in percentage	Increase (decrease) on loss before tax
		INR		INR
US Dollar	6.10%	10,367,862	1.83%	(2,810,083)
	(6.10%)	(10,367,862)	(1.83%)	2,810,083

ii. Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligation resulting in financial loss to the Group.

The Group's credit risk is primarily attributed to its cash in bank and trade and other accounts receivable. The Group places its bank balances with credit worthy financial institutions. Trade and other accounts receivable are entered with respected and credit worthy third parties and related parties. The Group's exposure is continuously monitored and the credit exposure are reviewed and approved by the Group's Board of Directors. There are no significant concentrations of credit risk in the Group.

The carrying amount of financial assets recorded in the consolidated financial statements represents the Group's exposure to credit risk.

iii. Liquidity risk management

Liquidity risk refers to the risk of the Group's inability to fulfill its commitment with regards to its financial liabilities. The management closely evaluates and monitors cash-in flows and cash-out flows to ensure the availability of fund to settle the due obligation. Since the financial liabilities mainly resulted from transactions with related parties, management believes that it has the ability to manage the related liquidity risk.

Liquidity and interest risk tables

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The contractual maturity is based on the earliest date on which the Group may be required to pay.

2014	Less than 3 months INR	Total INR
Non-interest bearing		
Trade accounts payable	176,701,017	176,701,017
Other accounts payable		
Related party	95,734,071	95,734,071
Third parties	32,811,287	32,811,287
Accrued expenses	64,936,516	64,936,516
Total	370,182,891	370,182,891

2013	Less than 3 months INR	Total INR
Non-interest bearing		
Other accounts payable		
Related party	26,410,021	26,410,021
Third parties	10,306,457	10,306,457
Accrued expenses	21,177,532	21,177,532
Total	31,483,989	31,483,989

iv. Fair value of financial instruments

Management considers that the carrying amount of financial assets and financial liabilities recorded at amortized cost in the consolidated financial statements approximate their fair values either because of their short-term maturities or they carry market rates of interest.

30. SUPPLEMENTAL DISCLOSURES ON NON CASH INVESTING ACTIVITIES

For the year ended March 31, 2014, the Group had acquisitions of property and equipment amounting to INR 3,577,365 which did not require the use of cash and were excluded from the consolidated statement of cash flows. These acquisitions were made through accrued expenses.

31. CONVERSION RATE ON FINANCIALS

The financial information is expressed in IDR only in the audited Accounting packs based on which the attached financial statements have been reformatted. Solely for the convenience of the reader and to meet the requirement of section 212 of the Indian Companies Act, the amounts appearing in Indian Rupees have been translated at a fixed exchange rate of 1 Rs. = IDR 186.26 as on March 31, 2014 and 1 Rs. = IDR179.54 as on March 31, 2013. These translations should not be construed as a representation that any or all the amounts could be converted to Indian Rupees at this or any other rate.

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10

PT. TATA MOTORS DISTRIBUSI INDONESIA

FINANCIAL STATEMENT
FOR THE YEAR ENDED MARCH 31, 2014

AND INDEPENDENT AUDITORS' REPORT

PT. TATA MOTORS DISTRIBUSI INDONESIA
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Independent Auditors' Report

GA114 0689 TMDI TLG

The Stockholders, Boards of Commissioner and Directors
PT. Tata Motors Distribusi Indonesia

We have audited the accompanying financial statements of PT. Tata Motors Distribusi Indonesia (the "Company"), which comprise the statement of financial position as of March 31, 2014 and statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of such financial statements in accordance with Indonesian Financial Accounting Standards and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on such financial statements based on our audit. We conducted our audit in accordance with auditing standards established by the Indonesian Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Member of Deloitte Touche Tohmatsu Limited

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of PT. Tata Motors Distribusi Indonesia as of March 31, 2014, and their financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

OSMAN BING SATRIO & ENY



Tombang Lumban Gaol
Public Accountant License No. AP.0965

June 19, 2014

PT. TATA MOTORS DISTRIBUSI INDONESIA
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2014

	Notes	March 31, 2014	March 31, 2013
		INR	INR
ASSETS			
CURRENT ASSETS			
Cash on hand and in banks	5	27,361,937	8,681,596
Trade accounts receivable	6	28,426,489	-
Other accounts receivable			
Related parties	7,24	7,727,285	-
Third parties		932,317	-
Inventories - net of allowance for decline in value of Rp 488,529,170 at March 31, 2014	8	304,691,833	-
Prepaid taxes	9	60,947,557	340,821
Other current assets		21,913,879	-
Total Current Assets		452,001,296	9,022,417
NONCURRENT ASSETS			
Property and equipment - net of accumulated depreciation of Rp 247,289,294 at March 31, 2014	10	31,982,372	-
Other noncurrent assets	11	42,697,372	3,408,210
		74,679,744	3,408,210
TOTAL ASSETS		526,681,040	12,430,627
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Trade accounts payable	12	176,701,017	-
Other accounts payable	13		
Related parties	24	40,098,033	-
Third parties		31,034,665	421,076
Accrued expenses	14	53,978,313	1,143,869
Taxes payable	15	2,771,170	110,044
Total Current Liabilities		304,583,198	1,674,990
NONCURRENT LIABILITIES			
Deferred tax liability	22	195,054	-
Post-employment benefit obligation	23	5,220,912	-
Total Noncurrent Liabilities		5,415,965	-
EQUITY			
Capital stock - Rp 1,000 par value per share			
Authorized - 8,855,000 shares			
Subscribed and paid-up - 2,213,750 shares	16	11,885,268	12,330,121
Advances for future capital stock subscription	17	536,510,147	-
Deficit		(331,713,538)	(1,574,484)
Total Equity		216,681,877	10,755,638
TOTAL LIABILITIES AND EQUITY		526,681,040	12,430,627

See accompanying notes to financial statements
which are an integral part of the financial statements.

PT. TATA MOTORS DISTRIBUSI INDONESIA
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED MARCH 31, 2014

	Notes	March 31, 2014	For the period from January 23, 2013 (inception date) to March 31, 2013
		INR	INR
NET SALES	18	121,001,835	-
COST OF GOODS SOLD	19	132,248,351	-
GROSS LOSS		(11,246,516)	-
Selling expenses	20	(173,777,262)	-
General and administrative expenses	21	(160,667,406)	(1,572,743)
Gain on foreign exchange		15,941,897	-
Bank charges		(475,188)	(1,741)
Interest income		223,670	-
LOSS BEFORE INCOME TAX		(330,000,806)	(1,574,484)
TAX EXPENSE - DEFERRED	22	195,054	-
NET LOSS FOR THE YEAR AND TOTAL COMPREHENSIVE INCOME		(330,195,860)	(1,574,484)

See accompanying notes to financial statements
which are an integral part of the financial statements.

PT. TATA MOTORS DISTRIBUSI INDONESIA
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2014

	Notes	Capital stock	Advances for future capital stock subscription	Deficit	Total Equity
		INR	INR	INR	INR
Issuance of 2,213,750 shares with Rp 1,000 par value per share	16	11,885,268	-	-	11,885,268
Net loss for the period and total comprehensive income		-	-	(1,517,679)	(1,517,679)
Balance as of March 31, 2013		11,885,268	-	(1,517,679)	10,367,589
Advances for capital stock subscription	17	-	536,510,147	-	536,510,147
Net loss for the year and total comprehensive income		-	-	(330,195,860)	(330,195,860)
Balance as of March 31, 2014		11,885,268	536,510,147	(331,713,538)	216,681,877

See accompanying notes to financial statements
which are an integral part of the financial statements.

PT. TATA MOTORS DISTRIBUSI INDONESIA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2014

	March 31, 2014	For the period from January 23, 2013 (inception date) to March 31, 2013
	INR	INR
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	(330,000,806)	(1,574,484)
Adjustments for:		
Depreciation	5,470,849	-
Provision for decline in value of inventories	2,622,835	-
Provision for post employment benefit obligation	5,220,912	-
Interest income	(223,670)	-
Operating loss before changes in working capital	(316,909,881)	(1,574,484)
Changes in working capital:		
Trade accounts receivable	(28,426,489)	-
Other accounts receivable	(8,659,601)	-
Prepaid taxes	(50,245,184)	(340,821)
Other current assets	(21,913,879)	-
Inventories	(307,314,667)	-
Trade accounts payable	176,701,017	-
Other accounts payable	70,726,813	421,076
Accrued expenses	49,298,348	1,143,869
Taxes payable	2,665,097	110,044
Cash used in operations	(434,078,426)	(240,315)
Income tax paid	(10,373,848)	-
Interest received	223,670	-
Net Cash Used in Operating Activities	(444,228,604)	(240,315)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(29,732,664)	(3,408,210)
Increase in other assets	(43,555,318)	-
Net Cash Used in Investing Activities	(73,287,982)	(3,408,210)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from advances for future capital stock subscription	536,510,147	-
Proceeds from issuance of capital stock	-	11,885,268
Net Cash Provided by Financing Activities	536,510,147	11,885,268
INCREASE IN CASH ON HAND AND IN BANKS	18,993,561	8,236,743
CASH ON HAND AND IN BANKS AT BEGINNING OF THE YEAR	8,368,376	-
CASH ON HAND AND IN BANKS AT END OF THE YEAR	27,361,937	8,368,376

See accompanying notes to financial statements
which are an integral part of the financial statements.

1. GENERAL

PT. Tata Motors Distribusi Indonesia (the "Company") was established within the framework of the Foreign Capital Investment Law No. 25 Year 2007, based on notarial deed No. 70, dated January 23, 2013, of Aryanti Artisari S.H., M.Kn, notary public in Jakarta. The deed of establishment was approved by the Minister of Justice and Human Rights of the Republic of Indonesia based on decree No. AHU-05503.AH.01.01 Tahun 2013 dated February 11, 2013. The Board of Directors and Boards of Commissiones last amended by deed No. 31, dated May 30, 2013 which made before Fardian, SH. This most recent amendment was reported to the Minister of Legal Administration of Justice and Human Rights of the Republic of Indonesia and has been acknowledged through his Letter No. AHU-AH.01.10-2288 dated June 10, 2013.

The Company is domiciled in Jakarta and its office is located in Pondok Indah Office Tower 3 Floor 8 Suite 801B, Jl. Sultan Iskandar Muda Kav.V-TA Pondok Pinang Jakarta Selatan 12310. The Company has 18 permanent employees as of March 31, 2014.

In accordance with article 3 of the Company's articles of association, the scope of its activities is to engage in the wholesale trading and after-sales service for new cars, parts for four or more wheeled vehicles which include engine, gear box, axles and propeller shafts. The Company started its commercial operations in September 2013.

The Company is one of the companies owned by Tata Motors Limited (TML). As of March 31, 2014, the Company's management consists of the following:

President Commissioner	:	Mr. Ranjit Singh Yadav
Commissioners	:	Mr. Abhijit Arvind Gajendragadkar
	:	Mr. Rangannagowda Wasan
President Director	:	Mr. Biswadev Sengupta
Directors	:	Mr. Achmad Djauhari
	:	Mr. Pankaj Jain

2. ADOPTION OF REVISED STATEMENTS OF FINANCIAL ACCOUNTING STANDARDS ("PSAK") AND INTERPRETATION OF PSAK ("ISAK")

Standards effective in the current period

In the current year, the Company has adopted all of the new and revised standards and interpretations issued by the Financial Accounting Standard Board of the Indonesian Institute of Accountants that are relevant to its operations and effective for accounting periods beginning on April 1, 2013.

- PSAK 38 (revised 2012), Business Combination of Entities Under Common Control

  This revised standard narrowed the scope to business combination transactions between entities under common control and changes the accounting for the difference between the transfer price and the net assets acquired (i.e. presented permanently in equity and not recycled to profit or loss). As the Company does not have common control business combination transaction, the initial adoption of the revised standard has had no material impact on the disclosure or amounts recognized in the financial statements.

- Amendment to PSAK 60, Financial Instruments: Disclosure

  Among other things, the standard requires the disclosures of the description of collateral held as security and of other credit enhancements, and their financial effect (e.g., quantification of the extent to which collateral and other credit enhancements mitigate credit risk) in respect of the amount that best represents the maximum exposure to credit risk.

The Company had determined that there is no significant impact as there are no collateral or other credit enhancements applicable to the Company which is required to be disclosed in accordance with the provisions of the revised standard.

Standards and interpretation in issue not yet adopted

i. Effective for periods beginning on or after January 1, 2014:

- ISAK 27, Transfers of Assets from Customers
- ISAK 28, Extinguishing Financial Liabilities with Equity Instruments
- ISAK 29, Stripping Cost in the Production Phase of a Surface Mine
- PPSAK 12, Withdrawal of PSAK 33, Stripping Cost Activity and Environmental Management in the Public Mining

ii. Effective for periods beginning on or after January 1, 2015:

- PSAK 1 (revised 2013), Presentation of Financial Statements
- PSAK 4 (revised 2013), Separate Financial Statements
- PSAK 15 (revised 2013), Investments in Associates and Joint Ventures
- PSAK 24 (revised 2013), Employee Benefits
- PSAK 65, Consolidated Financial Statements
- PSAK 66, Joint Arrangements
- PSAK 67, Disclosures of Interests in Other Entities
- PSAK 68, Fair Value Measurements

As of the issuance date of the financial statements, the effect of adoption of these standard and interpretation on the consolidated financial statements is not known nor reasonably estimable by management.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of Compliance

The financial statements of the Company have been prepared in accordance with Indonesian Financial Accounting Standards. These financial statements are not intended to present the financial position, result of operations and cash flows in accordance with accounting principles and reporting practices generally accepted in other countries and jurisdictions.

b. Financial Statement Presentation

The financial statements, except for the statements of cash flows, are prepared under the accrual basis of accounting. The reporting (presentation) currency used in the preparation of the financial statements is the Indonesian Rupiah, while the measurement basis is the historical cost, except for certain accounts which are measured on the bases described in the related accounting policies.

The statement of cash flows are prepared with classifications of cash flows into operating, investing and financing activities. Operating activities are prepared using the indirect method.

c. Foreign Currency Transactions and Balances

The books of accounts of the Company are maintained in Indonesian Rupiah, its functional currency. Transactions during the year involving foreign currencies are recorded at the rates of exchange prevailing at the time the transactions are made. At reporting date, monetary assets and liabilities denominated in foreign currencies are adjusted to reflect the rates of exchange prevailing at that date. The resulting gains or losses are credited or charged to profit or loss.

d. Transactions with Related Parties

A related party is a person or entity that is related to the Company (the reporting entity):

a. A person or a close member of that person's family is related to the reporting entity if that person:

   i. has control or joint control over the reporting entity;
   ii. has significant influence over the reporting entity; or
   iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

b. An entity is related to the reporting entity if any of the following conditions applies:

   i. The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
   ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
   iii. Both entities are joint ventures of the same third party.
   iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
   v. The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity, or an entity related to the reporting entity. If the reporting entity in itself such a plan, the sponsoring employers are also related to the reporting entity.
   vi. The entity is controlled or jointly controlled by a person identified in (a).
   vii. A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or a parent of the entity).

All transactions with related parties, whether or not made at similar terms and conditions as those done with third parties, are disclosed in the financial statements.

e. Financial Assets

Financial assets are classified into the following categories: financial assets at fair value through profit or loss (FVPTL), available-for-sale financial assets, held-to-maturity investments and loans and receivables.

All financial assets are recognized and derecognized on trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

The Company's financial assets as of the reporting date are classified as loans and receivables.

Loans and receivables

Financial assets that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables are measured at amortized cost using the effective interest method less impairment.

Interest is recognized by applying the effective interest rate method, except for short-term receivables when the recognition of interest would be immaterial.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees and points paid or received that form an integral part of the

effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

The objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experiences of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of receivables, where the carrying amount is reduced through the use of an allowance account. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

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

f. Financial Liabilities and equity instrument

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity 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 amortized cost

Financial liabilities, which include other payables and other borrowings, are initially measured at fair value, net of transaction costs, and subsequently measured at amortized cost using the effective interest method.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or has expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

g. Netting of Financial Assets and Financial Liabilities

The Company only offsets financial assets and liabilities and presents the net amount in the statement of financial position where it:

- currently have a legal enforceable right to set off the recognized amount; and
- intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h. Inventories

Inventories are stated at cost or net realizable value, whichever is lower. Cost is determined using weighted average method. Net realizable value represents the estimated selling price for inventories less all estimated costs necessary to make the sale.

i. Property and Equipment

Property and equipment held for use in the supply of goods or for administrative purposes are stated at cost, less accumulated depreciation and any accumulated impairment losses.

Depreciation is recognized so as to write-off the cost of assets less residual values using the straight-line method based on the estimated useful lives of the assets as follows:

	Years
Vehicles	5
Furniture and fixtures and office equipment	4
IT equipment	4

The estimated useful lives and depreciation method are reviewed at least at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The cost of maintenance and repairs is charged to operations as incurred. Other costs incurred subsequently to add to, replace part of, or service an item of property and equipment, are recognized as asset if, and only if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

When assets are retired or otherwise disposed of, their carrying values are removed from the accounts and any resulting gain or loss is reflected in profit or loss.

Construction in progress is stated at cost and transferred to the respective property and equipment account when completed and ready for use.

j. Other Noncurrent Asset

System software, included under "Other noncurrent assets" account in the statement of financial position, is carried at cost less accumulated amortization and any impairment losses. Amortization is computed using the straight-line method for 4 years.

k. Impairment of Non-Financial Assets

At the end of each reporting date, the Company reviews the carrying amount of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (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.

Estimated recoverable amount is the higher of fair value less cost to sell and value in use. If the recoverable amount of the non-financial asset (cash generating unit) is less than its carrying amount, the carrying amount of the asset (cash generating unit) is reduced to its recoverable amount and an impairment loss is recognized immediately against earnings.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment loss may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed, only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the profit or loss. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

l. Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

m. Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.
Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognized as a liability. The aggregate benefit of incentives is recognized as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

n. Revenue and Expense Recognition

Sale of Goods

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Revenue from sale of goods is recognized when all of the following conditions are satisfied:

- The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company; and
- The cost incurred or to be incurred in respect of the transaction can be measured reliably.

Expenses

The cost incurred or to be incurred in respect of the transaction can be measured reliably.
Expenses are recognized when incurred.

o. Employee Benefits

The Company provides defined post-employment benefits to its employees in accordance with Labor Law No. 13/2003. No funding has been made to this defined benefit plan.

The cost of providing post-employment benefits is determined using the Projected Unit Credit Method. The accumulated unrecognized actuarial gains or losses that exceed 10% of the present value of the Company's defined benefit obligation are recognized on a straight-line basis over the expected average remaining working lives of the participating employees. Past service cost is recognized immediately to the extent that the benefits are already vested, and otherwise is amortized on a straight-line basis over the average period until the benefits become vested.

The benefits obligation recognized in the statement of financial position represents the present value of the defined benefit obligation, as adjusted for unrecognized actuarial gains or losses and unrecognized past service cost.

p. Income Tax

Current tax expense is determined based on the taxable income for the year computed using prevailing tax rates.

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of assets and liabilities and their respective tax bases. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for deductible temporary differences to the extent that it is probable that taxable income will be available in future periods against which the deductible temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on the tax rates (and tax laws) that have been enacted, or substantively enacted, by the end of the reporting date.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting date, to recover or settle the carrying amount of their assets and liabilities.

The carrying amount of deferred tax asset is reviewed at the end of each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when there is 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 current tax liabilities on a net basis.

Current and deferred tax are recognized as an expense or income in profit or loss, except when they relate to items that are recognized outside of profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognized outside of profit or loss.

4. CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

In the application of the Company's accounting policies, which are described in Note 3, the directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical Judgments in Applying Accounting Policies

In the process of applying the accounting policies described in Note 3, management has not made any critical judgment that has significant impact on the amounts recognized in the financial statements, apart from those involving estimates, which are dealt with below.

Key Sources of Estimation Uncertainty

The key assumptions concerning future and other key sources of estimation at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Impairment Loss on Receivables

The Company assesses its receivables for impairment at each reporting date. In determining whether an impairment loss should be recorded in profit or loss, management makes judgment as to whether there is objective evidence that loss event has occurred. Management also makes judgment as to the methodology and assumptions for estimating the amount and timing of future cash flows which are reviewed regularly to reduce any difference between loss estimate and actual loss.

The carrying amounts of receivables are disclosed in Note 6.

Allowance for Decline in Value of Inventories

The Company provides allowance for decline in value of inventories based on estimated future usage of such inventories. While it is believed that the assumptions used in the estimation of the allowance for decline in value of inventories are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of the allowance for decline in value of inventories, which ultimately will impact the result of the Company's operations.

The carrying amounts and provision for decline in value of inventories are disclosed in Note 8.

Estimated Useful Lives of Property, Equipment and System Software

The useful life of each item of the Company's property and equipment and system software are estimated based on the period over which the asset is expected to be available for use. Such estimation is based on internal technical evaluation and experience with similar assets. The estimated useful life of each asset is reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the asset. It is possible, however, that future results of operations could be materially affected by changes in the amounts and timing of recorded expenses brought about by changes in the factors mentioned above.

A change in the estimated useful life of any item of property, equipment and system software would affect the recorded depreciation and amortization expense and decrease in the carrying values of these assets.

The carrying amounts of property, equipment and system software are disclosed in Notes 10 and 11.

Post-employment benefits obligation

The determination of post-employment benefits obligation depends on selection of certain assumptions used by the actuary for the calculation of the liability. These assumptions include discount rate and rate of increase in salaries. Different realization from the Company's assumptions are accumulated and amortized over the future periods and consequently will affect the expense and liabilities recognized in the future. Although the assumptions of the Company are considered appropriate and reasonable, significant changes in fact or significant changes in assumptions used can significantly affect the post-employment benefits obligation of the Company.

The carrying amount of post-employees benefit obligation is disclosed in Note 23.

5. CASH ON HAND AND IN BANKS

	March 31, 2014	March 31, 2013
	INR	INR
Cash on hand	87,048	-
Cash in banks		
Indonesian Rupiah	4,780,149	8,681,596
US Dollar	22,494,740	-
Total	27,361,937	8,681,596

6. TRADE ACCOUNTS RECEIVABLE

This account represents the outstanding balances relating to the sales transactions with third parties. These are all denominated in Indonesian Rupiah.

Age Category follows:

	March 31, 2014	March 31, 2013
	INR	INR
Not yet due	24,131,143	-
Past due:		
Under 30 days	1,279,832	-
31-60 days	3,015,515	-
Total	28,426,489	-

The average credit period on sales of goods is 30 days. No interests are charged on trade receivables and for the outstanding balance.

The Company holds post-dated checks as credit enhancements over these balances. The Company does not have a legal right of offset against any amounts owed by the Company to the counterparty.

In 2014, management is of the opinion that all receivables are collectible therefore no allowance for impairment losses is required to cover possible losses from the non-collectible accounts.

Management also believes that there are no significant concentrations of credit risk in third party receivables as the customer base is large and unrelated.

7. OTHER ACCOUNTS RECEIVABLE FROM A RELATED PARTY

As of March 31, 2014, receivable from a related party pertains to the reimbursement of various charges from TML.

The foregoing accounts are non-interest bearing and collectible on demand. No allowance for impairment loss has been provided for these accounts as the management believes the receivables from related parties are fully collectible.

8. INVENTORIES

	March 31, 2014	March 31, 2013
	INR	INR
Vehicles	289,305,299	-
Spare parts	18,009,368	-
Total	307,314,667	-
Allowance in decline in value	(2,622,835)	-
Net	304,691,833	-

Management believes that the allowance for decline in value of inventories is adequate to cover possible losses to the Company.

Inventories were insured with PT. Asuransi RamaSatria Wibawa against earthquake, flood and RSCC (Riots, Strike, and Civil Commotions) for INR. 356,222,485 and for marine cargo for US$ 2,000,000 as of March 31, 2014.

9. PREPAID TAXES

	March 31, 2014	March 31, 2013
	INR	INR
Overpayment of corporate income tax - 2014	10,373,848	-
Value added tax (VAT) In	50,573,708	340,821
Total	60,947,557	340,821

10. PROPERTY AND EQUIPMENT

	April 1, 2013	Additions	March 31, 2014
	INR	INR	INR
Cost:			
IT equipment	-	4,615,031	4,615,031
Furniture and fixtures and office equipment	-	14,786,654	14,786,654
Vehicles	-	5,599,879	5,599,879
Construction in-progress	-	8,308,465	8,308,465
Total	-	33,310,029	33,310,029
Accumulated Depreciation:			
IT Equipment	-	614,191	614,191
Furniture and fixtures and office equipment	-	713,466	713,466
Total	-	1,327,656	1,327,656
Net Carrying Amount	-		31,982,372

Depreciation expense recognized as part of general and administrative expenses amounted to INR. 1,327,656 in 2014.

Construction in progress represents building under construction and machinery under installation for the expansion of the Company, which are estimated to be completed by end of 2014.
Vehicles were insured with PT. Asuransi Rama Satria Wibawa against FLEXA (Fire, Lightning, Explosion and Falling of Aricraft), RSMD (Riot, Strike and Malcious Damage) and catastrophe (typhoon, storm, flood, landslide and water damage) for INR. 8,289,488 as of March 31, 2014.

11. OTHER ASSETS

	March 31, 2014	March 31, 2013
	INR	INR
System softwares-net	42,697,372	-
Advances for construction	-	3,408,210
Total	42,697,372	3,408,210

Movements of system software are as follows:

	2014
	INR
Cost:	
Beginning balance	-
Additions	46,840,564
Ending balance	46,840,564
Accumulated Amortization:	
Beginning balance	-
Additions	4,143,193
Ending balance	4,143,193
Net carrying amount	42,697,372

Amortization expense recognized as part of general and administrative expenses amounted to INR. 4,143,193 in 2014.

12. TRADE ACCOUNTS PAYABLE

This balance pertains to the outstanding balance from purchases to TML, a related party.

These purchases have normal credit terms of 60 to 90 days. No interest is charged on past due trade accounts payable.

13. OTHER ACCOUNTS PAYABLE

	March 31, 2014	March 31, 2013
	INR	INR
Related parties		
TML	18,078,527	-
Tata Technologies Limited (TTL)	22,019,506	-
	40,098,033	-
Third parties	31,034,665	421,076

Other accounts payable to TML pertains to advances for the Company's expenses and short-term loans that are utilized for the operating needs of the Company. The foregoing accounts are non-interest bearing and payable on demand.

Other accounts payable to TTL pertains to IT support charges. This is non-interest bearing and payable on demand.

Other accounts payable to third parties as of March 31, 2014 and 2013 represents amounts due to third parties for expenses incurred for advertising and promotions, rental, professional fees, insurance, travel and transportation, among others.

14. ACCRUED EXPENSES

	March 31, 2014	March 31, 2013
	INR	INR
Marketing cost	31,251,704	-
Bonus	9,524,321	-
Transportation and logistics	4,707,457	-
Construction in-progress	3,577,365	-
Professional fees	1,833,950	1,143,869
Others	3,083,517	-
Total	53,978,313	1,143,869

15. TAXES PAYABLE

Article 4(2)	400,220	102,246
Article 21	426,595	-
Article 22	98,118	-
Article 23	290,151	7,798
VAT offshore	1,556,085	-
Total	2,771,170	110,044

16. CAPITAL STOCK

Name of Stockholders	2014 and 2013		
	Number of Shares	Percentage of Ownership	Total Paid-up Capital
			INR
Tata Motors Indonesia	2,204,895	99.60%	11,837,727
Ajit Venkataraman	8,855	0.40%	47,541
Total	2,213,750	100%	11,885,268

17. ADVANCES FOR FUTURE CAPITAL STOCK SUBSCRIPTION

In 2013, the Company received cash from TMI, its majority stockholder, intended as advances for capital stock subscription amounting to Rp 99,930,380,000. Such advances are intended to finance the Company's operations.

Based on Notarial Deed No. 6 dated November 8, 2013, the shareholders of the Company agreed to increase the authorized share capital from 8,855,000 shares to 11,000,000 shares with par value per share of Rp 1,000 each. The shareholders also agreed to issue 8,000,000 shares to TMI converted from the advances for future capital stock subscription amounting to Rp 8,000,000,000, which as part of the amount discussed above. This was approved by the Indonesia Investment Coordinating Board (BKPM) on April 23, 2014. As of the date of the issuance of financial statements, the approval by the Minister of Justice and Human Rights of the Republic of Indonesia for this notarial deed is still in process.

In addition, based on Circular Resolution dated February 27, 2014, the shareholders of the Company agreed to increase the authorized share capital from 11,000,000 shares to 110,000,000 shares with face value of Rp 1,000 each. The shareholders of the Company also agreed that TMI, the Company's majority stockholder, shall be issued 75,420,180 shares, equivalent to Rp 75,420,180,000, included as part of the advances discussed above. As of the date of the issuance of the financial statements, the approval by BKPM for this Circular Resolution is still in process.

18. SALES

	March 31, 2014	For the period from January 23, 2013 (inception date) to March 31, 2013
	INR	INR
Vehicles	117,579,964	-
Spareparts	3,421,871	-
Total	121,001,835	-

19. COST OF SALES

	March 31, 2014	For the period from January 23, 2013 (inception date) to March 31, 2013
	INR	INR
Vehicles	130,277,141	-
Spareparts	1,971,210	-
Total	132,248,351	-

20. SELLING EXPENSES

	March 31, 2014	For the period from January 23, 2013 (inception date) to March 31, 2013
	INR	INR
Marketing	153,250,586	-
Sponsorship	17,667,160	-
Others	2,859,516	-
Total	173,777,262	-

21. GENERAL AND ADMINISTRATIVE EXPENSES

	March 31, 2014	(inception date) to March 31, 2013
	INR	INR
Salaries and employee benefits (Note 23)	72,507,138	-
Transportation and logistics	35,266,109	-
Rental	22,753,114	-
Office expenses	15,030,840	15,528
Depreciation and amortization	5,470,849	-
Professional fees	3,592,439	1,557,215
Utilities	2,182,361	-
Others	3,864,556	-
Total	160,667,406	1,572,743

22. TAXATION

The Company's income tax pertains to deferred tax expense in 2014.

Current Tax

	March 31, 2014	For the period from January 23, 2013 (inception date) to March 31, 2013
	INR	INR
Loss before income tax per statement of comprehensive income	(330,000,806)	(1,574,484)
Temporary differences:		
Provision for post-employment benefit	5,220,912	-
Provision for decline in value of inventories	2,408,081	-
Property and equipment and system software	(780,214)	-
Total	6,848,778	-
Permanent differences:		
Benefits in kind	22,472,573	-
Non-deductible expenses	8,791	-
Interest income subject to final tax	(223,670)	-
	22,257,694	-
Fiscal loss before fiscal loss carryforward	(300,894,334)	
Fiscal loss carryforward		
2013	(1,574,484)	-
Accumulated fiscal losses	(302,468,817)	(1,574,484)

No current tax expense was provided as the Company incurred fiscal loss in 2014 and 2013 amounting to INR. 300,894,334 and INR. 1,574,484, respectively. According to tax regulations, such loss maybe carried forward and applied against taxable income in any of the 5 years following the year in which the fiscal loss was incurred.

Under the taxation laws of Indonesia, the Company submits tax returns on a self-assessment basis. Effective for fiscal year 2009, the tax authorities may assess taxes within 5 years after the date when the tax becomes due.

Deferred Tax

As of March 31, 2014, the Company did not recognize deferred tax asset on available fiscal losses and temporary differences due to uncertainty of generating sufficient future taxable income.

Deferred tax liability amounting to INR. 195,054 pertains to the difference between the carrying amounts of property and equipment per fiscal and per commercial.

A reconciliation between the tax expense and the amounts computed by applying the enacted tax rates to loss before tax per statement of comprehensive income is as follows:

Loss before income tax per statement of comprehensive income	(330,000,806)	(1,574,484)
Tax benefit at enacted tax rates	(82,500,202)	(393,621)
Tax effect of permanent differences:		
Benefits in kind	5,618,143	-
Non-deductible expenses	2,198	-
Interest income subject to final tax	(55,917)	-
	5,564,424	-
Unrecognized deferred tax	77,130,832	70,670,707
Tax Expense	195,054	-

23. POST-EMPLOYMENT BENEFIT OBLIGATION

Post-employment Benefits under Labor Law No. 13/2003

The Company provides post-employment benefits for its qualifying employees in accordance with the Labor Law No. 13/2003. The number of employees entitled to the benefits is 18 in 2014.

Amounts recognized as part of general and administrative expenses in the statement of comprehensive income in respect of these post-employment benefits are as follows:

	March 31 2014	For the period from January 31, 2013 (inception date) to March 31, 2013
	INR	INR
Current service cost	3,043,847	-
Interest cost	78,927	-
Adjustment on resignation benefit	(95,522)	-
Transfer-in	2,193,659	-
Total	5,220,912	-

The amounts included in the statement of financial position arising from the Company's obligation with respect to these post-employment benefits are as follows:

	2014	2013
	INR	INR
Present value of unfunded obligations	3,278,627	-
Unrecognized actuarial gain	1,942,285	-
Net liability	5,220,912	-

The cost of providing post-employment benefits under Labor Law No. 13/2003 is calculated by an independent actuary, PT Dayamandiri Dharmakonsilindo. The actuarial valuation was carried out using the following key assumptions:

		2014
Discount rate	:	8.5% per annum
Salary increment rate	:	6% per annum
Mortality rate	:	USA Table of Mortality, Commissioners' Standard Ordinary 1980 (CSO '80)
Disability rate	:	10% of Mortality Rate
Resignation rate	:	5% at age 30 reducing linearly to 0% at age 55
Retirement rate	:	100% at 55 years old

24. NATURE OF RELATIONSHIP AND TRANSACTION WITH RELATED PARTIES

Nature of Relationship

a) TMI is the majority stockholder of the Company

b) TML is the ultimate controlling party of the Company

c) TTL is an entity under same shareholder, which is TML

d) Key management personnel is composed of Commissioners and Directors of the Company

Transactions with Related Parties

In the normal course of business, the Company entered into certain transactions with related parties, including the following:

a. Purchases of spare parts and vehicles from related parties represent 100% of the total purchases in 2014. At reporting dates, the liabilities for these purchases were presented as trade accounts payable.

b. The Company entered into other transactions with related parties as disclosed in Notes 7 and 13.

c. The Company provides short-term employee benefits to its key management personnel amounting to INR. 19,238,160 and INR. 8,609,001 for 2014 and 2013, respectively.

25. MONETARY ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

At March 31, 2014, the Company had monetary assets and liabilities denominated in foreign currencies as follows:

		2014	
		In Original Currency	Equivalent in INR
ASSETS			
Cash in banks	US$	367,404	22,494,740
Other accounts receivable	US$	126,209	7,727,285
Total Assets			30,222,025
LIABILITIES			
Trade accounts payable	US$	2,886,034	176,701,017
Other accounts payable			
Related party	US$	654,916	40,098,033
Third parties	US$	5,223	319,785
Total Liabilities			217,118,835
Net Liabilities			(186,896,810)

The Company had no monetary assets and liabilities denominated in foreign currencies at March 31, 2013.

The conversion rates per US$ used by the Company at March 31, 2014 and the prevailing rates on June 19, 2014 are Rp 11,404 and 11,916, respectively.

26. CATEGORIES AND CLASSES OF FINANCIAL INSTRUMENTS

March 31, 2014	March 31, 2014	March 31, 2013
	INR	INR
Financial Asset		
Loans and receivables		
Cash in bank	27,361,937	8,681,596
Trade accounts receivable	28,426,489	-
Other accounts receivable	8,659,601	-
Other current assets	13,842,988	-
Total	78,291,016	8,681,596
Financial Liabilities		
Liabilities at amortized cost		
Trade accounts payable	176,701,017	-
Other accounts payable	71,132,698	421,076
Accrued expenses	53,978,313	1,143,869
Total	301,812,028	1,564,946

27. FINANCIAL INSTRUMENTS, FINANCIAL RISK AND CAPITAL RISK MANAGEMENT

a. Capital Risk Management

The Company manages capital risk to ensure that it will be able to continue as going concern, in addition to maximizing the profits of the shareholders through the optimization of the balance of debt and equity. The Company's capital structure consists of cash in bank (Note 5) and equity shareholders consisting of capital stock (Note 16) and advances for future capital stock subscription (Note 17).

The Directors of the Company periodically reviews the Company's capital structure. As part of this review, the Directors consider the cost of capital and related risks.

b. Financial risk management objectives and policies

The Company's overall financial risk management and policies seek to ensure that adequate financial resources are available for operation and development of its business, while managing its exposure to market risk (i.e. interest rate risk and foreign exchange rate risk), credit and liquidity risks. The core function of the Company's risk management is to identify all key risks for the Company, measure these risks and manage the risk positions in accordance with its policies and Company's risk appetite. The Company regularly reviews its risk management policies and systems to reflect changes in markets, products and best market practice.

The Company's principal financial liabilities are due to related parties, which is included under "Other accounts payable" account. The main purpose of the Company's due to related parties is to finance the developments and operations of the Company. It does not enter into derivative transactions. The Company has cash in banks, trade and other receivables, trade and other payables and accrued expenses that arise directly from its operations.

i. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company is exposed to market risks, in particular, interest rate risk and foreign currency exchange risk.

Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company believes that exposure to interest rate fluctuations is not significant because there are no borrowings which are interest bearing as of the reporting date. The interest rate risk exposure in deposits of cash in bank is considered manageable.

Foreign currency risk management

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company has foreign exchange exposure on its US Dollar denominated transactions and balances, mainly on its cash in bank, other accounts receivables, trade and other accounts payable. The Company periodically reviews the impact of foreign exchange rate movement so that appropriate action is taken to mitigate this risk.

The Company manages the foreign currency exposure by matching, as far as possible, receipts and payments in each individual currency. The Company's net open foreign currency exposure as of reporting date is disclosed in Note 25.

The following table details the Company's sensitivity to percentage rate increase and decrease in the Rupiah against US Dollar in 2014. The percentage rate is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for change in foreign currency rates.

	2014	
	Increase (decrease) in percentage	Increase (decrease) on loss before tax
		INR
US Dollar	6.10%	11,400,705
	(6.1%)	(11,400,705)

ii. Credit risk management

Credit risk refers to the risk that a counter party will default on its contractual obligation resulting in financial loss to the Company.

The Company's credit risk is primarily attributed to its cash in bank and trade and other accounts receivable. The Company places its bank balances with credit worthy financial institutions. Trade and other accounts receivable are entered with respected and credit worthy third parties and related parties. The Company's exposure is continuously monitored and the credit exposure are reviewed and approved by the Company's Board of Directors. There are no significant concentrations of credit risk in the Company.

The carrying amount of financial assets recorded in the financial statements represents the Company's exposure to credit risk.

iii. Liquidity risk management

Liquidity risk refers to the risk of the Company's inability to fulfill its commitment with regards to its financial liabilities. Since the financial liabilities mainly resulted from transactions with related parties, management believes that it has the ability to manage the related liquidity risk.

Liquidity and interest risk tables

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The contractual maturity is based on the earliest date on which the Company may be required to pay.

2014	Less than 3 months INR	Total INR
Non-interest bearing		
Trade accounts payable	176,701,017	176,701,017
Other accounts payable		
Related parties	40,098,033	40,098,033
Third parties	31,034,665	31,034,665
Accrued expenses	53,978,313	53,978,313
Total	301,812,028	301,812,028

2013	Less than 3 months INR	Total INR
Non-interest bearing		
Other accounts payable to third party	421,076	421,076
Accrued expenses	1,143,869	1,143,869
Total	1,564,946	1,564,946

c. Fair value of financial instruments

Management considers that the carrying amount of financial assets and financial liabilities recorded at amortized cost in the financial statements approximate their fair values either because of their short-term maturities or they carry market rates of interest.

28. SUPPLEMENTAL DISCLOSURES ON NON CASH INVESTING ACTIVITIES

For the year ended March 31, 2014, the Company had acquisitions of property and equipment amounting to INR. 3,577,365 which did not require the use of cash and were excluded from the statement of cash flows. These acquisitions were made through accrued expenses.

29. CONVERSION RATE ON FINANCIALS

The financial information is expressed in IDR only in the audited Accounting packs based on which the attached financial statements have been reformatted. Solely for the convenience of the reader and to meet the requirement of section 212 of the Indian Companies Act, the amounts appearing in Indian Rupees have been translated at a fixed exchange rate of 1 Rs. = IDR186.26 as on March 31, 2014 and 1 Rs. = IDR 179.54 as on March 31, 2013. These translations should not be construed as a representation that any or all the amounts could be converted to Indian Rupees at this or any other rate.

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TATA TECHNOLOGIES

TATA

11

20th Annual Report 2013-14

BUSINESS TRANSFORMATION THROUGH BETTER NAVIGATION



Directors' Report

TO THE MEMBERS OF TATA TECHNOLOGIES LIMITED

The Directors are pleased to present their Twentieth Annual Report on the Business and Operations of your Company and the Audited Statement of Accounts for the year ended March 31, 2014.

1. FINANCIAL RESULTS

The summary of financial results of the Company for the year ended March 31, 2014 is as follows:

(Amount in ₹ Crore)

Particulars	2013-14	2012 -13
Income from Operations	**886.18**	774.70
Other Income	**43.16**	43.33
Total Income	**929.34**	818.03
Operating Expenditure	**632.46**	527.35
Profit before Depreciation, Interest and Taxes	**296.88**	290.68
Interest	**1.43**	1.62
Depreciation	**36.15**	27.02
Profit/(Loss) before Taxes	**259.30**	262.04
Provision for taxes	**56.58**	60.82
Profit/(Loss) after Taxes	**202.72**	201.22
Balance brought forward from previous year	**221.98**	166.73
Amount available for appropriations	**424.70**	367.95
APPROPRIATIONS		
Interim Divided	**51.64**	38.69
Proposed Final Dividend	**77.44**	68.84
Tax on Interim/Proposed Dividend	**22.46**	17.45
General Reserve	**21.00**	21.00
Balance carried to Balance Sheet	**252.16**	221.98

2. REVIEW OF BUSINESS OPERATIONS

The Company recorded an overall revenue growth of approximately 13.61% with an increase of approximately 14.39% in revenue from sale of products and services, from ₹ 774.70 crore in 2012-13 to ₹ 886.18 crore in 2013-14. Due to efficient cost management, increased focus on operating efficiencies and offshoring, the operating profit registered an increase of approximately 2.13% over the last year, while profit before taxes (PBT), reduced at a rate of approximately 1.05% on a year-on year basis. Profit after taxes (PAT) grew by approximately 0.75% during the same period. During the period, services revenue increased by 13.60% and product sale increased by 19.42% over last year to reach figures of ₹ 762.89 crore and ₹ 122.12 crore respectively. Services revenue comprises:

1. **Engineering Automation Group [EAG]:**
   EAG addresses the engineering and design needs of manufacturers through services for all stages of the product development and manufacturing process.

2. **Enterprise Solutions Group [ESG]:**
   ESG addresses the Information Technology needs of manufacturers including business solutions, strategic consulting, ERP implementation, systems integration, IT networking and infrastructure solutions and program management.

3. **Product Lifecycle Management [PLM]:**
   PLM addresses the product development technology solution requirements of manufacturers including end-to-end implementation of PLM technology, best practices and PLM consulting. PLM also includes the Company's proprietary applications iGETIT® and iCHECKIT®.

3. DIVIDEND

The Board declared an interim dividend of ₹ 3/- per share in the first two quarters and ₹ 6/- per share in the third quarter of the financial year 2013-14 totaling to ₹ 12/- per share. Considering the financial performance, the Board recommends a further dividend of ₹ 13/- per share and a special dividend of ₹ 5/- per share.

If the shareholders approve the proposed final dividend and a special dividend at the ensuing Annual General Meeting, the total dividend for the financial year 2013-14 will be ₹ 30/- per share. The total dividend for the financial year 2012-13 was ₹ 25/- per share.

4. BUSINESS OUTLOOK

Your Company is highly focused on delivery of value to its customers, marketing and sales and as such, it is seeing improved order bookings. The Company expects improved growth in revenue, EBITDA and profit after tax in the coming years. Please refer the section on Management Discussion and Analysis for more information.

5. CHANGES IN SHARE CAPITAL

During the year, the following changes have occurred in the authorized and the paid-up equity share capital of the Company:

a) The authorized share capital of the Company remained unchanged at ₹ 60.70 crore divided into 6,00,00,000 equity shares of ₹ 10/- each and 7,00,000 0.01% cumulative non-participative compulsorily convertible preference shares of ₹ 10/- each.

b) 600 equity shares were allotted on exercise of the employees stock options during the year. Hence, the paid up capital of the Company increased from ₹ 43,02,35,380 to ₹ 43,02,41,380.

The Company is committed to employee participation in the stocks of the Company and has promoted and implemented various stock based incentive and ownership schemes from time to time. The details for the last year are provided in Annexure I to this report.

6. HUMAN RESOURCE DEVELOPMENT

The Company employs 7020 permanent and contractual professionals, as on March 31, 2014. The corresponding total employee strength as on March 31, 2013 was 6291. This registered an increase in employee strength by 11% during the financial year 2013-14. Our employees serve clients across the globe in Automotive, Aerospace, Construction and Heavy Engineering domains spread over in 25 countries. The Company's strategy is to deploy a judicious mix of specialists from our key bases in India, North America and UK and local talent from the countries the Company is operating in. This ensures seamless engagement with our customers, through clear understanding of local cultures for the provision of specialized solutions.

The section on Human Capital under the Management & Discussion Analysis Report provides details on our approach and initiatives on human resources.

7. CORPORATE SUSTAINABILITY

The Company is committed to make positive contributions to society, the economy and the environment through its products, employment practices, community involvement and responsible resource use. Globally, many associates of Tata Technologies volunteer in support of various programs organized to make a positive impact on society.

With the introduction of the new Companies Act, 2013 in India, the Company is eligible to fulfill the requirements of the CSR Rules under Section 135 of the Act, w.e.f. April 01, 2014. The CSR activities in India will be reported as per the guidelines specified by Section 135 of the Companies Act, 2013 from FY14 -15 onwards. Furthermore, the Company will continue to work on sustainability initiatives globally and report all CS activities in addition to the regulatory requirement.

The shareholders are advised to refer the separate section on the Corporate Sustainability in this report for more details.

8. QUALITY INITIATIVES

One of the primary requisites for many of the Company's customers to engage with the Company is that the Company is certified to globally recognized Quality standards such as ISO 9001:2008, AS 9100 C and

ISO 27001:2005 by Dekra (The Netherlands and USA). As the Company's Quality Management System (QMS) and Information Security Management System (ISMS) meet stringent requirements laid out by these quality standards, customers are assured of consistent quality of service and predictable outcome while ensuring security of information.

All the major delivery centers are certified to relevant quality standards. While the delivery centers in Hinjewadi (Pune), Bangalore, Thailand and Blue Ridge (Hinjewadi, Pune) were already certified, projects managed by the Company in Tata Motors was included in the last year.

The core operational processes of delivery are established in Global Engagement Model (GEM) which is the methodology for project management in the Company. It has been IT enabled through a project management tool. The result is GEM-iT Key quality metrics are tracked through this system and provides management a view of different Lines of Business (LoBs), Verticals and Projects within. New "project management kits" have been established for the verticals to which the QMS was extended last year.

Process groups made up of domain experts with eight to fifteen years' experience work closely with the Global Quality team to continuously improve the QMS processes and related IT tools.

A team of over two hundred trained and certified internal quality auditors ensure a high level of compliance to the organization's processes. They also contribute towards process improvement resulting from findings of internal audits.

The Company has taken up Knowledge Management initiative to strengthen Project Deliveries. The Company has developed dedicated knowledge management application which will help centralized repository of delivery wide knowledge of domain, tools & skills. The Company is actively promoting knowledge sharing culture by holding workshops, knowledge sharing sessions & trainings, technical seminars. The employees are rewarded on regular basis for their contribution to build knowledge building & sharing culture.

9. INFORMATION TECHNOLOGY (IT) INITIATIVES

The Company continues to leverage IT to enable its strategic journey. The focus of the IT initiatives was directed to enable efficiencies and scalability across its customers, employees and suppliers while further integrating its operations across the major territories. The Company adopts the IT Infrastructure Library (ITIL) as its Service Delivery Framework. An IT Steering Committee helps govern and prioritize requirements across all parts of its business while ensuring return of its IT investments.

Tata Technologies IT investments and operations were focused across its key areas of (a) Infrastructure & Operations (b) Enterprise Applications (c) Engineering Systems & Customer Collaboration and (d) Information Security Management System (ISMS). Key highlights of each of these areas are listed below. The Company initiated IT integration of its recent acquisition- Cambric Corporation – to both leverage synergies while incorporating key best practices to help the integrated organization.

In keeping with its "Practice What We Preach" philosophy, the Company continues to internally leverage technologies it deploys to its manufacturing customers such as SAP, NetApp, Riverbed, Siemens, Dassault and Qlikview. Each of these technologies have been enhanced with internally developed IP/ implementation best practices and the resulting solutions leveraged across its manufacturing customers globally. Examples of these include WAN Optimization, Engineering Resource Optimization, Infrastructure Management, Dashboarding/Analytics & Human Capital Management. IT leaders participated in events & awards in the industry across the IT and Security domain areas.

The Company continued to focus on the Governance & Risk Management to help scale the business, deploying a GRMC framework to track and manage compliance checks & risks. The Company leveraged its Internal Audit process to periodically assess its IT systems, processes and governance and improve associated areas of improvement.

Infrastructure & Operations:

Select focus for this category are listed below:

a) Reducing operating costs through IT consolidation using Virtualization / HPC technologies
b) Improving End User performance leveraging APM & Uptime solutions
c) Reducing risks by implementing BCP across select delivery locations
d) Increasing customer confidence through ISO 27001 recertification @ Global Delivery Centers
e) Reducing operating costs leveraging VOIP, Telco Cost Analysis implementations
f) Improving employee productivity by improving IT Service Desk SLAs

The Company upgraded its communication infrastructure with its key customers Jaguar Land Rover, Chrysler and Tata Motors to help efficient service delivery. IT team worked closely with the Company's sales, to win businesses in the area of infrastructure management services from its manufacturing customers and thus anchored in winning ESG and PLM businesses. The Company helped its joint venture company Tata HAL to setup state of the art IT infrastructure and security systems at their Bengaluru facility.

Enterprise Applications:

Select focus areas this category are listed below:

a) Continuous improvement of employee productivity through HCM (SAP ESS) improvements
b) Helping customer acquisition through CRM improvements with Sales War Room analytics
c) Support large services opportunities through CRM Services Engagement tracking capabilities
d) Improving pipeline by Integrating Demand Generation & Optimizing Marketing Effectiveness
e) Integrating cross-channel, content and social marketing with Marketing Automation
f) Strengthening controls for improved analysis of Customer Time Booking/ Billing processes
g) Improving new employee experience & productivity by streamlining Onboarding activities
h) Ongoing performance management with Analytics across Travel / Procurement costs
i) Streamlining planning, budgeting & forecasting processes using SAP BPC Framework

The Company continued to mature its enterprises processes & application deployments across major process areas (Hire 2 Retire, Deal 2 Delivery, Opportunity 2 Order, Billing & Finance and Dashboarding & Analytics). Across the Hire 2 Retire process areas: SAP Employee Self Services & Performance Appraisal / Competency Enhancement based processes (e.g. Travel, Employee Movement, Claims, Separation, PACE) were enhanced with an increasing focus on Process Analytics and improvements. For the Deal 2 Delivery process areas: Delivery Project Execution & Control, Project Customer Satisfaction Processes were enhanced leveraging the Global Engagement Model (GEM) platform. Skills Management systems and Time Booking systems were also enhanced to help meet the increased requirements. Across the Opportunity 2 Order process areas: The Sales War Room Analytics, CRM enhancements for Services Approvals and Monthly Flash Reports were launched as part of the SPEED PMO Sales transformation initiative. In the area of Billing & Finance: An SAP based solution is being developed to streamline the Planning, Budgeting & Forecasting activities globally. Each of the above process areas were further supported by leveraging analytics to both improve process efficiency while also improving the underlying data integrity across all enterprise systems.

Engineering Systems & Customer Collaboration:

Select focus areas for this category are listed below:

a) Partnering with Anchor Customers to deploy PLM/ Supplier Collaboration environments
b) Improve performance of Customer ODC's Design environments across TTL Delivery Centers
c) Implementing standard data transfer solutions across each of TTL Delivery Centers
d) Streamline Ramp-up for new Customer ODCs (Eng Procurement, Licenses and Hardware)
e) Improve Design & Data collaboration capabilities with customers leveraging next-gen tools

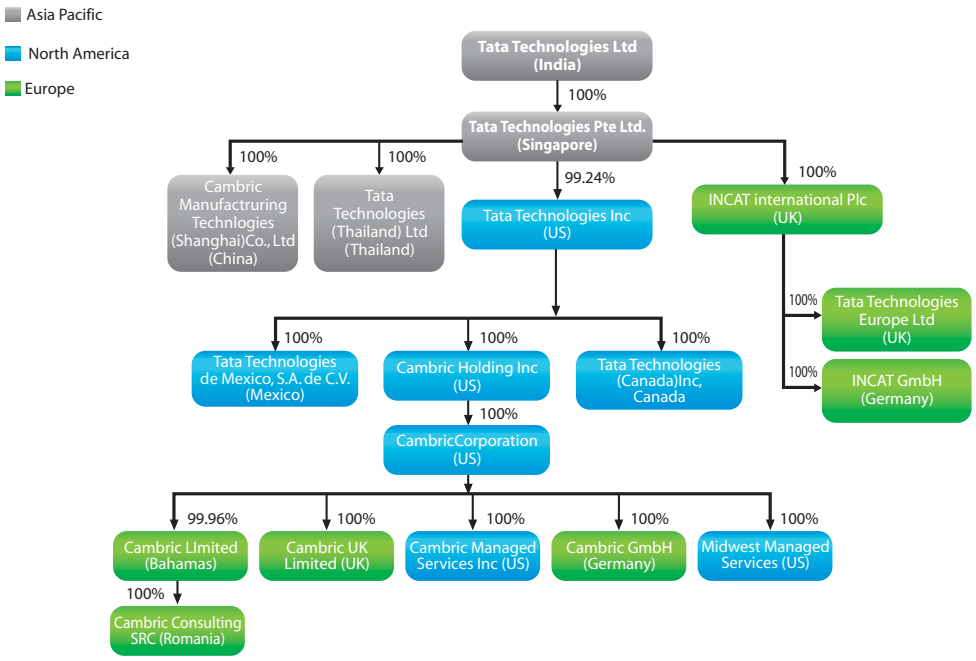
The Company assessed and improved design (CAD/CAE) collaboration efficiencies for one of its Anchor Automotive customers with its UK & India delivery centers to prepare for its next generation product development programs. The Company also expanded its Engineering Resource Optimization value proposition – leveraging it across key customers and enhancing it through ongoing assessments from external agencies. Each of these initiatives are aimed at quickly ramping up / down customer Offshore Delivery Centers across the globe while continuing to improve the design productivity yearly.

Information Security Management System (ISMS) Operations:

The Company completed many external and internal security assessments as part of its new customer acquisition/existing projects governance process. Security controls such as web filtering, antivirus protection, visitor management systems and CCTV monitoring were enhanced as part of ongoing updates. The Company recertified its ISO 27001 Security Certification across its key delivery centers as part of an ongoing commitment towards data security and compliance.

10. SUBSIDIARY COMPANIES AND JOINT VENTURE

The Company had 17 subsidiary companies as on March 31,2014.



Consolidated Results: In accordance with the Statement of Accounting Standard on Consolidated Financial Statements (AS 21) issued by the Institute of Chartered Accountants of India (ICAI), subsidiaries of the Company and 50% share in Joint Venture Company have been considered in the Consolidated Financial Statements of the Company, attached in separate section of this report. As may be seen from the consolidated statements, the consolidated revenue was ₹ 2,394.73 crore, an increase of 17.08% against ₹ 2,045.42 crore in the previous year. The profit before tax was ₹ 337.57 crore as against ₹ 392.43 crore in the previous year, recording a reduction of 13.98%. The profit after tax stood at ₹ 273.22 crore as against ₹ 300.73 crore recording a reduction of 9.15%.

The Services/Products business mix was a 77/23 split respectively (₹ 1,799.21 crore for services and ₹ 542.35 crore for products) compared to FY 2013 when the Company recorded ₹ 1,511.64 crore for services and ₹ 476.39 crore for product or a 76/24 mix. The Americas produced ₹ 743.69 crore with Asia Pacific recording ₹ 972.88 crore and Europe generating ₹ 960.38 crore. The three territories combined produced ₹ 2,394.73 crore top line after reducing inter-company billing, in FY 2014 compared to ₹ 2,045.42 crore for FY 2013.

Joint Venture: Tata HAL Technologies Limited is a 50:50 joint venture between Tata Technologies Limited and Hindustan Aeronautics Limited (HAL), with its corporate office situated at Bangalore, Karnataka. Tata HAL Technologies Limited is in the business of providing engineering and design solutions and services in the domain of aerostructures for the aerospace industry. The company reported revenue of ₹ 9.32 crore for the FY 2013-2014 as against the revenue of ₹ 5.64 crore in FY 2012-13 an increase of 65.20% over the last year. The loss for the year was ₹ 1.56 crore as against profit of ₹ 0.24 crore in FY 2012-13. Considering the tax losses of the Company, no provision for tax has been made in the books of account.

During the year, the Board of Directors reviewed the affairs of the subsidiary companies. As per Section 212 of the Companies Act, 1956, the Company is required to attach the Balance Sheet, Statement of Profit and Loss and other documents of its subsidiaries. The Ministry of Corporate Affairs, Government of India vide its Circular No. 2/2011 dated February 8, 2011, exempted companies from complying with Section 212, provided such companies publish the audited consolidated financial statements in the Annual Report. The Company has published the audited consolidated financial statements for the fiscal year 2014 and the same forms part of this Annual Report. Accordingly, this Annual Report does not contain the financial statements of its subsidiaries. The Statement pursuant to Section 212 of the Companies Act, 1956, highlighting the summary of the financial performance of our subsidiaries is annexed to this report.

The audited financial statements and related information of subsidiaries are available on the Company's website, **www.tatatechnologies.com.** These documents will also be available for inspection during business hours at our registered office in Pune, India

11. DIRECTORS

In accordance with the requirements of the Companies Act, 2013 and the Articles of Association, Mr R Gopalakrishnan (DIN 00027858) and Mr C Ramakrishnan (DIN 00020076) are liable to retire by rotation and eligible to offer themselves for reappointment.

Mr Warren Harris (DIN 02098548) was appointed on the Board as an Additional Director of the Company w. e. f. May 15, 2014.

On CEO succession planning, the Shareholders are advised to refer to the 'Letter to share holders' in this report.

12. STATUTORY AUDITORS

M/s Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Firm Registration No. 117366W) (LLP Registration No: W-100018), the Company's Statutory Auditors, hold office until the conclusion of the ensuing Annual General Meeting. It is proposed to reappoint them to examine and audit the accounts of the Company for the financial year 2014-15. M/s Deloitte Haskins & Sells LLP, have pursuant to Section 139(1) of the Companies Act, 2013, furnished the relevant letter confirming their eligibility and willingness for reappointment as the Statutory Auditors, should they be so appointed.

The members are requested to appoint Auditors for the current year and authorize the Board of Directors to fix their remuneration.

13. INTERNAL AUDITORS

The Company has appointed M/s Ernst & Young LLP, as Internal Auditors of the Company, to conduct the Internal Audit of the Company and its subsidiaries.

14. COMPLIANCE AUDITORS

To strengthen the compliance process of the Company, the Company has implemented system based compliance tool known as "iComply" in India, Europe, Thailand and Singapore. The Company has appointed M/s Ernst & Young LLP, as Compliance Auditors of the Company, to conduct the Compliance Audit at all locations where the iComply tool has been implemented.

15. PUBLIC DEPOSITS

The Company has not accepted any deposits from the public in terms of Section 58A and/or Section 58AA of the Companies Act, 1956 during the year under review. And hence, no amount is outstanding under the head Public Deposits as on March 31, 2014.

16. PARTICULARS OF EMPLOYEES

A statement containing the name and other particulars of employees of the Company as required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1957 is given as Annexure II to this Report.

17. MANAGEMENT DISCUSSION AND ANALYSIS

The shareholders are advised to refer the separate section on the Management Discussion and Analysis in this report.

18. CORPORATE GOVERNANCE REPORT

The shareholders are advised to refer the separate section on Corporate Governance in this Report.

19. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Conservation of Energy: The operations carried out by the Company in all of its locations are such that they are not deemed as energy intensive. However, the Company constantly makes efforts to avoid excessive consumption of energy. Measures were taken to increase awareness about the need to conserve power and water. At the Hinjawadi delivery center, solar water heaters are installed in the Guest House and the Wellness Centre. The schedule of switching on/off lights and AHU's was monitored continuously keeping in mind factors of climate, availability of power and working hours. LED lights are being considered as a replacement for CFL wherever possible in all new facilities. The Company remains committed to deploying more efficient energy saving measures. New technologies/options are regularly monitored and efforts will continue to conserve energy.

Technology Absorption: The Company has been investing in strategic technologies aligned with its business goals and customer needs, resulting in prudent investment in state-of-the-art software and hardware technology while delivering solution and service to all internal and external stakeholders.

Private Cloud - Bringing HPC technology to Business Applications: The Company has implemented a highly available, virtualized and scalable cluster of high performance new generation servers. It has multiple applications serving internal business needs, catering to all employees and related processes, as well as requirements for hosting applications for its existing and potential customers. The Private Cloud is built on the latest hardware platform, containing elements of proven High Performance Computing Technology, with the virtualization layer supported by high performance ZFS storage. This virtualized layer caters to various applications used by employees, like mail servers, Document Management System, Intranet applications, etc., thereby reducing total cost of ownership and providing better user experience.

Mobility: The Company has also initiated deployment and use of iOS based devices for senior management. As part of the initiative, the Company has implemented the delivery and deployment environment for Enterprise Mobile Applications. It also released few applications for its employees through its own managed app-store.

Foreign Exchange Earnings and Outgo: Information pertaining to the foreign exchange earnings and outgo during the year under review, in terms of the Notification 1029 of 31-12-1988 issued by the Department of Company Affairs is as follows:

(Amount in ₹ Crore)

Particulars	2013- 14	2012 - 13
Earnings in foreign currency	**256.44**	225.98
Expenditure in foreign currency	**45.64**	40.20

20. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act 1956, the Directors, based on the representations received from the Operating Management, confirm that:

i. in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;

ii. they have, in selection of the accounting policies, consulted the Statutory Auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

iii. they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;

iv. they have prepared the annual accounts on a going concern basis.

21. ACKNOWLEDGMENTS

Your Directors would like to express their heartfelt gratitude to all the customers, business partners, bankers and auditors for their continued support and association. The Directors also wish to thank the Government and all the statutory authorities for their support and co-operation.

The Directors would also like to place on record their appreciation of the dedicated, individual and collective contribution of all the employees in the overall growth and progress of the Company during the last year.

The Directors, finally, would like to specially thank and place on record their gratitude to all the members of the Company for their faith in the management and continued affiliation with the Company.

On behalf of the Board of Directors

Date: May 15, 2014
Place: Mumbai

S RAMADORAI
Chairman

EMPLOYEE STOCK OWNERSHIPS SCHEMES

a) Tata Technologies Limited Employees Stock Option Plan (TTESOP - 2001)

Tata Technologies Limited Employees Stock Option Plan 2001 (TTESOP Plan 2001) was launched by the Company in the year 2001. The status of the options granted and exercised as well as options forfeited during the financial year ended March 31, 2014 as under:

ESOPs as on March 31, 2014

Number of Options Granted, Forfeited and Exercised	
Options granted as on April 01, 2013	14,651
Further options granted during the financial year 2013-14	Nil
Options exercised during the year	600
Cashless options exercised during the year	Nil
Options lapsed/forfeited during the year	Nil
Options granted as on March 31, 2014	14,051
Options available for Grant	46,620

b) Stock based incentive schemes by Tata Technologies Limited Employees Stock Option Trust (TTESOP Trust) and Barclays Wealth Trustees (Guernsey) Limited:

To manage and implement various stock based incentive programs for employees of the Company, the Company has formed Tata Technologies Limited Employees Stock Option Trust (TTESOP Trust) and Barclays Wealth Trustees (Guernsey) Limited for employees of the Company and its subsidiaries. Since shares of the Company are not listed on Stock Exchange, Tata Technologies Limited Employees Stock Option Trust (TTESOP Trust) and Barclays Wealth Trustees (Guernsey) Limited purchase the shares from employees and ex-employees of the Company. The shares so purchased by the Trusts are reissued to the employees through various stock based incentive schemes from time to time.

Tata Technologies Limited Employees Stock Option Trust (TTESOP Trust) has implemented the following stock based incentive programs:

1) Tata Technologies Employee Stock Purchase Program 2008
2) Tata Technologies Employee Stock Purchase Program 2009
3) Share Repurchase Program
4) Tata Technologies Employees Stock Purchase Program- Series III (ESPP- Series III)
5) Employees Stock Purchase Program- Series IV (Series – Series IV)
6) Employees Stock Purchase Program- Series V (Series – Series V)

The Schemes implemented by Barclays Wealth Trustees (Guernsey) Limited are:

1) Employee Stock Ownership Program for INCAT Employees 2006
2) Employee Stock Ownership Program for INCAT Key Employees 2007
3) Employee Stock Ownership Program for INCAT General Employees 2007
4) Employee Stock Ownership Program 2009
5) Employee Stock Ownership Program 2010
6) Employee Stock Ownership Program 2012

Status of shares held by both Trusts as on March 31, 2014:

Tata Technologies Limited Employees Stock Option Trust	No. of Shares
(A) Opening balance as on April 01, 2013	20,869
(B) Shares repurchased during the year	52,875
(C) Balance as on March 31, 2014 [(C)=(A)+(B)]	73,744

Barclays Wealth Trustees (Guernsey) Limited	No. of Shares
(A) Opening balance as on April 01, 2013	295,166
(B) Shares repurchased during the year	262,500*
(C) Balances as on March 31, 2014 [(C)=(A)+(B)]	557,666

*Under process of registration

Information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended March 31, 2014

Sl no	Name	Age (Years)	Designation/Nature of duties	Gross Remunaration ₹	Net Remunaration ₹	Qualifications	Total experience (Years)	Date of Commencement of employment	Last Employment/Designation-Period
1	Bhageria Kumar Pawan	53	Senior VP - Manufacturing & IT Practice	8,324,251	5,715,822	BE (Mech)/MBA (Finance & Systems)	31	18-Sep-12	General Motors - Regional Manager IT (International Operations)- 6 yrs
2	Chandra R	54	Vice President - Global Enterprise Solution	7,939,939	5,541,531	BE (Mech) PGDBM	33	02-Sep-81	Tata Motors Limited-Sr Manager-1 yr
3	Ghanshyam Sharan Singh	58	General Manager - Automotive Embedded System	6,306,379	4,342,164	B Tech	36	02-Jul-01	E.Vyapar-CEO-1 yr
4	Ghosh S	53	Vice President - Global Delivery, E&D	6,801,607	4,742,649	B Tech	33	01-Jul-81	Tata Motors Limited-Manager-3 yrs
5	Gupta Samrat	41	Chief Financial Officer	13,715,344	9,092,296	B'Com, MBA, CFA	17	18-Apr-07	HCL-General Manger - Finance-6 mths
6	Jain K Manoj	57	Head - Customer Relationship Management	6,776,653	4,719,561	B Tech, M Tech (Information Technology)	33	01-Dec-81	Tata Motors Limited - Manager - 15 years
7	Jayaraj Gopinath	41	President Global Delivery	7,379,578	5,174,392	MS	18	07-Jun-02	Lasons Systems Inc- Project Manager - 6 yrs
8	Joshi Ashok G	58	Head-Vehicle Attributes & Technical Services	9,686,389	6,700,819	BE (Mech)	36	01-Jul-78	Tata Motors Limited-Manager-8 yrs
9	Julka Wishwas	39	Vice President- Global Tata Group Sales	7,361,753	5,139,624	DEE, B.Tech, MBA	16	09-Feb-05	Comsat Max Ltd-Business Manager-6 mths
10	K Chandru	55	General Manager-Engines	6,073,599	4,291,648	BE, ME (Mechanical)	32	30-Jul-82	Tata Motors Limited - Manager - 18 years
11	Keaton A Jack*	58	Sr. Vice President - VPD	7,487,237	5,247,590	MBA	35	7-Sep-13	Tata Technologies Limited INC Sr. VP- 6 months
12	Milind Dnyaneshwar Peshave	52	General Manager - Engines	6,171,121	4,316,137	BE, ME (Mechanical)	28	4-Jan-86	Tata Motors Limited - Manager - 4 yrs
13	Petkar M Rajendra	47	Head - Power Systems Engineering	8,638,276	6,035,551	BE, M Tech	26	01-Feb-89	Tata Motors Limited-Manager-2 yrs
14	Roy Avijit	53	Program Manager Digital Product Development	6,935,420	4,903,707	BE, ME (Mechanical)	29	17-May-85	Tata Motors Limited-Manager-12 yrs
15	Shreekanth Moorthy	45	Vice President - Global PLM	6,056,019	4,243,772	BE, MS	20	17-Mar-09	Siemens Product Lifecycle Management INC-Director- 11 yrs
16	Tarnekar A M	49	General Manager - KBE & DPD Systems	7,102,587	4,999,252	M Tech	25	12-Apr-89	Tata Motors Limited-Dy. Manager-8 yrs
17	Umamaheswaran T N	52	Chief Technology Officer	11,350,418	7,454,976	M.Tech	29	17-Jul-85	Tata Motors Limited-Divisional Manager-4 yrs
18	Yajnik Samir	51	President Global Services & COO APAC	15,809,244	10,325,381	M.S., B.Tech	29	01-Apr-07	TTPL, Singapore-Vice President - EAG-5 yrs

The Gross remuneration shown above is subject to tax and comprises of salary, allowances, monetary value of perquisites as per income-tax rules, and Company's contribution to provident fund and superannuation fund.
In addition to the above remuneration, employees are entitled to gratuity, medical benefits, etc., in accordance with the Company's rules.
The net remuneration is arrived at by deducting from the gross remuneration, income-tax, Company's contribution to provident fund, superannuation fund and the monetary value of non-cash perquisites, wherever applicable.
All the employees have adequate experience to discharge the responsibilities assigned to them.
The nature of employment in all cases is contractual.
None of the employees mentioned above is a relative of any Director of the Company.
* Indicates that the employee was in service only for a part of the year.

On behalf of the Board of Directors

S RAMADORAI
Chairman

Date: May 15, 2014
Place: Mumbai

Corporate Governance Report

1. PHILOSOPHY



"The most significant of the challenges is to ensure high standards of ethical conduct and good corporate governance that stakeholders expect from corporate sector."

CYRUS P MISTRY
Chairman Tata Group

The Company has set itself the objective of expanding its capacities and becoming globally competitive in its business. As a part of its growth strategy, the Company believes in adopting the 'best practices' that are followed in the area of Corporate Governance across various geographies. The Company emphasizes the need for full transparency and accountability in all its transactions, in order to protect the interests of its stakeholders. The Board considers itself as a Trustee of its Shareholders and acknowledges its responsibilities towards them for creation and safeguarding their wealth.

Though the Company is not listed and the statutory guidelines on Corporate Governance are not applicable, the Company has voluntarily opted for adoption of various Corporate Governance measures. There have been continuous efforts made to improve and increase the Corporate Governance measures in the recent years, which include among others improved Board reporting, building a strong ethics culture with increased focus on implementation of the Tata Code of Conduct, adoption of Anti-Bribery Policy, Gift Policy, Legal Compliances and Audits and commitment to Corporate Sustainability.

The importance of the corporate governance in not only to the listed companies but in unlisted companies as well is emphasized by the Companies Act, 2013, which is a landmark piece of legislation. The New Act is a progressive and forward looking which promises improved corporate governance norms, enhanced disclosures and transparency, facilitation of responsible entrepreneurship, increased accountability of company managements and auditors, protection of interest of investors particularly small and minority investors, better shareholder democracy, facilitation of corporate social responsibility (CSR) and stricter enforcement processes.

The leadership team of the Company is committed to managing the Company in accordance with the organization's Vision, Mission and Values.

2. BOARD OF DIRECTORS

As a guard of the Company's Corporate Governance practices, the Board of Directors of the Company protects the long-term interests of stakeholders of the Company. The Board is the representative of the shareholder to achieve the overall purpose of the organization.

The Board is primarily responsible to provide and evaluate the strategic direction of the Company's management policies and their effectiveness. The Board's responsibilities further include overseeing the functioning of the Company's top management, monitoring legal compliance and management of the risks related to the Company's operations.

At present the Board consists of five Directors. The Company has an optimum mix of Executive and Non-Executive Directors with eighty percent of the Directors being Non-Executive. The Non-Executive Directors represent various fields with expertise in their respective areas and their positive contribution helps Company to define effective strategies for future growth. The Managing Director along with Executive Management Team in turn implements and monitors the operational strategies, plans, systems and processes to enable the Company to achieve the goals set by the Board.

The calendar of the Board Meetings for the whole year is finalized in advance at the start of the year in consultation with all the Board members. The relevant background materials and information on the agenda items are distributed to the Board members in advance of meetings. All the Committees of the Board report to the Board. The minutes of their meetings are placed before the Board regularly. The Committees also bring to the Board all those matters considered by them to be of special significance. The Board meets the members of the senior management of the Company from time to time. A summary of the Board Decisions made in the last two years is being placed before every quarterly Board Meeting as a good governance practice.

The Board met Eleven times during the financial year 2013-14 on April 03, 2013, April 30, 2013, May 15, 2013, June 20, 2013, July 16, 2013, August 20, 2013, September 12, 2013, October 09, 2013, October 22, 2013, January 20, 2014 and February 18, 2014. The time gap between any two meetings was less than four months. The quorum of the meetings is either two members or one-third of the members of the Board, whichever is higher. The attendance of the Directors of the Board meetings held during the year is as follows:

Name	Designation	No. of Board Meetings	
		Held	Attended
S Ramadorai	Non-Executive Chairman	11	10#
R Gopalakrishnan	Non-Executive Director	11	10#
P P Kadle	Non-Executive Director	11	10
C Ramakrishnan	Non-Executive Director	11	11
P R McGoldrick	Managing Director	11	11#

Includes participation through Video conferencing

Mr R Gopalakrishnan and Mr C Ramakrishnan are liable to retire at the ensuing Annual General Meeting and offer themselves for reappointment. Attention of the Members is invited to the relevant item in the Notice of the Annual General Meeting seeking their approval on their reappointment.

None of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company.

None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees across all companies in which one is a Director. Chairmanship/Membership of Board Committees for this includes only Audit and Shareholders' Grievance Committees. Necessary disclosures regarding Committee positions in other public companies as at March 31, 2014 have been made by the Directors.

INFORMATION REGARDING DIRECTORS:

Mr S Ramadorai, 69, has served as Chairman of the Company since 2001. He is currently serving as the Vice Chairman-Non Executive of Tata Consultancy Services Limited (TCS). He has been associated with the company, for the past 41 years. He took over as CEO in 1996 when the company's revenues were at $ 155 million and has since then led the company through some of its most exciting phases, including its going public in 2004. In October 2009, he stepped down as CEO, leaving a $ 6 billion global IT services company to his successor, while he took over the mantle of Vice Chairmanship of the company. Today, the company's revenues stand at US $ 13.04 billion for year ended March 31, 2014, with an employee base of over 300,000 of the world's best trained IT consultants in 46 countries.

Mr Ramadorai is also the Chairman of other Tata Companies - Tata Elxsi Limited and CMC Limited. He is on the Boards of a number of non-Tata Companies and educational institutions - Hindustan Unilever Limited, BSE Limited and the MIT Sloan School of Management (EMSAB).

Mr Ramadorai has been in public service since February 2011. In February 2011, the Government had appointed him as the Adviser to the Prime Minister in the National Council on Skill Development, in the rank of a Cabinet Minister, however in June 2013 the Council was subsumed into the NSDA. Currently, he is the Chairman of National Skill Development Agency (NSDA) in the rank of a Cabinet Minister. He is also the Chairman of the National Skill Development Corporation (NSDC), a Public Private Partnership arm of the Government of India for creating large, for-profit vocational institutions.

Mr Ramadorai was awarded the Padma Bhushan in January 2006 in recognition of his commitment and dedication to the IT industry. In April 2009, he was awarded the CBE (Commander of the Order of the British Empire) by Her Majesty Queen Elizabeth II for his contribution to the Indo-British economic relations.

His academic credentials include a Bachelor's degree in Physics from Delhi University (India), a Bachelor of Engineering degree in Electronics and Telecommunications from the Indian Institute of Science, Bangalore (India) and a Master's degree in Computer Science from the University of California–UCLA (USA). In 1993, he attended the Sloan School of Management's highly acclaimed Senior Executive Development Program.

Mr Ramadorai who is a well-recognized global leader and technocrat has participated in the Indian IT journey from a mere idea in 1960's to a mature industry today. Mr Ramadorai has captured this exciting journey in a book

titled as 'The TCS Story…and beyond' which was published in 2011 and remained on top of the charts for several months.

Public Companies: Tata Industries Limited, Tata Consultancy Services Limited, Tata Elxsi Limited, CMC Limited, Hindustan Unilever Limited, Piramal Enterprises Limited, Tata Teleservices (Maharashtra) Limited, Tata Communications Limited, Tata Advanced Systems Limited, Asian Paints Limited, Bombay Stock Exchange Limited, Tata Aerospace Systems Limited and Tata Lockheed Martin Aerostructures Limited

Private Companies: Air Asia (India) Private Limited

Foreign Companies: Tata Communications International Pte Limited (Singapore), Tata America International Corporation, US, Computational Research Laboratories Inc.

Non-Profit making Companies: National Skill Development Agency, Breach Candy Hospital Trust, Teach to lead, Tata Institute of Social Sciences and Sir Dorabji Tata Trust nominee on the Council of National Institute of Advanced Studies (NIAS) Bengaluru, National Skill Development Corporation.

Memberships and Chairmanships of Audit Committee in other Public Companies: Tata Elxsi Limited, Hindustan Unilever Limited, Tata Teleservices (Maharashtra) Limited, Tata Advanced Systems Limited and Bombay Stock Exchange Limited.

Memberships and Chairmanships of Investor Grievances Committee in other Public Companies: Tata Consultancy Services Limited and Bombay Stock Exchange Limited.

Mr Ramadorai held 132,000 equity shares of the Company as on March 31, 2014 constituting 0.31% of the paid-up capital of the Company. No new stock options were granted to him and no stock options were exercised by him during the year ended March 31, 2014.

Mr P R McGoldrick, 64, has over 43 years of experience in information technology and is responsible for Tata Technologies as its Chief Executive Officer and Managing Director. He holds a Master's degree in Computer Science from Stanford University, USA and completed the Harvard Business School Advanced Management Program (AMP 109).

Before joining the Tata Group in 1981, he had spent 11 years at Lawrence Livermore National Laboratory in the United States where he had technical responsibility for several complex information systems projects. He also provided consulting to computer companies throughout the United States on project management, advanced products, multiprocessor computer systems, man-machine interfaces and improved software productivity.

Other Directorships:

Public Companies: Tata Elxsi Limited

Foreign Companies: Tata Technologies Pte Limited, Singapore, INCAT International Plc, UK, Tata Technologies Inc, US, Tata Technologies (Thailand) Limited, Thailand, RNT Associates International Pte Limited, Singapore, Tata Technologies Europe Limited, UK and Tata Technologies de Mexico S.A. de C.V., Mexico, Cambric Holdings Inc. USA, and Cambric Corporation Inc USA

Mr McGoldrick held 5,60,000 equity shares of the Company directly, constituting 1.30% of the paid-up capital of the Company and 40,000 equity shares constituting 0.09% via Barclays Wealth Corporate Services (Guernsey) Limited as on March 31, 2014. No new stock options were granted to him and no stock options were exercised by him during the year ended March 31, 2014.

Mr R Gopalakrishnan, 68, is a Director of Tata Sons Limited. Mr R Gopalakrishnan has been a professional manager from 1967 onwards and has served 31 years in Unilever and 15 years in Tata group.

Besides being on the Board of various Tata & non-Tata Companies, he is also the Chairman of Tata AutoComp Systems and Rallis India Limited and a Vice-Chairman of Tata Chemicals Limited.

Prior to joining the Tata Group he was the Chairman of Unilever Arabia, in Bangalore as the Managing Director of Brooke Bond Lipton India and Vice-Chairman of Hindustan Unilever Limited.

Mr Gopalakrishnan has been a regular speaker at the guest lectures in India as well as abroad. He has taught a course entitled LWNT-Learning What's Not Taught at B-Schools.

He has written about 200,000 words through papers, articles in newspapers and journals. He has authored best selling books, some of which have been translated into Chinese, Hindi and Tamil.

His books include "The case of the bonsai manager: Lessons for managers on intuition"; "When the penny drops: Learning what is not taught"; "What the CEO really wants from you: The 4 As for managerial success"; and "A comma in a sentence: The extra-ordinary story of an ordinary family over six generations".

Mr Gopalakrishnan holds a Bachelor's degree in Science and a B. Tech (Electronics) degree from the Indian Institute of Technology (IIT), Kharagpur. He has also attended the Advanced Management Program at Harvard Business School. He is a Past President of All India Management Association.

Other Directorships:

Public Companies: Tata Sons Limited, Tata Chemicals Limited, Tata Power Co. Limited, Rallis India Limited, Tata Autocomp Systems Limited, Castrol India Limited, Akzo Nobel India Limited, Advinus Therapeutics Limited and Metahelix Life Sciences Limited

Private Companies: ABP Private Limited

Foreign Companies: Hemas Holdings PLC, IMACID S.A. and Trust Energy Resources Pte Limited, Singapore

Non-Profit Making Organizations: Cathedral & John cannon School, Indian Institute of Technology, Bhubaneshwar, Goa Institute of Management, Goa

Memberships of Audit Committee in other Public and Private Companies: Castrol India Limited

Mr Gopalakrishnan held 64,200 equity shares of the Company as on March 31, 2014, constituting 0.14% of the paid-up capital of the Company. No stock options were exercised by him and no new stock options were granted to him during the year ended March 31, 2014.

Mr Praveen P Kadle, 57, is the Managing Director & CEO of Tata Capital Limited, a subsidiary of Tata Sons Limited. Tata Capital is Tata's foray into the financial services space covering products and services ranging from retail and commercial lending, distribution and broking, wealth management, investment banking and private equity.

Mr Kadle is a Hons Graduate in Commerce & Accountancy from the Bombay University and has qualified as a Chartered Accountant, Cost & Works Accountant and Company Secretary.

Mr Kadle has been working for the Tata's for the last 22 years. For the first 5 years, he was the Chief Financial Officer of Tata's Joint Venture with IBM in India. Thereafter, in 1996 he was transferred to Tata Motors Limited as the Vice President (Finance) and in the year 2001 he was promoted to the Board of Tata Motors Limited as Executive Director – Finance and Corporate Affairs.

Mr Kadle has played a major role in the turnaround and growth of Tata Motors. He was also instrumental in the turnaround and financial restructuring of the erstwhile Tata Finance Limited. While working in Tata Motors, he was also instrumental in setting up and guiding operations of Tata Technologies and TELCON (a Tata Motors – Hitachi JV) which have become market leaders in the engineering design space and in the construction equipment business in India.

During his tenure at Tata Motors, Mr Kadle was a part of the senior leadership team that managed the cross-border acquisitions like Daewoo Truck Company of South Korea, INCAT Technologies of UK and Jaguar-Land Rover of UK. He also led the Fund raising programme of US$ 5 billion during this period.

Prior to his joining the Tata's, Mr Kadle worked as the CEO and member of the Board of Garware-Wall Ropes Limited, which is a synthetic yarn, industrial fabric & synthetic cordage company having global operations with a consistent profit track record.

Mr Kadle is a Board member on various Tata and non-Tata companies. He contributes to many industry and economic bodies both domestic and international. These include the position on the Advisory Board of Japan's Institute for Indian Economic Studies (IIES) and as a member of the Advisory Board of Centre for Strategic Leadership - NUS Business School, Singapore. Additionally, he is also actively involved with various Public Charitable institutions notably as the Board Member and Honorary Treasurer of Child Rights and You (CRY).

Mr Kadle has received a number of awards in recognition of his outstanding contribution to Tata Motors Limited, which are: CNBC-TV18, the Country's best performing CFO in the Auto & Auto Ancillaries sector for 2006; 'The Best CFO of the year 2005' in India by Business Today; the 'CFO of the year 2004' by IMA (formerly known as Economist Intelligence Unit) and has been recently inducted as Founding member to the CFO Hall of Fame in India.

Other Directorships:

Public Companies: Tata Capital Limited, Tata Securities Limited, e-Nxt Financials Limited, TC Travel & Services Limited, Tata Capital Housing Finance Limited, Tata Autocomp Systems Limited, Tata Toyo Radiator Limited, Tata Capital Forex Limited, Tata Capital Financial Services Limited, International Paper APPM Limited and Tata Cleantech Capital Limited.

Private Companies: International Asset Reconstruction Company Private Limited.

Foreign Companies: INCAT International Plc, UK, Tata Technologies Inc USA, Tata Technologies Pte Limited, Singapore, Tata Capital Pte Limited, Singapore, Tata Capital Markets Pte Limited, Singapore, Tata Capital Advisors Pte Limited, Singapore, Tata Technologies Europe Limited, UK and Tata Capital Plc, UK.

Memberships and Chairmanships of Audit Committee in other Public Companies: TC Travel and Services Limited, Tata AutoComp Systems Limited, International Paper APPM Limited, Tata Cleantech Capital Limited and Tata Capital Forex Limited.

Memberships and Chairmanships of Investor Grievances Committee in other Public Companies: Tata Capital Limited and Tata Capital Financial Services Limited.

Mr Kadle held 139,200 equity shares of the Company as on March 31, 2014, constituting 0.32% of the paid-up capital of the Company. No stock options were exercised by him and no new stock options were granted to him during the year ended March 31, 2014.

Mr C Ramakrishnan, 58, was appointed as the Chief Financial Officer of Tata Motors Limited in September 2007, having joined the company in 1980 as the Junior Accounts Officer. He handled corporate treasury and accounting functions with management accounting/MIS. Following a two year company-wide IT project responsibility covering R&D, Manufacturing, Sourcing and Sales and Services, he had worked in the Tata Group Chairman's Office for more than 7 years before being appointed as the Chief Financial Officer of Tata Motors Limited. As the Chief Financial Officer of Tata Motors Limited, he is responsible for Finance, Accounts, Taxation, Business Planning, Investor Relations, Treasury, CRM & DMS and IT.

Mr Ramakrishnan holds a Bachelor's degree in Commerce and is a Chartered Accountant and Cost Accountant.

He was awarded the Indian Industries Best CFO Award in CNBC TV18 CFO awards held in October 2010 and was also conferred with the CFO of the year for India award, by Asset Triple A Transaction Banking Awards 2011.

The Institute of Chartered Accountants of India (ICAI) has conferred Mr C Ramakrishnan with the prestigious Business Achiever Award 2011, in the industry category. This award is the highest honour from the Institute to Chartered Accountants for contributions and achievements beyond Finance in business strategy and growth.

In April 2012, he was conferred with the Business Today – Yes Bank India's Best CFO of the year 2011-12 and was also presented with the Best Transformation Agent Award in the large companies category.

On September 06, 2013, he was appointed on the Academic Advisory Committee of Birla Institute of Management Technology.

Other Directorships:

Public Companies: Tata Cummins Limited, Sheba Properties Limited, Tata Motors Finance Limited, Fiat India Automobiles Limited and Jaguar Land Rover India Limited

Foreign Companies: Tata Hispano Motors Carrocera SA Spain, TML Holdings Pte Limited, Singapore, Tata Motors (Thailand) Limited, Thailand, Tata Daewoo Commercial Vehicle Company Limited, South Korea, Tata Motors (SA) (Proprietary) Limited, South Africa and Jaguar Land Rover Automotive PLC, U.K.

Memberships and Chairmanships of Audit Committee in other Public Companies: Tata Cummins Limited, Sheba Properties Limited, Fiat India Automobiles Limited, Tata Motors Finance Limited and Jaguar Land Rover India Limited and Alternate to Mr Nasser Munjee on the Audit Committee of Jaguar Land Rover Automotive Plc, UK.

Mr. Ramakrishnan held 44,200 equity shares of the Company as on March 31, 2014, constituting 0.10% of the paid-up capital of the Company. No stock options were exercised by him and no new stock options were granted to him during the year ended March 31, 2014.

3. AUDIT COMMITTEE

The Audit Committee comprises three Non-Executive Directors, all of whom are financially literate. The Audit Committee met Eight (8) times during the year 2013-14, on May 08, 2013, May 15, 2013, July 09, 2013, July 16, 2013, October 22, 2013, November 21, 2013, January 20, 2014 and March 13, 2014. Members of the Audit Committee and the number of meetings attended by each Director for the financial year 2013-14 are as follows:

Name	Designation	No. of Meetings	
		Held	Attended
P P Kadle	Non-Executive Chairman	8	6
S Ramadorai	Non-Executive Director	8	7#
C Ramakrishnan	Non-Executive Director	8	7

Includes participation through Video conferencing

The Internal Auditors, M/s Ernst & Young LLP, attended six meetings, the representatives of the Statutory Auditors of the Company, M/s Deloitte Haskins & Sells LLP, Chartered Accountants, attended all meetings and the Chief Financial Officer attended all the meetings. The Chief Internal Auditor of Tata Motors Ltd attended six meetings personally or through representative.

The Company Secretary acts as the Secretary to the Committee Meetings. The quorum of the meetings is either two members or one third of the members of the Committee, whichever is higher.

An Audit Committee Charter has formally been adopted for the Audit Committee outlining its responsibilities in detail. The role of the Audit Committee includes in brief the following:

- To review reports of the Internal Auditor and recommend to the Board.
- To decide on the scope of the Internal Auditors work including the examination of major items of expenditure.
- To meet Statutory and Internal Auditors periodically and discuss their findings, suggestions and other related matters.
- To review the weaknesses in internal controls, if any, reported by the Internal and Statutory Auditors and report to the Board the recommendations relating thereto.
- To act as a link between the Statutory and Internal Auditors and the Board of Directors.
- To recommend a change in the Auditors if in the opinion of the Committee the Auditors have failed to discharge their duties adequately.
- To establish and review accounting policies.
- To ensure resources are conserved and tendencies for extravagance are avoided.
- To review financial statements before submission to the Board.

NON-EXECUTIVE DIRECTORS' REMUNERATION:

To acknowledge the contribution of the Non-Executive Directors towards the growth of the organization, the Company paid sitting fees of Rs 15,000/- per meeting to all Non-Executive Directors for attending the meetings of the Board, Audit Committee and Compensation & Remuneration Committee. The details of the sitting fees paid to the Directors is as under:

Name	Amount in ₹
S Ramadorai	330,000
R Gopalakrishnan	150,000
P P Kadle	315,000
C Ramakrishnan	345,000
Total	**11,40,000**

Only sitting fees have been paid to the Non-Executive Directors during the year. No commission has been paid to any Non-Executive Director of the Company.

4. COMPENSATION AND REMUNERATION COMMITTEE

The Compensation and Remuneration Committee met Five (5) times during the year 2013-14, on April 16, 2013, May 15, 2013, June 21, 2013, July 16, 2013 and October 09, 2013. Members of the Compensation Committee and number of meetings attended by each Director for the financial year 2013-14 are as follows:

Name	Designation	No. of Meetings	
		Held	Attended
S Ramadorai	Non-Executive Chairman	5	5#
P P Kadle	Non-Executive Director	5	5
C Ramakrishnan	Non-Executive Director	5	5

Includes participation through Video conferencing

Powers of the Compensation and Remuneration Committee:

(i) Deciding upon the remuneration of the Managing Director of the Company;

(ii) Supervising and administrating the Employee Stock Option Plan and ensuring that suitable policies and systems are in place to comply with the guidelines issued by the Securities and Exchange Board of India or any other appropriate authority in connection with the said Scheme.

The quorum of the meetings is either two members or one third of the members of the Committee, whichever is higher.

Terms of appointment and payment of remuneration to the Managing Director, Mr Patrick McGoldrick in Tata Technologies Limited is as under:

Period of Appointment	September 01, 2010 to September 08, 2014
Salary	Up to a maximum of ₹ 400,000/- per month
Incentive Remuneration	Up to 200% of salary, to be paid at the discretion of the Board
Perquisites and Allowances	Provision of hotel accommodation and chauffeur driven car during his stay in India. All expenses in connection with the Company's official business are paid by the Company
Minimum Remuneration	Salary, incentive remuneration as specified above
Notice period on either side	Agreement can be terminated by either party by giving three months' notice or the Company paying three months' salary in lieu of notice.

5. OTHER KEY BOARD AND MANAGEMENT COMMITTEES

Apart from the Audit Committee and the Compensation & Remuneration Committee, the Company has the following committees:

a. Committee of Directors: Mr P P Kadle, Director, Mr C Ramakrishnan, Director and Mr P R McGoldrick, Managing Director are the members of the Committee. The Committee was constituted by the Board in its meeting on March 09, 2001 for carrying out certain functions pertaining to the day-to-day operations of the Company. The powers of the Committee include evaluation/negotiation of facility agreements for availing working capital facilities within the specified limits, opening and closing of bank accounts, authorization for creating charges on the current assets of the Company, authorization for providing comfort letters or corporate guarantees to banks or financial institutions for funding of Company's subsidiaries, transfer of amounts to and from the Company's Provident Fund, appointment of additional/substitute attorneys, entering into agreement(s) with business partner(s) etc.

b. Stock Allotment Committee: The Board had constituted the Stock Allotment Committee to carry out certain functions in connection with the offer of Company's shares to employees of Company's subsidiaries on private placement basis. Mr P P Kadle, Director, Mr P R McGoldrick, Managing Director and

Mr Warren Harris, President and COO, are the three members of the Committee. The role of the Committee primarily is to finalize/approve letter of offer for private placement of shares to employees of Company's subsidiaries, to determine the employees who will be eligible to participate, allotment of shares, to obtain annual valuation of shares, etc. The Committee is also responsible to provide supervision, approval, direction, recommendation with respect to the Employee Stock Purchase Program (ESPP) as implemented by the Tata Technologies Limited Employees Stock Option Trust and to approve the implementation/transaction documents related to the ESPP and also to remove any difficulty or question that may arise in the implementation of the ESPP scheme.

c. Executive Committee: To provide more effective decision making, the Boards of Tata Technologies Ltd and Tata Technologies Pte Ltd have formed a management committee consisting of Mr P P Kadle, Director, Mr P R McGoldrick, Managing Director and Mr Warren Harris, President and COO.

6. MANAGEMENT OF BUSINESS ETHICS

Tata Technologies has adopted the Tata Code of Conduct (TCOC). The Code of Conduct upholds the highest standards of corporate and personal conduct and is the guiding force on the ethical conduct behind every Tata Company, no matter what business they are in. It establishes the code of ethics that governs all Tata ventures, new and old. The Code of Conduct is communicated to the organization's partners/suppliers through interaction with them. The Company established procedures to deploy TCOC across the organization which promotes and ensures ethical behavior in all stakeholder interactions. The TCOC is disseminated through presentations, circulation of "Code" through various processes such as at the time of employee induction (joining), highlighting the same in posters at strategic locations "Employee Handbook" and a dedicated section as "Management of Business Ethics" on the intranet portal of the Company. To obtain a uniform measurable deployment of the TCOC across all employees and contractors of Tata Technologies, wherever they might exist globally, the Company created a specifically tailored training program on TCOC using 'iGETIT®'. This training program had been added to each employee's 'Learning Path'. The tool not only effectively tracks the number of employees who had undergone the training program but also monitors time taken on the program and each individual's score.

The Company has a committee on Prevention of Sexual Harassment (POSH) and a Whistle Blower Policy in place. The Whistle Blower Policy was adopted in February 2007 in extension of the Tata Code of Conduct (TCOC). Any actual or potential violation of the Code of Conduct, howsoever insignificant or as such, would be a matter of serious concern for the Company. Whistle Blower Policy has been established to provide a mechanism for employees of the Company to approach the Ethics Counselor/Chairman of the Audit Committee of the Company to report any concerns. The Policy has been communicated to all the employees of the Company. Possibility of breach of ethical behavior can be reported by various means to the Ethics Counsel such as by post, mail or phone calls. A dedicated email account ethics@tatatechnologies.com is available both at the intranet and internet sites for the stakeholders to report any ethical breach. These are then managed by a well laid process. The required actions are implemented through the support functions such as HR, Finance and Legal. Results are reported to the Chief Ethics Counselor on a quarterly basis and are reviewed by the Audit Committee. Apart from encouraging people to report ethical violations, the Company is also trying to establish a culture to report examples of good ethical behavior of employees to bring in ethical positivity at the work place.

The Company has also adopted and implemented the Anti-Bribery and Gift, in line with the Tata Code of Conduct and applicable laws, if any.

The organization structure for the Management of Business Ethics (MBE) in the Company comprises:

a. Ethics Committee
b. Chief Ethics Counselor
c. Ethics Counselor and
d. Chairperson–Prevention of Sexual Harassment (POSH)

The Company received eleven complaints during the year. Two of them were under POSH and all the complaints received were closed. The Ethics Committee has conducted various activities during the year including Ethics Day & Pledge, MBE Awareness Workshops, Customer feedback on Ethical behavior of Company's employees etc.

7. RISK MANAGEMENT

The Company is committed to having a reliable risk management system. The Management is accountable for integration of the risk management practices into day to day activities of Company. Different types of business risks are identified by the top management team and along with risk scores and mitigation measures are reported to the Audit Committee. The Audit Committee periodically reviews the policies on risk assessment and risk management, guidelines to govern the process and the major financial risk exposures and the steps undertaken to control them. Readers are requested to refer the Management Discussion and Analysis Report for more details.

8. SUBSIDIARY COMPANIES

The Company as on March 31, 2014 had 17 subsidiaries. The details are mentioned elsewhere in the Annual Report. The minutes and resolutions of all the subsidiaries are periodically placed before the Board of Directors of the Company. The attention of the Board is drawn to all significant transactions and arrangements entered into by the subsidiary companies. The following Board meetings/Shareholders meeting of subsidiary companies were held during the year:

Name of the Subsidiary Company	Tata Technologies Pte Ltd, Singapore	Tata Technologies (Thailand) Ltd, Thailand	Tata Technologies Europe Ltd, UK	INCAT International Plc., UK	INCAT GmbH, Germany	Tata Technologies Inc., USA	Tata Technologies de Mexico SA de CV, Mexico	Tata Technologies (Canada) Inc., Canada
Dates of Board Meetings held during the year	May 08, 2013, Mar. 17, 2014	May 10, 2013, March 31, 2014	Nov. 06, 2013	Nov. 06, 2013	Not held	Nov. 06, 2013	Oct. 07, 2013	Not held
Dates of Shareholder Meetings/ Resolutions	June 17, 2013	June 24, 2013	Not Held	Sept. 25, 2013	June 17, 2013	Aug. 08, 2013	Not held	Not held

Name of the Subsidiary Company	Cambric Holdings Inc.	Cambric Corporation	Cambric U.K., Limited
Dates of Board Meetings held during the year	May 29,2013 July 30, 2013 Nov. 21, 2013	June 21, 2013 July 30, 2013 Nov. 21, 2013	Not held
Dates of Shareholder Meetings/ Resolutions	Not held	Not held	Sept. 25, 2013

The updates of major decisions of the subsidiary companies are regularly presented before the Board. Following are the key points of subsidiaries which are regularly taken up in the Board meetings:

- Nomination of Directors on Board of each subsidiary;
- Minutes of all the meeting of subsidiaries held between two Board meetings;
- Major dealings of subsidiaries' investment, fixed assets, loans etc.;
- Compliance by subsidiaries with applicable laws of the country and
- Business plan of each subsidiary and its periodic update to the Company's Board

9. GENERAL BODY MEETINGS

The details of the General Meetings held in the last three years are as follows:

Financial year	AGM/EGM	Venue	Time	Date
2012-13	19th AGM	25 , Rajiv Gandhi Infotech Park, Hinjawadi, Pune -411057	3.30 p.m.	June 21, 2013
2011-12	18th AGM	25 , Rajiv Gandhi Infotech Park, Hinjawadi, Pune -411057	3:30 p.m.	June 22, 2012
2010-11	17th AGM	25 , Rajiv Gandhi Infotech Park, Hinjawadi, Pune -411057	3:30 p.m.	July 27, 2011
2010-11	EGM	25 , Rajiv Gandhi Infotech Park, Hinjawadi, Pune -411057	4.00 p.m.	April 30, 2011

The details of Special Resolutions passed in the General Meetings in the last three years are as follows:

AGM/EGM	Date	Special Resolutions
AGM	June 22, 2012	i. Alteration of the Articles of Association of the Company
EGM	April 30, 2011	i. Issue of equity shares to Alpha TC Holdings Pte Ltd and Tata Trustee Company Ltd., acting in its capacity as Trustee to Tata Capital Growth Fund- I ii. Amendment to the Articles of Association of the Company

Special resolution was passed in the 18th Annual General Meetings of the Company. The resolutions were passed by show of hands and none of the resolutions were passed by way of poll.

Attendance of the Directors at the last AGM held on June 21, 2013:

Name of the Director	Attendance at the last AGM
S Ramadorai	Yes
R Gopalakrishnan	Yes
P P Kadle	Yes
C Ramakrishnan	Yes
P R McGoldrick	Yes

10. DISCLOSURES

10.1 Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the Directors or Management or their relatives, etc. that may have potential conflict with the interests of the Company at large:

The particulars of transactions between the Company and the 'Related Parties' are mentioned at Note 25(vi) Related Party Disclosures for the year ended March 31, 2014 of Notes to Accounts mentioned elsewhere in the Annual Report. None of these transactions are likely to have any conflict with the Company's interest.

10.2 Details of the non-compliance by the Company, penalties or strictures imposed on the Company by any statutory authority on any matter related to the capital markets during the past three years – NIL.

10.3 The Certification by the Managing Director (CEO) and Chief Financial Officer (CFO), to the Board, on the true and fair view of the Financial Statements for the year ended March 31, 2014 is annexed hereto.

11. GENERAL SHAREHOLDER INFORMATION

11.1 Registrar and Share Transfer Agents: Investors are requested to take note of the contact details of the Registrars and Share Transfer Agents of the Company, M/s TSR Darashaw Private Ltd:

TSR Darashaw Private Limited
6-10 Haji Moosa Patrawala Industrial Estate,
20, Dr. E. Moses Road, Mahalaxmi, Mumbai- 400011
Tel: +91 22 66568484
Fax: +91 22 66568494
Email: csg-unit@tsrdarashaw.com
Website: www.tsrdarashaw.com

11.2 Share Transfer System: The share transfers received for transferring physical share certificates are processed by the Registrar and Transfer Agents of the Company. The Board ratifies such transfers on a periodical basis.

11.3 Dematerialization of Shares: The Company has dematerialized its Equity Shares with CDSL and NSDL and the Company's ISIN is INE142M01017. The share transfers of dematerialized shares can be made through your Depository Participant.

11.4 Investor Complaints: A total of 652 investor complaints/queries were received during the year 2013-14. 1 correspondence was outstanding on March 31, 2014 and was attended to and resolved in first week of April, 2014.

11.5 Transfer of unclaimed / unpaid dividends to Investor Education and Protection Fund: Pursuant to the provisions of Section 205A and 205C of the Companies Act, 1956, the dividend which remains unclaimed/unpaid for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government.

The status of dividend remaining unclaimed is given hereunder:

Unclaimed Dividend	Status	Whether it can be claimed	Can be claimed from
Up to financial Year 2005-06	Transferred to the IEPF of the Central Government	No	Not Applicable
For the Financial Years 2006-07	Lying in respective Unpaid and thereafter Dividend Accounts	Yes	The Company's R&T Agent TSR Darashaw Private Limited, address of which is provided above.

The due dates for transfer to IEPF of the dividend remaining unclaimed since 2006-07 are provided hereunder:

Date of dividend declaration	Last date for claiming payment from TSR Darashaw Pvt Ltd
27/06/07	01/08/14
31/03/08	06/05/15
21/07/08	26/08/15
17/03/09	22/04/16
20/07/09	25/08/16
21/07/10	05/09/17
21/01/11	21/02/18
27/07/11	27/08/18
17/08/11	22/09/18
31/10/11	06/11/18
23/01/12	23/02/19
22/06/12	28/06/19
18/07/12	24/08/19
26/10/12	04/11/19
05/02/13	07/03/20
25/06/13	31/07/20
22/07/13	28/08/20
28/10/13	04/12/20
27/01/14	05/03/21

11.6 Shareholding Pattern as on March 31, 2014

Category	No. of Shareholders	No. of Shares	% of the Paid-up Capital
Tata Motors Limited	1	30,300,600	70.43
Other Tata Entities	5	7,469,748	17.36
Directors	5	939,600	2.18
Employees/Associates/Others	1,886	4,314,190	10.03
Total	**1,897**	**43,024,138**	**100.00**

11.7 Distribution of Shareholding as on March 31, 2014:

Range of Shares	Shareholders		Share	
	Number	%	Number	%
1 - 100	284	14.97	19,215	0.04
101 - 500	772	40.70	210,332	0.49
501 - 1000	460	24.25	348,068	0.81
1001 - 5000	288	15.18	695,318	1.62
5001 - 10000	47	2.48	324,171	0.75
Above 10000	46	2.42	41,427,034	96.29
Total	**1,897**	**100.00**	**43,024,138**	**100.00**

11.8 Dematerialization of Shares as on March 31, 2014: The Company's shares are dematerialized through both the Depositories in India viz. National Securities Depository Ltd (NSDL) and Central Depository Services (India) Ltd (CDSL).

Particulars of shares	Shares of ₹ 10/- each		Shareholders	
	Number	% to total	Number	% to total
Dematerialized form				
NSDL	31,728,829	73.75	370	19.50
CDSL	5,979,469	13.90	158	8.33
Sub-total (A)	37,708,298	87.65	528	27.83
Physical Form (B)	5,315,840	12.35	1,369	72.17
Total (A+B)	**43,024,138**	**100.00**	**1,897**	**100.00**

11.9 How to manage your shares effectively: The Company's foremost objective is to mitigate / avoid risks relating to shares and related matters, the following are the Company's recommendations to its Members:

i. **Dematerialize your Shares:** Members are requested to convert their physical holdings into electronic holdings. Holding shares in electronic form helps to achieve immediate transfer of shares. No stamp duty is payable on transfer of shares held in electronic form and risks associated with physical certificates such as forged transfers, fake certificates and bad deliveries are avoided.

ii. **Consolidate your Multiple Folios:** Members are requested to consolidate their shareholding held under multiple folios. This facilitates one-stop tracking of all corporate benefits on the shares and would reduce time and efforts required to monitor multiple folios.

iii. **Confidentiality of Security Details:** Folio Nos/DP ID/Client ID should not be disclosed to any unknown persons. Signed blank transfer deeds, delivery instruction slips should not be given to any unknown persons.

iv. **Update your Address and bank details:** To receive all communication and corporate actions promptly, please update your address, bank details, email id etc., with the Company or Share Transfer Agent or DP, as the case may be.

v. **Quote you Folio Number/s:** Always quote your folio number/s for any communication in regard to your shares with the Company or Share Transfer Agents, this will ensure speedy and effective processing.

vi. **Prevention of Frauds:** There is a possibility of fraudulent transactions relating to folios which lie dormant, where the Member is either deceased or has gone abroad. Hence, we urge you to exercise diligence and notify the Company of any change in address, stay abroad or demise of any Member, as and when required.

vii. **Monitor holdings regularly:** Do not leave your demat account unchecked for long. Periodic statement of holdings should be obtained from the concerned DPs and holdings should be verified.

11.10 Frequently asked Questions: Members are requested to refer the detailed FAQ on general shareholder queries and Dematerialization given elsewhere in this Report.

ADDRESS FOR CORRESPONDENCE:
The correspondence to be addressed to the Corporate Registered Office at:

Tata Technologies Ltd
Plot No 25, Rajiv Gandhi Infotech Park
Hinjawadi, Pune – 411 057, India.
Tel: +91 20 6652 9090
Fax: + 91 20 6652 9035
Email: corporate@tatatechnologies.com
Website: www.tatatechnologies.com

COMPANY SECRETARY
Anubhav Kapoor
General Counsel and Company Secretary
Tata Technologies Ltd.
Plot No 25, Rajiv Gandhi Infotech Park
Hinjawadi, Pune - 411 057, India
Tel: + 91 20 6652 9090
Fax: + 91 20 6652 9035
Email: anubhav.kapoor@tatatechnologies.com

ANNUAL DECLARATION BY THE CEO ON ADHERENCE TO THE TATA CODE OF CONDUCT & THE ANTI-BRIBERY POLICY AND GIFT POLICY

I confirm that Tata Technologies Limited has adopted the Tata Code of Conduct and the same is available on the Company's website www.tatatechnologies.com.

I also confirm that, all the Directors and the Senior Management Personnel of Tata Technologies Limited have affirmed compliance to the Tata Code of Conduct, as applicable to them for the Financial Year ended March 31, 2014.

Sd/-
Patrick McGoldrick
CEO & Managing Director

Date: May 15, 2014
Place: Pune

CEO AND CFO CERTIFICATE

We, Patrick McGoldrick, Chief Executive Officer (CEO) and Samrat Gupta, Chief Financial Officer (CFO) hereby certify that the financial statements of the Company and its subsidiaries/Joint ventures for the year ended on March 31, 2014 do not contain any false or misleading statement or figures and do not omit any material fact which may make the statements or figures contained therein misleading to the best of our knowledge and belief.

Sd/-
Patrick McGoldrick
CEO & Managing Director

Sd/-
Samrat Gupta
Chief Financial Officer

Date: May 15, 2014
Place: Mumbai

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
TATA TECHNOLOGIES LIMITED

Report on the Financial Statements
We have audited the accompanying financial statements of **TATA TECHNOLOGIES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal controls relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
(b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
(c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements
1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2 As required by Section 227(3) of the Act, we report that:
(a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
(c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
(d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs).
(e) On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

Sunil S Kothari
Partner
(Membership No. 208238)

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm Registration No. 117366W/W-100018)

Date: May 15, 2014
Place: Pune

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) Having regard to the nature of the Company's business / activities clauses (iii) (b) to (d), (f) and (g), (v), (vi), (viii), (x), (xii), (xiii), (xiv), (xix) and (xx) of CARO are not applicable.

(ii In respect of its fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.

(b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us no material discrepancies were noticed on such verification.

(c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.

(iii) In respect of its inventories, in our opinion and according to the information and explanations given to us, the company has maintained proper records of its inventories. Having regard to the explanation that the inventories dealt with by the company are software licenses in demat form where physical verification is not possible, we are unable to comment on matters relating to physical verification of inventories.

(iv) The Company has neither granted nor taken any loans, secured or unsecured, to / from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.

(v) In our opinion and according to the information and explanations given to us, and having regard to the explanations that some of the items purchased are of a special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in such internal control systems.

(vi) In our opinion, the internal audit functions carried out during the year by an external agency appointed by the Management was commensurate with the size of the Company and the nature of its business.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities. As explained to us, the provisions of Employees State Insurance Act, 1948 is not applicable to the Company for the year ended 31st March, 2014.

(b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2014 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty Excise Duty and Cess which have not been deposited as on 31st March, 2014 on account of disputes are given below:

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (₹ in crore)
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	2006-07	0.03
		Income Tax Apellate Tribunal	2008-09	0.11
Central Sales Tax, 1956	Sales Tax	Deputy Commissioner of Sales Tax (Appeals)	1997-98	0.03
		Deputy Commissioner of Sales Tax (Appeals)	1998-99	0.45
		Deputy Commissioner of Sales Tax (Appeals)	2003-04	0.003
		Joint Commissioner of Sales Tax (Appeals)	2004-05	21.03
		Deputy Commissioner of Sales Tax (Appeals)	2006-07	0.02
Finance Act, 1994 (Service Tax Provisions)	Service Tax	Commissioner (Appeals)	2003-06	0.83
		Commissioner (Appeals)	2004-06	0.34
		Commissioner (Appeals)	2006-08	4.50
		Commissioner (Appeals)	2008-09	3.00

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions and banks. The Company has not issued any debentures.

(ix) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions are not prima facie prejudicial to the interests of the Company.

(x) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained.

(xi) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have, prima facie, not been used during the year for long- term investment.

(xii) According to the information and explanations given to us, the Company has not made preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.

(xiii) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

Sunil S Kothari
Partner
(Membership No. 208238)

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm Registration No. 117366W/W-100018)

Date: May 15, 2014
Place: Pune

Balance Sheet as at March 31, 2014

(Amount in ₹ Crore)

Particulars	Note No.	March 31, 2014	March 31, 2013
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share capital	3	**43.02**	43.02
(b) Reserves and surplus	4	**716.47**	665.29
		759.49	708.31
(2) Non-current Liabilities			
(a) Long-term borrowings	5	**0.05**	0.17
(b) Deferred tax liabilities (Net)	6	**3.44**	4.56
(c) Trade payables		**0.45**	0.36
(d) Long-term provisions	7	**16.43**	8.55
		20.37	13.64
(3) Current Liabilities			
(a) Short-term borrowings from banks (Unsecured)		**89.84**	54.28
(b) Trade payables *(Refer Note 25 (iv))*		**129.47**	126.46
(c) Other current liabilities	8	**8.89**	10.00
(d) Short-term provisions	9	**92.10**	81.14
(e) Income tax liabilities (Net)		**0.28**	0.28
		320.58	272.16
		1100.44	994.11
II. ASSETS			
(1) Non-current Assets			
(a) Fixed assets			
(i) Tangible assets	10	**74.08**	59.85
(ii) Intangible assets	11	**39.39**	36.12
(iii) Capital work-in-progress		**0.49**	13.67
(iv) Intangible assets under development		**1.88**	3.29
		115.84	112.93
(b) Non-current investments	12	**233.98**	246.48
(c) Long-term loans and advances	13	**8.19**	6.36
(d) Income tax assets (Net)		**26.09**	13.34
		384.10	379.11
(2) Current Assets			
(a) Current investments	14	**492.90**	262.46
(b) Trade receivables	15	**114.92**	124.59
(c) Cash and bank balances	16	**88.90**	19.07
(d) Other current assets	17	**8.46**	12.04
(e) Short-term loans and advances	18	**11.16**	196.84
		716.34	615.00
		1100.44	994.11
Significant Accounting Policies	2		
Accompanying Notes to the Financial Statements	25		

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Sunil S Kothari
Partner

Date: May 15, 2014
Place: Pune

For and on behalf of the Board

S Ramadorai
Chairman

R Gopalakrishnan
Director

P P Kadle
Director

C Ramakrishnan
Director

Date: May 15, 2014
Place: Mumbai

P R McGoldrick
Managing Director

Samrat Gupta
Chief Financial Officer

Anubhav Kapoor
Company Secretary

Statement of Profit and Loss for the year ended March 31, 2014

(Amount in ₹ Crore)

Particulars	Note No.	Year ended March 31, 2014	Year ended March 31, 2013
I. Revenue from operations	19	**886.18**	774.70
II. Other income	20	**43.16**	43.33
III. Total revenue (I + II)		**929.34**	818.03
IV. Expenses :			
(a) Cost of traded products		**98.23**	83.02
(b) Consultancy fees, softwares and others	21	**60.80**	40.68
(c) Employee benefit expense	22	**399.61**	345.18
(d) Finance cost	23	**1.43**	1.62
(e) Depreciation and amortisation expense	10 & 11	**36.15**	27.02
(f) Other expenses	24	**73.82**	58.47
Total expenses		**670.04**	555.99
V. Profit before tax (III - IV)		**259.30**	262.04
VI. Tax expense :			
(a) Current tax		**57.70**	60.01
(b) Deferred tax		**(1.12)**	0.81
		56.58	60.82
VII. Profit after tax (V- VI)		**202.72**	201.22
VIII. Earnings Per Equity Share : *[Refer Note 25(i)]*			
(a) Basic		**47.12**	46.77
(b) Diluted		**47.10**	46.76
Significant Accounting Policies	2		
Accompanying Notes to the Financial Statements	25		

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Sunil S Kothari
Partner

Date: May 15, 2014
Place: Pune

For and on behalf of the Board

S Ramadorai
Chairman

R Gopalakrishnan
Director

P P Kadle
Director

C Ramakrishnan
Director

Date: May 15, 2014
Place: Mumbai

P R McGoldrick
Managing Director

Samrat Gupta
Chief Financial Officer

Anubhav Kapoor
Company Secretary

Cash Flow Statement

(Amount in ₹ Crore)

Cash Flow Statement for the	Year ended March 31, 2014	Year ended March 31, 2013
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit after taxation	**202.72**	201.22
Depreciation and amortization	**36.14**	27.02
Disallowance of TDS abroad	**0.28**	0.30
Provision for wealth taxes	**0.01**	0.01
Provision for income tax	**57.70**	60.01
Provision for deferred tax	**(1.12)**	0.81
Dividend income on investments	**(13.85)**	(14.34)
(Profit)/Loss on sale of investment	**(4.74)**	(3.92)
(Profit)/Loss on sale of tangible and intangible fixed assets	**0.22**	-
Interest income	**(12.50)**	(8.04)
Finance costs	**1.43**	1.62
Unrealised exchange loss / (gain)	**(1.29)**	(0.19)
Effect of exchange differences on translation of foreign currency cash & cash equivalent	**0.55**	0.51
Allowances for doubtful debts	**(1.64)**	0.79
Operating profit before working capital changes	**263.91**	265.80
Adjustments:		
Trade receivables	**11.44**	(35.92)
Other current assets	**3.58**	35.32
Short term loans and advances	**1.78**	(4.84)
Long term loans and advances	**1.41**	(0.15)
Trade payables	**6.73**	28.99
Other current liabilities	**(0.44)**	(2.39)
Income received in advance	**(0.53)**	1.17
Short term provision	**0.37**	(0.19)
Long term provision	**7.87**	1.47
CASH GENERATED FROM OPERATIONS	**296.12**	289.26
Income taxes paid (net)	**(70.74)**	(57.58)
NET CASH FLOW (USED IN) / GENERATED FROM OPERATING ACTIVITIES	**225.38**	231.68
CASH FLOW FROM INVESTING ACTIVITIES		
Dividend received	**1.48**	2.83
Income from sale of investment	**4.74**	3.92
Interest received on bank deposit and others	**0.03**	2.84
Investment in preference shares	**-**	(5.00)
Investment in joint ventures	**-**	(0.75)
Inter corporate deposits placed	**(926.60)**	(817.65)
Inter corporate deposits refunded	**1110.50**	663.75
Loans to others	**(2.97)**	0.12
Deposits with financial companies	**-**	10.00
Interest received from intercorporate deposit / bonds	**12.47**	6.62
Purchase of mutual fund	**(1758.02)**	(1,974.71)
Sale of mutual funds	**1552.43**	1,896.34
Fixed deposit with banks (net) having maturity over three months	**(0.26)**	0.34
Proceeds from sale of tangible and intangible fixed assets	**0.11**	0.07
Payment for purchase of tangible and intangible fixed assets	**(43.23)**	(34.93)
NET CASH FLOW (USED IN)/GENERATED FROM INVESTING ACTIVITIES	**(49.32)**	(246.21)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of shares including premium	**-**	0.54
Interest paid	**(1.46)**	(1.58)
Dividends paid (including dividend tax)	**(140.70)**	(79.19)
Proceeds from short term borrowings	**217.75**	112.90
Repayment of short term borrowings	**(181.05)**	(112.67)
Repayment of long term borrowings	**(0.47)**	(0.50)
NET CASH FLOW (USED IN)/GENERATED FROM FINANCING ACTIVITIES	**(105.93)**	(80.50)
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS	**70.13**	(95.03)
Cash & bank balances at the close of the year *(Refer Note 16)* #	**88.90**	19.07
Less: bank deposits with original maturity over three months for the year	**0.30**	0.05
Cash & bank balances at the beginning of the year *(Refer Note 16)*	**19.07**	114.95
Less: bank deposits with original maturity over three months for the previous year	**0.05**	0.39
Effect of exchange rate changes on cash and cash equivalents	**0.55**	0.51
	70.13	(95.03)
# Cash & Bank Balances Comprises :		
a) Cash and cash equivalents		
Cash on hand	**0.02**	0.02
Cheques, drafts on hand	**35.15**	1.44
Current account with banks	**50.14**	16.74
Pledged/lien with banks	**-**	0.02
Bank deposits less than 3 months maturity	**2.25**	-
b) Other bank balances (with more than 3 months but less than 12 months maturity)		
Earmarked balance with banks	**1.04**	0.80
Pledged/lien with banks	**0.27**	0.04
c) Other bank balances (with more than 12 months maturity)		
Pledged/lien with banks	**0.03**	0.01
	88.90	19.07

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Sunil S Kothari
Partner

Date: May 15, 2014
Place: Pune

For and on behalf of the Board

S Ramadorai
Chairman

R Gopalakrishnan
Director

P P Kadle
Director

C Ramakrishnan
Director

P R McGoldrick
Managing Director

Samrat Gupta
Chief Financial Officer

Anubhav Kapoor
Company Secretary

Date: May 15, 2014
Place: Mumbai

Notes forming part of Financial Statements

Note 1

Company Overview

TATA Technologies Limited ("TTL or the Company") was incorporated on August 22, 1994 as a Private Limited company in the name of Core Software Systems Private Limited. The name of the Company was subsequently changed to Tata Technologies (India) Limited. On February 8, 2001, the Company changed its name from Tata Technologies (India) Limited to Tata Technologies Limited. The Company's range of services includes IT Consultancy, SAP implementation and maintenance, providing networking solutions, CAD/CAM engineering & design consultancy. The Company is headquartered in Pune, India. The Company has five branches located at Mumbai, Lucknow, Jamshedpur, Bangalore and Chennai that enables it to provide high quality, cost-effective services to clients in India.

Note 2

Significant Accounting Policies

a. Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention, in accordance with Indian Generally Accepted Accounting Principles (GAAP). GAAP comprises the mandatory accounting standards notified under the Companies (Accounting Standards) Rules, 2006. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

b. Use of Estimates

The preparation of the financial statements in conformity with GAAP requires the management of the Company (Management) to make estimates and assumptions that affect the reported amounts of revenue and expenses during the period / year and balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of financial statements. Provisions are made for all known losses and liabilities, future unforeseeable factors that may affect the profit on fixed price service contracts and also towards likely expenses for providing post-sales client support on such contracts.

c. Revenue Recognition

Revenue from services on time and materials contracts is recognized when services are rendered and related costs are incurred i.e. based on certification of time sheets and billed to clients as per the terms of specific contracts. In case of fixed price contracts, revenue is recognized over the life of the contract based on milestones achieved as specified in the contracts or by proportionate completion method on the basis of the work completed. Foreseeable losses on such contracts are recognized when probable.

Revenue from rendering Annual Maintenance Services (SAP-ERP) is recognized proportionately over the period of contract. Revenue from third party software products and hardware sale is recognized upon delivery. Cost and earnings in excess of billings are classified as unbilled revenue while billings in excess of cost and earnings is classified as unearned revenue.

Income from interest and rent is recognized on time proportion basis. Dividend from investments is recognized when the right to receive the payment is established and when no significant uncertainty as to measurability or collectability exists. Commission Income on sale of PLM products is recognized upon delivery of products by the vendor to the end user.

d. Fixed Assets

Tangible assets are stated at cost, less accumulated depreciation. Costs include all expenses incurred to bring the assets to its present location and condition. Direct costs are capitalized till the assets are ready for use and include financing costs relating to any borrowing attributable to the acquisition of qualifying fixed assets. Capital work in progress and Intangible assets in progress comprises the cost of fixed assets that are not yet ready for their intended use at the reporting date. Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment.

Software not exceeding ₹ 25,000 is charged off to the Statement of Profit and Loss.

e. Depreciation/Amortisation

Depreciation on Fixed Assets is provided on Straight Line Method (SLM) at the rates specified in the schedule XIV to the Companies Act, 1956, except as follows:

Type of Asset	Depreciation Percentage
Leasehold Land	Lease Period
Leasehold Improvements	Lease Period
Buildings	4% to 6.67%
Plant and Machinery	4.75% to 20%
Computer Equipments	25% to 50%
Vehicles	9.5% to 33.33%
Software Licenses	License Period
	25% to 50%

Depreciation/Amortisation on additions to Fixed Assets is provided from the month of acquisition of the Asset. Depreciation/Amortisation on Assets sold / scraped during the period is provided for prior to the month of sale / scrap as the case may be.

The Company charges 100% depreciation/amortisation on assets individually costing less than ₹ 5000 in the year of purchase.

f. Leases

Assets leased by the Company in its capacity as lessee, where the Company has substantially all the risks and rewards of ownership are classified as finance lease. Such lease are capitalised at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognized as operating lease. Lease payments under operating leases are recognized in the Statement of Profit & Loss on a straight line basis.

g. Foreign Currency transactions

Income and expenses in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.

Monetary current assets and current liabilities are reinstated at year-end exchange rates and the profit / loss so determined and also the realized exchange gains / losses are recognized in the Statement of Profit & Loss.

Premium or discount on forward contracts is amortized over the life of such contract and is recognized as income or expense in the Statement of Profit & Loss.

h. Investments

Trade investments are the investments made to enhance the Group's business interests.

Investments are classified into current investments & long term investments.

Current investments are carried at lower of cost and market value. Any reduction in carrying amount and reversals of such reductions are charged or credited to the Statement of Profit & Loss.

Long term investments are stated at cost less provision for diminution in the value of such investments. Diminution in value is provided for where the management is of the opinion that the diminution is other than temporary in nature.

Cost of overseas investments comprises the Indian rupee value of the consideration paid for the investment translated at the exchange rate prevalent at the date of investment.

i. Impairment of Assets

At each balance sheet date, the Company reviews using internal resources the carrying amounts of its

fixed assets to determine whether there is any indication that the assets suffered an impairment loss. If any such condition exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from continuing use of the asset and from its disposal are discounted to their present value using a pre tax rate that reflects the current market assessments of time value of money and the risks specific to the asset.

Reversal of impairment loss is recognized immediately as income in the Statement of Profit & Loss.

j. Inventories

Inventories comprising of traded software products are valued at lower of cost or net realizable value.

k. Employee Benefits

i. Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company makes annual contributions to gratuity fund established as trust. The Company accounts for the liability for gratuity benefits payable in future based on an independent actuarial valuation as on the Balance Sheet date.

ii. Superannuation

The Company has two superannuation plans, a defined benefit plan and a defined contribution plan. An eligible employee on April 1, 1996 could elect to be member of either plan.

Employees who are the members of the defined benefit superannuation plan are entitled to benefits depending on the years of service and salary drawn. The monthly pension benefits after retirement range from 0.75% to 2% of the annual basic salary for each year of service. The Company account for superannuation benefits payable in future under the plan based on an independent actuarial valuation as on the Balance Sheet date.

With effect from April 1, 2003, this plan was amended and benefits earned by covered employees have been protected as at March 31, 2003. Employees covered by this plan are prospectively entitled to benefits computed on a basis that ensures that the annual cost of providing the pension benefits would not exceed 15% of salary.

The Company maintains separate irrevocable trusts for employees covered and entitled to benefits. The Company contributes up to 15% of the eligible employees' salary to the trust every year. Such contributions are recognized as an expense when incurred. The Company has no further obligation beyond this contribution.

iii. Bhavishya Kalyan Yojana (BKY)

Bhavishya Kalyan Yojana is an unfunded defined benefit plan. The benefits of the plan accrue to an eligible employee at the time of death or permanent disablement, while in service, either as a result of an injury or as certified by the appropriate authority. The monthly payment to dependents of the deceased /disabled employee under the plan equals 50% of the salary drawn at the time of death or accident or a specified amount, whichever is higher. The Company accounts for the liability for BKY benefits payable in future based on an independent actuarial valuation as on the Balance Sheet date.

iv. Post-retirement Medicare Scheme

Under this Scheme employees get medical benefits subject to certain limits of amount, periods after retirement and types of benefits, depending on their grade and location at the time of retirement. The Company account for the liability for post-retirement medical scheme based on an independent actuarial valuation as on the Balance Sheet date.

v. Provident Fund

The eligible employees of the Company are entitled to receive benefits under the 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 provident fund contributions, as specified under the law, are paid to the provident fund set up as irrevocable trust by the Company and pension amount is paid to Regional Provident Fund Commissioner and the Central Provident Fund under the State Pension Scheme. The contributions paid during the year are charged to Statement of Profit and Loss.

vi. Compensated absences

The Company provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment. The liability is provided based on number of days of unutilized leave at each balance sheet date based on an independent actuarial valuation as on the Balance Sheet date.

l. Taxation

Current income tax expense comprises taxes on income from operations in India. Current Income tax payable in India is determined in accordance with the provisions of Income Tax Act, 1961.

Deferred tax expense or benefit is recognized on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognized only to the extent that there is virtual certainty that taxable income will be available to realize these assets. All other deferred tax assets are recognized only to the extent that there is reasonable certainty that future taxable income will be available to realize such assets.

m. Employee Stock Options

In accordance with the Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines, 1999 issued by Securities and Exchange Board of India (SEBI), the Company introduced Employee Stock Option Plan 2001 (TTESOP 2001) in 2000-01. As per the Plan, the options were granted at fair value as determined by an independent valuer as on the date of the grant and hence no compensation cost has been recognized.

n. Cash flow statement

Cash flows are reported using indirect method, whereby net profits after tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

o. Cash and Cash Equivalent

The Company considers all highly liquid financial instruments, which are readily convertible into cash and have original maturities of three months or less from the date of purchase, to be cash equivalents.

p. Earnings per share

The earnings considered in ascertaining the Company's earnings per share comprise the net profit after tax and include the post-tax effect of any extra-ordinary items. The number of shares used in computing basic earnings per share, is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises the shares considered for deriving basic earnings per share and also number of equity shares that could have been issued on the conversion of all dilutive potential equity shares.

q. Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. Borrowing costs are capitalized as part of the cost of a qualifying asset when it is probable that they will result in future economic benefits to the enterprise and the costs can be measured reliably. Other borrowing costs are recognized as an expense in the period in which they are incurred.

r. Provisions, contingent liabilities and contingent assets

A provision is recognized when the Company has a present obligation as a result of past event and its probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. The provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect current best estimates. Contingent liabilities are not recognized in the financial statements. A contingent asset is neither

recognized nor disclosed in the financial statements.

s. Change in segment reporting

During the year, considering the evolution of the operations over the period based on offshore/onshore model, the management of the Company has changed the primary segment from 'geographic' segment until last year to 'business' segment in the current year. The change reflects the way management reviews and plans its business operations and allocates the resources. The segments have been identified taking into account the organization structure, as well as risk and returns associated.

Note 3

(Amount in ₹ Crore)

Particulars	As at March 31, 2014	As at March 31, 2013
SHARE CAPITAL		
Authorised :		
60,000,000 equity shares of ₹ 10/- each (P.Y. 60,000,000 equity shares of ₹ 10/- each)	**60.00**	60.00
700,000 0.01% Cumulative Non-participative Compulsorily convertible Preference Shares of ₹ 10/- each (P.Y. 700,000 0.01% Cumulative Non-participative Compulsorily convertible Preference Shares of ₹ 10/- each)	**0.70**	0.70
	60.70	60.70
Issued, subscribed and fully paid :		
43,024,138 equity shares of ₹ 10/- each (P.Y. 43,023,538 equity shares of ₹ 10/- each)	**43.02**	43.02
	43.02	43.02

Note 3(i) Reconciliation of number of shares and amount outstanding at the beginning and at the end of the reporting periods :

Particulars	As at March 31, 2014		As at March 31, 2013	
	No. of Shares	Amount in ₹ crore	No. of Shares	Amount in ₹ crore
Equity shares				
Number of shares as at April 1, 2013	**43,023,538**	**43.02**	42,970,138	42.97
Add: Shares issued under ESOP scheme	**600**	**0.00**	53,400	0.05
Number of shares as at March 31, 2014	**43,024,138**	**43.02**	43,023,538	43.02

Note 3(ii) Shares in the Company held by each shareholder holding more than 5 percent shares

Particulars	As at March 31, 2014		As at March 31, 2013	
	No. of Shares	% Holding	No. of Shares	% Holding
Equity Shares				
(a) Tata Motors Limited (Parent Company)	**30,300,600**	**70.43**	30,300,600	70.43
(b) Alpha TC Holdings Pte Ltd.	**3,746,505**	**8.71**	3,746,505	8.71
	34,047,105	**79.14**	34,047,105	79.14

Notes forming part of Financial Statements

Note 3(iii) Equity shares of ₹ 10/- each allocated towards employee stock options granted/available for grant as at March 31, 2014 - 60,671 shares (61,271 shares as at March 31, 2013).

Note 3(iv)

Number of options granted, exercised and forfeited	As at March 31, 2014	As at March 31, 2013
Options granted, beginning of the year	**14,651**	68,951
Exercised during the year	**(600)**	(53,400)
Forfeited during the year	**-**	(900)
Option granted, end of the year	**14,051**	14,651

Note 4

RESERVES AND SURPLUS

(Amount in ₹ Crore)

	Particulars		As at March 31, 2013	Additions	Deductions	As at March 31, 2014
(a)	**Securities Premium Account**					
i)	Securities Premium Account	*(Note 4 (i) & (iii))*	350.50	-	-	**350.50**
ii)	Securities Premium identified seperately for consolidation adjustment	*(Note 4 (i) & (iii))*	23.16	-	-	**23.16**
(b)	**General Reserve**		69.65	21.00	-	**90.65**
(c)	**Surplus i.e. balance in statement of Profit and Loss**	*(Note 4 (iii))*	221.98	202.72	172.54	**252.16**
			665.29	223.72	172.54	**716.47**

Note 4(i) Changes in Securities Premium Account

(Amount in ₹ Crore)

Particulars	2013-14		2012-13	
	Additions	Deductions	Additions	Deductions
(a) Additions during the year	-	-	0.46	-
(b) Capital Reduction adjustments during the year *(Refer Note 4 (iii))*	-	-	0.02	-
	-	-	0.48	-

Notes forming part of Financial Statements

Note 4(ii) Changes in Statement of Profit and Loss :

(Amount in ₹ Crore)

Particulars	2013-14		2012-13	
	Additions	Deductions	Additions	Deductions
(a) Profit for the year	**202.72**	**-**	201.22	-
(b) Final dividend	**-**	**77.44**	-	68.84
(c) Interim dividend	**-**	**51.64**	-	38.69
(d) Tax on final dividend	**-**	**13.69**	-	11.17
(e) Tax on Interim dividend	**-**	**8.77**	-	6.28
(f) General reserve	**-**	**21.00**	-	21.00
	202.72	**172.54**	201.22	145.98

Note 4(iii)

During 2010, based on the approval of Shareholders of the Company at the Extra-Ordinary General Meeting held on March 5, 2010 and the Order of the Honourable High Court of Judicature at Mumbai dated April 16, 2010, the Company had utilized balance in the Securities Premium Account to the tune of ₹ 46.66 Crore towards one time charges/cost (including change in accounting policy for provision for doubtful debts) incurred by the Company and its subsidiary companies. The amounts relating to the Company amounting to ₹ 17.32 Crore had been adjusted to the Securities Premium Account. An amount of ₹ 29.34 Crore equivalent to the total amount of adjustments relating to the subsidiaries had been identified and segregated from the balance in the Securities Premium Account for adjustment on consolidation. Of this total adjustment made, ₹ 1.58 Crore and ₹ 16.58 Crore related to provision for doubtful debts of the Company and its subsidiary companies respectively on account of change in accounting with regard to provision for doubtful debts.

During the year ended March 31, 2014, the Company and its subsidiary companies have received amounts aggregating to ₹ Nil (₹ 0.02 Crore for the year ended March 31, 2013) against the balances adjusted in the Securities Premium Account as above. Consequently, such excess provisions for doubtful debts on account of the said collections have been written back to the Securities Premium Account.

Since realisation of doubtful debts provided for the adjustments above upto March 31, 2014 amounted to ₹ 6.18 Crore (₹ 6.18 Crore as on March 31, 2013) relating to the subsidiaries, accordingly, balance amount of ₹ 23.16 Crore relating to the subsidiaries is continued to be disclosed seperately as Securities Premium Account for adjustment on consolidation.

Notes forming part of Financial Statements

Note 5

(Amount in ₹ Crore)

Particulars	As at March 31, 2014	As at March 31, 2013
LONG TERM BORROWINGS		
Secured		
a) Banks		
Vehicle loans [Secured by hypothecation of vehicles] ##	-	0.04
b) Others		
Long term maturity of finance lease obligations # *(Refer Note 5 (i))* (Secured against fixed assets obtained under finance lease arrangements)	**0.05**	0.13
	0.05	0.17

Notes: # Terms of repayment - Equated Quarterly Installment
Terms of repayment - Equated Monthly Installment

Note 5(i) Long term maturity of finance lease obligations

(Amount in ₹ Crore)

Particulars	As at March 31, 2014	As at March 31, 2013
Total of Minimum lease payments		
Not later than one year	**0.10**	0.10
Later than one year and not later than five years	**0.05**	0.14
	0.15	0.24
Less: Interest	**0.01**	0.03
	0.14	0.21
Present Value of Minimum lease payments		
Not later than one year	**0.09**	0.08
Later than one year and not later than five years	**0.05**	0.13
	0.14	0.21

The company has entered into finance lease arrangements for servers.

Notes forming part of Financial Statements

Note 6

(Amount in ₹Crore)

Particulars	As at March 31, 2014	As at March 31, 2013
DEFERRED TAX LIABILITIES (NET)		
Tax effect of items constituting deferred tax liabilities :		
On difference between book balance and tax balance of fixed assets	**8.99**	9.64
Sub-total	**8.99**	9.64
Deferred tax assets:		
Provision for expenses disallowed under section 43B of The Income Tax Act,1961	**4.37**	3.52
Provision for doubtful debts	**0.76**	0.71
Others	**0.42**	0.85
Sub-total	**5.55**	5.08
Deferred tax liabilities (net)	**3.44**	4.56

Note 7

(Amount in ₹Crore)

Particulars	As at March 31, 2014	As at March 31, 2013
LONG - TERM PROVISIONS		
Provision for employee benefits *(Refer Note 7(i) & 7(ii))*	**16.43**	8.55
	16.43	8.55

Note 7(i) :

Defined benefits plans / long term compensated absences – as per actuarial valuations as on March 31, 2014

(Amount in ₹Crore)

		Gratuity					Superannuation					Compensated absences					Post-retirement Medicare scheme					BKY				
		2014	2013	2012	2011	2010	2014	2013	2012	2011	2010	2014	2013	2012	2011	2010	2014	2013	2012	2011	2010	2014	2013	2012	2011	2010
i	**Components of employer expense**																									
	Employer Service cost	2.71	2.30	2.25	1.34	1.16	0.25	0.25	0.24	0.20	0.26	1.52	1.20	0.88	0.60	0.64	0.69	0.11	0.08	0.19	0.17	0.31	0.24	0.16	0.09	0.10
	Interest cost	1.77	1.52	1.16	0.92	0.89	0.39	0.37	0.35	0.33	0.33	0.36	0.35	0.29	0.28	0.35	0.22	0.16	0.17	0.17	0.12	0.14	0.12	0.09	0.06	0.06
	Expected return on plan assets	(1.75)	(1.66)	(1.25)	(0.88)	(0.94)	(0.49)	(0.41)	(0.41)	(0.41)	(0.39)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Actuarial Losses/(Gains)	3.42	0.34	2.84	1.71	(0.02)	0.07	(0.78)	0.51	0.35	(0.16)	0.93	0.36	1.05	0.94	(0.17)	0.10	0.67	(0.17)	(0.31)	0.37	0.02	(0.08)	0.21	0.28	(0.08)
	Total expense / (income) recognised in the Statement of Profit & Loss	**6.15**	**2.50**	**5.00**	**3.09**	**1.09**	**0.22**	**(0.57)**	**0.69**	**0.47**	**0.04**	**2.81**	**1.91**	**2.22**	**1.82**	**0.82**	**1.01**	**0.94**	**0.08**	**0.05**	**0.66**	**0.47**	**0.28**	**0.46**	**0.43**	**0.08**
ii	**Actual Contribution and Benefit Payments**																									
	Actual benefit payments	1.35	1.16	1.39	2.52	1.13	0.14	0.19	-	0.82	0.01	1.84	1.60	1.42	1.89	1.54	0.15	0.17	0.12	0.08	0.04	0.06	0.06	0.07	0.06	0.06
	Actual Contributions	(1.05)	1.77	9.91	-	-	0.24	0.25	0.24	0.20	0.28	1.84	1.60	1.42	1.87	1.55	0.15	0.17	0.11	0.09	0.04	0.06	0.06	0.07	0.07	0.05
iii	**Net asset/(liability) recognised in balance sheet**																									
	Present Value of Defined Benefit Obligation	27.94	21.89	18.44	14.37	12.12	6.40	5.85	5.61	5.17	5.32	6.19	5.22	4.92	4.14	4.21	3.61	2.74	1.97	2.01	2.04	2.13	1.72	1.50	1.11	0.74
	Fair value of plan assets	21.94	23.11	20.38	11.40	12.24	6.67	6.11	5.05	5.06	5.47	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Net asset/(liability) recognised in balance sheet	(6.00)	1.22	1.94	(2.97)	0.12	0.27	0.26	(0.56)	(0.11)	0.15	(6.19)	(5.22)	(4.92)	(4.14)	(4.21)	(3.61)	(2.74)	(1.97)	(2.01)	(2.04)	(2.13)	(1.72)	(1.50)	(1.11)	(0.74)
	Experience adjustment on plan liabilities	1.58	(1.02)	(2.54)	(2.79)	(2.44)	0.05	0.07	0.15	(0.15)	0.12	(0.80)	(0.36)	(1.12)	(0.99)	0.13	0.19	(0.28)	0.17	(0.27)	0.26	0.06	0.01	(0.22)	(0.30)	0.07
	Experience adjustment on plan assets	0.51	0.46	(0.78)	0.80	0.16	0.03	0.59	(0.67)	(1.05)	0.04	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iv	**Change in Defined Benefit Obligations (DBO)**																									
	Present Value of DBO at beginning of year	21.89	18.44	14.37	12.12	11.06	5.85	5.61	5.17	5.31	4.87	5.23	4.92	4.14	4.21	4.93	2.74	1.97	2.01	2.04	1.42	1.72	1.50	1.11	0.74	0.72
	Employer Service cost	2.71	2.30	2.25	1.34	1.16	0.25	0.25	0.24	0.20	0.26	1.52	1.20	0.88	0.60	0.64	0.69	0.11	0.08	0.19	0.17	0.31	0.24	0.16	0.09	0.10
	Interest cost	1.77	1.52	1.16	0.92	0.89	0.39	0.37	0.35	0.33	0.33	0.36	0.35	0.29	0.28	0.35	0.22	0.16	0.17	0.17	0.12	0.14	0.12	0.09	0.06	0.06
	Actuarial (gains)/ losses	2.92	0.79	2.05	2.51	0.14	0.05	(0.19)	(0.15)	0.15	(0.12)	0.93	0.36	1.03	0.94	(0.17)	0.10	0.67	(0.17)	(0.31)	0.37	0.02	(0.08)	0.21	0.28	(0.08)
	Benefits paid	(1.35)	(1.16)	(1.39)	(2.52)	(1.13)	(0.14)	(0.19)	-	(0.82)	(0.01)	(1.84)	(1.60)	(1.42)	(1.89)	(1.54)	(0.15)	(0.17)	(0.12)	(0.08)	(0.04)	(0.06)	(0.06)	(0.07)	(0.06)	(0.06)
	Present Value of DBO at the end of year	**27.94**	**21.89**	**18.44**	**14.37**	**12.12**	**6.40**	**5.85**	**5.61**	**5.17**	**5.32**	**6.20**	**5.23**	**4.92**	**4.14**	**4.21**	**3.60**	**2.74**	**1.97**	**2.01**	**2.04**	**2.13**	**1.72**	**1.50**	**1.11**	**0.74**
v	**Change in Fair Value of Assets**																									
	Plan assets at beginning of year	23.11	20.39	11.39	12.24	12.27	6.11	5.05	5.06	5.47	4.77	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Actual return on plan assets	1.23	2.11	0.47	1.68	1.10	0.46	1.00	(0.25)	0.21	0.43	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Actual Company contributions	(1.05)	1.77	9.91	-	-	0.24	0.25	0.24	0.20	0.28	1.84	1.60	1.42	1.87	1.55	0.15	0.17	0.11	0.09	0.04	0.06	0.06	0.07	0.07	0.05
	Benefits paid	(1.35)	(1.16)	(1.39)	(2.52)	(1.13)	(0.14)	(0.19)	-	(0.82)	(0.01)	(1.84)	(1.60)	(1.42)	(1.87)	(1.55)	(0.15)	(0.17)	(0.11)	(0.09)	(0.04)	(0.06)	(0.06)	(0.07)	(0.07)	(0.05)
	Plan assets at the end of year	**21.94**	**23.11**	**20.38**	**11.40**	**12.24**	**6.67**	**6.11**	**5.05**	**5.06**	**5.47**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
vi	**Actuarial Assumptions**																									
	Discount Rate	9.20%	8%	9%	9%	9%	6.75%	7%	7%	7%	7%	9.20%	8%	9%	9%	9%	9.20%	8%	9%	9%	9%	9.20%	8%	9%	9%	9%
	Expected Return on plan assets	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Salary escalation	5-6.2%	4%	5%	2-5%	2-5%	N/A	N/A	N/A	N/A	N/A	5-6.2%	4%	5%	2-5%	2-5%	N/A	N/A	N/A	N/A	N/A	5-6.2%	4%	5%	2-5%	2-5%
	Medical cost inflation	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	6%	5%	4%	4%	4%	N/A	N/A	N/A	N/A	N/A
vii	**The major categories of plan assets as percentage of total plan assets**																									
	Debt securities	98%	99%	74%	100%	100%	100%	100%	100%	100%	99%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Balances with banks	2%	1%	26%	0%	0%	0%	0%	0%	0%	1%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

		One percentage point increase in Medical inflation rate					One percentage point decrease in Medical inflation rate				
viii	**Effect of one percentage point change in assumed Medical inflation rate**										
		2014	2013	2012	2011	2010	2014	2013	2012	2011	2010
	DBO as at 31 March	0.34	0.44	2.02	0.30	2.17	(0.30)	(0.36)	1.93	0.28	1.93
	Service cost for the year	N/A	0.02	0.08	0.21	0.17	N/A	(0.01)	0.07	0.18	0.16
	Interest cost for the year	N/A	0.03	0.16	0.18	0.13	N/A	(0.03)	0.16	0.16	0.11

The Company accounts for the liability for employee benefits payable in future based on an estimated basis for the period end and on the independent actuarial valuation at the year end.

Notes forming part of Financial Statements

Note 7 (ii) :

Defined Contribution Plans-

The Company's contribution to defined contribution plan aggregated Rs. 17.07 crores (2012-13 ₹ 15.15 crores) for the year ended March 31, 2014 has been recognised in the statement of Profit and Loss.

(a) The expected rate of return on plan assets is based on market expectation, at the beginning of the year, for returns over the entire life of the related obligation.

(b) The assumption of future salary increases, considered in actuarial valuation, takes into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(c) Also refer note 2(k) for brief description of employee benefit schemes.

Note 8

(Amount in ₹ Crore)

Particulars	As at March 31, 2014	As at March 31, 2013
OTHER CURRENT LIABILITIES		
(a) Interest accrued but not due on borrowings	**0.04**	0.07
(b) Current maturities of long-term debt *(Refer Note 5)*	**0.02**	0.37
(c) Current maturities of finance lease obligations *(Refer Note 5(i))*	**0.08**	0.08
(d) Income received in advance	**0.63**	1.17
(e) Unclaimed / unpaid dividends	**1.03**	0.79
(f) Statutory remittances (withholding taxes, VAT, etc.)	**5.82**	5.90
(g) Advance and progress payments	**1.27**	1.62
	8.89	10.00

Note 9

(Amount in ₹ Crore)

Particulars	As at March 31, 2014	As at March 31, 2013
SHORT-TERM PROVISIONS		
(a) Provision for employee benefits *(Refer Note 7(i) & 7(ii))*	**1.50**	1.13
(b) Provision for final dividend	**77.44**	68.84
(c) Provision for tax on dividend	**13.16**	11.17
	92.10	81.14

Notes forming part of financial statements

Note 10

(Amount in ₹ Crore)

	FIXED ASSETS	Cost as at Apr 1, 2013	Additions	Deductions	Cost as at March 31, 2014	Accumulated depreciation up to Apr 1, 2013	Depreciation for the year ended March 31, 2014	Deductions	Accumulated depreciation up to March 31, 2014	Net Book Value as at March 31, 2014	Net Book Value as at March 31, 2013
[A]	**TANGIBLE ASSETS**										
(a)	Leasehold land	**4.09**	**-**	**-**	**4.09**	**0.53**	**0.04**	**-**	**0.57**	**3.52**	**3.56**
		(4.09)	(-)	(-)	(4.09)	(0.49)	(0.04)	(-)	(0.53)	(3.56)	(3.60)
(b)	Buildings	**22.79**	**0.04**	**-**	**22.83**	**7.56**	**0.95**	**-**	**8.51**	**14.32**	**15.23**
		(22.79)	(-)	(-)	(22.79)	(6.61)	(0.95)	(-)	(7.56)	(15.23)	(16.18)
(c)	Plant & machinery and equipments - Owned	**17.26**	**2.60**	**0.17**	**19.69**	**5.89**	**1.32**	**0.10**	**7.11**	**12.58**	**11.37**
		(16.37)	(0.94)	(0.05)	(17.26)	(4.89)	(1.03)	(0.03)	(5.89)	(11.37)	(11.48)
(d)	Plant & machinery and equipments - Leased	**0.43**	**-**	**-**	**0.43**	**0.25**	**0.11**	**-**	**0.36**	**0.07**	**0.18**
		(0.43)	(-)	(-)	(0.43)	(0.14)	(0.11)	(-)	(0.25)	(0.18)	(0.29)
(e)	Office equipments	**3.20**	**0.97**	**0.25**	**3.92**	**0.88**	**0.21**	**0.11**	**0.98**	**2.94**	**2.32**
		(2.80)	(0.45)	(0.05)	(3.20)	(0.76)	(0.15)	(0.03)	(0.88)	(2.32)	(2.04)
(f)	Computers	**51.91**	**20.01**	**1.15**	**70.77**	**35.65**	**10.62**	**1.15**	**45.12**	**25.65**	**16.26**
		(50.27)	(6.02)	(4.38)	(51.91)	(33.44)	(6.58)	(4.37)	(35.65)	(16.26)	(16.83)
(g)	Furniture and fixtures	**8.15**	**1.59**	**-**	**9.74**	**3.20**	**0.61**	**-**	**3.81**	**5.93**	**4.95**
		(7.48)	(0.83)	(0.16)	(8.15)	(2.86)	(0.48)	(0.14)	(3.20)	(4.95)	(4.62)
(h)	Vehicles (Refer Note 10 (i))	**2.82**	**0.69**	**1.43**	**2.08**	**1.67**	**0.77**	**1.32**	**1.12**	**0.96**	**1.15**
		(2.80)	(0.17)	(0.15)	(2.82)	(1.04)	(0.78)	(0.15)	(1.67)	(1.15)	(1.76)
(i)	Leasehold Improvements	**5.87**	**4.45**	**-**	**10.32**	**1.04**	**1.17**	**-**	**2.21**	**8.11**	**4.83**
		(4.55)	(1.32)	(-)	(5.87)	(0.34)	(0.70)	(-)	(1.04)	(4.83)	(4.21)
	Total	**116.52**	**30.35**	**3.00**	**143.87**	**56.67**	**15.80**	**2.68**	**69.79**	**74.08**	**59.85**
		(111.58)	(9.73)	(4.79)	(116.52)	(50.57)	(10.82)	(4.72)	(56.67)	(59.85)	

Notes: (i) Vehicles includes gross block as at March 31, 2014 ₹ 0.37 Crore (W.D.V. ₹ 0.03 Crore) acquired on loan, hypothecated with Tata Capital Ltd, Tata Finance Ltd, Tata Motors Finance Limited and ICICI Bank Ltd (as at March 31, 2013 ₹ 1.64 Crore) (W.D.V ₹ 0.47 Crore))

(ii) Capital Commitment : The estimated amount of contracts remaining to be executed on capital account, and not provided for is ₹ 11.75 Crore as at March 31, 2014 (as at March 31, 2013 : ₹ 9.49 Crore).

(iii) Previous year's figures are shown in the brackets

Notes forming part of Financial Statements

Note 11

(Amount in ₹ Crore)

	FIXED ASSETS	Cost as at Apr 1, 2013	Additions	Deductions	Cost as at March 31, 2014	Accumulated amortisation up to Apr 1, 2013	Amortisation for the year ended March 31, 2014	Deductions	Accumulated amortisation up to March 31, 2014	Net Book Value as at March 31, 2014	Net Book Value as at March 31, 2013
[B]	**INTANGIBLE ASSETS** (Other than internally generated)										
(a)	Software Licenses	**84.80**	**23.62**	**2.33**	**106.09**	**48.68**	**20.35**	**2.33**	**66.70**	**39.39**	**36.12**
		(65.74)	(19.06)	(-)	(84.80)	(32.48)	(16.20)	(-)	(48.68)	(36.12)	(33.26)
	Total	**84.80**	**23.62**	**2.33**	**106.09**	**48.68**	**20.35**	**2.33**	**66.70**	**39.39**	**36.12**
		(65.74)	(19.06)	(-)	(84.80)	(32.48)	(16.20)	(-)	(48.68)	(36.12)	

Notes: (i) Capital Commitment : The estimated amount of contracts remaining to be executed on capital account, and not provided for is ₹ 2.51 Crore as at March 31, 2014 (as at March 31, 2013 : ₹ 8.59 Crore).

(ii) Previous year's figures are shown in the brackets.

Notes forming part of Financial Statements

Note 12

(Amount in ₹ Crore)

Particulars	As at March 31, 2014	As at March 31, 2013
NON-CURRENT INVESTMENTS		
Trade Investments		
Investments in Equity instruments (Unquoted at cost)		
i) Subsidiaries		
(a) Tata Technologies Inc. (150,000 (P.Y. 150,000) shares of non-voting Class 'A' common stock with no Par value)	**15.57**	15.57
(b) Tata Technologies Pte Ltd, Singapore, a 100% subsidiary company (86,463,759 (P.Y. 86,463,759) ordinary shares with no par value)	**203.34**	203.34
ii) Joint Ventures		
Tata HAL Technologies Ltd (formerly known as INCAT HAL Aerostructures Ltd) 5,070,000 (P.Y. 5,070,000) equity shares of ₹ 10 each fully paid (50% JV with HAL)	**5.07**	5.07
Other Investments (Quoted)*		
i) Investment in Debentures		
Tata Motors Finance Limited 100 (P.Y. 100) 11% Non Convertible Debentures of ₹ 0.05 Crore each fully paid	**5.00**	5.00
ii) Investments in Mutual Funds		
Tata FMP - Series 42 Scheme H - Direct - Growth	**-**	2.00
BNP Paribas Fixed Term Fund Series - 24A - Direct - Growth	**-**	3.00
DWS Fixed Maturity Plan - Series 26 - Direct - Growth	**-**	2.50
JP Morgan Fixed Maturity Plan Sr. 16 - Direct Growth	**-**	5.00
* (Note: Market value of quoted investments ₹ 5.18 Crore (P.Y. ₹ 17.52 Crore)		
Other Investments (Unquoted)		
i) Investment in Preference Shares		
Tata Capital Limited 33,333 (P.Y. 33,333) Cumulative redeemable non participating preference shares of ₹ 1,500 each fully paid	**5.00**	5.00
	233.98	246.48

Note 13

(Amount in ₹ Crore)

Particulars	As at March 31, 2014	As at March 31, 2013
LONG - TERM LOANS AND ADVANCES		
Unsecured (Considered good)		
(a) Security deposits	**0.47**	1.12
(b) Loans to employees	**1.14**	2.13
(c) Loans to others	**5.07**	2.10
(d) Capital advances	**0.32**	0.06
(e) Prepaid expenses	**0.11**	0.27
(f) Deposits with government and others	**1.08**	0.68
	8.19	6.36

Notes forming part of Financial Statements

Note 14

(Amount in ₹ Crore)

Particulars	As at March 31, 2014	As at March 31, 2013
CURRENT INVESTMENTS - OTHERS		
a) Investments in Mutual Funds (Unquoted)		
Baroda Pioneer Dynamic Bond Fund - Dividend Plan Payout	-	20.00
Religare Invesco Short Term Plan - Plan A Weekly Dividend - Reinvestment	-	26.20
Taurus Short Term Income Fund - Monthly Dividend Reinvestment	-	5.15
Religare Invesco Bank Debt Fund	-	10.13
Axis Banking Debt Fund - Direct - Daily Dividend Reinvestment	-	10.10
HDFC Floating Rate Income Fund - Short Term - Weekly Payout - Direct - Daily Dividend Reinvestment	-	5.02
Morgan Stanley Short Term Bond Fund - Direct - Weekly Dividend Reinvestment	-	20.45
SBI Magnum Insta Cash - Liquid Floater - Direct - Daily Dividend Reinvestment	-	7.53
BNP Paribas Short Term Income Fund - Direct - Monthly Dividend Payout	-	15.05
DWS Treasury Fund - Investment - Direct - Growth	-	5.76
Morgan Stanley Liquid Fund - Direct - Growth	-	20.05
Religare Invesco Credit Opportunities Fund - Direct - Growth	-	28.02
Baroda Pioneer Liquid Fund - Plan B - Direct - Growth	-	21.00
Sundaram Ultra Short Term Fund - Direct - Growth	-	30.00
Birla Sun Life Cash Plus - Direct - Growth	**25.00**	-
SBI Premier Liquid Fund - Direct - Daily Dividend Reinvestment	**5.93**	-
IDFC Cash Fund - Direct - Daily Dividend Reinvestment	**7.62**	-
Reliance Liquid Fund Treasury Plan- Direct - Daily Dividend Reinvestment	**25.13**	-
ICICI Prudential Liquid Direct Plan Daily Dividend Reinvestment	**18.29**	-
Birla Sun Life Cash Plus Direct Daily Dividend Reinvestment	**25.91**	-
Tata Liquid Fund-Direct- Daily Dividend Reinvestment	**10.72**	-
HDFC Liquid Fund Direct Daily Dividend Reinvestment	**18.22**	-
Kotak Liquid Plan A - Direct - Daily Dividend Reinvestment	**8.61**	-
L & T Liquid Fund - Direct - Daily Dividend Reinvestment	**13.76**	-
UTI Liquid Fund - Cash Plan - Direct - Daily Dividend Reinvestment	**13.66**	-
HDFC Cash Mgmt Savings Plan - Direct - Growth	**15.00**	-
Reliance Liquidity Fund - Direct - Growth	**20.00**	-
Tata Liquid Fund - Direct - Growth	**36.75**	-
Birla Sun Life Folating Rate Fund - Short Term Plan - Direct - Growth	**50.00**	-
HDFC Liquid Fund - Direct - Growth	**10.00**	-
ICICI Prudential Liquid - Direct - Growth	**30.00**	-
IDFC Cash Fund - Direct - Growth	**7.80**	-
L & T Liquid Fund - Direct - Growth	**16.00**	-
SBI Premier Liquid Fund - Direct - Growth	**10.00**	-
DSP BlackRock Liquidity Fund - Direct Plan - Growth	**7.00**	-
Kotak Liquid Scheme Plan A - Direct - Growth	**15.00**	-
Reliance Liquid Fund Treasury Plan Direct Growth	**25.00**	-
	415.40	224.46
b) Investments in Mutual Funds (Quoted)*		
Birla Sun Life Fixed Term Plan Series DU - Growth	-	2.00
JP Morgan India Fixed Maturity Plan Series 6 - Growth	-	4.00
ICICI Prudential Fixed Maturity Plan Series-62-396D-Plan F-Growth	-	2.50
Birla Fixed Term Fund- Series ES-Growth	-	2.00
HDFC Fixed Maturity Plan 400D February 2012 (1) -Growth	-	2.50
Axis Fixed Term Plan - Series 21 - Growth	-	2.50
Tata Fixed Maturity Plan Series 39 -Scheme G - Growth	-	2.50
ICICI Prudential Fixed Maturity Plan - Series 63 - Plan A - Growth	-	5.00
BSL Fixed Term Plan - Series EV - Growth	-	5.00
Kotak Fixed Maturity Plan - Series 80 - Growth	-	5.00
Reliance Fixed Horizon Fund - Series XXI - Series 18 - Growth	-	5.00
Reliance Yearly Interval Fund - Series 1 - Direct - Growth	**5.00**	-
Tata Fixed Maturity Plan - Series 42 Scheme H - Direct Plan - Growth	**2.00**	-
BNP Paribas Fixed Term Fund Series - 24A - Direct - Growth	**3.00**	-
DWS Fixed Maturity Plan - Series 26 - Direct - Growth	**2.50**	-
JP Morgan Fixed Maturity Plan Series 16 - Direct Growth	**5.00**	-
Birla Sun Life Fixed Term Plan - Series JY (367 Days) Direct - Growth	**5.00**	-
Birla Sun Life Fixed Term Plan - Series JZ (368 Days) Direct - Growth	**3.00**	-
DSP BlackRock Fixed Maturity Plan - Series 144 -12M - Direct - Growth	**5.00**	-
Reliance Fixed Horizon Fund-XXV- Series 18- Direct - Growth	**3.00**	-
Tata Fixed Maturity Plan Series 46 L - Direct - Growth	**5.00**	-
ICICI Prudential Fixed Maturity Plan Series 72 - 366 Days - Plan K - Direct - Growth	**5.00**	-
Birla Sun Life Fixed Term Plan - Series KC (368 Days) Direct - Growth	**2.00**	-
HDFC Fixed Maturity Plan 370D February 2014 (1) - Series 29 - Direct - Growth	**4.00**	-
ICICI Prudential Fixed Maturity Plan Series 72 - 366 Days - Plan M - Direct - Growth	**4.00**	-
JP Morgan Fixed Maturity Plan Series 31 - Direct - Growth	**7.00**	-
Kotak Fixed Maturity Plan Series 137 - Direct - Growth	**2.00**	-
IDFC Fixed Maturity Plan Series 76 (366 Days) - Direct - Growth	**2.00**	-
Kotak Fixed Maturity Plan Series 143 - Direct - Growth	**3.00**	-
L & T Fixed Maturity Plan Series 10 - Plan N - Direct - Growth	**5.00**	-
DSP BlackRock Fixed Maturity Plan - Series 151 - 12 M - Direct - Growth	**5.00**	-
* (Note: Market value of quoted investments ₹ 79.72 Crore (P.Y. ₹ 42.19 Crore))	**77.50**	38.00
	492.90	262.46

Notes forming part of Financial Statements

Note 15

(Amount in ₹ Crore)

Particulars	As at March 31, 2014	As at March 31, 2013
TRADE RECEIVABLES		
(Unsecured, considered good unless otherwise stated)		
(a) Trade receivables due for a period exceeding six months		
Considered good	**1.10**	0.53
Considered doubtful	**1.77**	3.42
	2.87	3.95
Less : Allowances for doubtful debts	**1.77**	3.42
	1.10	0.53
(b) Other trade receivables		
Considered good	**113.82**	124.06
Considered doubtful	**-**	-
	113.82	124.06
Less : Allowances for doubtful debts	**-**	-
	113.82	124.06
	114.92	124.59

Note 16

(Amount in ₹ Crore)

Particulars	As at March 31, 2014	As at March 31, 2013
CASH AND BANK BALANCES		
(A) Cash and cash equivalents		
(a) Cash on hand	**0.02**	0.02
(b) Cheques, drafts on hand / funds in transit *(Refer note 16 (ii))*	**35.15**	1.44
(c) Current account with banks *(Refer note 16 (i))*	**50.14**	16.74
(d) Pledged/lien with banks	**-**	0.02
(e) Bank deposits less than 3 months maturity	**2.25**	-
	87.56	18.22
(B) Other bank balances		
(with more than 3 months but less than 12 months maturity)		
(a) Earmarked balance with banks	**1.04**	0.80
(b) Pledged/lien with banks	**0.27**	0.04
	1.31	0.84
(C) Other bank balances (with more than 12 months maturity)		
(a) Pledged/lien with banks	**0.03**	0.01
	0.03	0.01
	88.90	19.07
Notes :		
(i) In foreign currencies	**45.23**	14.93
(ii) Remittances in transit	**22.62**	-

Notes forming part of financial statements

Note 17

(Amount in ₹ Crore)

Particulars	As at March 31, 2014	As at March 31, 2013
OTHER CURRENT ASSETS		
(a) Interest accrued on deposits and investments	**0.30**	0.30
(b) Unbilled revenue	**2.58**	1.19
(c) Advances to suppliers and contractors	**1.42**	4.92
(d) Prepaid expenses	**3.74**	2.99
(e) Unamortized premium on forward contract	**-**	0.03
(f) Others (VAT, Service tax, other taxes recoverables, etc.)	**0.42**	2.61
	8.46	12.04

Note 18

(Amount in ₹ Crore)

Particulars	As at March 31, 2014	As at March 31, 2013
SHORT TERM LOANS AND ADVANCES		
Unsecured (considered good, unless otherwise stated)		
(a) Inter corporate deposits *(Refer Note 25 (vi) (b))*	**-**	183.90
(b) Loans and advances to related parties	**9.74**	12.23
(c) Security deposits	**1.00**	0.34
(d) Loans and advances employees	**0.41**	0.33
Less : Allowances for doubtful loans and advances	**(0.04)**	(0.04)
(e) Deposits with government and others	**0.05**	0.08
	11.16	196.84

Note 19

(Amount in ₹ Crore)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
REVENUE FROM OPERATIONS		
(a) Sale of products	**122.12**	102.26
(b) Sale of services	**762.89**	671.54
(c) Commission income	**1.17**	0.90
	886.18	774.70

Notes forming part of financial statements

Note 20

(Amount in ₹ Crore)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
OTHER INCOME		
(a) Interest income-others	**11.95**	7.46
(b) Interest income-Long term investments	**0.55**	0.58
(c) Dividend income - Other current investments	**13.67**	14.34
(d) Dividend income - Non current investments	**0.18**	-
(e) Foreign currency gain (net)	**2.31**	1.45
(f) Doubtful debts written back	**1.64**	-
(g) Profit on sale of investments (net)	**4.74**	3.92
(h) Other non-operating income *	**8.12**	15.58
	43.16	43.33
* Other non-operating income includes provisions no longer required, written back	**7.31**	13.37

Note 21

(Amount in ₹ Crore)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
CONSULTANCY FEES, SOFTWARES AND OTHERS		
(a) Outsourcing charges	**26.80**	18.58
(b) Software-internal use	**0.50**	1.97
(c) Professional fees	**33.50**	20.13
	60.80	40.68

Note 22

(Amount in ₹ Crore)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
EMPLOYEE BENEFIT EXPENSE		
(a) Salaries and wages	**361.88**	317.38
(b) Contribution to provident fund	**12.59**	11.23
(c) Contribution to superannuation scheme	**4.46**	3.10
(d) Contribution to gratuity fund	**6.15**	2.50
(e) Staff welfare expenses	**14.53**	10.97
	399.61	345.18

Note 23

(Amount in ₹ Crore)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
FINANCE COSTS		
Interest Expense		
Interest on short term borrowings	**1.39**	1.53
Interest on long term borrowings	**0.04**	0.09
	1.43	1.62

Notes forming part of financial statements

Note 24

(Amount in ₹ Crore)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
OTHER EXPENSES		
(a) Repairs & maintenance		
- Buildings	**0.41**	0.43
- Plant & machinery	**0.39**	0.72
- Others	**3.92**	3.22
(b) Rent*	**7.14**	5.54
(c) Rates and taxes	**0.39**	0.43
(d) Provision for wealth tax	**0.01**	0.01
(e) Insurance	**0.38**	0.40
(f) Advertisement and publicity	**-**	0.01
(g) Business promotion expenses	**2.76**	1.02
(h) Office expenses	**4.52**	3.89
(i) Travelling & conveyance	**15.32**	13.21
(j) Power & fuel	**3.68**	3.25
(k) Water charges	**0.48**	0.28
(l) Auditors remuneration**	**0.46**	0.56
(m) Staff training and seminar expenses	**1.84**	2.24
(n) Staff recruitment expenses	**1.08**	1.71
(o) Commision to others	**5.24**	5.07
(p) AMC charges	**16.33**	9.49
(q) Communication expenses	**6.06**	5.32
(r) Allowances for doubtful debts	**-**	0.81
(s) Bad debts written off	**1.80**	-
(t) Miscellaneous Expenses	**1.61**	0.86
	73.82	58.47

***Obligations under operating lease**

(Amount in ₹ Crore)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Lease Obligations		
Dues not later than one year	**2.81**	4.01
Due later than one year but not later than five years	**1.01**	3.75
	3.82	7.76
Lease payments recognised in the statement of profit and loss for the year	**7.14**	5.54

The Company has entered into operating lease arrangements for office premises.

****Auditors' Remuneration (Excluding Service tax)**

(Amount in ₹ Crore)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
i) For services as auditors, including quarterly audits	**0.35**	0.30
ii) For Tax audit/Transfer pricing audit	**0.04**	0.24
iii) For other attest services	**0.05**	0.01
iv) Reimbursement of out-of-pocket expenses	**0.02**	0.01
	0.46	0.56

Additional information to the Financial Statements

Note 25 (i): Earning per Share

	Particulars		March 31, 2014	March 31, 2013
(a)	Profit after tax	₹ Crore	**202.72**	201.22
(b)	The weighted average number of Ordinary Shares for Basic EPS	Nos.	**43,024,138**	43,023,538
(c)	The nominal value per Ordinary Share	₹	**10.00**	10.00
(d)	Earnings Per Share (Basic)	₹	**47.12**	46.77
(e)	Profit after tax for Diluted EPS	₹ Crore	**202.72**	201.22
(f)	The weighted average number of Ordinary Shares for Basic EPS	Nos.	**43,024,138**	43,023,538
(g)	Add: Adjustment for Employee Stock Options	Nos.	**14,051**	14,651
(h)	The weighted average number of Ordinary Shares for Diluted EPS	Nos.	**43,038,189**	43,038,189
(i)	Earnings Per Shares (Diluted)	₹	**47.10**	46.76

Note 25 (ii): Contingent Liabilities

(Amount in ₹ Crore)

	Particulars	As at March 31, 2014	As at March 31, 2013
(a)	Bills discounted	**113.61**	66.69
(b)	Income Tax demands disputed in appeals	**2.11**	2.00
(c)	Sales Tax demands disputed in appeals	**21.83**	21.81
(d)	Service Tax demands disputed in appeals	**8.67**	7.72
(e)	Corporate Guarantees issued to Bank in respect of loan taken by subsidiary companies	**159.71**	217.12

Note 25 (iii): Derivative transactions

The Company uses forward exchange contracts to hedge its exposure in foreign currency. The information on derivative instruments is as follows:

1 . Derivative instruments outstanding as at March 31, 2014:

Particulars	As At	Bought/sold		Amount in Foreign currency in crore	Amount in ₹ crore
Forward Exchange contracts	March 31, 2014	Sold	GBP/INR	**GBP 0.17**	16.92
	March 31, 2013	Sold	GBP/USD	GBP 0.40	32.84

Additional information to the Financial Statements

2. Foreign exchange currency exposures not covered by derivative instruments

(Amount in ₹ Crore)

Particulars	Currency	As At March 31, 2014		As At March 31, 2013	
		Amount in Foreign Currency	Equivalent Amount in ₹	Amount in Foreign Currency	Equivalent Amount in ₹
Trade Receivables	EUR	**0.13**	**11.01**	0.06	4.17
	CAD	**0.00**	**0.22**	-	-
	GBP	**0.03**	**3.27**	0.09	7.29
	THB	**-**	**-**	0.02	0.05
	USD	**0.40**	**23.96**	0.34	18.30
	ZAR	**0.02**	**0.09**	0.01	0.07
Loans & Advances	EUR	**0.00**	**0.37**	0.01	0.42
	GBP	**0.01**	**1.02**	0.08	6.43
	THB	**0.04**	**0.08**	0.15	0.28
	USD	**0.13**	**7.56**	0.07	3.66
	ZAR	**-**	**-**	0.01	0.04
Trade Payables	EUR	**0.01**	**0.56**	0.01	0.89
	GBP	**0.00**	**0.01**	0.00	0.07
	JPY	**-**	**-**	0.01	0.00
	SGD	**0.00**	**0.03**	0.00	0.00
	THB	**0.75**	**1.38**	0.91	1.69
	USD	**0.06**	**3.49**	0.16	8.47
Unsecured Loan	USD	**1.50**	**89.84**	1.00	54.28
Current account with Bank	USD	**0.30**	**18.22**	0.20	11.04
	EUR	**0.00**	**0.28**	0.04	3.10
	GBP	**0.27**	**26.73**	0.01	0.79

Note 25 (iv) Dues to micro, small and medium scale enterprises

Based on the information available with the Company, none of the vendors fall under the definition of micro, small and medium scale enterprises. This information is not verifiable by the auditors.

Additional information to the Financial Statements

Note 25 (v) Segment Reporting

Primary Segment - Business
The Company's operations entail providing 'Information Technology Products and Services' which constitute a single segment for primary segment reporting. Accordingly, the figures given in these financial statements relate to the Company's single business segment.

Secondary Segment - Geographic
Secondary segmental reporting is prepared on the basis of geographical location of the customers.

(Amount in ₹ Crore)

Particulars	India	UK	USA	Rest of Europe	Rest of the World	Total
Revenues	**629.05**	**160.35**	**59.55**	**17.75**	**19.48**	**886.18**
	548.31	*133.71*	*65.44*	*15.88*	*11.36*	*774.70*
Identifiable operating expenses	**428.25**	**72.76**	**43.88**	**12.83**	**11.39**	**569.11**
	346.07	*63.94*	*44.14*	*11.43*	*8.08*	*473.66*
Allocated expenses	**21.27**	**8.64**	**3.18**	**0.96**	**0.75**	**34.79**
	13.06	*6.21*	*3.02*	*0.74*	*0.53*	*23.56*
Segmental operating income	**179.53**	**78.95**	**12.49**	**3.97**	**7.34**	**282.28**
	189.18	*63.56*	*18.28*	*3.71*	*2.75*	*277.48*
Unallocable expenses						**64.71**
						57.16
Other Income						**41.73**
						41.72
Net profit before taxes						**259.30**
						262.04
Income taxes						**56.58**
						60.82
Net profit after taxes						**202.72**
						201.22

Fixed assets used in the Company's business or liabilities contracted have not been identified to any of the reported segments, as fixed assets and services are used interchangeably between reported segments.

Figures for comparative period have been presented in accordance with the reporting in the current period. There has been no financial impact due to change in segment reporting in the current year.

Previous year figures are shown in italic.

Additional information to the Financial Statements

Note 25 (vi) Related Party Disclosures for the year ended March 31, 2014.
a) Related party and their relationship

1	Parent Company		Tata Motors Limited
2	Subsidiary		Tata Technologies Pte.Limited, Singapore
3	Indirect Subsidiaries	1	Tata Technologies (Thailand) Limited
		2	INCAT International Plc.
		3	Tata Technologies Europe Limited
		4	INCAT GmbH
		5	Tata Technologies Inc
		6	Tata Technologies de Mexico, S.A. de C.V.
		7	Tata Technologies (Canada) Inc.
		8	Cambric Holdings Inc.
		9	Cambric Corporation, Delaware
		10	Cambric Limited, Bahama
		11	Cambric UK Ltd.
		12	Cambric Managed Services Inc, Utah
		13	Cambric GmbH
		14	Midwest Managed Services, Utah
		15	Cambric Consulting SRL, Romania
		16	Cambric Manufacturing Technologies (Shanghai) Co. Ltd. (incorporated w.e.f. March 10, 2014)
4	Fellow subsidiaries	1	TAL Manufacturing Solutions Ltd.
		2	TML Driveline Ltd.
		3	Sheba Properties Ltd.
		4	Concorde Motors (India) Ltd.
		5	Tata Daewoo Commercial Vehicle Co.Ltd.
		6	Tata Motors Insurance Broking & Advisory Services Ltd.
		7	Tata Motors European Technical Centre Plc.
		8	Tata Motors Finance Limited
		9	Tata Marcopolo Motors Ltd.
		10	Tata Motors (Thailand) Ltd.
		11	TML Holdings Pte Ltd.
		12	TML Distribution Company Limited
		13	Tata Hispano Motors Carrocera S.A.
		14	PT Tata Motors Indonesia
		15	Tata Motors (SA) (Proprietary) Limited
		16	Jaguar Land Rover Automotive PLC (Erstwhile Jaguar Land Rover PLC name changed w.e.f. 28.12.2012 and the name changed from Jaguar Land Rover Limited on 06.04.11)
		17	Jaguar Land Rover Limited (JLR Ltd. acquired business and assets of Jaguar Land Rover Exports Ltd. on 1.4.2013 (other than its nominee shareholdings in Jaguar Land Rover Portugal, Jaguar Land Rover Brasil, Land Rover Belux S.A./N.V., Jaguar Belux N.V and membership in British Motor Industry Heritage Trust))
		18	Jaguar Land Rover Austria GmbH
		19	Jaguar Land Rover Japan Ltd.
		20	JLR Nominee Company Limited (Business of Land Rover Exports Limited transferred w.e.f. 1.4.2012 to Jaguar Land Rover Exports Ltd. And name changed from Jaguar Land Rover Exports Ltd w.e.f. 1.7.2013)
		21	Jaguar Cars South Africa (pty) Ltd
		22	The Daimler Motor Company Ltd
		23	The Jaguar Collection Ltd
		24	Daimler Transport Vehicles Ltd

Additional information to the Financial Statements

		25	S.S. Cars Ltd
		26	The Lanchester Motor Company Ltd
		27	Jaguar Land Rover Deutschland GmbH
		28	Land Rover Group Ltd
		29	Jaguar Land Rover North America LLC
		30	Jaguar Land Rover Belux (Land Rover Belux S.A./N.V merged with Jaguar Belux N.V. w.e.f. October 1, 2013 and name changed from Jaguar Belux to Jaguar Land Rover Belux w.e.f. November 12, 2013)
		31	Land Rover Ireland Ltd
		32	Jaguar Land Rover Nederland BV
		33	Jaguar Land Rover Portugal - Veiculos e Pecas LDA
		34	Jaguar Land Rover Australia Pty Ltd.
		35	Jaguar Land Rover Italia SpA
		36	Jaguar Land Rover Espana SL (Jaguar Hispania SL was absorbed into Land Rover Eispana SL w.e.f. January 1, 2013 and the name was changed to Jaguar Land Rover Espana SL)
		37	Jaguar Land Rover Korea Company Ltd
		38	Jaguar Land Rover Automotive Trading (Shanghai) Company Ltd.
		39	Jaguar Land Rover Canada ULC
		40	Jaguar Land Rover France, SAS
		41	Jaguar Land Rover (South Africa) (Pty) Ltd.
		42	Jaguar e Land Rover Brasil Importacao e Comercia de Veiculos Ltda
		43	Limited Liability Company "Jaguar Land Rover" (Russia)
		44	Land Rover Parts Limited
		45	Jaguar Land Rover (South Africa) Holdings Ltd.
		46	Land Rover Exports Limited (Business transferred to Jaguar Land Rover Exports Limited on 1.4.2012)
		47	Jaguar Land Rover India Limited (incorporated w.e.f October 25, 2012)
		48	Jaguar Cars Limited
		49	Tata Hispano Motors Carrocera S.A.
		50	Tata Hispano Motors Carrocerries Maghreb S.A.
		51	Tata Daewoo Commercial Vehicle Sales and Distribution Co. Ltd.
		52	Tata Precision Industries Pte. Ltd.
		53	Trilix S.r.l.
		54	PT Tata Motors Distribusi Indonesia (Incorporated w.e.f February 11, 2013)
		55	Jaguar Land Rover Holdings Ltd. (all business and assets of Land Rover were acquired by Jaguar Land Rover Ltd. Except Jaguar Land Rover Automotive Trading (Shangai) Company Ltd. On January 1, 2013 and name changed from Land Rover w.e.f. October 4, 2013)
5	Joint Venture		TATA HAL Technologies Limited
6	Associates and Joint Venture of Parent Company	1	Tata Cummins Ltd
		2	Tata Precision Industries (India) Ltd.
		3	Fiat India Automobiles Ltd.
		4	Spark44 (JV) Ltd.
		5	Jaguar Cars Finance Ltd.
		6	Automobile Corporation of Goa Ltd
		7	Nita Co Ltd
		8	Cherry Jaguar Land Rover Automotive Co. Limited
		9	Tata Hitachi Construction Machinery Company Limited (Erstwhile Telco Construction Equipment Co.Ltd. name changed w.e.f November 23, 2012)
		10	Tata AutoComp Systems Ltd
		11	Suzhou Chery Jaguar Land Rover Trading Co. Ltd (Interim JV)
7	Key Management Personnel		Mr. P. R. McGoldrick

Additional information to the Financial Statements

Note 25 (vi) Related Party Disclosures for the year ended March 31, 2014.

b) Transactions with related parties

(Amount in ₹ Crore)

Particulars	Parent Company	Fellow subsidiaries	Subsidaries	Joint Venture	Associates & Joint Venture of Parent company	Key Management Personnel	Total
Purchase of products	-	-	**0.16**	-	-	-	**0.16**
	(-)	(-)	(0.77)	(-)	(-)	(-)	(0.77)
Sale of products	**39.56**	**2.29**	**0.73**	**3.28**	**1.82**	-	**47.68**
	(35.03)	(1.90)	(1.21)	(0.97)	(0.04)	(-)	(39.15)
Services received	-	-	**28.41**	**1.13**	-	-	**29.54**
	(-)	(0.36)	(12.00)	(0.28)	(-)	(-)	(12.64)
Services rendered	**439.35**	**19.28**	**238.58**	-	**2.44**	-	**699.65**
	(387.39)	(15.57)	(210.64)	(-)	(2.25)	(-)	(615.85)
Finance placed (including loans, equity & ICD)	**926.60**	-	-	-	-	-	**926.60**
	(817.65)	(-)	(-)	(0.75)	(-)	(-)	(818.40)
Finance received back (including loans, equity & ICD)	**1,110.50**	**0.00**	-	-	-	-	**1,110.50**
	(635.75)	(20.01)	(-)	(-)	(-)	(-)	(655.76)
Dividend paid	**84.84**	-	-	-	-	-	**84.84**
	(48.48)	(-)	(-)	(-)	(-)	(-)	(48.48)
Interest paid / (received)(net)	**(11.62)**	**(0.55)**	-	-	-	-	**(12.17)**
	(-5.24)	(-0.60)	(-)	(-)	(-)	(-)	(-5.84)
Remuneration	-	-	-	-	-	**0.30**	**0.30**
	(-)	(-)	(-)	(-)	(-)	(0.30)	(0.30)
Amount receivable	**31.47**	**5.89**	**57.78**	**0.32**	**0.60**	-	**96.06**
	(28.38)	(4.21)	(69.76)	(0.12)	(1.16)	(-)	(103.63)
Amount payable	**2.10**	-	**4.18**	**1.13**	-	**0.20**	**7.61**
	(0.62)	(-)	(5.93)	(-)	(-)	(0.20)	(6.75)
Amount receivable (in respect of loans, Equity, ICD, Bonds)	-	**5.29**	-	-	-	-	**5.29**
	(183.90)	(5.29)	(-)	(-)	(-)	(-)	(189.19)
Amount payable (in respect of loans, Equity, ICD, Bonds)	-	-	-	-	-	-	-
	(-)	(0.02)	(-)	(-)	(-)	(-)	(0.02)

* Previous year's figures are shown in the brackets

Disclosure of material transactions:

Purchase of goods:

Tata Technologies Inc. ₹ 0.16 crore (March 31, 2013 ₹ 0.77 crore)

Services received:

Tata Technologies Europe Limited ₹ 4.07 crore (March 31, 2013 ₹ Nil)

Tata Technologies Thailand Limited ₹ 7.46 crore (March 31, 2013 ₹ 4.64 crore)

Tata Technologies Pte. Limited ₹ 5.09 crore (March 31, 2013 ₹ 4.65 crore)

Tata Technologies Inc. ₹ 11.78 crore (March 31, 2013 ₹ 2.46 crore)

Services rendered:

Tata Technologies Europe Limited ₹ 170.55 crore (March 31, 2013 ₹ 140.09 crore)

Additional information to the Financial Statements

Note 25 (vii)

The Company has a joint venture with Hindustan Aeronautics Ltd., TATA HAL Technologies Ltd (THTL) for providing engineering and design solutions and services in the domain of aerostructures for aerospace industry. The Company has an investment of ₹ 5.07 crores as at March 31, 2014, representing 50% shareholding in THTL.
The proportionate share of assets and liabilities as on March 31, 2014 and income and expenditure for the year ended March 31,2014 of THTL are given below.

(Amount in ₹ Crore)

Particulars	As on March 31, 2014	As on March 31, 2013	Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
RESERVES AND SURPLUS			**INCOME**		
Profit & Loss	**(3.62)**	(2.83)	Service Income	**4.09**	2.62
	(3.62)	(2.83)	Other income	**0.57**	0.20
			Sub Total	**4.66**	2.82
NON-CURRENT LIABILITIES	**0.09**	0.09			
CURRENT LIABILITIES	**1.39**	0.92			
	(2.14)	(1.82)			
NON-CURRENT ASSETS					
Net Block (including CWIP)	**0.37**	0.54	**EXPENDITURE**		
Long Term Loans and Advances	**0.35**	0.48	Cost of Traded Items & Services	**1.34**	-
Sub Total	**0.72**	1.02	Salary & other general expenses	**3.78**	2.44
CURRENT ASSETS			Depreciation	**0.32**	0.26
Trade Receivables	**1.83**	0.91	**Sub Total**	**5.44**	2.70
Projects work in progress	**0.10**	0.19			
Cash and Cash Equivalents	**0.13**	0.43			
Short Term loans and advances	**0.10**	0.12			
Other Current Assets	**0.04**	0.58			
Sub Total	**2.20**	2.23			
Total	**2.92**	3.25			

Note 25 (viii)Information as required as per Revised Schedule VI to the Companies Act.

(Amount in ₹ Crore)

Particulars	2013-14	2012-13
Earnings in foreign currency		
Services & Products	**256.17**	225.79
Commission	**0.27**	0.19
Sub Total	**256.44**	225.98
CIF Value of imports		
Capital Goods	**7.64**	8.48
Revenue Items	**2.24**	2.42
Sub Total	**9.88**	10.90
Expenditure in foreign currency:		
Travel / Training Expenses	**3.73**	2.79
Software services	**25.61**	19.95
Interest	**0.79**	1.10
Commission	**5.24**	4.73
Other expenses	**0.39**	0.73
Sub Total	**35.76**	29.30

Additional information to the Financial Statements

Note 25 (ix) Remittances in Foreign Currency for Dividend

The particulars of dividends remitted in foreign currencies to non-resident shareholders are as under:

Particulars		2013 - 14	2012 - 13
Number of non-resident shareholders			
FY 2011-12 - Final dividend	No.	-	15
FY 2012-13 - Interim dividend	No.	-	19
FY 2012-13 - Final dividend	No.	**18**	-
FY 2013-14 - Interim dividend	No.	**18**	-
Number of shares held by them			
FY 2011-12 - Final dividend	No.	-	7,222,402
FY 2012-13 - Interim dividend	No.	-	7,251,902
FY 2012-13 - Final dividend	No.	**7,251,902**	-
FY 2013-14 - Interim dividend	No.	**7,251,902**	-
Gross amount of dividend			
FY 2011-12 - Final dividend	₹ Crore	-	4.73
FY 2012-13 - Interim dividend	₹ Crore	-	6.52
FY 2012-13 - Final dividend	₹ Crore	**11.60**	-
FY 2013-14 - Interim dividend	₹ Crore	**8.68**	-

Note 25 (x)

Previous year figures have been regrouped/reclassified wherever necessary to correspond with the current year classifications / disclosures.

Independent Auditors' Report

TO THE BOARD OF DIRECTORS OF TATA TECHNOLOGIES LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of TATA TECHNOLOGIES LIMITED (the "Company"), its subsidiaries and jointly controlled entity (the Company, its subsidiaries and jointly controlled entity constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2014;
(b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date and
(c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matter

We did not audit the financial statements of 4 subsidiaries, whose financial statements reflect total assets (net) of ₹ 411.71 Cr as at 31st March, 2014, total revenues of ₹ 969.58 Cr and net cash outflows amounting to ₹ 3.22 Cr for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors.

Our report is not qualified in respect of this matter.

Sunil S Kothari
Partner
(Membership No. 208238)

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm Registration No. 117366W/W-100018)

Date: May 15, 2014
Place: Pune

Consolidated Balance Sheet as at March 31, 2014

(Amount in ₹ Crore)

Particulars	Note No.	March 31, 2014	March 31, 2013
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share capital	3	**43.02**	43.02
(b) Reserves and surplus	4	**1,137.62**	909.85
		1,180.64	952.87
(2) Non-current Liabilities			
(a) Long-term borrowings	5	**199.68**	144.92
(b) Deferred tax liabilities (Net)	6	**3.44**	4.56
(c) Trade payables		**0.45**	0.37
(d) Long-term provisions	7	**17.61**	9.48
		221.18	159.33
(3) Current Liabilities			
(a) Short-term borrowings from banks	8	**131.01**	79.17
(b) Trade payables		**385.16**	294.53
(c) Other current liabilities	9	**192.14**	157.00
(d) Short-term provisions	10	**97.23**	83.39
(e) Income tax liabilities (Net)		**15.73**	34.09
		821.27	648.18
		2,223.09	1,760.38
II. ASSETS			
(1) Non-current Assets			
(a) Fixed assets			
(i) Tangible assets	11	**85.40**	69.72
(ii) Intangible assets	12	**45.71**	39.24
(iii) Capital work-in-progress		**0.57**	13.67
(iv) Intangible assets under development		**1.88**	3.29
		133.56	125.92
(b) Goodwill			
(i) Goodwill on consolidation *(Refer Note 27 (iii) (a))*		**489.98**	404.60
(ii) Goodwill on acquisition *(Refer Note 27 (iii) (b))*		**155.37**	-
		645.35	404.60
(c) Non-current investments	13	**10.00**	22.50
(d) Deferred tax assets (Net)	6	**14.34**	6.83
(e) Long-term loans and advances	14	**40.42**	24.36
(f) Income tax assets (Net)		**26.36**	13.34
		870.03	597.55
(2) Current Assets			
(a) Current investments	15	**492.90**	262.46
(b) Inventories		**-**	0.06
(c) Trade receivables	16	**307.01**	315.71
(d) Cash and bank balances	17	**465.45**	306.15
(e) Other current assets	18	**73.90**	80.28
(f) Short-term loans and advances	19	**6.94**	189.58
(g) Current income tax assets		**6.86**	8.59
		1,353.06	1,162.83
		2,223.09	1,760.38
Significant Accounting Policies	2		
Accompanying Notes to the Financial Statements	27		

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Sunil S Kothari
Partner

Date: May 15, 2014
Place: Pune

For and on behalf of the Board

S Ramadorai
Chairman

P R McGoldrick
Managing Director

R Gopalakrishnan
Director

Samrat Gupta
Chief Financial Officer

P P Kadle
Director

Anubhav Kapoor
Company Secretary

C Ramakrishnan
Director

Date: May 15, 2014
Place: Mumbai

Statement of Consolidated Profit and Loss for the year ended March 31, 2014

(Amount in ₹ Crore)

Particulars	Note No	Year ended March 31, 2014	Year ended March 31, 2013
I. Revenue from operations	20	**2,344.45**	1,995.00
II. Other income	21	**50.28**	50.42
III. Total Revenue (I + II)		**2,394.73**	2,045.42
IV. Expenses :			
(a) Cost of traded products	22	**402.23**	349.40
(b) Consultancy fees, softwares and others	23	**367.47**	281.25
(c) Employee benefits expense	24	**1,055.21**	847.90
(d) Finance costs	25	**7.66**	7.62
(e) Depreciation and amortisation expense	11 & 12	**48.11**	33.09
(f) Other expenses	26	**176.48**	133.73
Total Expenses		**2,057.16**	1,652.99
V. Profit before tax (III - IV)		**337.57**	392.43
VI. Tax Expense :			
(a) Current tax		**72.15**	90.51
(b) Deferred tax		**(7.80)**	1.19
		64.35	91.70
VII. Profit after tax (V - VI)		**273.22**	300.73
VIII. Earnings Per Equity Share : *(Refer Note 27(i))*			
(i) Basic		**63.51**	69.90
(ii) Diluted		**63.48**	69.88
Significant Accounting Policies	2		
Accompanying Notes to the Financial Statements	27		

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Sunil S Kothari
Partner

Date: May 15, 2014
Place: Pune

For and on behalf of the Board

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Director

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Chief Financial Officer

P P Kadle
Director

Anubhav Kapoor
Company Secretary

C Ramakrishnan
Director

Date: May 15, 2014
Place: Mumbai

Consolidated Cash Flow Statement

(Amount in ₹ Crore)

Consolidated Cash Flow Statement for the	Year ended March 31, 2014	Year ended March 31, 2013
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit after taxation and extraordinary items	**273.22**	300.73
Depreciation and amortization	**48.11**	33.09
Disallowance of TDS abroad	**0.28**	0.30
Provision for wealth taxes	**0.01**	0.01
Provision for income tax	**72.15**	90.51
Provision for deferred tax	**(7.80)**	1.19
Dividend income on investments	**(13.85)**	(14.34)
(Profit)/Loss on sale of investment	**(4.74)**	(3.92)
(Profit) / Loss on sale of tangible and intangible fixed assets	**0.22**	-
Finance cost	**7.66**	7.62
Interest income	**(14.40)**	(11.38)
Unrealised exchange loss / (gain)	**(2.15)**	(0.52)
Effect of exchange differences on translation of foreign currency cash & cash equivalent	**(0.23)**	(0.40)
Allowances for doubtful debts	**(6.99)**	(1.19)
Operating profit before working capital changes	**351.49**	401.70
Adjustments for :		
Inventories	**0.07**	(0.01)
Trade receivables	**84.56**	(13.56)
Other current assets	**12.41**	(0.40)
Short term loans and advances	**6.03**	0.55
Long term loans and advances	**(7.77)**	(3.46)
Trade payables	**(7.96)**	45.49
Other current liabilities	**13.29**	(4.46)
Short term provision	**3.24**	(0.14)
Long term provision	**7.60**	1.68
CASH GENERATED FROM OPERATIONS	**462.96**	427.39
Income taxes paid (net)	**(98.77)**	(73.49)
NET CASH FLOW (USED IN)/GENERATED FROM OPERATING ACTIVITIES	**364.19**	353.90
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from sale of tangible and intangible fixed assets	**0.30**	0.07
Dividend received	**1.48**	2.83
Income from sale of investment	**4.74**	3.92
Interest received on bank deposit and others	**1.93**	6.17
Payment for purchase of tangible and intangible fixed assets	**(48.58)**	(40.91)
Investment in preference shares	**-**	(5.00)
Inter corporate deposits placed	**(926.60)**	(817.65)
Inter corporate deposits refunded	**1,110.50**	663.75
Loans to others	**(2.97)**	0.12
Interest received from intercorporate deposit	**12.47**	6.62
Deposits with financial companies	**-**	10.00
Purchase of mutual funds	**(1,758.02)**	(1,974.71)
Sale of mutual funds	**1,552.43**	1,896.34
Addition to fixed deposit with banks (net) having maturity over three months	**(2.93)**	(8.88)
Repayment of fixed deposit with banks (net) having maturity over three months	**6.84**	51.31
Acquisition of Cambric Holding Inc.	**(184.56)**	-
NET CASH FLOW (USED IN)/GENERATED FROM INVESTING ACTIVITIES	**(232.97)**	(206.02)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of shares including premium	**-**	0.51
Interest paid	**(7.87)**	(7.72)
Dividends paid (including dividend tax)	**(140.70)**	(79.19)
Proceeds from short term borrowngs	**302.90**	143.22
Repayment of short term borrowings	**(252.45)**	(145.24)
Proceeds from long term borrowing	**119.78**	217.12
Repayment of long term borrowings	**(80.32)**	(275.07)
NET CASH FLOW (USED IN)/GENERATED FROM FINANCING ACTIVITIES	**(58.66)**	(146.37)
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS	**72.56**	1.51
Cash & Bank balances at the close of the year *(Refer Note 17)* #	**465.45**	306.15
Less: Bank deposits with original maturity over three months for the year	**3.93**	7.83
Cash & Bank balances at the beginning of the year *(Refer Note 17)*	**306.16**	342.83
Less: Bank deposits with original maturity over three months for the previous year	**7.83**	50.27
Cash & cash equivalents of Cambric Holding Inc. as on the date of acquistion	**40.51**	-
Less: Effect of exchange rate changes on cash and cash equivalents	**(0.23)**	(0.41)
Add: Translation adjustment on cash & bank balances of foreign subsidiaries	**50.21**	6.67
Add: Translation adjustment on reserves of foreign subsidiaries	**(0.32)**	(2.83)
	72.56	1.51
# Cash & Bank balances comprises :		
a) Cash and Cash Equivalents		
Cash on hand	**0.04**	0.03
Cheques, drafts on hand / funds in transit	**36.74**	23.14
Current account with banks	**414.31**	209.39
Pledged/lien with banks	**-**	0.02
Bank deposits less than 3 months maturity	**9.35**	64.94
b) Other bank balances (with more than 3 months but less than 12 months maturity)		
Earmarked balance with banks	**1.04**	0.80
Bank deposits	**3.63**	7.78
Pledged/lien with banks	**0.27**	0.04
c) Other bank balances (with more than 12 months maturity)		
Pledged/lien with banks	**0.03**	0.01
Bank deposits	**0.04**	-
	465.45	306.15

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Sunil S Kothari
Partner

Date: May 15, 2014
Place: Pune

For and on behalf of the Board

S Ramadorai Chairman
P R McGoldrick Managing Director
R Gopalakrishnan Director
Samrat Gupta Chief Financial Officer
P P Kadle Director
Anubhav Kapoor Company Secretary
C Ramakrishnan Director

Date: May 15, 2014
Place: Mumbai

Notes forming part of Consolidated Financial Statements

Note 1

Company Overview

TATA Technologies Limited ("TTL" or "the Company") was incorporated on August 22, 1994 as a Private Limited Company in the name of Core Software Systems Private Limited. The name of the Company was subsequently changed to Tata Technologies (India) Limited. On February 8, 2001, the Company changed its name from Tata Technologies (India) Limited to Tata Technologies Limited. The Company's range of services include IT Consultancy, SAP implementation and maintenance, providing networking solutions, CAD/CAM engineering & design consultancy. The Company is headquartered in Pune, India. The Company has five branches located at Mumbai, Lucknow, Jamshedpur, Bangalore, and Chennai that enables it to provide high quality, cost-effective services to clients.

During October 2005, the Company incorporated a wholly owned subsidiary in Thailand to cater the need of automotive companies in Thailand and South East Asian countries. Also during October 2005 the Company acquired, through its subsidiary, 100% equity of INCAT International Plc., UK which had various subsidiaries in US, Europe, Japan and Singapore. A reorganization of various entities under INCAT was undertaken, to have a single representative legal entity in each country in which the Company operates, to improve operational efficiency. The Company now has a global presence, through its subsidiaries, in US, UK, Germany, Mexico, Canada, Singapore, South Korea, Netherlands and Thailand.

In December 2005, the Company acquired 100% stake in Tata Technologies Pte Ltd. a Singapore based Company.

In October 2006, the Company sold its 100% equity stake in Tata Technologies (Thailand) Ltd. to its wholly owned subsidiary viz. Tata Technologies Pte Ltd., Singapore at a value determined by an independent valuer.

In May 2013, the Company acquired 100% stake in Cambric Holdings Inc, through its indirect subsidiary viz. Tata Technologies Inc.

The Company provides Engineering and Design services (E&D) and Product Lifecycle Management (PLM) products and services, primarily to manufacturers and their suppliers in the international automotive, aerospace and engineering markets. The offshore capabilities of the Company in the field of engineering automation services combined with the high-end onshore strengths of subsidiaries are expected to offer a strong and seamless onshore/offshore delivery capability to the international customers in the automotive, aerospace and engineering industries.

Note 2

Significant Accounting Policies

a. Basis of consolidation

The consolidated financial statements relate to the Company, its subsidiary companies and joint venture. The Company, its subsidiaries and joint venture constitute the Group.

b. Basis of accounting

The financial statements are prepared under the historical cost convention, in accordance with Indian Generally Accepted Accounting Principles (GAAP). GAAP comprises the mandatory accounting standards notified under the Companies (Accounting Standards) Rules, 2006. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The financial statements of the subsidiary companies and joint venture used in the consolidation are drawn up to the same reporting date as of the Company.

c. Principles of consolidation

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

a) The consolidated financial statements are prepared in accordance with the principles and procedures required for the preparation and presentation of consolidated financial statements as laid down under the Accounting Standard on Consolidated Financial Statements issued under Companies (Accounting Standards) Rules, 2006.

b) The financial statements of the Company and its subsidiary companies have been combined on a line by line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions and unrealized profits or losses have been fully eliminated. The consolidated financial statements are prepared by applying uniform accounting policies in use at the Group.

c) The excess of cost to the Company of its investments in the subsidiary companies over its share of equity of the subsidiary companies, at the dates on which the investments in the subsidiary companies are made, is recognized as 'Goodwill' being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investment of the Company, it is recognized as 'Capital Reserve' and shown under the head 'Reserves and Surplus'; in the consolidated financial statements.

d) Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments as stated above.

e) For the purpose of consolidation, the financial statements of foreign subsidiaries have been translated into its immediate parent companies currency and the same has been on the following basis:
- All income and expenses items are converted at the average rate of exchange applicable for the year. All assets and liabilities are translated at the closing rate as on the balance sheet date. The resulting exchange differences on account of translation at the year end are transferred to translation reserve.

f) The financial statements of the joint venture company has been combined by using proportionate consolidation method and accordingly, venturer's share of each of the assets, liabilities, income and expenses of jointly controlled entity is reported as separate line item in the consolidated financial statements.

d. Subsidiary Companies considered in the consolidated financial statements:
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 subsidiary as at March 31, 2014	% of holding either directly or through subsidiary as at March 31, 2013
	Direct Subsidiary			
1	TATA Technologies Pte. Ltd.	**Singapore**	**100**	100
	Indirect Subsidiaries			
2	Tata Technologies (Thailand) Limited	**Thailand**	**100**	100
3	Cambric Manufacturing Technologies (Shanghai) Co. Ltd. ©	**China**	**100**	-
4	INCAT International Plc.	**UK**	**100**	100
5	Tata Technologies Europe Limited	**UK**	**100**	100
6	INCAT GmbH	**Germany**	**100**	100
7	Tata Technologies Inc. **	**USA**	**99.24**	99.24
8	Tata Technologies (Canada) Inc. **	**Canada**	**99.24**	99.24
9	Tata Technologies de Mexico, S.A. de C.V **	**Mexico**	**99.24**	99.24
10	Cambric Holdings Inc.	**Delaware, USA**	**100**	-
11	Cambric Corporation, Delaware #	**Delaware, USA**	**100**	-
12	Cambric Limited, Bahama #	**Bahama, USA**	**100**	-
13	Cambric UK Ltd. #	**UK**	**100**	-
14	Cambric Managed Services, Utah #	**Utah, USA**	**100**	-
15	Cambric GmbH #	**Germany**	**100**	-
16	Midwest Managed Services, Utah #	**Utah, USA**	**100**	-
17	Cambric Consulting SRL, Romania #	**Romania**	**100**	-

** For these subsidiaries though the holding is 99.24 %, the indirect voting power is 100%.

Due to acquisition of Cambric Holdings Inc., these subsidiaries have become indirect subsidiaries of the Company w.e.f. May 01, 2013.

© Incorporated w.e.f. March 10, 2014, and there have been no transactions/operations during the year ended March 31, 2014.

e. The following joint venture company is considered in the consolidated financial statements:

Sr. no	Name of the Joint Venture Company	Country of Incorporation	% of holding either directly or through subsidiary as at March 31, 2014	% of holding either directly or through subsidiary as at March 31, 2013
1	TATA HAL Technologies Limited	India	**50**	50

f. Conversion into Indian Rupees

For the purpose of consolidation, the financial statements of foreign subsidiaries have been translated into its immediate parent companies currency and the same has been on the following basis:

All income and expenses items are converted at the average rate of exchange applicable for the period. All assets and liabilities are translated at the closing rate as on the balance sheet date. The resulting exchange differences on account of translation at the period end are transferred to translation reserve.

g. Use of Estimates

The preparation of the financial statements in conformity with GAAP requires the management of the Company (Management) to make estimates and assumptions that affect the reported amounts of revenue and expenses during the year and balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of financial statements.

Provisions are made for all known losses and liabilities, future unforeseeable factors that may affect the profit on fixed price service contracts and also towards likely expenses for providing post-sales client support on such contracts.

h. Revenue recognition

Revenue from services on time and materials contracts is recognized when services are rendered and related costs are incurred i.e. based on certification of time sheets and billed to clients as per the terms of specific contracts. In case of fixed price contracts, revenue is recognized over the life of the contract based on milestones achieved as specified in the contracts or by proportionate completion method on the basis of the work completed. Foreseeable losses on such contracts are recognized when probable.

Revenue from rendering Annual Maintenance Services (SAP-ERP) is recognized proportionately over the period in which services are rendered.

Revenue from third party software products and hardware sale is recognized upon delivery.

Income from interest and rent is recognized on time proportion basis.

Dividend from investments is recognized when the right to receive the payment is established and when no significant uncertainty as to measurability or collectability exists.

Commission Income on sale of PLM products is recognized upon delivery of products by the vendor to the end user.

i. Fixed assets

Tangible assets are stated at cost, less accumulated depreciation. Costs include all expenses incurred to bring the assets to its present location and condition. Direct costs are capitalized till the assets are ready for use and include financing costs relating to any borrowing attributable to the acquisition of qualifying fixed assets. Capital work in progress and Intangible assets in progress comprises the cost of fixed assets that are not yet ready for their intended use at the reporting date. Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment.

Software not exceeding ₹ 25,000 is charged off to the Statement of Profit & Loss.

j. Depreciation/amortisation

Depreciation/amortisation is provided on Straight Line Method (SLM) over the estimated useful lives of the assets. Estimated useful lives of assets are as follows:

Type of Asset	Depreciation Percentage
Leasehold Land	Lease Period
Leasehold Improvements	Lease Period
Buildings	4% to 6.67%
Plant and Machinery	4.75% to 20%
Computer Equipments	25% to 50%
Vehicles	9.5% to 33.33%
Software Licenses	License Period
	25% to 50%

Depreciation/amortisation on additions to Fixed Assets is provided from the month of acquisition of the Asset. Depreciation/amortisation on Assets sold / scraped during the period is provided for prior to the month of sale / scrap as the case may be.

The Company charges 100% Depreciation/amortisation on assets individually costing less than ₹ 5,000 in the year of purchase.

k. Leases

Assets leased by the Company in its capacity as lessee, where the Company has substantially all the risks and rewards of ownership are classified as finance lease. Such lease are capitalised at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incident to ownership of an asset substantially vest with the lessor, are recognized as operating lease. Lease payments under operating leases are recognized in the Statement of Profit & Loss on a straight line basis.

l. Foreign Currency transactions and translations of foreign operations

Income and expenses in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.

Monetary current assets and current liabilities that are denominated in foreign currency translated at the exchange rates prevalent as at the Balance Sheet date and the profit / loss so determined and also the realized exchange gains / losses are recognized in the Statement of Profit & Loss.

All foreign operations have been identified as non-integral to the operations of the Company. The translations of functional currency into reporting currency is performed for balance sheet accounts using the exchange rates in effect at the balance sheet date and for the revenue and expense accounts using appropriate average exchange rates for the respective periods. The gains or losses resulting from such translations are accumulated in a foreign currency translation reserve.

Premium or discount on forward contracts is amortised over the life of such contract and is recognized as income or expense in the Statement of Profit & Loss.

m. Investments

Investments are classified into current investments and long term investments.

Current investments are carried at lower of cost and market value. Any reduction in carrying amount and reversals of such reductions are charged or credited to the Statement of Profit and Loss.

Long term investments are stated at cost less provision for diminution in the value of such investments. Diminution in value is provided for where the management is of the opinion that the diminution is other than temporary in nature.

n. Impairment of Assets

At each balance sheet date, the Company reviews using internal resources the carrying amounts of its fixed assets to determine whether there is any indication that the assets suffered an impairment loss. If any such condition exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from continuing use of the asset and from its disposal are discounted to their present value using a pre tax rate that reflects the current market assessments of time value of money and the risks specific to the asset.

Reversal of impairment loss is recognized immediately as income in the Statement of Profit & Loss.

o. Inventories

Inventories are valued at lower of cost or net realizable value. Cost is ascertained on a moving weighted average basis.

p. Employee Benefits

(i) Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company makes annual contributions to gratuity fund established as trust. The Company accounts for the liability for gratuity benefits payable in future based on an independent actuarial valuationas on the Balance Sheet date.

(ii) Superannuation

The Company has two superannuation plans, a defined benefit plan and a defined contribution plan. An eligible employee on April 1, 1996 could elect to be member of either plan.

Employees who are the members of the defined benefit superannuation plan are entitled to benefits depending on the years of service and salary drawn. The monthly pension benefits after retirement range from 0.75% to 2% of the annual basic salary for each year of service. The Company and the said subsidiaries account for superannuation benefits payable in future under the plan based on an independent actuarial valuation as on the Balance Sheet date.

With effect from April 1, 2003, this plan was amended and benefits earned by covered employees have been protected as at March 31, 2003. Employees covered by this plan are prospectively entitled to benefits computed on a basis that ensures that the annual cost of providing the pension benefits would not exceed 15% of salary.

The Company maintains separate irrevocable trusts for employees covered and entitled to benefits. The Company contributes up to 15% of the eligible employees' salary to the trust every year. Such contributions are recognized as an expense when incurred. The Company has no further obligation beyond this contribution.

(iii) Bhavishya Kalyan Yojana (BKY)

Bhavishya Kalyan Yojana is an unfunded defined benefit plan. The benefits of the plan accrue to an eligible employee at the time of death or permanent disablement, while in service, either as a result of an injury or as certified by the appropriate authority. The monthly payment to dependents of the deceased /disabled employee under the plan equals 50% of the salary drawn at the time of death or accident or a specified amount, whichever is higher. The Company accounts for the liability for BKY benefits payable in future based on an independent actuarial valuation as on the Balance Sheet date

(iv) Post-retirement Medicare Scheme

Under this Scheme employees get medical benefits subject to certain limits of amount, periods after retirement and types of benefits, depending on their grade and location at the time of retirement. The Company account for the liability for post-retirement medical scheme based on an independent actuarial valuationas on the Balance Sheet date.

(v) Provident Fund

The eligible employees of the Company are entitled to receive benefits under the 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 provident fund contributions, as specified under the law, are paid to the provident fund set up as irrevocable trust by the Company and pension amount is paid to Regional Provident Fund Commissioner and the Central Provident Fund under the State Pension Scheme. The contributions paid during the year are charged to Statement of Profit & Loss.

(vi) Compensated absences

The Company provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment. The liability is provided based on number of days of unutilized leave at each balance sheet date based on an independent actuarial valuation as on the Balance Sheet date.

The subsidiaries of the company have no defined benefit schemes and the information mentioned above is with respect to Tata Technologies Limited on a standalone basis only.

q. Taxation

Current income tax expense comprises taxes on income from operations in India and foreign tax jurisdictions. Income tax payable in India is determined in accordance with the provisions of Income Tax Act, 1961. Tax expense relating to overseas operations is determined in accordance with tax laws applicable in countries where such operations are domiciled.

Deferred tax expense or benefit is recognized on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognized to the extent that there is virtual certainty that taxable income will be available to realize these assets. All other deferred tax assets are recognized to the extent that there is reasonable certainty that future taxable income will be available to realize these assets.

r. Employee Stock Options

In accordance with the Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines, 1999 issued by Securities and Exchange Board of India (SEBI), the Company introduced Employee Stock Option Plan 2001 (TTESOP 2001) in 2000-01. As per the Plan, the options were granted at fair value as determined by an independent valuer as on the date of the grant and hence no compensation cost has been recognized.

s. Earnings per share

The earnings considered in ascertaining the Company's earnings per share comprise the net profit after tax and include the post-tax effect of any extra-ordinary items. The number of shares used in computing basic earnings per share, is the weighted average number of shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the shares considered for deriving basic earnings per share and also number of equity shares that could have been issued on the conversion of all dilutive potential equity shares.

t. Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. Borrowing costs are capitalized as part of the cost of a qualifying asset when it is probable that they will result in future economic benefits to the enterprise and the costs can be measured reliably. Other borrowing costs are recognized as an expense in the year in which they are incurred.

u. Provisions, contingent liabilities and contingent assets

A provision is recognized when the Company has present obligation as a result of past event and its probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. The provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect current best estimates. Contingent liabilities are not recognized in the financial statements. A contingent asset is neither recognized nor disclosed in the financial statements.

v. Change in segment reporting

During the year, considering the evolution of the operations over the period based on offshore/onshore model, the management of the Company has changed the primary segment from 'geographic' segment until last year to 'business' segment in the current year. The change reflects the way management reviews and plans its business operations and allocates the resources. The segments have been identified taking into account the organization structure, as well as risk and returns associated.

Notes forming part of Consolidated Financial Statements

NOTE -3

(Amount in ₹ Crore)

Particulars	As at March 31, 2014	As at March 31, 2013
SHARE CAPITAL		
Authorised :		
60,000,000 equity shares of ₹ 10/- each (P.Y. 60,000,000 equity shares of ₹ 10/- each)	**60.00**	60.00
700,000 0.01% Cumulative Non-participative Compulsorily convertible Preference Shares of ₹ 10/- each (P.Y. 700,000 0.01% Cumulative Non-participative Compulsorily convertible Preference Shares of ₹ 10/- each)	**0.70**	0.70
	60.70	60.70
Issued, subscribed and fully paid :		
43,024,138 equity shares of ₹ 10/- each (P.Y. 43,023,538 equity shares of ₹ 10/- each)	**43.02**	43.02
	43.02	43.02

Note 3(i) Reconciliation of number of shares and amount outstanding at the beginning and at the end of the reporting periods :

Particulars	As at March 31, 2014		As at March 31, 2013	
	No. of Shares	Amount in ₹ crore	No. of Shares	Amount in ₹ crore
Equity shares				
Number of shares as at April 1, 2013	**43,023,538**	**43.02**	42,970,138	42.97
Add: Shares issued under ESOP scheme	**600**	**0.00**	53,400	0.05
Number of shares as at March 31, 2014	**43,024,138**	**43.02**	43,023,538	43.02

Note 3(ii) Shares in the Company held by each shareholder holding more than 5 percent shares

Particulars	As at March 31, 2014		As at March 31, 2013	
	No. of Shares	% Holding	No. of Shares	% Holding
Equity Shares				
(a) Tata Motors Limited (Parent Company)	**30,300,600**	**70.43**	30,300,600	70.43
(b) Alpha TC Holdings Pte Ltd.	**3,746,505**	**8.71**	3,746,505	8.71
	34,047,105	**79.14**	34,047,105	79.14

Notes forming part of Consolidated Financial Statements

Note 3(iii) Equity shares of ₹ 10/- each allocated towards employee stock options granted/available for grant as at March 31, 2014 - 60,671 shares (61,271 shares as at March 31, 2013).

Note 3(iv)

Number of options granted, exercised and forfeited	As at March 31, 2014	As at March 31, 2013
Options granted, beginning of the year	**14,651**	68,951
Exercised during the year	**(600)**	(53,400)
Forfeited during the year	**-**	(900)
Option granted, end of the year	**14,051**	14,651

Note 4

RESERVES AND SURPLUS

(Amount in ₹ Crore)

	Particulars		As at March 31, 2013	Additions	Deductions	As at March 31, 2014
(a)	Securities Premium Account	*(Note 4 (i) & (v))*	350.50	-	-	**350.50**
(b)	Capital Reserve		0.63	-	-	**0.63**
(c)	Translation Reserves		22.04	105.86	-	**127.90**
(d)	General Reserve	*(Note 4 (ii))*	69.83	21.00	-	**90.83**
(e)	Legal Reserve	*(Note 4 (iii))*	-	0.33	-	**0.33**
(f)	Surplus i.e. balance in statement of Profit and Loss	*(Note 4 (iv))*	466.85	273.22	172.64	**567.43**
			909.85	400.41	172.64	**1,137.62**

Note 4(i) Changes in Securities Premium Account

(Amount in ₹ Crore)

Particulars	2013-14		2012-13	
	Additions	Deductions	Additions	Deductions
(a) Additions during the year	-	-	0.46	-
(b) Capital Reduction adjustments during the year *(Refer Note 4 (v))*	-	-	0.02	-
	-	-	0.48	-

Note 4(ii) Changes in General Reserve :

(Amount in ₹ Crore)

Particulars	2013-14		2012-13	
	Additions	Deductions	Additions	Deductions
(a) Transferred from Statement of Profit and Loss	**21.00**	-	21.00	-
	21.00	-	21.00	-

Notes forming part of Consolidated Financial Statements

Note 4(iii) Changes in Legal Reserve :

(Amount in ₹ Crore)

Particulars	2013-14		2012-13	
	Additions	Deductions	Additions	Deductions
(a) Legal reserve on acquisition of Cambric Holdings Inc.	**0.23**	-	-	-
(b) Transferred from current year retained earnings	**0.10**	-	-	-
	0.33	-	-	-

Note 4(iv) Changes in Statement of Profit and Loss :

(Amount in ₹ Crore)

Particulars	2013-14		2012-13	
	Additions	Deductions	Additions	Deductions
(a) Profit for the year	**273.22**	**-**	300.73	-
(b) Final dividend	**-**	**77.44**	-	68.84
(c) Interim dividend	**-**	**51.64**	-	38.69
(d) Tax on final dividend	**-**	**13.69**	-	11.17
(e) Tax on interim dividend	**-**	**8.77**	-	6.28
(f) General reserve	**-**	**21.00**	-	21.00
(g) Transferred to legal reserve	**-**	**0.10**	-	-
	273.22	**172.64**	300.73	145.98

Note 4(v)

During 2010, based on the approval of Shareholders of the Company at the Extra-Ordinary General Meeting held on March 5, 2010 and the Order of the Honourable High Court of Judicature at Mumbai dated April 16, 2010, the Company had utilized balance in the securities premium account to the tune of ₹ 46.66 Crore towards one time charges/cost (including change in accounting policy for provision for doubtful debts) incurred by the Company and its subsidiary companies. The amounts relating to the Company amounting to ₹ 17.32 Crore had been adjusted to the Securities Premium Account. An amount of ₹ 29.34 Crore equivalent to the total amount of adjustments relating to the subsidiaries had been identified and segregated from the balance in the Securities Premium Account for adjustment on consolidation. Of this total adjustment made, ₹ 1.58 Crore and ₹ 16.58 Crore related to provision for doubtful debts of the Company and its subsidiary companies respectively on account of change in accounting with regard to provision for doubtful debts.

During the year ended March 31, 2014, the Company and its subsidiary companies have received amounts aggregating to ₹ Nil (₹ 0.02 Crore for the year ended March 31, 2013) against the balances adjusted in the Securities Premium Account as above. Consequently, such excess provisions for doubtful debts on account of the said collections have been written back to the Securities Premium Account.

Since realisation of doubtful debts provided for the adjustments above upto March 31, 2014 amounted to ₹ 6.18 Crore relating to the subsidiaries, accordingly, balance amount of ₹ 23.16 Crore relating to the subsidiaries is continued to be disclosed seperately as Securities Premium Account for adjustment on consolidation.

Notes forming part of Consolidated Financial Statements

Note 5

(Amount in ₹ Crore)

Particulars	As at March 31, 2014	As at March 31, 2013
LONG TERM BORROWINGS		
(A) Secured		
a) Banks		
(i) Vehicle loans [Secured by hypothecation of vehicles] ##	-	0.04
(ii) Other Loans #		
- From Banks		
- Citi Bank	**79.85**	144.75
[Secured by hypothecation of Open ended debt Liquid, Liquid Plus, Short Term mutual funds (marketable and de-materialised form), including any dividend, redemption, deriving or accruing from any of the units and Trade Receivables]		
b) Others		
Long term maturity of finance lease obligations *(Refer Note 5 (i))* #	**0.05**	0.13
(Secured against fixed assets obtained under finance arrangements)		
(A)	**79.90**	144.92
Notes: # Terms of repayment - Equated Quarterly Installment		
## Terms of repayment - Equated Monthly Installment		
(B) Unsecured		
a) Banks		
(i) Term Loans		
- From Banks		
- Bank of America	**119.78**	-
[Terms of repayment - 50% on April 30, 2015 and 50% on April 30, 2016]		
(B)	**119.78**	-
	199.68	144.92

Note 5(i) Long term maturity of finance lease obligations

(Amount in ₹ Crore)

Particulars	As at March 31, 2014	As at March 31, 2013
Total of Minimum lease payments		
Not later than one year	**0.10**	0.10
Later than one year and not later than five years	**0.05**	0.14
	0.15	0.24
Less: Interest	**0.01**	0.03
	0.14	0.21
Present Value of Minimum lease payments		
Not later than one year	**0.09**	0.08
Later than one year and not later than five years	**0.05**	0.13
	0.14	0.21

The company has entered into finance lease arrangements for servers.

Notes forming part of Consolidated Financial Statements

Note 6

(Amount in ₹Crore)

Particulars	As at March 31, 2014	As at March 31, 2013
DEFERRED TAX ASSETS / (LIABILITIES) (NET)		
Tax effect of items constituting deferred tax liabilities :		
On difference between book balance and tax balance of fixed assets	**8.99**	9.64
Others	**0.43**	0.84
Sub-total	**9.42**	10.48
Deferred tax assets:		
Depreciation in excess of capital allowances	**2.10**	2.74
Provision for expenses disallowed under section 43B of The Income Tax Act, 1961	**4.36**	3.52
Others	**13.86**	6.49
Sub-total	**20.32**	12.75
Deferred Tax Asset (Net)	**10.90**	2.27

The Components of deferred tax assets (DTA) / deferred tax liabilities (DTL) referred above have been aggregated based on the nature of items across various tax jurisdictions. For the purpose of Balance Sheet disclosure such aggregation has not been made. The break up of the same is as follows:

Deferred tax liabilities	**(3.44)**	(4.56)
Deferred tax assets	**14.34**	6.83
Deferred Tax Asset (Net)	**10.90**	2.27

Note 7

(Amount in ₹Crore)

Particulars	As at March 31, 2014	As at March 31, 2013
LONG - TERM PROVISIONS		
Provision for employee benefits *(Refer Note 7(i) & 7(ii))*	**17.61**	9.48
	17.61	9.48

Note 7(i):

Defined benefits plans / long term compensated absences relating to the company – as per actuarial valuations as on March 31, 2014

(Amount in ₹Crore)

		Gratuity					Superannuation					Compensated absences					Post-retirement Medicare scheme					BKY				
		2014	2013	2012	2011	2010	2014	2013	2012	2011	2010	2014	2013	2012	2011	2010	2014	2013	2012	2011	2010	2014	2013	2012	2011	2010
i	**Components of employer expense**																									
	Employer Service cost	2.71	2.30	2.25	1.34	1.16	0.25	0.25	0.24	0.20	0.26	1.52	1.20	0.88	0.60	0.64	0.69	0.11	0.08	0.19	0.17	0.31	0.24	0.16	0.09	0.10
	Interest cost	1.77	1.52	1.16	0.92	0.89	0.39	0.37	0.35	0.33	0.33	0.36	0.35	0.29	0.28	0.35	0.22	0.16	0.17	0.17	0.12	0.14	0.12	0.09	0.06	0.06
	Expected return on plan assets	(1.75)	(1.66)	(1.25)	(0.88)	(0.94)	(0.49)	(0.41)	(0.41)	(0.41)	(0.39)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Actuarial Losses/(Gains)	3.42	0.34	2.84	1.71	(0.02)	0.07	(0.78)	0.51	0.35	(0.16)	0.93	0.36	1.05	0.94	(0.17)	0.10	0.67	(0.17)	(0.31)	0.37	0.02	(0.08)	0.21	0.28	(0.08)
	Total expense / (income) recognised in the Statement of Profit & Loss	**6.15**	**2.50**	**5.00**	**3.09**	**1.09**	**0.22**	**(0.57)**	**0.69**	**0.47**	**0.04**	**2.81**	**1.91**	**2.22**	**1.82**	**0.82**	**1.01**	**0.94**	**0.08**	**0.05**	**0.66**	**0.47**	**0.28**	**0.46**	**0.43**	**0.08**
ii	**Actual Contribution and Benefit Payments**																									
	Actual benefit payments	1.35	1.16	1.39	2.52	1.13	0.14	0.19	-	0.82	0.01	1.84	1.60	1.42	1.89	1.54	0.15	0.17	0.12	0.08	0.04	0.06	0.06	0.07	0.06	0.06
	Actual Contributions	(1.05)	1.77	9.91	-	-	0.24	0.25	0.24	0.20	0.28	1.84	1.60	1.42	1.87	1.55	0.15	0.17	0.11	0.09	0.04	0.06	0.06	0.07	0.07	0.05
iii	**Net asset/(liability) recognised in balance sheet**																									
	Present Value of Defined Benefit Obligation	27.94	21.89	18.44	14.37	12.12	6.40	5.85	5.61	5.17	5.32	6.19	5.22	4.92	4.14	4.21	3.61	2.74	1.97	2.01	2.04	2.13	1.72	1.50	1.11	0.74
	Fair value of plan assets	21.94	23.11	20.38	11.40	12.24	6.67	6.11	5.05	5.06	5.47	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Net asset/(liability) recognised in balance sheet	(6.00)	1.22	1.94	(2.97)	0.12	0.27	0.26	(0.56)	(0.11)	0.15	(6.19)	(5.22)	(4.92)	(4.14)	(4.21)	(3.61)	(2.74)	(1.97)	(2.01)	(2.04)	(2.13)	(1.72)	(1.50)	(1.11)	(0.74)
	Experience adjustment on plan liabilities	1.58	(1.02)	(2.54)	(2.79)	(2.44)	0.05	0.07	0.15	(0.15)	0.12	(0.80)	(0.36)	(1.12)	(0.99)	0.13	0.19	(0.28)	0.17	(0.27)	0.26	0.06	0.01	(0.22)	(0.30)	0.07
	Experience adjustment on plan assets	0.51	0.46	(0.78)	0.80	0.16	0.03	0.59	(0.67)	(1.05)	0.04	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iv	**Change in Defined Benefit Obligations (DBO)**																									
	Present Value of DBO at beginning of year	21.89	18.44	14.37	12.12	11.06	5.85	5.61	5.17	5.31	4.87	5.23	4.92	4.14	4.21	4.93	2.74	1.97	2.01	2.04	1.42	1.72	1.50	1.11	0.74	0.72
	Employer Service cost	2.71	2.30	2.25	1.34	1.16	0.25	0.25	0.24	0.20	0.26	1.52	1.20	0.88	0.60	0.64	0.69	0.11	0.08	0.19	0.17	0.31	0.24	0.16	0.09	0.10
	Interest cost	1.77	1.52	1.16	0.92	0.89	0.39	0.37	0.35	0.33	0.33	0.36	0.35	0.29	0.28	0.35	0.22	0.16	0.17	0.17	0.12	0.14	0.12	0.09	0.06	0.06
	Actuarial (gains)/ losses	2.92	0.79	2.05	2.51	0.14	0.05	(0.19)	(0.15)	0.15	(0.12)	0.93	0.36	1.03	0.94	(0.17)	0.10	0.67	(0.17)	(0.31)	0.37	0.02	(0.08)	0.21	0.28	(0.08)
	Benefits paid	(1.35)	(1.16)	(1.39)	(2.52)	(1.13)	(0.14)	(0.19)	-	(0.82)	(0.01)	(1.84)	(1.60)	(1.42)	(1.89)	(1.54)	(0.15)	(0.17)	(0.12)	(0.08)	(0.04)	(0.06)	(0.06)	(0.07)	(0.06)	(0.06)
	Present Value of DBO at the end of year	**27.94**	**21.89**	**18.44**	**14.37**	**12.12**	**6.40**	**5.85**	**5.61**	**5.17**	**5.32**	**6.20**	**5.23**	**4.92**	**4.14**	**4.21**	**3.60**	**2.74**	**1.97**	**2.01**	**2.04**	**2.13**	**1.72**	**1.50**	**1.11**	**0.74**
v	**Change in Fair Value of Assets**																									
	Plan assets at beginning of year	23.11	20.39	11.39	12.24	12.27	6.11	5.05	5.06	5.47	4.77	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Actual return on plan assets	1.23	2.11	0.47	1.68	1.10	0.46	1.00	(0.25)	0.21	0.43	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Actual Company contributions	(1.05)	1.77	9.91	-	-	0.24	0.25	0.24	0.20	0.28	1.84	1.60	1.42	1.87	1.55	0.15	0.17	0.11	0.09	0.04	0.06	0.06	0.07	0.07	0.05
	Benefits paid	(1.35)	(1.16)	(1.39)	(2.52)	(1.13)	(0.14)	(0.19)	-	(0.82)	(0.01)	(1.84)	(1.60)	(1.42)	(1.87)	(1.55)	(0.15)	(0.17)	(0.11)	(0.09)	(0.04)	(0.06)	(0.06)	(0.07)	(0.07)	(0.05)
	Plan assets at the end of year	**21.94**	**23.11**	**20.38**	**11.40**	**12.24**	**6.67**	**6.11**	**5.05**	**5.06**	**5.47**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
vi	**Actuarial Assumptions**																									
	Discount Rate	9.20%	8%	9%	9%	9%	6.75%	7%	7%	7%	7%	9.20%	8%	9%	9%	9%	9.20%	8%	9%	9%	9%	9.20%	8%	9%	9%	9%
	Expected Return on plan assets	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Salary escalation	5-6.2%	4%	5%	2-5%	2-5%	N/A	N/A	N/A	N/A	N/A	5-6.2%	4%	5%	2-5%	2-5%	N/A	N/A	N/A	N/A	N/A	5-6.2%	4%	5%	2-5%	2-5%
	Medical cost inflation	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	6%	5%	4%	4%	4%	N/A	N/A	N/A	N/A	N/A
vii	**The major categories of plan assets as percentage of total plan assets**																									
	Debt securities	98%	99%	74%	100%	100%	100%	100%	100%	100%	99%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Balances with banks	2%	1%	26%	0%	0%	0%	0%	0%	0%	1%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

		One percentage point increase in Medical inflation rate					One percentage point decrease in Medical inflation rate				
viii	**Effect of one percentage point change in assumed Medical inflation rate**	2014	2013	2012	2011	2010	2014	2013	2012	2011	2010
	DBO as at 31 March	0.34	0.44	2.02	0.30	2.17	(0.30)	(0.36)	1.93	0.28	1.93
	Service cost for the year	N/A	0.02	0.08	0.21	0.17	N/A	(0.01)	0.07	0.18	0.16
	Interest cost for the year	N/A	0.03	0.16	0.18	0.13	N/A	(0.03)	0.16	0.16	0.11

Notes forming part of Consolidated Financial Statements

Note 7(ii) :

Defined Contribution Plans-

The Company's contribution to defined contribution plan for the year ended March 31, 2014 aggregated ₹ 23.15 crores (for the year ended March 31, 2013 ₹ 19.36 crores) has been recognised in the statement of Profit and Loss.

Other benefits relating to the subsidiaries / JVs:

Compensated Absences and Gratuity - Charged to Statement of Profit & Loss for the year ended March 31, 2014 ₹ 1.17 Crore (for the year ended March 31, 2013 ₹ 0.38 Crore)

Lliabilities outstanding as at March 31, 2014 ₹ 6.31 Crore (as at March 31, 2013 ₹ 3.17 crore)

Notes :

(a) The expected rate of return on plan assets is based on market expectation, at the beginning of the year, for returns over the entire life of the related obligation.

(b) The assumption of future salary increases, considered in actuarial valuation, takes into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(c) Also refer note 2(k) for brief description of employee benefit schemes.

Note 8
SHORT TERM BORROWINGS FROM BANKS

(Amount in ₹ Crore)

Particulars	As at March 31, 2014	As at March 31, 2013
(A) Secured		
Loans repayable on demand *(Refer Note (i))*	**33.69**	24.89
	33.69	24.89
Note (i)		
(a) The loan of USD 5,500,000/- (P.Y. USD 4,500,000) taken from Chase Commercial Bank. The same is repayable on call basis.The loan carries interest rate at Libor+1.75%. [Secured by hypothecation of book debts/accounts receivable and movable fixed assets (excluding certain vehicle)]	**32.94**	24.42
(b) Overdraft Facility provided by YES Bank (P.Y. HDFC Bank). The same is repayable on call basis. The loan carries interest rate at 12.50%. [Secured by hypothecation of stocks and book debts]	**0.75**	0.47
(B) Unsecured		
Loans repayable on demand	**97.32**	54.28
	131.01	79.17

Note 9

(Amount in ₹ Crore)

Particulars	As at March 31, 2014	As at March 31, 2013
OTHER CURRENT LIABILITIES		
(a) Interest accrued but not due on borrowings	**0.18**	0.39
(b) Current maturities of long term debt *(Refer Note 5)*	**79.88**	72.75
(c) Current maturities of finance lease obligations *(Refer Note 5(i))*	**0.08**	0.08
(d) Unpaid dividends	**1.03**	0.79
(e) Income received in advance	**50.56**	54.96
(f) Statutory dues	**57.33**	23.74
(g) Advance and progress payments	**3.08**	4.29
	192.14	157.00

Note 10

(Amount in ₹ Crore)

Particulars	As at March 31, 2014	As at March 31, 2013
SHORT-TERM PROVISIONS		
(a) Provision for Employee benefits *(Refer Note 7(i) & 7(ii))*	**6.63**	3.38
(b) Provision for Final Dividend	**77.44**	68.84
(c) Provision for Tax on Dividend	**13.16**	11.17
	97.23	83.39

Notes forming part of Consolidated Financial Statements

Note 11

(Amount in ₹ Crore)

	FIXED ASSETS	Cost as at Apr 1, 2013	Additions on account of acquisition of Cambric Holding Inc.	Additions	Deductions	Translation Adjustments	Cost as at Mar 31, 2014	Accumulated depreciation up to April 1, 2013	Accumulated depreciation on acquisition of Cambric Holding Inc.	Depreciation for the year ended Mar 31, 2014	Deductions	Translation Adjustments	Accumulated depreciation up to Mar 31, 2014	Net Book Value as at Mar 31, 2014	Net Book Value as at Mar 31, 2013
[A]	**TANGIBLE ASSETS**														
(a)	Leasehold Land	**4.09**	**-**	**-**	**-**	**-**	**4.09**	**0.53**	**-**	**0.04**	**-**	**-**	**0.57**	**3.52**	**3.56**
		(4.09)	(-)	(-)	(-)	(-)	(4.09)	(0.49)	(-)	(0.04)	(-)	(-)	(0.53)	(3.56)	(3.60)
(b)	Buildings	**22.79**	**-**	**0.04**	**-**	**-**	**22.83**	**7.56**	**-**	**0.95**	**-**	**-**	**8.51**	**14.32**	**15.23**
		(22.79)	(-)	(-)	(-)	(-)	(22.79)	(6.61)	(-)	(0.95)	(-)	(-)	(7.56)	(15.23)	(16.18)
(c)	Plant & Machinery and Equipments - Owned	**17.26**	**-**	**2.60**	**0.17**	**-**	**19.69**	**5.89**	**-**	**1.32**	**0.10**	**-**	**7.11**	**12.58**	**11.37**
		(16.37)	(-)	(0.94)	(0.05)	(-)	(17.26)	(4.89)	(-)	(1.03)	(0.03)	(-)	(5.89)	(11.37)	(11.48)
(d)	Plant & Machinery and Equipments - Leased	**0.50**	**-**	**-**	**-**	**0.02**	**0.52**	**0.32**	**-**	**0.11**	**-**	**0.02**	**0.45**	**0.07**	**0.18**
		(0.60)	(-)	(-)	(0.10)	(-)	(0.50)	(0.31)	(-)	(0.11)	(0.10)	(-)	(0.32)	(0.18)	(0.29)
(e)	Computers	**75.40**	**8.66**	**23.45**	**7.28**	**3.73**	**103.96**	**54.08**	**6.74**	**15.28**	**7.22**	**2.98**	**71.86**	**32.10**	**21.32**
		(81.26)	(-)	(9.27)	(16.29)	(1.16)	(75.40)	(60.10)	(-)	(9.31)	(16.28)	(0.95)	(54.08)	(21.32)	(21.16)
(f)	Furniture and fixtures	**18.05**	**2.45**	**3.41**	**1.43**	**1.21**	**23.69**	**9.17**	**2.16**	**1.88**	**1.28**	**0.97**	**12.90**	**10.79**	**8.88**
		(19.06)	(-)	(2.56)	(3.78)	(0.21)	(18.05)	(11.42)	(-)	(1.32)	(3.74)	(0.17)	(9.17)	(8.88)	(7.64)
(g)	Vehicles (Refer Note 11 (i))	**4.31**	**0.08**	**0.90**	**2.00**	**0.18**	**3.47**	**2.18**	**0.03**	**0.99**	**1.76**	**0.06**	**1.50**	**1.97**	**2.13**
		(4.24)	(-)	(0.17)	(0.15)	(0.05)	(4.31)	(1.36)	(-)	(0.96)	(0.15)	(0.01)	(2.18)	(2.13)	(2.88)
(h)	Leasehold Improvements	**12.30**	**1.47**	**4.51**	**-**	**0.74**	**19.02**	**5.25**	**0.79**	**2.43**	**-**	**0.50**	**8.97**	**10.05**	**7.05**
		(11.85)	(-)	(1.62)	(1.38)	(0.21)	(12.30)	(4.93)	(-)	(1.63)	(1.38)	(0.07)	(5.25)	(7.05)	(6.92)
	Total	**154.70**	**12.66**	**34.91**	**10.88**	**5.88**	**197.27**	**84.98**	**9.72**	**23.00**	**10.36**	**4.53**	**111.87**	**85.40**	**69.72**
		(160.26)	(-)	(14.56)	(21.75)	(1.63)	(154.70)	(90.11)	(-)	(15.35)	(21.68)	(1.20)	(84.98)	(69.72)	

Notes:

i) Vehicles includes gross block as at March 31, 2014 ₹ 0.37 Crore (W.D.V. ₹ 0.03 Crore) acquired on loan, hypothecated with Tata Capital Ltd, Tata Finance Ltd, Tata Motors Finance Limited and ICICI Bank Ltd (as at March 31, 2013 ₹ 1.64 Crore) (W.D.V ₹ 0.47 Crore))

ii) Capital Commitment : The estimated amount of contracts remaining to be executed on capital account, and not provided for is ₹ 11.75 Crore as at March 31, 2014 (as at March 31, 2013 ₹ 9.49 Crore).

iii) Previous year's figures are shown in the brackets

Notes forming part of Consolidated Financial Statements

Note 12

(Amount in ₹ Crore)

	FIXED ASSETS	Cost as at Apr 1, 2013	Additions on account of acquisition of Cambric Holding Inc.	Additions	Deductions	Translation Adjustments	Cost as at Mar 31, 2014	Accumulated amortization up to April 1, 2013	Accumulated amortization on acquisition of Cambric Holding Inc.	Amortization for the year ended Mar 31, 2014	Deductions	Translation Adjustments	Accumulated amortization up to Mar 31, 2014	Net Book Value as at Mar 31, 2014	Net Book Value as at Mar 31, 2013
[B]	**INTANGIBLE ASSETS** (Other than internally generated)														
(a)	Copyrights	**0.54** (0.21)	**-** (-)	**0.22** (0.32)	**-** (-)	**0.05** (0.01)	**0.81** (0.54)	**0.05** (0.03)	**-** (-)	**0.06** (0.02)	**-** (-)	**-** (-)	**0.11** (0.05)	**0.70** (0.49)	**0.49** (0.18)
(b)	Software Licenses	**101.05** (89.04)	**20.91** (-)	**24.09** (19.88)	**8.37** (8.84)	**2.43** (0.97)	**140.11** (101.05)	**62.30** (52.61)	**14.02** (-)	**25.05** (17.72)	**8.37** (8.84)	**2.10** (0.81)	**95.10** (62.30)	**45.01** (38.75)	**38.75** (36.43)
	Total	**101.59**	**20.91**	**24.31**	**8.37**	**2.48**	**140.92**	**62.35**	**14.02**	**25.11**	**8.37**	**2.10**	**95.21**	**45.71**	**39.24**
		(89.25)	(-)	(20.20)	(8.84)	(0.98)	(101.59)	(52.64)	(-)	(17.74)	(8.84)	(0.81)	(62.35)	(39.24)	

Notes: (i) Capital Commitment : The estimated amount of contracts remaining to be executed on capital account, and not provided for is ₹ 2.51 Crore as at March 31, 2014 (as at March 31, 2013 : ₹ 8.59 Crore).

(ii) Previous year's figures are shown in the brackets

Notes forming part of Consolidated Financial Statements

Note 13

(Amount in ₹ Crore)

Particulars	As at March 31, 2014	As at March 31, 2013
NON-CURRENT INVESTMENTS (NON TRADE)		
Other Investments (Quoted) *		
i) Investment in Debentures		
Tata Motors Finance Limited	**5.00**	5.00
100 (P.Y. 100) 11% Non Convertible Debentures of ₹ 0.05 Crore each fully paid		
ii) Investments in Mutual Funds		
Tata FMP - Series 42 Scheme H - Direct - Growth	**-**	2.00
BNP Paribas Fixed Term Fund Series - 24A - Direct - Growth	**-**	3.00
DWS Fixed Maturity Plan - Series 26 - Direct - Growth	**-**	2.50
JP Morgan Fixed Maturity Plan Sr. 16 - Direct Growth	**-**	5.00
* (Note: Market value of quoted investments ₹ 5.18 Crore (P.Y. ₹ 17.52 Crore)		
Other Investments (Unquoted)		
i) Investment in Preference Shares		
Tata Capital Limited		
- 33,333 (P.Y. 33,333) Cumulative redeemable non participating		
Preference shares of ₹ 1,500 each fully paid	**5.00**	5.00
	10.00	22.50

Note 14

(Amount in ₹ Crore)

Particulars	As at March 31, 2014	As at March 31, 2013
LONG - TERM LOANS AND ADVANCES		
Unsecured (Considered good)		
(a) Security deposits	**1.32**	3.07
(b) Loans to employees #	**3.32**	2.30
(c) Loans to others	**33.28**	16.11
(d) Capital advances	**0.32**	0.05
(e) Prepaid expenses	**0.54**	1.66
(f) Deposits with government and others	**1.64**	1.17
	40.42	24.36

Note : Includes amount given to Director and other officers ₹ 0.77 Crore (P.Y. ₹ 0.77 Crore)

Notes forming part of Consolidated Financial Statements

Note 15

(Amount in ₹ Crore)

Particulars	As at March 31, 2014	As at March 31, 2013
CURRENT INVESTMENTS - OTHERS		
a) Investments in Mutual Funds (Unquoted)		
Baroda Pioneer Dynamic Bond Fund - Dividend Plan Payout	-	20.00
Religare Invesco Short Term Plan - Plan A Weekly Dividend - Reinvestment	-	26.20
Taurus Short Term Income Fund - Monthly Dividend Reinvestment	-	5.15
Religare Invesco Bank Debt Fund	-	10.13
Axis Banking Debt Fund - Direct - Daily Dividend Reinvestment	-	10.10
HDFC Floating Rate Income Fund - Short Term - Weekly Payout - Direct - Daily Dividend Reinvestment	-	5.02
Morgan Stanley Short Term Bond Fund - Direct - Weekly Dividend Reinvestment	-	20.45
SBI Magnum Insta Cash - Liquid Floater - Direct - Daily Dividend Reinvestment	-	7.53
BNP Paribas Short Term Income Fund - Direct - Monthly Dividend Payout	-	15.05
DWS Treasury Fund - Investment - Direct - Growth	-	5.76
Morgan Stanley Liquid Fund - Direct - Growth	-	20.05
Religare Invesco Credit Opportunities Fund - Direct - Growth	-	28.02
Baroda Pioneer Liquid Fund - Plan B - Direct - Growth	-	21.00
Sundaram Ultra Short Term Fund - Direct - Growth	-	30.00
Birla Sun Life Cash Plus - Direct - Growth	**25.00**	-
SBI Premier Liquid Fund - Direct - Daily Dividend Reinvestment	**5.93**	-
IDFC Cash Fund - Direct - Daily Dividend Reinvestment	**7.62**	-
Reliance Liquid Fund Treasury Plan- Direct - Daily Dividend Reinvestment	**25.13**	-
ICICI Prudential Liquid Direct Plan Daily Dividend Reinvestment	**18.29**	-
Birla Sun Life Cash Plus Direct Daily Dividend Reinvestment	**25.91**	-
Tata Liquid Fund-Direct- Daily Dividend Reinvestment	**10.72**	-
HDFC Liquid Fund Direct Daily Dividend Reinvestment	**18.22**	-
Kotak Liquid Plan A - Direct - Daily Dividend Reinvestment	**8.61**	-
L & T Liquid Fund - Direct - Daily Dividend Reinvestment	**13.76**	-
UTI Liquid Fund - Cash Plan - Direct - Daily Dividend Reinvestment	**13.66**	-
HDFC Cash Mgmt Savings Plan - Direct - Growth	**15.00**	-
Reliance Liquidity Fund - Direct - Growth	**20.00**	-
Tata Liquid Fund - Direct - Growth	**36.75**	-
Birla Sun Life Folating Rate Fund - Short Term Plan - Direct - Growth	**50.00**	-
HDFC Liquid Fund - Direct - Growth	**10.00**	-
ICICI Prudential Liquid - Direct - Growth	**30.00**	-
IDFC Cash Fund - Direct - Growth	**7.80**	-
L & T Liquid Fund - Direct - Growth	**16.00**	-
SBI Premier Liquid Fund - Direct - Growth	**10.00**	-
DSP BlackRock Liquidity Fund - Direct Plan - Growth	**7.00**	-
Kotak Liquid Scheme Plan A - Direct - Growth	**15.00**	-
Reliance Liquid Fund Treasury Plan Direct Growth	**25.00**	-
	415.40	224.46
b) Investments in Mutual Funds (Quoted) *		
Birla Sun Life Fixed Term Plan Series DU - Growth	-	2.00
JP Morgan India Fixed Maturity Plan Series 6 - Growth	-	4.00
ICICI Prudential Fixed Maturity Plan Series-62-396D-Plan F-Growth	-	2.50
Birla Fixed Term Fund- Series ES-Growth	-	2.00
HDFC Fixed Maturity Plan 400D February 2012 (1) -Growth	-	2.50
Axis Fixed Term Plan - Series 21 - Growth	-	2.50
Tata Fixed Maturity Plan Series 39 -Scheme G - Growth	-	2.50
ICICI Prudential Fixed Maturity Plan - Series 63 - Plan A - Growth	-	5.00
BSL Fixed Term Plan - Series EV - Growth	-	5.00
Kotak Fixed Maturity Plan - Series 80 - Growth	-	5.00
Reliance Fixed Horizon Fund - Series XXI - Series 18 - Growth	-	5.00
Reliance Yearly Interval Fund - Series 1 - Direct - Growth	**5.00**	-
Tata Fixed Maturity Plan - Series 42 Scheme H - Direct Plan - Growth	**2.00**	-
BNP Paribas Fixed Term Fund Series - 24A - Direct - Growth	**3.00**	-
DWS Fixed Maturity Plan - Series 26 - Direct - Growth	**2.50**	-
JP Morgan Fixed Maturity Plan Series 16 - Direct Growth	**5.00**	-
Birla Sun Life Fixed Term Plan - Series JY (367 Days) Direct - Growth	**5.00**	-
Birla Sun Life Fixed Term Plan - Series JZ (368 Days) Direct - Growth	**3.00**	-
DSP BlackRock Fixed Maturity Plan - Series 144 -12M - Direct - Growth	**5.00**	-
Reliance Fixed Horizon Fund-XXV- Series 18- Direct - Growth	**3.00**	-
Tata Fixed Maturity Plan Series 46 L - Direct - Growth	**5.00**	-
ICICI Prudential Fixed Maturity Plan Series 72 - 366 Days - Plan K - Direct - Growth	**5.00**	-
Birla Sun Life Fixed Term Plan - Series KC (368 Days) Direct - Growth	**2.00**	-
HDFC Fixed Maturity Plan 370D February 2014 (1) - Series 29 - Direct - Growth	**4.00**	-
ICICI Prudential Fixed Maturity Plan Series 72 - 366 Days - Plan M - Direct - Growth	**4.00**	-
JP Morgan Fixed Maturity Plan Series 31 - Direct - Growth	**7.00**	-
Kotak Fixed Maturity Plan Series 137 - Direct - Growth	**2.00**	-
IDFC Fixed Maturity Plan Series 76 (366 Days) - Direct - Growth	**2.00**	-
Kotak Fixed Maturity Plan Series 143 - Direct - Growth	**3.00**	-
L & T Fixed Maturity Plan Series 10 - Plan N - Direct - Growth	**5.00**	-
DSP BlackRock Fixed Maturity Plan - Series 151 - 12 M - Direct - Growth	**5.00**	-
* (Note: Market value of quoted investments ₹ 79.72 Crore (P.Y. ₹ 42.19 Crore))	**77.50**	38.00
	492.90	262.46

Notes forming part of Consolidated Financial Statements

Note 16

(Amount in ₹ Crore)

Particulars	As at March 31, 2014	As at March 31, 2013
TRADE RECEIVABLES		
(Unsecured, considered good unless otherwise stated)		
(a) Trade receivables due for a period exceeding six months		
Considered good	**1.72**	1.57
Considered doubtful	**10.05**	15.79
	11.77	17.36
Less : Allowances for doubtful debts	**10.05**	15.79
	1.72	1.57
(b) Other trade receivables		
Considered good	**305.29**	314.14
Considered doubtful	**0.63**	0.18
	305.92	314.32
Less : Allowances for doubtful debts	**0.63**	0.18
	305.29	314.14
	307.01	315.71

Note 17

(Amount in ₹ Crore)

Particulars	As at March 31, 2014	As at March 31, 2013
CASH AND BANK BALANCES		
(A) Cash and cash equivalents		
(a) Cash on hand	**0.04**	0.03
(b) Cheques, drafts on hand / funds in transit *(Refer Note 17 (ii))*	**36.74**	23.14
(c) Current account with banks *(Refer Note 17 (i))*	**414.31**	209.39
(d) Pledged/lien with banks	**-**	0.02
(e) Bank deposits less than 3 months maturity	**9.35**	64.94
	460.44	297.52
(B) Other bank balances		
(with more than 3 months but less than 12 months maturity)		
(a) Earmarked balance with banks	**1.04**	0.80
(b) Bank deposits	**3.63**	7.78
(c) Pledged/lien with banks	**0.27**	0.04
	4.94	8.62
(C) Other bank balances (with more than 12 months maturity)		
(a) Pledged/lien with banks	**0.03**	0.01
(b) Bank deposits	**0.04**	-
	0.07	0.01
	465.45	306.15
Notes:		
(i) In foreign currencies	**409.38**	207.58
(ii) Remittances in transit	**22.62**	-

Notes forming part of Consolidated Financial Statements

Note 18

(Amount in ₹ Crore)

Particulars		As at March 31, 2014	As at March 31, 2013
OTHER CURRENT ASSETS			
(a)	Interest accrued on deposits and investments	**0.30**	0.30
(b)	Unbilled revenue	**24.94**	33.70
(c)	Advances to suppliers and contractors	**22.80**	16.39
(d)	Prepaid expenses	**24.72**	26.64
(e)	Unamortized premium on forward contract	**-**	0.03
(f)	Others (VAT, Service tax, other taxes recoverables etc.)	**1.14**	3.22
		73.90	80.28

Note 19

(Amount in ₹ Crore)

Particulars		As at March 31, 2014	As at March 31, 2013
SHORT TERM LOANS AND ADVANCES			
Unsecured (considered good, unless otherwise stated)			
(a)	Inter corporate deposits *(Refer Note 27(iv) (b))*	**-**	183.90
(b)	Loans and advances to related parties *(Refer Note 27 (iv) (b))*	**1.50**	1.22
(c)	Security deposits	**2.69**	0.51
(d)	Loans and advances employees	**2.60**	3.92
	(Includes amount given to managing director ₹ Nil (P.Y. ₹ 0.62 Crore))		
	Less : Allowances for doubtful loans and advances	**(0.04)**	(0.04)
(e)	Deposits with government and others	**0.19**	0.07
		6.94	189.58

Note 20

(Amount in ₹ Crore)

Particulars		Year ended March 31, 2014	Year ended March 31, 2013
REVENUE FROM OPERATIONS			
(a)	Sale of products	**542.35**	476.39
(b)	Sale of services	**1,799.21**	1,511.64
(c)	Commission income	**2.89**	6.97
		2,344.45	1,995.00

Note 21

(Amount in ₹ Crore)

Particulars		Year ended March 31, 2014	Year ended March 31, 2013
OTHER INCOME			
(a)	Interest income-others	**13.85**	10.80
(b)	Interest income-Long term investments	**0.55**	0.58
(c)	Dividend income - Other current investments	**13.67**	14.33
(d)	Dividend income - Non current investments	**0.18**	-
(e)	Foreign currency gain (Net)	**1.08**	3.26
(f)	Doubtful debts written back	**6.99**	1.19
(g)	Profit on sale of investments (Net)	**4.74**	3.92
(h)	Other non-operating income*	**9.22**	16.34
		50.28	50.42
* Other non-operating income includes provisions no longer required, written back		**7.31**	13.37

Notes forming part of Consolidated Financial Statements

Note 22

(Amount in ₹ Crore)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
COST OF TRADED PRODUCTS		
(a) Purchase of products	**402.17**	349.41
(b) (Increase)/Decrease in stock in trade	**0.06**	(0.01)
	402.23	349.40

Note 23

(Amount in ₹ Crore)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
CONSULTANCY FEES, SOFTWARES AND OTHERS		
(a) Outsourcing charges	**306.29**	242.15
(b) Software-internal use	**8.32**	5.35
(c) Professional fees	**52.44**	33.50
(d) Training costs	**0.42**	0.25
	367.47	281.25

Note 24

(Amount in ₹ Crore)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
EMPLOYEE BENEFIT EXPENSE		
(a) Salaries and wages	**1,004.44**	812.97
(b) Contribution to provident fund	**12.67**	11.29
(c) Contribution to superannuation scheme	**4.60**	3.20
(d) Contribution to gratuity fund	**6.17**	2.52
(e) Social security and other benefit plans for overseas employees	**6.01**	4.17
(f) Staff welfare expenses	**21.32**	13.75
	1,055.21	847.90

Note 25

(Amount in ₹ Crore)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
FINANCE COSTS		
Interest Expense		
(a) Interest on short term borrowings	**7.62**	7.53
(b) Interest on long term borrowings	**0.04**	0.09
	7.66	7.62

Notes forming part of Consolidated Financial Statements

Note 26

(Amount in ₹ Crore)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
OTHER EXPENSES		
(a) Repairs & maintenance		
-Buildings	**4.60**	3.80
- Plant & machinery	**0.70**	1.24
- Others	**3.99**	3.33
(b) Rent*	**28.88**	16.19
(c) Rates and taxes	**2.58**	2.10
(d) Provision for wealth tax	**0.01**	0.01
(e) Insurance	**4.53**	2.92
(f) Overseas marketing expenses	**1.73**	1.78
(g) Advertisement and publicity	**0.42**	0.29
(h) Business promotion expenses	**2.78**	1.07
(i) Office expenses	**10.25**	9.53
(j) Travelling & conveyance	**47.49**	42.74
(k) Power & fuel	**4.77**	4.17
(l) Water charges	**2.05**	0.81
(m) Auditors remuneration**	**2.09**	1.87
(n) Staff training and seminar expenses	**4.07**	4.53
(o) Staff recruitment expenses	**4.26**	4.85
(p) Commision to others	**-**	0.47
(q) AMC charges	**16.98**	9.94
(r) Communication expenses	**16.47**	15.01
(s) Bad debts written off	**11.94**	1.46
(t) Miscellaneous expenses	**5.89**	5.62
	176.48	133.73

***Obligations under operating lease**

(Amount in ₹ Crore)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Lease Obligations		
Dues not later than one year	**22.10**	18.66
Due later than one year but not later than five years	**19.04**	24.61
Later than five years	**1.13**	-
	42.27	43.27
Lease payments recognised in the statement of profit and loss for the year	**28.88**	16.19

The Company has entered into operating lease arrangements for office premises.

Additional information to the Consolidated Financial Statements

****Auditors' Remuneration (Excluding Service tax)**

(Amount in ₹ Crore)

Particulars		Year ended March 31, 2014	Year ended March 31, 2013
For Holding Company			
i) For services as auditors, including quarterly audits		**0.35**	0.30
ii) For Tax audit/Transfer pricing audit		**0.04**	0.24
iii) For other attest services		**0.05**	0.01
iv) Reimbursement of out-of-pocket expenses		**0.02**	0.01
	Sub-Total	**0.46**	0.56
For Subsidiaries & Joint venture			
i) For services as auditors, including quarterly audits		**1.43**	1.18
ii) For Tax audit/Transfer pricing audit		**0.07**	0.11
iii) For other attest services		**0.13**	0.01
iv) Reimbursement of out-of-pocket expenses		**0.00**	0.01
	Sub-Total	**1.63**	1.31
	Total	**2.09**	1.87

Note 27 (i): Earnings per Share

(Amount in ₹ Crore)

Particulars			Year ended March 31, 2014	Year ended March 31, 2013
(a)	Profit after tax	₹ Crore	**273.22**	300.73
(b)	The weighted average number of Ordinary Shares for Basic EPS	Nos.	**43,024,138**	43,023,538
(c)	The nominal value per Ordinary Share	₹	**10.00**	10.00
(d)	Earnings Per Share (Basic)	₹	**63.51**	69.90
(e)	Profit after tax for Diluted EPS	₹ Crore	**273.22**	300.73
(f)	The weighted average number of Ordinary Shares for Basic EPS	Nos.	**43,024,138**	43,023,538
(g)	Add: Adjustment for Employee Stock Options *(Refer Note 3 (iii))*	Nos.	**14,051**	14,651
(h)	The weighted average number of Ordinary Shares for Diluted EPS	Nos.	**43,038,189**	43,038,189
(i)	Earnings Per Shares (Diluted)	₹	**63.48**	69.88

Note 27 (ii): Contingent Liabilities

(Amount in ₹ Crore)

Particulars		As at March 31, 2014	As at March 31, 2013
(a)	Bills discounted	**113.61**	66.69
(b)	Income Tax demands disputed in appeals	**2.11**	2.00
(c)	Sales Tax demands disputed in appeals	**21.83**	21.81
(d)	Service Tax demands disputed in appeals	**8.67**	7.72

Additional information to the Consolidated Financial Statements

Note 27 (iii): Movement in Goodwill

(a) Goodwill on consolidation

(Amount in ₹ Crore)

Particulars	As at March 31, 2014	As at March 31, 2013
As at the beginning of the year	**404.60**	397.90
Translation difference	**85.38**	6.70
As at the end of the year	**489.98**	404.60

(b) Goodwill on acquisition *(Refer Note 27 (vi))*

(Amount in ₹ Crore)

Particulars	As at March 31, 2014	As at March 31, 2013
As at the beginning of the year	**-**	-
Additions on acquisition of Cambric Holding Inc.	**139.60**	-
Translation difference	**15.77**	-
As at the end of the year	**155.37**	-

Note 27 (iv) Segment Reporting

Primary Segment - Business

The Company's operations entail providing 'Information Technology Products and Services' which constitute a single segment for primary segment reporting. Accordingly, the figures given in these financial statements relate to the Company's single business segment.

Secondary Segment - Geographic

Secondary segmental reporting is prepared on the basis of geographical location of the customers.

(Amount in ₹ Crore)

Particulars	India	UK	USA	Rest of Europe	Rest of the World	Total
Revenues	**823.39**	**663.97**	**629.90**	**173.86**	**53.33**	**2,344.45**
	680.46	*576.55*	*557.63*	*146.33*	*34.03*	*1,995.00*
Identifiable operating expenses	**584.37**	**607.67**	**425.61**	**145.90**	**34.82**	**1,798.37**
	464.91	*497.46*	*346.54*	*116.30*	*18.51*	*1,443.72*
Allocated expenses	**66.28**	**6.96**	**24.92**	**26.23**	**7.59**	**131.98**
	47.58	*6.25*	*19.35*	*27.38*	*5.49*	*106.05*
Segmental operating income	**172.74**	**49.35**	**179.37**	**1.73**	**10.91**	**414.10**
	167.97	*72.84*	*191.74*	*2.65*	*10.03*	*445.23*
Unallocable expenses						**117.35**
						95.62
Other Income						**40.82**
						42.82
Net profit before taxes						**337.57**
						392.43
Income taxes						**64.35**
						91.70
Net profit after taxes						**273.22**
						300.73

Fixed assets used in the Company's business or liabilities contracted have not been identified to any of the reported segments, as fixed assets and services are used interchangeably between reported segments.

Figures for comparative period have been presented in accordance with the reporting in the current period. There has been no financial impact due to change in segment reporting in the current year.

Previous year figures are shown in italic.

Additional information to the Consolidated Financial Statements

Note 27 (v) Related Party Disclosures for the year ended March 31, 2014

a) Related party and their relationship

1	Parent Company		Tata Motors Limited
2	Fellow subsidiaries	1	TAL Manufacturing Solutions Ltd.
		2	TML Driveline Ltd.
		3	Sheba Properties Ltd.
		4	Concorde Motors (India) Ltd.
		5	Tata Daewoo Commercial Vehicle Co.Ltd.
		6	Tata Motors Insurance Broking & Advisory Services Ltd.
		7	Tata Motors European Technical Centre Plc.
		8	Tata Motors Finance Limited
		9	Tata Marcopolo Motors Ltd.
		10	Tata Motors (Thailand) Ltd.
		11	TML Holdings Pte Ltd.
		12	TML Distribution Company Limited
		13	Tata Hispano Motors Carrocera S.A.
		14	PT Tata Motors Indonesia
		15	Tata Motors (SA) (Proprietary) Limited
		16	Jaguar Land Rover Automotive PLC (Erstwhile Jaguar Land Rover PLC name changed w.e.f. 28.12.2012 and the name changed from Jaguar Land Rover Limited on 06.04.11)
		17	Jaguar Land Rover Limited (JLR Ltd. acquired business and assets of Jaguar Land Rover Exports Ltd. on 1.4.2013 (other than its nominee shareholdings in Jaguar Land Rover Portugal, Jaguar Land Rover Brasil, Land Rover Belux S.A./N.V., Jaguar Belux N.V and membership in British Motor Industry Heritage Trust))
		18	Jaguar Land Rover Austria GmbH
		19	Jaguar Land Rover Japan Ltd.
		20	JLR Nominee Company Limited (Business of Land Rover Exports Limited transferred w.e.f. 1.4.2012 to Jaguar Land Rover Exports Ltd. And name changed from Jaguar Land Rover Exports Ltd w.e.f. 1.7.2013)
		21	Jaguar Cars South Africa (pty) Ltd
		22	The Daimler Motor Company Ltd
		23	The Jaguar Collection Ltd
		24	Daimler Transport Vehicles Ltd
		25	S.S. Cars Ltd
		26	The Lanchester Motor Company Ltd
		27	Jaguar Land Rover Deutschland GmbH
		28	Land Rover Group Ltd
		29	Jaguar Land Rover North America LLC
		30	Jaguar Land Rover Belux (Land Rover Belux S.A./N.V merged with Jaguar Belux N.V. w.e.f. October 1, 2013 and name changed from Jaguar Belux to Jaguar Land Rover Belux w.e.f. November 12, 2013)
		31	Land Rover Ireland Ltd
		32	Jaguar Land Rover Nederland BV
		33	Jaguar Land Rover Portugal - Veiculos e Pecas LDA
		34	Jaguar Land Rover Australia Pty Ltd.
		35	Jaguar Land Rover Italia SpA
		36	Jaguar Land Rover Espana SL (Jaguar Hispania SL was absorbed into Land Rover Eispana SL w.e.f. January 1, 2013 and the name was changed to Jaguar Land Rover Espana SL)

Additional information to the Consolidated Financial Statements

		37	Jaguar Land Rover Korea Company Ltd
		38	Jaguar Land Rover Automotive Trading (Shanghai) Company Ltd.
		39	Jaguar Land Rover Canada ULC
		40	Jaguar Land Rover France, SAS
		41	Jaguar Land Rover (South Africa) (Pty) Ltd.
		42	Jaguar e Land Rover Brasil Importacao e Comercia de Veiculos Ltda
		43	Limited Liability Company "Jaguar Land Rover" (Russia)
		44	Land Rover Parts Limited
		45	Jaguar Land Rover (South Africa) Holdings Ltd.
		46	Land Rover Exports Limited (Business transferred to Jaguar Land Rover Exports Limited on 1.4.2012)
		47	Jaguar Land Rover India Limited (incorporated w.e.f October 25, 2012)
		48	Jaguar Cars Limited
		49	Tata Hispano Motors Carrocera S.A.
		50	Tata Hispano Motors Carrocerries Maghreb S.A.
		51	Tata Daewoo Commercial Vehicle Sales and Distribution Co. Ltd.
		52	Tata Precision Industries Pte. Ltd.
		53	Trilix S.r.l.
		54	PT Tata Motors Distribusi Indonesia (Incorporated w.e.f February 11, 2013)
		55	Jaguar Land Rover Holdings Ltd. (all business and assets of Land Rover were acquired by Jaguar Land Rover Ltd. Except Jaguar Land Rover Automotive Trading (Shangai) Company Ltd. On January 1, 2013 and name changed from Land Rover w.e.f. October 4, 2013)
3	Joint Venture		TATA HAL Technologies Limited
4	Associates and Joint Venture of Parent Company	1	Tata Cummins Ltd
		2	Tata Precision Industries (India) Ltd.
		3	Fiat India Automobiles Ltd.
		4	Spark44 (JV) Ltd.
		5	Jaguar Cars Finance Ltd.
		6	Automobile Corporation of Goa Ltd
		7	Nita Co Ltd
		8	Cherry Jaguar Land Rover Automotive Co. Limited
		9	Tata Hitachi Construction Machinery Company Limited (Erstwhile Telco Construction Equipment Co.Ltd. name changed w.e.f November 23, 2012)
		10	Tata AutoComp Systems Ltd
		11	Suzhou Chery Jaguar Land Rover Trading Co. Ltd (Interim JV)
5	Key Management Personnel		Mr. P. R. McGoldrick
6	Key Management Personnel in subsidiary companies & Joint Venture	1	Mr. Warren K Harris
		2	Mr. Fernando Oviedo
		3	Mr. Nick Sale
		4	Mr. Ramesh Indhewat
		5	Mr. Lokesh Shrivastava
		6	Mr. Timothy Hayes

Additional information to the Consolidated Financial Statements

Note 27 (v) Related Party Disclosures for the year ended March 31, 2014.

b) Transactions with related parties

(Amount in ₹ Crore)

Particulars	Parent Company	Fellow subsidiaries	Joint Venture	Key Management Personnel**	Total
Sale of products	**39.56**	**2.29**	**1.64**	**-**	**43.49**
	(44.71)	(3.26)	(0.49)	(-)	(48.46)
Services received	**-**	**8.22**	**0.56**	**-**	**8.78**
	(-)	(6.85)	(0.02)	(-)	(6.87)
Services rendered	**439.35**	**736.40**	**-**	**-**	**1,175.75**
	(387.39)	(614.76)	(-)	(-)	(1,002.15)
Finance placed (including loans, equity & ICD)	**926.60**	**-**	**-**	**-**	**926.60**
	(817.65)	(-)	(0.38)	(-)	(818.03)
Finance received back (including loans,equity & ICD)	**1,110.50**	**-**	**-**	**-**	**1,110.50**
	(635.75)	(20.01)	(-)	(-)	(655.76)
Dividend paid	**84.84**	**-**	**-**	**-**	**84.84**
	(48.48)	(-)	(-)	(-)	(48.48)
Interest paid / (received)(net)	**(11.62)**	**(0.55)**	**-**	**-**	**(12.17)**
	(-5.37)	(-0.60)	(-)	(-)	(-5.97)
Remuneration	**-**	**-**	**-**	**12.67**	**12.67**
	(-)	(-)	(-)	(10.15)	(10.15)
Amount receivable	**31.47**	**144.27**	**0.16**	**-**	**175.90**
	(38.04)	(114.37)	(0.06)	(-)	(152.47)
Amount payable	**2.10**	**8.51**	**0.56**	**1.43**	**12.60**
	(0.62)	(3.32)	(-)	(0.20)	(4.14)
Amount receivable (in respect of loans, Equity & ICD)	**-**	**5.29**	**-**	**-**	**5.29**
	(183.90)	(5.29)	(-)	(-)	(189.19)
Amount payable (in respect of loans, Equity & ICD)	**-**	**-**	**-**	**-**	**-**
	(-)	(0.02)	(-)	(-)	(0.02)

* Previous year's figures are shown in the brackets

** Includes transactions with the key management personnel in subsidiary companies and joint venture.

Disclosure of material transactions:

Services received:

Tata Motors European Technical Centre ₹ 8.22 crore (March 31, 2013 ₹ 6.49 crore)

Services rendered:

Jaguar and Land Rover ₹ 677.09 crore (March 31, 2013 ₹ 581.14 crore)

Additional information to the Consolidated Financial Statements

Note 27 (vi)

The Company has a joint venture with Hindustan Aeronautics Ltd., TATA HAL Technologies Ltd (THTL) for providing engineering and design solutions and services in the domain of aerostructures for aerospace industry. The Company has an investment of ₹ 5.07 crores as at March 31, 2014, representing 50% shareholding in THTL.
The proportionate share of assets and liabilities as on March 31, 2014 and income and expenditure for the year ended March 31, 2014 of THTL are given below.

(Amount in ₹ Crore)

Particulars	As on March 31, 2014	As on March 31, 2013	Particulars	As on March 31, 2014	As on March 31, 2013
RESERVES AND SURPLUS			**INCOME**		
Profit & loss	**(3.62)**	(2.83)	Service income	**4.09**	2.62
	(3.62)	(2.83)	Other income	**0.57**	0.20
			Sub Total	**4.66**	2.82
NON-CURRENT LIABILITIES	**0.09**	0.09			
CURRENT LIABILITIES	**1.39**	0.92			
	(2.14)	(1.82)			
NON-CURRENT ASSETS					
Net block (including CWIP)	**0.37**	0.54	**EXPENDITURE**		
Long term loans and advances	**0.35**	0.48	Cost of traded items & services	**1.34**	-
Sub Total	**0.72**	1.02	Salary & other general expenses	**3.78**	2.44
CURRENT ASSETS			Depreciation	**0.32**	0.26
Trade receivables	**1.83**	0.91	**Sub Total**	**5.44**	2.70
Projects work in progress	**0.10**	0.19			
Cash and cash equivalents	**0.13**	0.43			
Short term loans and advances	**0.10**	0.12			
Other current assets	**0.04**	0.58			
Sub Total	**2.20**	2.23			
Total	**2.92**	3.25			

Note 27 (vii)
Tata Technologies Inc., (TTUS) (indirect subsidiary of Tata Technologies Limited) signed definitive agreements on April 25, 2013 for the acquisition of US-based engineering services company Cambric Holdings Inc., for a total consideration payable to the stockholders of Cambric Holdings, as below:

i) US $ 30 million (₹ 161.43 Crore) in cash on entering into the agreements
ii) US $ 2.5 million (₹ 13.45 Crore) in cash upon meeting the requirements of earnout conditions

However, since Cambric Holdings could not meet the earnout conditions, the consideration of US $ 2.5 million subjected to earnout conditions did not accrue and accordingly the total consideration for the acquisition is US $ 30 million.

Cambric Holdings is a US-based company with a significant footprint in Eastern Europe. The company has three development centers in Romania and its customers include some of the world's marquee heavy machinery, agricultural, off-highway and automotive companies.

The acquisition was consummated on May 1, 2013 through a wholly owned subsidiary of TTUS set up for the specific purpose of this acquisition which as part of the transaction was merged into Cambric Holdings as on the said date, pursuant to which Cambric Holdings Inc., has become wholly owned subsidiary of Tata Technologies Inc., and has been consolidated with Tata Technologies Limited.

Additional information to the Consolidated Financial Statements

Goodwill on Acquisition :

Particulars	Amount in US $	Amount in ₹ Crore *
Assets and Liabilities acquired on acquisition :		
- Legal reserves	**(43,401)**	(0.26)
- Fixed assets	**1,641,751**	9.83
- Current assets	**10,971,378**	65.71
- Current liabilities	**(7,696,357)**	(46.09)
Total net assets as on May 1, 2013	**4,873,371**	29.19
Total purchase consideration including direct expenses	**30,816,741**	184.56
Goodwill on acquisition	**25,943,370**	155.37

*At exchange rates prevailing at the balance sheet date.

Note 27 (viii) Previous years figures have been regrouped/reclassified wherever necessary to correspond with the current years classifications / disclosures.

Statement pursuant to Section 212 of the Companies Act, 1956, relating to subsidiary companies

Sr. No.	Name of the subsidiary		Financial year of the subsidiary ended on	Shares of the subsidiary held by the Company directly or through subsidiary company on March 31, 2014		Net aggregate amount of profits / (losses) of the subsidiary for the financial year of the subsidiary so far as they concern members of the Company		Net aggregate amount of profits / (losses) for previous financial years of the subsidiary, since it became a subsidiary so far as they concern members of the Company	
				Number and face value	% of share holding	dealt with in the accounts of the Company for the year ended March 31, 2014	not dealt with in the accounts of the Company for the year ended March 31, 2014	dealt with in the accounts of the Company for the year ended March 31, 2014	not dealt with in accounts of the Company for the year ended March 31, 2014
						₹ crore	₹ crore	₹ crore	₹ crore
1	Tata Technologies Pte Limited	*	March 31, 2014	86,463,759 Ordinary shares no par value	100.00	Nil	4.96	N/A	72.04
2	Tata Technologies (Thailand) Limited	*	March 31, 2014	705,341 ordinary shares at 50 Baht each	100.00	Nil	2.79	N/A	1.42
3	INCAT International Plc.	*	March 31, 2014	24,275,000 Ordinary shares of Penny 1 each fully paid	100.00	Nil	(1.15)	N/A	2.05
4	Tata Technologies Europe Limited	*	March 31, 2014	10,000 Ordinary shares of GBP 1 each fully paid	100.00	Nil	61.02	N/A	136.26
5	INCAT GmbH	*	March 31, 2014	1,640 ordinary shares of EURO 100 each	100.00	Nil	(0.82)	N/A	(4.99)
6	Tata Technologies Inc	*	March 31, 2014	1,50,000 common stock - class A and 8,85,520 common stock-class B, with no par value	99.24	Nil	(7.56)	N/A	78.57
7	Tata Technologies Canada Inc.		March 31, 2014	1 share of no par value	99.24	Nil	0.48	N/A	4.60
8	Tata Technologies de Mexico, S.A. de C.V.		March 31, 2014	Fixed Capital of 50,000 share of no par value. Variable Capital of 1713465 share of no par value	99.24	Nil	0.07	N/A	0.30
9	Cambric Holdings Inc.		March 31, 2014	4000 ordinary shares of no par value	99.24	Nil	(0.91)	N/A	-
10	Cambric Corporation, Delaware	**	March 31, 2014	10 ordinary shares of USD 0.001 per share	99.24	Nil	53.28	N/A	-
11	Cambric Limited, Bahama	**	March 31, 2014	5000 ordinary shares of USD 1 per share	99.24	Nil	(4.17)	N/A	-
12	Cambric UK Ltd.	**	March 31, 2014	1 ordinary share of GBP 1 per share	99.24	Nil	(5.03)	N/A	-
13	Cambric Managed Services Inc, Utah	**	March 31, 2014	1 ordinary share of no par value	99.24	Nil	(0.01)	N/A	-
14	Cambric GmbH	**	March 31, 2014	EURO 25000 @	99.24	Nil	1.87	N/A	-
15	Midwest Managed Services, Utah	**	March 31, 2014	10 ordinary shares of USD 10 per share	99.24	Nil	(0.01)	N/A	-
16	Cambric Consulting SRL, Romania	**	March 31, 2014	307,382 Equity interests of 10 RON per Equity interest	99.24	Nil	(36.59)	N/A	-
17	Cambric Manufacturing Technologies (Shanghai) Co. Ltd.	#*	March 31, 2014	#	100.00	Nil	-	N/A	-

*By virtue of Section (4) (1) (C) of the Companies Act, 1956, These are subsidiaries of the Company.
Incorporated w.e.f. March 10, 2014, No investment made as on the Balance Sheet date.
** Due to acquisition of Cambric Holdings Inc., these subsidiaries have become indirect subsidiaries of the Company w.e.f. May 01, 2013.
@As per official Handel Register of Germany & Articles of Association, No Actual certificate issued as on Balance Sheet date.

For and on behalf of the Board

S Ramadorai
Chairman

P R McGoldrick
Managing Director

R Gopalakrishnan
Director

Samrat Gupta
Chief Financial Officer

P P Kadle
Director

Anubhav Kapoor
Company Secretary

C Ramakrishnan
Director

Date: May 15, 2014
Place: Mumbai

Statement pursuant to exemption received under section 212(8) of the Companies Act, 1956 relating to subsidiary companies

(Amount in ₹ Crore)

Sr. No.	Name of Subsidiary Company	Country	Reporting Currency	Exchange Rate	Capital	Reserves	Total Assets	Total Liabilities	Investments Other than Investment in Subsidiaries	Turnover	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend
1	INCAT International Plc.	U.K.	GBP	99.54	2.42	45.18	49.51	1.91	-	-	(1.15)	-	(1.15)	-
2	Tata Technologies Inc.	USA	USD	59.89	262.75	(484.47)	167.41	389.13	-	498.23	(6.61)	0.95	(7.56)	-
3	Tata Technologies (Canada) Inc.	USA	USD	59.89	0.01	4.71	23.73	19.02	-	8.38	1.89	1.40	0.48	-
4	Tata Technologies de Mexico, S.A. de C.V.	USA	USD	59.89	0.93	3.17	9.45	5.35	-	18.48	0.11	0.03	0.07	-
5	Cambric Holdings Inc.	USA	USD	59.89	38.60	5.31	176.01	132.11	-	6.44	(9.22)	(8.32)	(0.91)	-
6	Cambric Corporation, Delaware *	USA	USD	59.89	0.00	1.01	11.74	10.73	-	101.65	53.29	0.01	53.28	-
7	Cambric Limited, Bahama *	USA	USD	59.89	16.17	(0.22)	15.95	-	-	3.95	(4.17)	-	(4.17)	-
8	Cambric UK Ltd. *	U.K.	USD	59.89	0.00	1.06	6.01	4.95	-	49.29	(4.79)	0.24	(5.03)	-
9	Cambric Managed Services Inc, Utah *	USA	USD	59.89	0.00	(0.01)	0.00	0.01	-	-	(0.01)	-	(0.01)	-
10	Cambric GmbH *	Germany	USD	59.89	0.18	0.21	0.70	0.30	-	4.53	1.92	0.06	1.87	-
11	Midwest Managed Services, Utah *	USA	USD	59.89	0.00	(0.01)	0.01	0.02	-	-	(0.01)	-	(0.01)	-
12	Cambric Consulting SRL, Romania *	Romania	USD	59.89	9.83	1.45	15.38	4.10	-	43.45	(36.29)	0.30	(36.59)	-
13	Cambric Manufacturing Technologies (Shanghai) Co. Ltd. #	China	USD	59.89	-	-	-	-	-	-	-	-	-	-
14	Tata Technologies Europe Limited	UK	GBP	99.54	0.10	239.74	435.94	196.09	-	992.01	73.24	12.22	61.02	-
15	INCAT GmbH	Germany	EURO	82.30	1.35	15.43	18.08	1.30	-	0.43	(0.08)	0.74	(0.82)	-
16	Tata Technologies (Thailand) Limited	Thailand	BAHT	1.84	6.50	2.96	10.58	1.12	-	12.19	2.79	-	2.79	-
17	TATA Technologies Pte Ltd.	Singapore	USD	59.89	323.41	364.09	692.88	5.39	-	27.96	5.15	0.19	4.96	-

Notes:

1 The Ministry of Corporate Affairs vide its circular dated February 08, 2011 has granted a blanket approval for exemption from attaching the accounts of subsidiary companies to the accounts of the holding company, subject to fulfillment of certain conditions. Accordingly, the said documents are not being attached with the Balance Sheet of the Company.

\# Incorporated w.e.f. March 10, 2014

* Due to acquisition of Cambric Holdings Inc., these subsidiaries have become indirect subsidiaries of the Company w.e.f. May 01, 2013.

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TATA TECHNOLOGIES INC, USA

ANNUAL REPORT 2013-14

TATA TECHNOLOGIES INC, USA

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TATA TECHNOLOGIES INC, USA

DIRECTORS:
1. Mr. Praveen P Kadle
2. Mr. Patrick McGoldrick
3. Mr. Warren Harris

REGISTERED: OFFICE
41050, W Eleven Mile Road, Novi, MI 48375

COMPANY: SECRETARY
Vishwanathan Nallepalli

TO THE MEMBERS OF

TATA TECHNOLOGIES INC.

The Directors hereby present the Seventeenth Annual Report on the Business and Operations of the Company and Statement of Accounts for the year ended March 31, 2014.

1. FINANCIAL RESULTS

The Financial Results of the Company for the year ended March 31, 2014 are as follows:

	Year end March 31, 2014	
	(In US $)	**(In ₹)**
Income	102,343,686	6,129,363,363
Loss for the year after providing for taxes	1,254,938	75,158,238

2. OPERATIONS

Tata Technologies Inc. provides services in the field of engineering automation, offering engineering & design services, PLM products and related IT services to their respective customer bases, comprising primarily manufacturers and their suppliers in the international automotive and aerospace markets. During the year the company registered a turnover of US $ 102,343,686 (₹6,129,363,363) and a loss after tax of US $ 1,254,938 (₹75,158,238).

There were 585 employees on the rolls of the company as of 31st March 2014, either working in the company or customers' facilities.

3. CHANGE IN SHARE CAPITAL

During the year, no change have occurred in the authorized capital of the Company.
20 shares of Class B have been allotted to Tata Technologies Pte. Limited during the year.

4. DIVIDEND

Considering the overall financial performance of the Company, the Board of Directors have not recommended any dividend on equity capital of the Company during the year under reference.

5. POST BALANCE SHEET EVENTS

There have been no significant post balance sheet events, since the end of the financial year ended 31st March 2014, which have had a material effect on the financial position of the Company.

6. PUBLIC DEPOSITS

The Company has not accepted any deposits from the public.

7. CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION

The operations of the Company are such that they are not deemed as energy intensive. However, the Company constantly makes effort to avoid excessive consumption of energy and encourage conservation of energy.

8. ACQUISITION

The Company has signed a definitive agreements on April 25, 2013 for the acquisition of US-based engineering services company Cambric Holdings Inc, for a total consideration payable to stockholders of Cambric Holdings, as below:

i) US $ 30 million (₹ 161.43 crore) in cash on entering into the agreements

ii) US $ 2.5 million (₹ 13.45 crore) in cash upon meeting the requirements of earnout conditions.

However, since Cambric Holdings could not meet the earnout conditions, the consideration of US $ 2.5 million subjected to earnout conditions did not accrue and accordingly the total consideration for the acquisition is US $ 30 million.

Cambric Holdings is a US-based company with significant footprint in Eastern Europe. The company has three development centres in Romania and its customers include some of the world's marquee heavy machinery, agricultural, off-highway and automotive companies.

The acquisition was consummated on May 1, 2013 through a wholly owned subsidiary of the company set up for the specific purpose of this acquisition which as part of the transaction was merged into Cambric Holdings as on the said date, pursuant to which Cambric Holdings, Inc., has become wholly owned subsidiary of the Company.

9. INVESTMENT

The Company has during the year invested US $ 10,816,741 (₹ 647,814,630) in Cambric Holdings Inc. as a result of the above mentioned acquisition.

10. AUDIT

The Company is not required to obtain an independent audit report on the financials of the Company under the Michigan laws; Consequently, no independent audit opinion has been sought in respect of these financial statements.

11. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to section 217(2AA) of the companies Act, 1956 the directors, based on the representations received from the operating management, confirm that:-

1. in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;

2. they have, in selection of the accounting policies, applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that year;

3. they have taken proper and sufficient ca re, to the be st of their kno wledge and ability, for the maintenance of adeq uate accounting records for safeguarding the a ssets of the Co mpany and fo r preventing and detecting frauds and other irregularities;

4. they have prepared the annual accounts on a “going concern basis”.

12. ACKNOWLEDGMENTS

Your Directors would like to express their heartfelt gratitude to all the customers, business partners and bankers for their continued support and association. The Directors also wish to thank the Government and all the statutory authorities for their support and co-operation.

The Directors would also like to pl ace on record their appreciation of th e dedicated, individual and collective contribution of all the employees in the overall growth and progress of the Company during the last year.

On behalf of the Board of Directors;

Praveen P Kadle - Director
Patrick McGoldrick - Director
Warren Harris - Director

Vishwanathan Nallepalli,
Finance Controller & Company Secretary
Place: Novi, Michigan, USA
Date: 7th May, 2014

TATA TECHNOLOGIES INC.

Balance Sheet as at March 31, 2014

Particulars	Note No.	(Amount in USD) March 31, 2014	(Amount in ₹) March 31, 2014	(Amount in USD) March 31, 2013	(Amount in ₹) March 31, 2013
I. EQUITY AND LIABILITIES					
(1) **Shareholders' Funds**					
(a) Share Capital	1	54,845,360	3,284,688,610	44,845,360	2,434,206,141
(b) Reserves and Surplus	2	(82,351,741)	(4,932,045,758)	(81,096,803)	(4,401,934,490)
		(27,506,381)	**(1,647,357,148)**	**(36,251,443)**	**(1,967,728,349)**
(2) **Non-current Liabilities**					
(a) Long-term Borrowings	3	13,333,333	798,533,334	26,666,667	1,447,466,667
		13,333,333	**798,533,334**	**26,666,667**	**1,447,466,667**
(3) **Current Liabilities**					
(a) Short-term Borrowings	4	22,500,000	1,347,525,000	14,500,000	787,060,000
(b) Trade Payables		19,212,638	1,150,644,908	17,157,036	931,283,934
(c) Other Current Liabilities	5	17,415,744	1,043,028,927	15,122,760	820,863,413
(d) Current income tax liabilities		(0.00)	(0.00)	1,782,563	96,757,520
		59,128,382	**3,541,198,835**	**48,562,359**	**2,635,964,866**
		44,955,334	**2,692,375,021**	**38,977,583**	**2,115,703,184**
II. ASSETS					
(1) **Non-current Assets**					
(a) Fixed Assets					
(i) Tangible Assets	6	482,394	28,890,557	638,650	34,665,895
(ii) Intangible Assets	7	114,724	6,870,806	205,211	11,138,915
		597,118	**35,761,363**	**843,861**	**45,804,810**
(b) Goodwill on Consolidation		**913,689**	54,720,834	**913,689**	49,595,039
(c) Non-current Investments	8	10,973,095	657,178,671	156,354	8,486,895
(d) Deferred tax Assets (net)		689,349	41,285,088	989,910	53,732,294
(e) Long-term loans and advances	9	182,050	10,902,961	366,406	19,888,574
		13,355,301	**799,848,916**	**3,270,220**	**177,507,612**
(2) **Current Assets**					
(a) Inventories		-	-	8,768	475,805
(b) Trade Receivables	10	23,599,621	1,413,381,325	24,672,184	1,339,206,142
(c) Cash and Bank Balances	11	2,151,899	128,877,204	5,955,070	323,241,218
(d) Other Current Assets	12	5,730,873	343,221,971	4,924,795	267,317,888
(e) Short-term loans and advances	13	117,640	7,045,604	146,546	7,954,519
		31,600,033	**1,892,526,104**	**35,707,363**	**1,938,195,572**
		44,955,334	**2,692,375,021**	**38,977,583**	**2,115,703,184**

Significant Accounting Policies 21

For and on behalf of the Board of Directors

Vishwanathan Nallepalli	**Praveen P Kadle**	**Director**
Finance Controller & Company Secretary	**Patrick McGoldrick**	**Director**
	Warren Harris	**Director**

Place: Novi, Michigan, USA
Date: 7th May, 2014

TATA TECHNOLOGIES INC.

Statement of Profit and Loss year ended March 31, 2014

	Particulars	Note No.	(Amount in USD) Year ended March 31, 2014	(Amount in ₹) Year ended March 31, 2014	(Amount in USD) Year ended March 31, 2013	(Amount in ₹) Year ended March 31, 2013
I.	Revenue from Operations	14	102,343,564	6,129,356,062	108,734,251	5,902,095,162
II.	Other Income	15	122	7,301	891	48,354
III.	**Total Revenue (I + II)**		**102,343,686**	**6,129,363,363**	**108,735,142**	**5,902,143,516**
IV.	Expenses :					
	(a) Cost of Traded Products	16	28,715,931	1,719,797,079	28,829,260	1,564,852,206
	(b) Consultancy fees, Softwares and others	17	15,581,519	933,177,160	17,029,276	924,349,096
	(c) Employee Benefit Expense	18	50,650,718	3,033,471,521	49,877,120	2,707,330,099
	(d) Finance Cost	19	1,023,901	61,321,460	1,115,940	60,573,224
	(e) Depreciation and amortisation Expense	6 & 7	458,037	27,431,841	419,336	22,761,551
	(f) Other Expenses	20	7,009,203	419,781,172	6,555,355	355,824,653
	Total Expenses		**103,439,309**	**6,194,980,233**	**103,826,287**	**5,635,690,829**
V.	**Profit/(Loss) Before Tax (III - IV)**		**(1,095,623)**	**(65,616,870)**	**4,908,855**	**266,452,687**
VI.	Tax Expense :					
	(a) Current Tax		(141,246)	(8,459,230)	2,220,496	120,528,510
	(b) Deferred Tax		300,561	18,000,598	70,778	3,841,830
			159,315	**9,541,368**	**2,291,274**	**124,370,340**
VII	**Profit/(Loss) from continuing operations (V- VI)**		**(1,254,938)**	**(75,158,238)**	**2,617,581**	**142,082,347**
	Significant Accounting Policies	21				

For and on behalf of the Board of Directors

Praveen P Kadle	**Director**
Patrick McGoldrick	**Director**
Warren Harris	**Director**

Vishwanathan Nallepalli
Finance Controller & Company Secretary

Place: Novi, Michigan, USA
Date: 7th May, 2014

TATA TECHNOLOGIES INC.

Cash Flow Statement for the year ended March 31, 2014

	(Amount in USD) Year ended March 31, 2014	(Amount in ₹) Year ended March 31, 2014	(Amount in USD) Year ended March 31, 2013	(Amount in ₹) Year ended March 31, 2013
CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit after Taxation and Extraordinary Items	(1,254,938)	(75,158,238)	2,617,581	142,082,347
Depreciation and amortization	458,037	27,431,841	419,336	22,761,551
Provision for Income Tax	(141,246)	(8,459,230)	2,220,496	120,528,510
Provision for Deferred Tax	300,561	18,000,598	70,778	3,841,830
(Profit)/Loss on Sale of Tangible and Intangible Fixed Assets	-	-	87	4,727
Interest Income	(122)	(7,301)	(891)	(48,354)
Finance Costs	1,023,901	61,321,460	1,115,940	60,573,224
Allowances for doubtful debts	(908,571)	(54,414,304)	296,920	16,116,844
Operating profit before Working Capital Changes	(522,378)	(31,285,174)	6,740,247	365,860,679
Adjustments for :				
Inventories	8,768	525,130	(3)	(163)
Trade Receivables	1,981,134	118,650,133	3,040,675	165,047,823
Advance to Supplier, Contractors & Others	(1,549,573)	(92,803,897)	(1,422,307)	(77,202,810)
Long term Loans and advances	28,786	1,723,932	(31,157)	(1,691,216)
Unbilled Revenue	69,269	4,148,532	(948,286)	(51,472,981)
Prepaid Expenses	475,327	28,467,317	(578,466)	(31,399,119)
Trade Payables	2,055,602	123,110,001	(2,843,145)	(154,325,900)
Other Current Liabilities	2,329,529	139,515,499	(425,801)	(23,112,470)
Deferred Tax Asset/Liability	-	-	(263,445)	(14,299,795)
Advance Tax / Tax Deducted at Source	(1,257,941)	(75,338,064)	(1,316,462)	(71,457,535)
NET CASH FLOW (USED IN)/GENERATED FROM OPERATING ACTIVITIES	3,618,523	216,713,409	1,951,850	105,946,513
CASH FLOW FROM INVESTING ACTIVITIES				
Interest Received	122	7,301	891	48,354
Investment in Subsidary	(10,816,741)	(647,814,630)	-	-
Proceeds from sale of Tangible and Intangible Assets	-	-	-	-
Payment for Purchase of Fixed Assets	(211,295)	(12,654,504)	(254,861)	(13,833,937)
NET CASH FLOW (USED IN)/GENERATED FROM INVESTING ACTIVITIES	(11,027,914)	(660,461,833)	(253,970)	(13,785,583)
CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issue of shares	10,000,000	598,900,006	-	-
Interest Paid	(1,060,446)	(63,510,110)	(1,145,735)	(62,190,485)
Proceeds /Repayment from Short Term borrowings	8,000,000	479,120,000	9,500,000	515,660,000
Proceeds / Repayment from Long Term borrowing	(13,333,334)	(798,533,353)	26,666,667	1,447,466,667
Proceeds / Repayment of Current maturities of long term debt	0	0.00	(36,666,667)	(1,990,266,667)
NET CASH FLOW (USED IN)/GENERATED FROM FINANCING ACTIVITIES	3,606,220	215,976,543	(1,645,735)	(89,330,485)
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS	(3,803,171)	(227,771,881)	52,145	2,830,445
Cash & Cash equivalent at the close of the year as per Note 11	2,151,899	128,877,204	5,955,070	323,241,218
Cash & Cash equivalents at the beginning of the year as per Note 11	5,955,070	356,649,085	5,902,925	320,410,773
	(3,803,171)	(227,771,881)	52,145	2,830,445

Significant Accounting Policies 21

Vishwanathan Nallepalli
Finance Controller & Company Secretary

Place: Novi, Michigan, USA
Date: 7th May, 2014

For and on behalf of the Board of Directors

Praveen P Kadle	**Director**
Patrick McGoldrick	**Director**
Warren Harris	**Director**

TATA TECHNOLOGIES INC.
Notes forming part of financial statements

Note - 1	(Amount in USD) As at March 31, 2014	(Amount in ₹) As at March 31, 2014	(Amount in USD) As at March 31, 2013	(Amount in ₹) As at March 31, 2013
SHARE CAPITAL				
Issued, subscribed and fully paid :				
157,900 Shares of non-voting Class A common stock with no par value	295,360	17,689,110	295,360	16,032,141
(P.Y 157,900 Shares of non-voting Class A common stock with no par value)				
885,520 Shares of Class B common stock with no par value	54,550,000	3,266,999,500	44,550,000	2,418,174,000
(P.Y 885,500 Shares of Class B common stock with no par value)				
	54,845,360	**3,284,688,610**	**44,845,360**	**2,434,206,141**

TATA TECHNOLOGIES INC.

Notes forming part of financial statements

Note - 2

RESERVES AND SURPLUS **(Amount in USD)**

Particulars		As at March 31, 2013	Additions	Deductions	As at Mar 31, 2014
(a) Securities Premium Reserve		**416,472**	-	-	**416,472**
(b) Capital Reserve		**5,614,930**	-	-	**5,614,930**
(c) Surplus i.e. balance in statement of Profit and Loss	[Note (i) below]	**5,648,061**	(1,254,938)	-	**4,393,123**
(d) Restructuring Account		**(92,776,266)**			**(92,776,266)**
		(81,096,803)	**(1,254,938)**	**-**	**(82,351,741)**

Notes:-

	2013-2014		*2012-2013*	
	Additions	***Deductions***	***Additions***	***Deductions***
(i) Changes in Statement of Profit and Loss :				
Profit/(Loss) for the year	*(1,254,938)*	-	*2,617,581*	-
	(1,254,938)	**-**	***2,617,581***	**-**

Note - 2

RESERVES AND SURPLUS **(Amount in ₹)**

Particulars		As at March 31, 2013	Additions	Deductions	As at Mar 31, 2014
(a) Securities Premium Reserve		**24,942,508**	-	-	**24,942,508**
(b) Capital Reserve		**336,278,036**	-	-	**336,278,036**
(c) Surplus i.e. balance in statement of Profit and Loss	[Note (i) below]	**338,262,479**	(75,158,238)	-	**263,104,241**
(d) Restructuring Account		**(5,556,370,543)**	-	-	**(5,556,370,543)**
		(4,856,887,520)	**(75,158,238)**	**-**	**(4,932,045,758)**

Notes:-

	2013-2014		*2012-2013*	
	Additions	***Deductions***	***Additions***	***Deductions***
(i) Changes in Statement of Profit and Loss :				
Profit/(Loss) for the year	*(75,158,238)*	-	*142,082,347*	-
	(75,158,238)	**-**	***142,082,347***	**-**

TATA TECHNOLOGIES INC.
Notes forming part of financial statements

Note - 3	(Amount in USD) As at March 31, 2014	(Amount in ₹) As at March 31, 2014	(Amount in USD) As at March 31, 2013	(Amount in ₹) As at March 31, 2013
LONG TERM BORROWINGS				
(A) Unsecured				
(i) Term Loans				
- From Banks *				
- Citi Bank	13,333,333	798,533,334	26,666,667	1,447,466,667
	13,333,333	**798,533,334**	**26,666,667**	**1,447,466,667**

Notes: * [Secured by hypothecation of Open ended debt Liquid, Liquid Plus, Short Term mutual funds (marketable and de-materialised form), including any dividend, redemption, deriving or accruing from any of the units and Trade Receivables]
(Refer note 2.7)

Note - 4	(Amount in USD) As at March 31, 2014	(Amount in ₹) As at March 31, 2014	(Amount in USD) As at March 31, 2013	(Amount in ₹) As at March 31, 2013
SHORT TERM BORROWINGS				
(A) Secured				
Loans repayable on demand (Cash Credit) [Refer Note (i)]	5,500,000	329,395,000	4,500,000	244,260,000
	5,500,000	**329,395,000**	**4,500,000**	**244,260,000**

Note (i) The loan of USD 5,500,000/- (P.Y. USD 4,500,000) taken from Chase commercial Bank, The same is repayable on call basis.The loan carries interest rate at Libor+1.75%. [Secured by hypothecation of book debts/accounts receivable and movable fixed assets (excluding certain vehicle)]

(B) Unsecured				
Other loans	17,000,000	1,018,130,000	**10,000,000**	542,800,000
	17,000,000	**1,018,130,000**	**10,000,000**	**542,800,000**
	22,500,000	**1,347,525,000**	**14,500,000**	**787,060,000**

Note - 5	(Amount in USD) As at March 31, 2014	(Amount in ₹) As at March 31, 2014	(Amount in USD) As at March 31, 2013	(Amount in ₹) As at March 31, 2013
OTHER CURRENT LIABILITIES				
(a) Interest accrued but not due on borrowings	23,067	1,381,452	59,612	3,235,690
(b) Current maturities of long term debt	13,333,333	798,533,333	13,333,333	723,733,333
(c) Income received in advance	963,976	57,732,549	1,360,320	73,838,191
(d) Statutory dues	(91,807)	(5,498,341)	(8,259)	(448,289)
(e) Advance and Progress payments	3,187,175	190,879,934	377,754	20,504,488
	17,415,744	**1,043,028,927**	**15,122,760**	**820,863,413**

TATA TECHNOLOGIES INC.
Notes forming part of financial statements

Note - 6

(Amount in USD)

	FIXED ASSETS	Cost as at April 1, 2013	Additions	Deductions	Cost as at Mar 31, 2014	Accumulated depreciation up to March 31, 2013	Depreciation for the year 2013-2014	Deductions	Accumulated depreciation up to Mar 31, 2014	Net Book Value as at Mar 31, 2014	Net Book Value as at Mar 31, 2013
[A]	**TANGIBLE ASSETS**										
	Computers	1,173,251	124,913	-	1,298,164	861,168	191,665	-	1,052,833	245,331	312,083
	Furniture and fixtures	34,729	19,202	-	53,931	27,164	5,593	-	32,757	21,174	7,565
	Leasehold improvement	641,318	-	-	641,318	322,315	126,362	-	448,677	192,641	319,002
	Vehicles	34,750	30,170	34,750	30,170	34,750	6,922	34,750	6,922	23,248	-
	Total	**1,884,048**	**174,285**	**34,750**	**2,023,583**	**1,245,397**	**330,542**	**34,750**	**1,541,189**	**482,394**	**638,650**
										0.31	

Note - 6

(Amount in ₹)

	FIXED ASSETS	Cost as at April 1, 2013	Additions	Deductions	Cost as at Mar 31, 2014	Accumulated depreciation up to March 31, 2013	Depreciation for the year 2013-2014	Deductions	Accumulated depreciation up to Mar 31, 2014	Net Book Value as at Mar 31, 2014	Net Book Value as at Mar 31, 2013
[A]	**TANGIBLE ASSETS**										
	Computers	70,266,022	7,481,016	-	77,747,038	51,575,401	11,478,835	-	63,054,236	14,692,802	18,690,621
	Furniture and fixtures	2,079,946	1,150,021	-	3,229,967	1,626,852	334,956	-	1,961,808	1,268,159	453,094
	Leasehold improvement	38,408,523	-	-	38,408,523	19,303,446	7,567,803	-	26,871,249	11,537,274	19,105,077
	Vehicles	2,081,178	1,806,881	2,081,178	1,806,881	2,081,178	414,594	2,081,213	414,559	1,392,322	-
	Total	**112,835,669**	**10,437,918**	**2,081,178**	**121,192,409**	**74,586,877**	**19,796,188**	**2,081,213**	**92,301,852**	**28,890,557**	**38,248,792**

Note:

Capital Commitment : The estimated amount of contracts remaining to be executed on capital account, and not provided for is US$ Nil as at March 31, 2014 (as at March 31, 2013 : US$ Nil).

TATA TECHNOLOGIES INC.
Notes forming part of financial statements

Note - 7

(Amount in USD)

	FIXED ASSETS	Cost as at April 1, 2013	Additions	Deductions	Cost as at Mar 31, 2014	Accumulated amortisatio as at March 31, 2013	Amortisation for the year 2013-2014	Deductions	Accumulated amortisation up to Mar 31, 2014	Net Book Value as at Mar 31, 2014	Net Book Value as at Mar 31, 2013
[B]	**INTANGIBLE ASSETS**										
(a)	Copyrights	8,056	-	-	8,056	-	-	-	-	8,056	8,056
(b)	Software Licenses	783,464	37,008	1,650	818,822	586,309	127,495	1,650	712,155	106,668	197,155
	Total	**791,520**	**37,008**	**1,650**	**826,878**	**586,309**	**127,495**	**1,650**	**712,155**	**114,724**	**205,211**

Note - 7

(Amount in ₹)

	FIXED ASSETS	Cost as at April 1, 2013	Additions	Deductions	Cost as at Mar 31, 2014	Accumulated amortisatio as at March 31, 2013	Amortisation for the year 2013-2014	Deductions	Accumulated amortisation up to Mar 31, 2014	Net Book Value as at Mar 31, 2014	Net Book Value as at Mar 31, 2013
[B]	**INTANGIBLE ASSETS**										
(a)	Copyrights	482,452	-	-	482,452	-	-	-	-	482,452	482,452
(b)	Software Licenses	46,921,682	2,216,413	98,819	49,039,276	35,114,046	7,635,653	98,888	42,650,811	6,388,354	11,807,635
	Total	**47,404,134**	**2,216,413**	**98,819**	**49,521,728**	**35,114,046**	**7,635,653**	**98,888**	**42,650,811**	**6,870,806**	**12,290,087**

Note:

Capital Commitment : The estimated amount of contracts remaining to be executed on capital account, and not provided for is US$ Nil as at March 31, 2014 (as at March 31, 2013 : US$ Nil).

TATA TECHNOLOGIES INC.
Notes forming part of financial statements

Note -8	(Amount in USD) As at March 31, 2014	(Amount in ₹) As at March 31, 2014	(Amount in USD) As at March 31, 2013	(Amount in ₹) As at March 31, 2013
NON-CURRENT INVESTMENTS				
TRADE (UNQUOTED) - at cost				
Subsidiaries (Details below)	10,973,095	657,178,671	156,354	8,486,895
- Tata Technologies (Canada) Inc., Canada	*1,000*	59,890	*1,000*	54,280
- Tata Technologies DE Mexico SA DE CV, Mexico	*155,354*	9,304,151	*155,354*	8,432,615
- Cambric Holdings Inc.	10,816,741	647,814,630	-	-
	10,973,095	**657,178,671**	**156,354**	**8,486,895**

Note - 9	(Amount in USD) As at March 31, 2014	(Amount in ₹) As at March 31, 2014	(Amount in USD) As at March 31, 2013	(Amount in ₹) As at March 31, 2013
LONG - TERM LOANS AND ADVANCES				
Unsecured (Considered Good)				
(a) Security Deposits	27,258	1,632,492	27,258	1,479,573
(b) Deposits with Government	90,092	5,395,619	89,971	4,883,640
(c) Prepaid Expenses - Non-Current	64,700	3,874,850	249,178	13,525,361
	182,050	**10,902,961**	**366,407**	**19,888,574**

TATA TECHNOLOGIES INC.
Notes forming part of financial statements

Note - 10	(Amount in USD) As at March 31, 2014	(Amount in ₹) As at March 31, 2014	(Amount in USD) As at March 31, 2013	(Amount in ₹) As at March 31, 2013
TRADE RECEIVABLES				
(Unsecured, considered good unless otherwise stated)				
(a) Trade receivables due for a period exceeding six months				
Considered good	312,835	18,735,705	168,800	9,162,437
Considered doubtful	1,222,677	115,684,169	2,131,248	115,684,169
	1,535,512	134,419,874	2,300,048	124,846,606
Less : Allowances for doubtful debts	1,222,677	115,684,169	2,131,248	115,684,169
	312,835	**18,735,705**	**168,800**	**9,162,437**
(b) Other Trade Receivables				
Considered good	23,286,786	1,394,645,620	24,503,384	1,330,043,705
Considered doubtful	-	-	-	-
	23,286,786	1,394,645,620	24,503,384	1,330,043,705
Less : Allowances for doubtful debts	-		-	-
	23,286,786	**1,394,645,620**	**24,503,384**	**1,330,043,705**
	23,599,621	**1,413,381,325**	**24,672,184**	**1,339,206,142**

Note -11	(Amount in USD) As at March 31, 2014	(Amount in ₹) As at March 31, 2014	(Amount in USD) As at March 31, 2013	(Amount in ₹) As at March 31, 2013
CASH AND BANK BALANCES				
(a) Cheques, drafts on hand	-	-	3,998,950	217,063,029
(b) Current Account with banks	2,151,899	128,877,204	1,956,120	106,178,189
	2,151,899	**128,877,204**	**5,955,070**	**323,241,218**

Note -12	(Amount in USD) As at March 31, 2014	(Amount in ₹) As at March 31, 2014	(Amount in USD) As at March 31, 2013	(Amount in ₹) As at March 31, 2013
OTHER CURRENT ASSETS				
(a) Advances to suppliers and contractors	3,203,632	191,865,519	1,654,059	89,782,348
(b) VAT, other taxes recoverable, statutory deposits				-
and dues from government	781,624	46,811,446	1,165,000	63,236,200
(c) Prepaid expenses	866,600	51,900,672	1,157,450	62,826,359
(d) Unbilled Revenue	879,017	52,644,334	948,286	51,472,981
	5,730,873	**343,221,970**	**4,924,795**	**267,317,888**

Note -13	(Amount in USD) As at March 31, 2014	(Amount in ₹) As at March 31, 2014	(Amount in USD) As at March 31, 2013	(Amount in ₹) As at March 31, 2013
SHORT TERM LOANS AND ADVANCES				
Unsecured (Considered Good)				
(a) Loans and Advances employees	99,349	5,949,982	120,788	6,556,384
(b) Security Deposits	18,291	1,095,622	25,758	1,398,135
	117,640	**7,045,604**	**146,546**	**7,954,519**

TATA TECHNOLOGIES INC.
Notes forming part of financial statements

Note - 14

	(Amount in USD) Year ended March 31, 2014	(Amount in ₹) Year ended March 31, 2014	(Amount in USD) Year ended March 31, 2013	(Amount in ₹) Year ended March 31, 2013
REVENUE FROM OPERATIONS				
(a) Sale of Products	40,685,172	2,436,634,933	41,586,110	2,257,294,033
(b) Sale of Services	61,658,392	3,644,801,129	67,148,141	3,644,801,129
	102,343,564	**6,081,436,062**	**108,734,251**	**5,902,095,162**

Note - 15

	(Amount in USD) Year ended March 31, 2014	(Amount in ₹) Year ended March 31, 2014	(Amount in USD) Year ended March 31, 2013	(Amount in ₹) Year ended March 31, 2013
OTHER INCOME				
(a) Interest income-Others	122	7,301	891	48,354
	122	**7,301**	**891**	**48,354**

Note - 16

	(Amount in USD) Year ended March 31, 2014	(Amount in ₹) Year ended March 31, 2014	(Amount in USD) Year ended March 31, 2013	(Amount in ₹) Year ended March 31, 2013
COST OF TRADED PRODUCTS				
(a) Purchase of Products	28,707,164	1,719,272,008	28,829,260	1,564,852,206
(b) Change in Stock in Trade	8,767	525,071	-	-
	28,715,931	**1,719,797,079**	**28,829,260**	**1,564,852,206**

Note - 17

	(Amount in USD) Year ended March 31, 2014	(Amount in ₹) Year ended March 31, 2014	(Amount in USD) Year ended March 31, 2013	(Amount in ₹) Year ended March 31, 2013
CONSULTANCY FEES, SOFTWARES AND OTHERS				
(a) Outsourcing Charges	13,624,150	815,950,342	15,974,808	867,112,587
(b) Software-internal use	510,678	30,584,468	323,165	17,541,402
(c) Professional Fees	1,389,476	83,215,745	690,974	37,506,042
(d) Training Costs	57,215	3,426,605	40,329	2,189,065
	15,581,519	**933,177,160**	**17,029,276**	**924,349,096**

TATA TECHNOLOGIES INC.
Notes forming part of financial statements

Note -18

	(Amount in USD) Year ended March 31, 2014	(Amount in ₹) Year ended March 31, 2014	(Amount in USD) Year ended March 31, 2013	(Amount in ₹) Year ended March 31, 2013
EMPLOYEE BENEFIT EXPENSE				
(a) Salaries and Wages	50,625,495	3,031,960,921	49,802,468	2,703,277,958
(b) Staff welfare Expenses	25,223	1,510,601	74,652	4,052,141
	50,650,718	**3,033,471,521**	**49,877,120**	**2,707,330,099**

Note -19

	(Amount in USD) Year ended March 31, 2014	(Amount in Rs) Year ended March 31, 2014	(Amount in USD) Year ended March 31, 2013	(Amount in ₹) Year ended March 31, 2013
FINANCE COSTS				
(a) Interest Expense				
- Interest on Short Term Borrowings	1,023,901	61,321,460	1,115,940	60,573,224
	1,023,901	**61,321,460**	**1,115,940**	**60,573,224**

Note -20

	(Amount in USD) Year ended March 31, 2014	(Amount in ₹) Year ended March 31, 2014	(Amount in USD) Year ended March 31, 2013	(Amount in ₹) Year ended March 31, 2013
OTHER EXPENSES				
(a) Repairs & Maintenance				
- Buildings	225,400	13,499,232	218,250	11,846,622
- Plant & Machinery	2,868	171,764	24,511	1,330,433
(b) Rent	537,043	32,163,500	518,364	28,136,807
(c) Rates and Taxes	38,338	2,296,069	30,955	1,680,221
(d) Insurance	202,065	12,101,702	189,804	10,302,562
(e) Overseas Marketing Expenses	230,179	13,785,421	231,596	12,571,005
(f) Office Expenses	187,888	11,252,598	406,201	22,048,596
(g) Travelling & Conveyance	1,905,521	114,121,644	1,610,225	87,403,024
(h) Power & Fuel	66,114	3,959,564	-	-
(i) Water Charges	10,307	617,273	76,518	4,153,410
(j) Auditors Remuneration	66,667	3,992,667	55,269	3,000,000
(k) Staff Training and Seminar Expenses	101,710	6,091,436	86,242	4,681,222
(l) Staff Recruitment Expenses	144,619	8,661,259	94,714	5,141,090
(m) Commision to Others	1,386,063	83,011,287	1,626,942	88,310,422
(n) Foreign Currency (Gain)/Loss - (Net)	173,391	10,384,398	6,636	360,225
(o) Communication Expenses	478,101	28,633,476	476,232	25,849,869
(p) Allowances for doubtful debts	(908,571)	(54,414,304)	296,921	16,116,898
(q) Bad Debts written off	1,632,777	97,787,016	-	-
(r) Miscellaneous Expenses	528,723	31,665,170	605,975	39,976,247
	7,009,203	**419,781,172**	**6,555,355**	**362,908,653**

Seventeenth annual report 2013-14

Tata Technologies Inc.

Notes forming part of financial statements

Note 21

SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention, in accordance with Indian Generally Accepted Accounting Principles (GAAP). GAAP comprises the mandatory accounting standards notified under the Companies (Accounting Standards Rules, 2006). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

1.2 Accounting convention

The financial statements are prepared under the historical cost convention.

1.3 Use of Estimates

The preparation of the financial statements in conformity with GAAP requires the management of the Company (Management) to make estimates and assumptions that affect the reported amounts of revenue and expenses during the year and balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of financial statements.
Provisions are made for all known losses and liabilities, future unforeseeable factors that may affect the profit on fixed price service contracts and also towards likely expenses for providing post-sales client support on such contracts.

1.4 Turnover

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts and other sales related taxes.

1.5 Revenue recognition

Revenue from services on time and materials contracts is recognized when services are rendered and related costs are incurred i.e. based on certification of time sheets and billed to clients as per the terms of specific contracts. In case of fixed price contracts, revenue is recognized over the life of the contract based on milestones achieved as specified in the contracts or by proportionate completion method on the basis of the work completed. Foreseeable losses on such contracts are recognized when probable.
Revenue from rendering Annual Maintenance Services (SAP-ERP) is recognized proportionately over the period in which services are rendered.
Revenue from third party software products and hardware sale is recognized upon delivery.
Income from interest is recognized on time proportion basis.

1.6 Fixed assets

Tangible assets are stated at cost, less accumulated depreciation. Costs include all expenses incurred to bring the assets to its present location and condition. Direct costs are capitalized till the assets are ready for use and include financing costs relating to any borrowing attributable to the acquisition of qualifying

fixed assets. Capital work in progress and Intangible assets in progress comprises the cost of fixed assets that are not yet ready for their intended use at the reporting date. Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment.

1.7 Depreciation/Amortisation

Depreciation/Amortisation is provided on Straight Line Method (SLM) over the estimated useful lives of the assets. Estimated useful lives of assets are as follows:

Leasehold improvements	Period of lease
Plant and machinery	3–4 years
Furniture and Fixtures	4 years

Depreciation/Amortisation on additions to Fixed Assets is provided from the month of acquisition of the Asset. Depreciation/Amortisation on Assets sold / scraped during the period is provided for prior to the month of sale / scrap as the case may be.

1.8 Leases

Assets leased by the Company in its capacity as lessee, where the Company has substantially all the risks and rewards of ownership are classified as finance lease. Such lease are capitalised at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.
Lease arrangements where the risks and rewards incident to ownership of an asset substantially vest with the lessor, are recognized as operating lease. Lease payments under operating leases are recognized in the Statement of Profit & Loss on a straight line basis.

1.9 Investments
Investments are classified into current investments and long term investments.
Current investments are carried at lower of cost and market value. Any reduction in carrying amount and reversals of such reductions are charged or credited to the Statement of Profit & Loss.
Long term investments are stated at cost less provision for diminution in the value of such investments. Diminution in value is provided for where the management is of the opinion that the diminution is other than temporary in nature.

1.10 Inventories

Inventories are valued at lower of cost or net realizable value. Cost is ascertained on a moving weighted average basis.

1.11 Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax expense or benefit is recognized on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognized only to the extent that there is virtual certainty that taxable income will be available to realize these assets. All other deferred tax assets are recognized only to the extent that there is reasonable certainty that future taxable income will be available to realize these assets.

1.12 Foreign currency translation

Income and expenses in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.
Monetary current assets and current liabilities that are denominated in foreign currency translated at the exchange rates prevalent as at the Balance Sheet date and the profit / loss so determined and also the realized exchange gains / losses are recognized in the Statement of Profit & Loss.

1.13 Impairment of Assets

At each balance sheet date, the Company reviews using internal resources the carrying amounts of its fixed assets to determine whether there is any indication that the assets suffered an impairment loss. If any such condition exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from continuing use of the asset and from its disposal are discounted to their present value using a pre tax rate that reflects the current market assessments of time value of money and the risks specific to the asset.
Reversal of impairment loss is recognized immediately as income in the Statement of Profit & Loss.

1.14 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. Borrowing costs are capitalized as part of the cost of a qualifying asset when it is probable that they will result in future economic benefits to the enterprise and the costs can be measured reliably. Other borrowing costs are recognized as an expense in the year in which they are incurred

1.15 Provisions, contingent liabilities and contingent assets

A provision is recognized when the Company has present obligation as a result of past event and its probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. The provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect current best estimates. Contingent liabilities are not recognized in the financial statements. A contingent asset is neither recognized nor disclosed in the financial statements.

1.16 Cash Flow Statement
Cash flows are reported using indirect method, whereby net profits after tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

2 Notes to Accounts

2.1 Contingent liabilities
There were no contingent liabilities as at 31st March 2014 and as at 31st March 2013.

2.2 Breakup of Deferred Tax Assets is as under:

Particulars	As at March 31st,2014 (US $)	As at March 31st,2014	As at March 31st,2013 (US $)	As at March 31st,2013

		(₹)		(₹)
Liabilities:				
Other timing differences	(31,862)	(9,623,725)	(153,669)	(8,341,167)
Sub-total	**(31,862)**	**(9,623,725)**	**(153,669)**	**(8,341,167)**
Assets:				
Other timing differences	293,273	17,564,120	958,173	52,009,631
Depreciation in excess of Capital Allowances	-	-	185,406	10,063,830
Provision for doubtful debts	427,938	25,629,207	-	-
Sub-total	**721,211**	**43,193,327**	**1,143,579**	**62,073,461**
Deferred Tax Asset (Net)	**689,349**	**41,285,088**	**989,910**	**53,732,294**

2.3 Provision for Taxes

The provision for taxation pertains to tax liability as applicable to the jurisdictions of the country in which the Company operates. The provision for taxation for the current year has been computed by the management in consultation with the tax advisors to the Company.

2.4 Obligation towards non -cancellable Operating Lease

Particulars	**March 31, 2014 (US $)**	**March 31, 2014 (₹)**	**March 31, 2013 (US $)**	**March 31, 2013 (₹)**
Lease obligations				
The Total of Minimum lease payments for a period:	507,198	30,376,099	962,958	52,269,367
Due not later than one year	323,797	19,392,199	450,149	24,434,066
Later than one year but not later than five years	183,401	10,983,900	512,810	27,835,300
Later than five years	-	-	-	-
The total charge to the Profit & Loss Account	537,043	32,163,500	518,364	28,136,807

2.5 Auditor's remuneration

	March 31st, 2014 (US$)	March 31st, 2014 (₹)	March 31st 2013 (US $)	March 31st, 2013 (₹)
Statutory Audit Fees	66,667	3,992,667	55,269	3,000,000
Tax Audit fees	-	-	-	-
Other services	-	-	-	-
Out of Pocket expenses	-	-	-	-
Total	**66,667**	**3,992,667**	**55,269**	**3,000,000**

2.6 Related Party Disclosures

The summary of related party transactions is attached

Particulars	Nature of Transaction	TTEL #	In `Rs	TTL #	In `Rs.	TTPL #	In `Rs.	TTTH #	In `Rs	JLR #	In Rs.
Expenditure	**Goods and services received by the Reporting Enterprise**										
1	Purchase of Goods and Raw Materials			USD 73,113	4,378,720						
2	Group Cost recharge					USD 237,716	14,236,811				
3	Purchase of Services	USD 448,103	26,836,881	CAD 51,638	2,807,018			USD 195,672	11,718,775		
4	Purchase of Services			USD 9,972,523	597,254,422						
5	Expense recharge	GBP 26,479.95	2,635,684								
6	Expense recharge										
7	Accrued Group Cost					USD 216,580	12,970,976				
8	Commission - Trading Sales					USD 1,257,163	75,291,466				
9	Expenses Payable			USD 579,588	34,711,535						
10	Prepaid			USD 96,773	5,795,715						
11	Other payables			USD 118,063	7,070,775						
Income	**Goods and services provided by the Reporting Enterprise**										
1	Sale of Goods & Raw Materials	USD 199,096	11,923,886	USD 25,655	1,536,470						
2	Group Cost recharge					USD 419,960	25,151,404				
3	Services provided by the Company	USD 261,566	15,665,184	USD 1,932,295	115,725,172					USD 4,075,996	244,111,412
4	Services provided by the Company					USD 8,053	482,264				
5	Expense recharge	USD 54,971	3,292,183								
6	Accrual / Provison					USD 410,922	24,610,119				
7	Expenses Recoverable			USD 286,067	17,132,556	USD 1,189	71,233				
Fin.Receipts	**Financial services received by the Reporting Enterprise**										
1	Loans received during the period	USD 5,500,000	329,395,000			USD 1,500,000	89,835,000				
Fin.Payments	**Financial services Provided by the Reporting Enterprise**										
1	Interest paid on Loans	USD 273,536	16,382,066			USD 37,750	2,260,848				
Payables	**Dues Payable by the Reporting Enterprise as on the date of the Reporting Period**										
1	Loans received and outstanding	USD 15,500,000	928,295,000			USD 1,500,000	89,835,000				
2	Interest Payable on loan	USD 294,358	17,629,101								
3	Due Payable and outstanding on Supplies and Services	USD 31,089	1,861,906	USD 4,256,978	254,950,384	USD 602,196	36,065,535	USD 39,958	2,393,085		
4	Due Payable and outstanding on Supplies and Services	GBP 3,995.62	397,704	CAD 40,163	2,183,236						
Receivables	**Dues Receivable by the Reporting Enterprise as on the date of the Reporting Period**										
1	Due Receivable on Supplies and Services	USD 100,082	5,993,934	USD 175,812	10,529,353	USD 1,584	94,890			USD 965,652	57,832,885

TTL = Tata Technologies Limited (Ultimate Parent Company)
TTEL = Tata Technologies Europe Ltd (Fellow Subsidiary)
TTPL= Tata Technologies Pte. Ltd (Parent Company)
TTTH = Tata Technologies Thailand Ltd (Fellow Subsidiary)
JLR = Jaguar and Land Rover Ltd (Fellow Subsidiary)

2.7 Unsecured loans have been taken from CITI Bank. Tata Technologies Limited, India (Ultimate Parent Company) has provided corporate guarantee towards the said loans.

2.8 The financial information is expressed in US $ only in the audited Accounting packs based on which the attached financial statements have been reformatted. Solely for the convenience of the reader and to meet the requirement of section 212 of the Indian Companies Act, the amounts appearing in Indian Rupees have been translated at a fixed exchange rate of 1 US $ = ₹ 59.8900 as on March 31, 2014 and

1 US $ = ₹ 54.2800 as on March 31, 2013. These translations should not be construed as a representation that any or all the amounts could be converted to Indian Rupees at this or any other rate.

2.9 The above Financial Statements are prepared from the internally prepared accounts of the Company.

These accounts are audited by Deloitte Haskins & Sells in order to give an audit opinion in relation to the consolidated accounts of the ultimate holding company i.e. Tata Technologies Limited. However, no separate audit report is issued in respect of the Company. An audit report for the ultimate holding company is issued by Deloitte Haskins & Sells and is included in its financial statements.

2.10 Previous Year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classifications / disclosures.

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TATA TECHNOLOGIES (CANADA) INC

ANNUAL REPORT 2013-14

TATA TECHNOLOGIES (CANADA) INC, CANADA

Directors of the Company	*1*
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TATA TECHNOLOGIES (CANADA) INC, CANADA

DIRECTORS:	1. Mr. Warren Harris 2. Mr. Andrew Summerlin 3. Mr. Ron Bienkowski
REGISTERED: OFFICE	4510, Rhodes Drive, Unit 300, Windsor, Ontario, Canada, N8W 5K5
COMPANY: SECRETARY	Vishwanathan Nallepalli

TO THE MEMBERS OF

Tata Technologies (Canada) Inc.

The Directors hereby present the Twenty fifth Annual Report on the Business and Operations of the Company and Statement of Accounts for the year ended March 31, 2014.

1. FINANCIAL RESULTS

The Financial Results of the Company for the year ended March 31, 2014 are as follows:

	In US$	In ₹
Income	1,401,726	83,949,387
Profit for the year after taxes	80,980	4,849,935

2. OPERATIONS

Tata Technologies (Canada) Inc., a wholly owned subsidiary of Tata Technologies Inc, provides services in the field of engineering automation, engineering design services, PLM products and related IT services to their respective customer bases, comprising primarily manufacturers and their suppliers in the international automotive and aerospace markets. During the year the company registered a turnover of US $ 1,401,726 (₹.83,949,387) and a profit after tax of US $ 80,980 (₹ 4,849,935)

There were on an average 5 employees on the rolls of the company as of 31st March 2014, either working at company's or customers' facilities.

3. CHANGE IN SHARE CAPITAL

During the year, no changes have occurred in the authorized and paid up capital of the Company.

4. DIVIDEND

Considering the overall financial performance of the Company, the Board of Directors have not recommended any dividend on equity capital of the Company during the year under reference.

5. POST BALANCE SHEET EVENTS

There have been no significant post balance sheet events, since the end of the financial year ended 31st March 2014, which have had a material effect on the financial position of the Company.

6. PUBLIC DEPOSITS

The Company has not accepted any deposits from the public.

7. CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION

The operations of the Company are such that they are not deemed as energy intensive. However, the Company constantly makes effort to avoid excessive consumption of energy and encourage conservation of energy.

8. AUDIT

The Company is not required to obtain an audit opinion on the financial of the Company as per local regulations. Hence, during the year, no statutory audit has been conducted.

9. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to section 217(2AA) of the companies Act, 1956 the directors, based on the representations received from the operating management, confirm that:-

1. in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;

2. they have, in selection of the accounting policies, applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that year;

3. they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;

4. they have prepared the annual accounts on a "going concern basis".

10. ACKNOWLEDGMENTS

Your Directors would like to express their heartfelt gratitude to all the customers, business partners and bankers for their continued support and association. The Directors also wish to thank the Government and all the statutory authorities for their support and co-operation.

The Directors would also like to place on record their appreciation of the dedicated, individual and collective contribution of all the employees in the overall growth and progress of the Company during the last year.

On behalf of the Board of Directors

Warren Harris	**Director**
Andrew Summerlin	**Director**
Ron Bienkowski	**Director**

Vishwanathan Nallepalli
Finance Controller & Company Secretary

Place : Windsor, Canada
Date : 5th May, 2014

TATA TECHNOLOGIES (CANADA) INC., CANADA
Balance Sheet as at MARCH 31, 2014

Particulars	Note No.	(Amount in USD) March 31, 2014	(Amount in ₹) March 31, 2014	(Amount in USD) March 31, 2013	(Amount in ₹) March 31, 2012
I. EQUITY AND LIABILITIES					
(1) **Shareholders' Funds**					
(a) Share Capital	1	1,000	59,890	1,000	54,280
(b) Reserves and Surplus	2	787,023	47,134,814	769,795	41,784,484
		788,023	**47,194,704**	**770,795**	**41,838,764**
(2) **Current Liabilities**					
(a) Trade Payables		2,886,370	172,864,720	2,610,358	141,690,242
(b) Other Current Liabilities	3	600,097	35,939,806	666,467	36,175,843
		3,486,467	**208,804,526**	**3,276,825**	**177,866,085**
		4,274,490	**255,999,230**	**4,047,620**	**219,704,849**
II. ASSETS					
(1) **Non-current Assets**					
(a) Fixed Assets					
(i) Intangible Assets	4	-	-	1,036	56,221
		-	**-**	**1,036**	**56,221**
(2) **Current Assets**					
(a) Trade Receivables	5	3,876,993	232,193,121	3,685,883	200,069,812
(b) Cash and Bank Balances	6	332,997	19,943,169	123,716	6,715,288
(c) Other Current Assets	7	62,092	3,718,707	234,497	12,728,494
(d) Short-term loans and advances	8	2,408	144,233	2,488	135,034
		4,274,490	**255,999,230**	**4,046,584**	**219,648,628**
		4,274,490	**255,999,230**	**4,047,620**	**219,704,849**
Significant Accounting Policies	15				

For and on behalf of the Board of Directors

	Warren Harris	**Director**
Vishwanathan Nallepalli	**Andrew Summerlin**	**Director**
Finance Controller & Company Secretary	**Ron Bienkowski**	**Director**

Place: Windsor, Canada
Date: 5th May, 2014

TATA TECHNOLOGIES (CANADA) INC., CANADA

Statement of Profit and Loss for the year ended March 31, 2014

Particulars	Note No.	(Amount in USD) March 31, 2014	(Amount in ₹) March 31, 2014	(Amount in USD) March 31, 2013	(Amount in ₹) March 31, 2013
I. Revenue from Operations	9	1,008,282	60,386,034	1,352,441	73,410,510
II. Other Income	10	393,444	23,563,353	289,996	15,740,970
III. **Total Revenue (I + II)**		**1,401,726**	**83,949,387**	**1,642,437**	**89,151,480**
IV. Expenses :					
(a) Cost of Traded Products	11	320,376	19,187,334	236,778	12,852,333
(b) Consultancy fees, Softwares and others	12	155,877	9,335,445	239,466	12,998,190
(c) Employee Benefit Expense	13	539,683	32,321,628	854,728	46,394,651
(d) Depreciation and amortisation Expense	4	997	59,683	5,803	314,965
(e) Other Expenses	14	69,783	4,179,301	70,302	3,816,009
Total Expenses		**1,086,716**	**65,083,390**	**1,407,077**	**76,376,148**
V. **Profit Before Tax (III - IV)**		**315,010**	**18,865,995**	**235,360**	**12,775,332**
VI. Tax Expense :					
(a) Current Tax		234,030	14,016,060	58,523	3,176,603
		234,030	**14,016,060**	**58,523**	**3,176,603**
VII. **Profit from continuing operations (V - VI)**		**80,980**	**4,849,935**	**176,837**	**9,598,729**
Significant Accounting Policies	15				

For and on behalf of the Board of Directors

	Warren Harris	**Director**
Vishwanathan Nallepalli	**Andrew Summerlin**	**Director**
Finance Controller & Company Secretary	**Ron Bienkowski**	**Director**

Place: Windsor, Canada
Date: 5th May, 2014

TATA TECHNOLOGIES (CANADA) INC., CANADA
Cash Flow Statement for the year ended March 31, 2014

	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(Amount in ₹)
	March 31, 2014	March 31, 2014	March 31, 2013	March 31, 2013
CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit after Taxation	80,980	4,849,875	176,837	9,598,729
Depreciation and amortization	997	59,683	5,803	314,965
Provision for Income Tax	234,030	14,016,060	58,523	3,176,603
Unrealised exchange Loss / (Gain)	38	2,301	47	2,530
Operating profit before Working Capital Changes	316,045	18,927,919	241,210	13,092,827
Adjustments for :				
Trade Receivables	(191,111)	(11,445,619)	(1,066,721)	(57,901,562)
Advance to Supplier, Contractors & Others	944	56,536	(945)	(51,307)
Deposits	80	4,772	47	2,560
Unbilled Revenue	4,568	273,578	(4,568)	(247,956)
Prepaid Expenses	3,460	207,207	(10,926)	(593,071)
Trade Payables	276,012	16,530,332	496,232	26,935,437
Other Current Liabilities	(66,370)	(3,974,903)	27,604	1,498,362
Advance Tax / Tax Deducted at Source	(70,595)	(4,227,926)	(255)	(13,837)
NET CASH FLOW (USED IN)/GENERATED FROM OPERATING ACTIVITIES	273,033	16,351,896	(318,322)	(17,278,547)
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS	273,033	16,351,896	(318,322)	(17,278,547)
Cash & Cash equivalent at the close of the year as per Schedule 6	332,997	19,943,169	123,716	6,715,288
Cash & Cash equivalents at the beginning of the year as per Schedule 6	123,716	7,409,358	455,748	24,738,024
Translation Reserve	(63,752)	(3,818,085)	(13,710)	(744,189)
	273,033	16,351,896	(318,322)	(17,278,547)

For and on behalf of the Board of Directors

Vishwanathan Nallepalli
Finance Controller & Company Secretary

Warren Harris	**Director**
Andrew Summerlin	**Director**
Ron Bienkowski	**Director**

Place: Windsor, Canada
Date: 5th May, 2014

TATA TECHNOLOGIES (CANADA) INC., CANADA
Notes forming part of financial statements

Note - 3	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(Amount in ₹)
	March 31, 2014	March 31, 2014	March 31, 2013	March 31, 2013
OTHER CURRENT LIABILITIES				
(a) Income received in advance	565,329	33,857,547	614,886	33,376,006
(b) Statutory dues	34,768	2,082,259	51,581	2,799,837
	600,097	**35,939,806**	**666,467**	**36,175,843**

TATA TECHNOLOGIES (CANADA) INC., CANADA
Notes forming part of financial statements

Note - 4

(Amount in USD)

	Cost as at April 1, 2013	Additions	Deductions	Translation Adjustments	Cost as at Mar 31, 2014	Accumulated amortisation as at March 31, 2013	Amortisation for the year 2013-2014	Deductions	Translation Adjustments	Accumulated amortisation up to Mar 31, 2014	Net Book Value as at Mar 31, 2014	Net Book Value as at Mar 31, 2013
INTANGIBLE ASSETS												
Software Licenses	17,171	-	-	(1,341)	**15,830**	16,135	997	-	(1,302)	**15,830**	**-**	1,036
Total	**17,171**	**-**	**-**	**(1,341)**	**15,830**	**16,135**	**997**	**-**	**(1,302)**	**15,830**	**-**	**1,036**

Note - 4

(Amount in ₹)

	Cost as at April 1, 2013	Additions	Deductions	Translation Adjustments	Cost as at Mar 31, 2014	Accumulated amortisation as at March 31, 2013	Amortisation for the year 2013-2014	Deductions	Translation Adjustments	Accumulated amortisation up to Mar 31, 2014	Net Book Value as at Mar 31, 2014	Net Book Value as at Mar 31, 2013
INTANGIBLE ASSETS												
Software Licenses	1,028,397	-	-	(80,292)	**948,105**	966,352	59,623	-	(77,870)	**948,105**	**-**	62,044
Total	**1,028,397**	**-**	**-**	**(80,292)**	**948,105**	**966,352**	**59,623**	**-**	**(77,870)**	**948,105**	**-**	**62,044**

TATA TECHNOLOGIES (CANADA) INC., CANADA
Notes forming part of financial statements

Note - 3	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(Amount in ₹)
	March 31, 2014	March 31, 2014	March 31, 2013	March 31, 2013
OTHER CURRENT LIABILITIES				
(a) Income received in advance	565,329	33,857,547	614,886	33,376,006
(b) Statutory dues	34,768	2,082,259	51,581	2,799,837
	600,097	**35,939,806**	**666,467**	**36,175,843**

TATA TECHNOLOGIES (CANADA) INC., CANADA
Notes forming part of financial statements

Note - 4

(Amount in USD)

	Cost as at April 1, 2013	Additions	Deductions	Translation Adjustments	Cost as at Mar 31, 2014	Accumulated amortisation as at March 31, 2013	Amortisation for the year 2013-2014	Deductions	Translation Adjustments	Accumulated amortisation up to Mar 31, 2014	Net Book Value as at Mar 31, 2014	Net Book Value as at Mar 31, 2013
INTANGIBLE ASSETS												
Software Licenses	17,171	-	-	(1,341)	**15,830**	16,135	997	-	(1,302)	**15,830**	**-**	1,036
Total	**17,171**	**-**	**-**	**(1,341)**	**15,830**	**16,135**	**997**	**-**	**(1,302)**	**15,830**	**-**	**1,036**

Note - 4

(Amount in ₹)

	Cost as at April 1, 2013	Additions	Deductions	Translation Adjustments	Cost as at Mar 31, 2014	Accumulated amortisation as at March 31, 2013	Amortisation for the year 2013-2014	Deductions	Translation Adjustments	Accumulated amortisation up to Mar 31, 2014	Net Book Value as at Mar 31, 2014	Net Book Value as at Mar 31, 2013
INTANGIBLE ASSETS												
Software Licenses	1,028,397	-	-	(80,292)	**948,105**	966,352	59,623	-	(77,870)	**948,105**	**-**	62,044
Total	**1,028,397**	**-**	**-**	**(80,292)**	**948,105**	**966,352**	**59,623**	**-**	**(77,870)**	**948,105**	**-**	**62,044**

TATA TECHNOLOGIES (CANADA) INC., CANADA
Notes forming part of financial statements

Note - 5	(Amount in USD) As At March 31, 2014	(Amount in ₹) As At March 31, 2014	(Amount in USD) As At March 31, 2013	(Amount in ₹) As At March 31, 2013
TRADE RECEIVABLES				
(Unsecured, considered good unless otherwise stated)				
(a) Trade receivables due for a period exceeding six months				
Considered good	-	-	-	-
Considered doubtful	-	-	-	-
	-	-	-	-
Less : Allowances for doubtful debts	-	-	-	-
	-	**-**	**-**	**-**
(b) Other Trade Receivables				
Considered good	3,876,993	232,193,121	3,685,883	200,069,812
Considered doubtful	-	-	-	-
	3,876,993	232,193,121	3,685,883	200,069,812
Less : Allowances for doubtful debts	-	-	-	-
	3,876,993	**232,193,121**	**3,685,883**	**200,069,812**
	3,876,993	**232,193,121**	**3,685,883**	**200,069,812**

Note - 6	(Amount in USD) As At March 31, 2014	(Amount in ₹) As At March 31, 2014	(Amount in USD) As At March 31, 2013	(Amount in ₹) As At March 31, 2013
CASH AND BANK BALANCES				
(a) Cheques, drafts on hand	264,310	15,829,554	-	-
(b) Current Account with banks	68,686	4,113,615	123,716	6,715,288
	332,997	**19,943,169**	**123,716**	**6,715,288**

Note - 7	(Amount in USD) As At March 31, 2014	(Amount in ₹) As At March 31, 2014	(Amount in USD) As At March 31, 2013	(Amount in ₹) As At March 31, 2013
OTHER CURRENT ASSETS				
(a) Advances to suppliers and contractors	-	-	945	51,307
(b) VAT, other taxes recoverable, statutory deposits				-
and dues from government	52,407	3,138,660	215,839	11,715,747
(c) Prepaid expenses	9,685	580,047	13,145	713,484
(d) Unbilled Revenue	-	-	4,568	247,956
	62,092	**3,718,707**	**234,497**	**12,728,494**

Note - 8	(Amount in USD) As At March 31, 2014	(Amount in ₹) As At March 31, 2014	(Amount in USD) As At March 31, 2013	(Amount in ₹) As At March 31, 2013
SHORT TERM LOANS AND ADVANCES				
Unsecured (Considered Good)				
Security Deposits	2,408	144,233	2,488	135,034
	2,408	**144,233**	**2,488**	**135,034**

TATA TECHNOLOGIES (CANADA) INC., CANADA
Notes forming part of financial statements

Note- 9

	(Amount in USD) Year ended March 31, 2014	(Amount in ₹) Year ended March 31, 2014	(Amount in USD) Year ended March 31, 2013	(Amount in ₹) Year ended March 31, 2013
REVENUE FROM OPERATIONS				
(a) Sale of Products	423,261	25,349,122	313,305	17,006,240
(b) Sale of Services	450,848	27,001,278	712,192	38,657,769
(c) Commission Income	134,173	8,035,634	326,944	17,746,501
	1,008,282	**60,386,034**	**1,352,441**	**73,410,510**

Note- 10

	(Amount in USD) Year ended March 31, 2014	(Amount in ₹) Year ended March 31, 2014	(Amount in USD) Year ended March 31, 2013	(Amount in ₹) Year ended March 31, 2013
OTHER INCOME				
(a) Foreign Currency (Gain)/Loss - (Net)	220,699	13,217,651	133,114	7,225,453
(b) Other non-operating Income	172,745	10,345,702	156,882	8,515,517
	393,444	**23,563,353**	**289,996**	**15,740,970**

Note- 11

	(Amount in USD) Year ended March 31, 2014	(Amount in ₹) Year ended March 31, 2014	(Amount in USD) Year ended March 31, 2013	(Amount in ₹) Year ended March 31, 2013
COST OF TRADED PRODUCTS				
(a) Purchase of Products	311,609	18,662,264	228,011	12,376,447
(b) Change in Stock in Trade	8,767	525,070	8,767	475,886
	320,376	**19,187,334**	**236,778**	**12,852,333**

Note- 12

	(Amount in USD) Year ended March 31, 2014	(Amount in ₹) Year ended March 31, 2014	(Amount in USD) Year ended March 31, 2013	(Amount in ₹) Year ended March 31, 2013
CONSULTANCY FEES, SOFTWARES AND OTHERS				
(a) Outsourcing Charges	137,142	8,213,394	216,276	11,739,408
(b) Software-internal use	12,595	754,325	16,292	884,347
(c) Professional Fees	6,140	367,726	6,898	374,435
	155,877	**9,335,445**	**239,466**	**12,998,190**

TATA TECHNOLOGIES (CANADA) INC., CANADA

Notes forming part of financial statements

Note- 13

	(Amount in USD) Year ended March 31, 2014	(Amount in ₹) Year ended March 31, 2014	(Amount in USD) Year ended March 31, 2013	(Amount in ₹) Year ended March 31, 2013
EMPLOYEE BENEFIT EXPENSE				
(a) Salaries and Wages	539,683	32,321,628	854,710	46,393,647
(b) Staff welfare Expenses	-	-	18	1,004
	539,683	**32,321,628**	**854,728**	**46,394,651**

Note- 14

	(Amount in USD) Year ended March 31, 2014	(Amount in ₹) Year ended March 31, 2014	(Amount in USD) Year ended March 31, 2013	(Amount in ₹) Year ended March 31, 2013
OTHER EXPENSES				
(a) Repairs & Maintenance				
- Buildings	11,317	677,776	3,971	215,550
- Plant & Machinery	-	-	115	6,242
(b) Rent	12,191	730,121	23,739	1,288,531
(c) Rates and Taxes	(188)	(11,279)	682	37,037
(d) Overseas Marketing Expenses	-	-	559	30,340
(e) Office Expenses	452	27,094	929	50,421
(f) Travelling & Conveyance	14,824	887,835	12,868	698,488
(g) Water Charges	1,055	63,194	2,447	132,810
(h) Power & Fuel	1,939	116,104	-	-
(i) Staff Recruitment Expenses	261	15,630	-	-
(j) Communication Expenses	3,967	237,600	13,722	744,845
(k) Miscellaneous Expenses	23,965	1,435,226	11,270	611,745
	69,783	**4,179,301**	**70,302**	**3,816,009**

Twenty fifth annual report 2013-14.

Tata Technologies (Canada) Inc.

Notes forming part of financial statements

Note 15

1. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention, in accordance with Indian Generally Accepted Accounting Principles (GAAP). GAAP comprises the mandatory accounting standards prescribed under the Companies (Accounting Standards Rules, 2006). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

b. Use of Estimates

The preparation of the financial statements in conformity with GAAP requires the management of the Company (Management) to make estimates and assumptions that affect the reported amounts of revenue and expenses during the year and balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of financial statements.
Provisions are made for all known losses and liabilities, future unforeseeable factors that may affect the profit on fixed price service contracts and also towards likely expenses for providing post-sales client support on such contracts.

c. Turnover

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, GST/PST and other sales related taxes.

d. Revenue Recognition

Revenue from services on time and materials contracts is recognized when services are rendered and related costs are incurred i.e. based on certification of time sheets and billed to clients as per the terms of specific contracts. In case of fixed price contracts, revenue is recognized over the life of the contract based on milestones achieved as specified in the contracts or by proportionate completion method on the basis of the work completed. Foreseeable losses on such contracts are recognized when probable.

Revenue from rendering Annual Maintenance Services (SAP-ERP) is recognized proportionately over the period of contract. Revenue from third party software products and hardware sale is recognized upon delivery. Income from interest and rent is recognized on time proportion basis. Dividend from investments is recognized when the right to receive the payment is established and when no significant uncertainty as to measurability or collectability exists.
Commission Income on sale of PLM products is recognized upon delivery of products by the vendor to the end user.

e. Fixed assets

Fixed assets are stated at cost, less accumulated depreciation. Costs include all expenses incurred to bring the assets to its present location and condition. Direct costs are capitalized till the assets are ready for use and include financing costs relating to any borrowing attributable to the acquisition of qualifying fixed assets.
Software not exceeding Rs. 25,000 is charged off to the profit and loss account.

f. Depreciation

Depreciation on Fixed Assets except on Computers & Peripherals (included in Plant & Machinery) is provided on Straight Line Method (SLM) at the rates specified in the schedule XIV to the Companies Act, 1956. In case of Computers & Peripherals, the benefit period is considered to be of four years. Accordingly, depreciation is provided on SLM at the rate of 25% per annum. Depreciation on additions to Fixed Assets is provided from the month of acquisition of the Asset. Depreciation on Assets sold / scraped during the period is provided for prior to the month of sale / scrap as the case may be.

The Company charges 100% depreciation on assets individually costing less than Rs. 5000. The value of leasehold land is amortized over the lease period of 95 years. The value of vehicles acquired on loan is depreciated over a period of 3 & 5 years depending on the term of the Loan agreement. The value of Softwares (Intangibles) is being amortised over its useful life i.e. between 2 to 4 years.

g. Leases

Assets leased by the Company in its capacity as lessee, where the Company has substantially all the risks and rewards of ownership are classified as finance lease. Such lease are capitalised at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.
Lease arrangements where the risks and rewards incident to ownership of an asset substantially vest with the lessor, are recognized as operating lease. Lease payments under operating leases are recognized in the Statement of Profit & Loss on a straight line basis.

h. Foreign Currency transactions

Income and expenses in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.
Monetary current assets and current liabilities are reinstated at period-end exchange rates and the profit / loss so determined and also the realized exchange gains / losses are recognized in the Profit & Loss Account.
Premium or discount on forward contracts is amortized over the life of such contract and is recognized as income or expense in the statement of Profit and Loss.

i. Impairment of Assets

At each balance sheet date, the Company reviews using internal resources the carrying amounts of its fixed assets to determine whether there is any indication that the assets suffered an impairment loss. If any such condition exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from continuing use of the asset and from its disposal are discounted to their present value using a pre tax rate that reflects the current market assessments of time value of money and the risks specific to the asset.
Reversal of impairment loss is recognized immediately as income in the profit & loss account.

j. Inventories

Inventories are valued at lower of cost or net realizable value. Cost is ascertained on a moving weighted average basis.

k. Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is provided in full on

timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset, or on unremitted earnings of subsidiaries and associates where there is no commitment to remit these earnings. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

l. Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. Borrowing costs are capitalized as part of the cost of a qualifying asset when it is probable that they will result in future economic benefits to the enterprise and the costs can be measured reliably. Other borrowing costs are recognized as an expense in the year in which they are incurred.

m. Provisions, contingent liabilities and contingent assets

A provision is recognized when the Company has present obligation as a result of past event and its probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. The provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect current best estimates. Contingent liabilities are not recognized in the financial statements. A contingent asset is neither recognized nor disclosed in the financial statements.

2. NOTES TO ACCOUNTS

2.1 Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is US $ Nil (₹ Nil) as at March 31, 2014 and 2013.

2.2 Contingent liabilities

There were no contingent liabilities as at 31st March 2014 and as at 31st March 2013.

2.3 Obligation towards non-cancellable Operating Lease

Particulars	March 31, 2014 (US $)	March 31, 2014 (₹)	March 31, 2013 (US $)	March 31, 2013 (₹)
Lease obligations				
The Total of Minimum lease payments for a period:	24,935	1,493,359	7,988	433,586
Due not later than one year	10,951	655,867	7,200	390,816
Later than one year but not later than five years	13,984	837,492	-	-

Later than five years	-	-	-	-
The total charge to the Profit & Loss Account	12,191	730,121	23,739	1,288,531

2.4 Related Party Disclosures

The summary of related party transactions is as under:

Particulars	**Nature of Transaction**	**TTUS # ($)**	**TTUS # (₹)**
Income	**Income received by the Reporting Enterprise** Income received from services	600,415	35,958,849
Expenses	**Expenses paid by the Reporting Enterprise** Expenses paid	-	-
Payables	**Dues Payable by the Reporting Enterprise as on the date of the Reporting Period** Due Payable and outstanding on Supplies and Services	2,801,356	153,491,782
Receivables	**Dues Receivable by the Reporting Enterprise as on the date of the Reporting Period** Dues Receivable on Supplies and Services	3,262,908	195,415,581

 # TTUS : Tata Technologies Inc., USA (Parent Company)

2.5 Conversion into Indian Rupees

The financial information is expressed in US $ only in the audited Accounting packs based on which the attached financial statements have been reformatted. Solely for the convenience of the reader and to meet the requirement of section 212 of the Indian Companies Act, the amounts appearing in Indian Rupees have been translated at a fixed exchange rate of 1 US $ =₹59.8900 as on March 31, 2014 and 1 US $ =₹54.2800 as on March 31, 2013. These translations should not be construed as a representation that any or all the amounts could be converted to Indian Rupees at this or any other rate.

2.6 The above Financial Statements are prepared from the internally prepared accounts of the Company. These accounts are audited by Deloitte Haskins & Sells in order to give an audit opinion in relation to the consolidated accounts of the ultimate holding company i.e. Tata Technologies Limited. However, no

TATA TECHNOLOGIES (CANADA) INC., CANADA
Notes forming part of financial statements

Note - 1	(Amount in USD) March 31, 2014	(Amount in ₹) March 31, 2014	(Amount in USD) March 31, 2013	(Amount in ₹) March 31, 2013
SHARE CAPITAL				
Authorised :				
Unlimited Ordinary share with no par value	-	-	-	-
	-	-	-	-
Issued, subscribed and fully paid :				
One ordinary Share with no par value	1,000	59,890	1,000	54,280
	1,000	**59,890**	**1,000**	**54,280**

TATA TECHNOLOGIES (CANADA) INC., CANADA
Notes forming part of financial statements

Note - 2

RESERVES AND SURPLUS (Amount in USD)

	Particulars		As at March 31, 2013	Additions	Deductions	Adjustments	As at Mar 31, 2014
(a)	Translation Reserves		**(42,507)**	(63,752)	-	-	**(106,259)**
(b)	Surplus i.e. balance in statement of Profit and Loss	[Note (i) below]	**812,302**	80,980	-	-	**893,282**
			769,795	**17,228**	**-**	**-**	**787,023**

Note:

(i) Changes in Statement of Profit and Loss :

	2013-14		*2012-13*	
	Addition	**Deduction**	**Addition**	**Deduction**
Profit for the year	*80,980*	-	176,837	-
	80,980	**-**	***176,837***	**-**

Note - 2

RESERVES AND SURPLUS (Amount in ₹)

	Particulars		As at March 31, 2013	Additions	Deductions	Adjustments	As at Mar 31, 2014
(a)	Translation Reserves		**(2,545,745)**	(3,818,085)	-	-	**(6,363,830)**
(b)	Surplus i.e. balance in statement of Profit and Loss	[Note (i) below]	**48,648,770**	4,849,875	-	-	**53,498,644**
			46,103,025	**1,031,790**	**-**	**-**	**47,134,814**

Note:

(i) Changes in Statement of Profit and Loss :

	2013-14		*2012-13*	
	Addition	**Deduction**	**Addition**	**Deduction**
Profit for the year	*4,849,875*	-	*9,598,729*	-
	4,849,875	**-**	***9,598,729***	**-**

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TATA TECHNOLOGIES MEXICO SA DE CV, MEXICO

ANNUAL REPORT 2013-14

TATA TECHNOLOGIES DE MEXICO SA DE CV, MEXICO

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TATA TECHNOLOGIES DE MEXICO SA DE CV, MEXICO

DIRECTORS:	1. Mr. Patrick McGoldrick 2. Mr. Warren Harris 3. Mr. Fernando Oviedo Pastrana
REGISTERED: OFFICE	Blvd, Independencia, #1600, Ote. Local C-46, C.P., 27100 Torreon, Coahuila, Mexico
COMPANY: SECRETARY	Vishwanathan Nallepalli

TO THE MEMBERS OF
Tata Technologies de Mexico, S.A. de C.V.

The Directors hereby present the Fifteenth Annual Report on the Business and Operations of the Company and Statement of Accounts for the year ended March 31, 2014.

1. FINANCIAL RESULTS

The Financial Results of the Company for the year ended March 31, 2014 are as follows:

	(In US $)	(In ₹)
Income	3,050,023	182,665,858
Profit for the year	12,413	743,404

2. OPERATIONS

Tata Technologies de Mexico, S.A. de C.V. is a subsidiary of Tata Technologies Inc., a Michigan company. The Company operates in Mexico under the Tata Technologies trade name. Tata Technologies provides services in the field of engineering automation, offering engineering & design services, PLM products and related IT services to their respective customer bases, comprising primarily manufacturers and their suppliers in the international automotive and aerospace markets. During the year the company registered a turnover of US $ 3,050,023 (₹182,665,858) and a profit of US $12,413 (₹.743,404)

There were on an average 18 employees on the rolls of the company as of 31st March 2014, either working at company or customers' facilities.

3. CHANGE IN SHARE CAPITAL

During the year, no changes have occurred in the authorized and paid up capital of the Company.

4. DIVIDEND

Considering the overall financial performance of the Company, the Board of Directors have not recommended any dividend on equity capital of the Company during the year under reference.

5. POST BALANCE SHEET EVENTS

There have been no significant post balance sheet events, since the end of the financial year ended 31st March 2014, which have had a material effect on the financial position of the Company.

6. PUBLIC DEPOSITS

The Company has not accepted any deposits from the public.

7. CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION

The operations of the Company are such that they are not deemed as energy intensive. However, the Company constantly makes effort to avoid excessive consumption of energy and encourage conservation of energy.

8. AUDIT

The Company is not required to obtain an audit opinion as per local regulations. Therefore, the financial statements of the Company for the year ended March 31, 2014 has not been audited.

9. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to section 217 (2AA) of the co mpanies Act, 1956 the directors, based on the rep resentations received from the operating management, confirm that:-

1. in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;

2. they have, in selection of the accounting policies, applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view o f the state of affairs of the Company at the end of the financial year and of the loss of the Company for that year;

3. they have taken proper and sufficient ca re, to the be st of their kno wledge and ability, for the maintenance of adeq uate accounting records for safeguarding the a ssets of the Co mpany and fo r preventing and detecting frauds and other irregularities;

4. they have prepared the annual accounts on a "going concern basis".

10. ACKNOWLEDGMENTS

Your Directors would like to express their heartfelt gratitude to all the customers, business partners and bankers for their continued support and association. The Directors also wish to thank the Government and all the statutory authorities for their support and co-operation.

The Directors would also like to pl ace on record their appreciation of th e dedicated, individual and collective contribution of all the employees in the overall growth and progress of the Company during the last year.

On behalf of the Board of Directors;

Patrick McGoldrick **Director**
Warren Harris **Director**
Fernando Oviedo Pastrana **Director**

Vishwanathan Nallepalli
Finance Controller & Company Secretary

Place: Torreon, Mexico
Date: 6th May, 2014

TATA TECHNOLOGIES DE MEXICO SA DE CV, MEXICO

Balance Sheet as at MARCH 31, 2014

Particulars	Note No.	(Amount in USD) March 31, 2014	(Amount in ₹) March 31, 2013	(Amount in USD) March 31, 2013	(Amount in ₹) March 31, 2012
I. EQUITY AND LIABILITIES					
(1) **Shareholders' Funds**					
(a) Share Capital	1	155,354	9,304,151	155,354	8,432,615
(b) Reserves and Surplus	2	480,942	28,803,597	511,497	27,764,041
		636,296	**38,107,748**	**666,851**	**36,196,656**
(2) **Current Liabilities**					
(a) Trade Payables		528,180	31,632,705	688,470	37,370,178
(b) Other Current Liabilities	3	365,470	21,887,974	560,601	30,429,446
(c) Current income tax liabilities		4,972	297,844	3,259	176,908
		898,622	**53,818,523**	**1,252,330**	**67,976,532**
		1,534,918	**91,926,271**	**1,919,181**	**104,173,188**
II. ASSETS					
(1) **Non-current Assets**					
(a) Fixed Assets					
(i) Tangible Assets	4	3,830	229,379	5,897	320,113
(2) **Current Assets**					
(a) Trade Receivables	5	673,724	40,349,334	888,466	48,225,957
(b) Cash and Bank Balances	6	446,483	26,739,886	565,958	30,720,194
(c) Other Current Assets	7	406,049	24,318,294	453,267	24,603,310
(d) Short-term loans and advances	8	4,832	289,378	5,593	303,614
		1,531,088	**91,696,892**	**1,913,284**	**103,853,075**
		1,534,918	**91,926,271**	**1,919,181**	**104,173,188**
Significant Accounting Policies	15				

For and on behalf of the Board of Directors

Vishwanathan Nallepalli
Finance Controller & Company Secretary

Patrick McGoldrick **Director**
Warren Harris **Director**
Fernando Oviedo Pastrana **Director**

Place: Torreon, Mexico
Date: 6th May, 2014

TATA TECHNOLOGIES DE MEXICO SA DE CV, MEXICO

Statement of Profit and Loss for the year ended March 31, 2014

	Particulars	Note No.	(Amount in USD) Year ended March 31, 2014	(Amount in ₹) Year ended March 31, 2014	(Amount in USD) Year ended March 31, 2013	(Amount in ₹) Year ended March 31, 2013
I.	Revenue from Operations	9	3,039,734	182,049,660	2,587,558	140,452,627
II.	Other Income	10	10,289	616,198	13,085	710,259
III.	**Total Revenue (I + II)**		**3,050,023**	**182,665,858**	**2,600,643**	**141,162,886**
IV.	Expenses :					
	(a) Cost of Traded Products	11	1,647,265	98,654,724	1,555,363	84,425,110
	(b) Consultancy fees, Softwares and others	12	571,750	34,242,124	323,835	17,577,790
	(c) Employee Benefit Expense	13	706,077	42,286,937	702,862	38,151,360
	(d) Depreciation and amortisation Expense	4	5,799	347,307	8,334	452,384
	(e) Other Expenses	14	101,086	6,054,023	88,772	4,818,531
	Total Expenses		**3,031,977**	**181,585,115**	**2,679,166**	**145,425,175**
V.	**Profit / (Loss) Before Tax (III-IV)**		**18,046**	**1,080,743**	**(78,523)**	**(4,262,289)**
VI.	Tax Expense :					
	(a) Current Tax		5,633	337,339	-	-
VII.	**Profit / (Loss) from continuing operations (V- VI)**		**12,413**	**743,404**	**(78,523)**	**(4,262,289)**
	Significant Accounting Policies	15				

For and on behalf of the Board of Directors

Vishwanathan Nallepalli
Finance Controller & Company Secretary

Patrick McGoldrick	**Director**
Warren Harris	**Director**
Fernando Oviedo Pastrana	**Director**

Place: Torreon, Mexico
Date: 6th May, 2014

TATA TECHNOLOGIES DE MEXICO SA DE CV, MEXICO
Cash Flow Statement for the year ended March 31, 2014

	(Amount in USD) March 31, 2014	(Amount in ₹) March 31, 2014	(Amount in USD) March 31, 2013	(Amount in ₹) March 31, 2013
CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit after Taxation and Extraordinary Items	12,413	743,348	(78,523)	(4,262,289)
Depreciation and amortization	5,799	347,307	8,334	452,384
Provision for Income Tax	5,633	337,339	-	-
Interest Income	(10,289)	(616,198)	(13,085)	(710,259)
Unrealised exchange Loss / (Gain)	330	19,749	(6)	(326)
(Profit)/Loss on Sale of Tangible and Intangible Fixed Assets	-	-	-	-
Operating profit before Working Capital Changes	13,886	831,545	(83,280)	(4,520,490)
Adjustments for :				
Trade Receivables	214,743	12,860,871	(144,419)	(7,839,163)
Advance to Supplier, Contractors & Others	67,789	4,059,904	(4,270)	(231,762)
Loans and Advances employees	660	39,503	(3,494)	(189,673)
Deposits	102	6,112	(64)	(3,488)
Prepaid Expenses	1,846	110,579	6,668	361,918
Trade Payables	(160,290)	(9,599,763)	221,938	12,046,798
Other Current Liabilities	(195,130)	(11,686,326)	74,419	4,039,457
Advance Tax / Tax Deducted at Source	(26,338)	(1,577,377)	(61,962)	(3,363,266)
NET CASH FLOW (USED IN)/GENERATED FROM OPERATING ACTIVITIES	(82,732)	(4,954,952)	5,534	300,331
CASH FLOW FROM INVESTING ACTIVITIES				
Interest Received	10,289	616,198	13,085	710,259
Proceeds from sale of Tangible and Intangible Assets	-	-	-	-
Payment for Purchase of Fixed Assets	(4,064)	(243,234)	(870)	(47,180)
NET CASH FLOW (USED IN)/GENERATED FROM INVESTING ACTIVITIES	6,225	372,964	12,215	663,080
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS	(76,507)	(4,581,988)	17,749	963,411
Cash & Cash equivalent at the close of the year as per Schedule 6	446,483	26,739,886	565,958	30,720,194
Cash & Cash equivalents at the beginning of the year as per Schedule 6	565,958	33,895,217	522,990	28,387,885
Translation Reserve	(42,968)	(2,573,344)	25,219	1,368,898
	(76,507)	(4,581,988)	17,749	963,411

For and on behalf of the Board of Directors

Vishwanathan Nallepalli
Finance Controller & Company Secretary

Patrick McGoldrick **Director**
Warren Harris **Director**
Fernando Oviedo Pastrana **Director**

Place: Torreon, Mexico
Date: 6th May, 2014

TATA TECHNOLOGIES DE MEXICO SA DE CV, MEXICO
Notes forming part of financial statements

Note - 1	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(Amount in ₹)
	As at March 31, 2014	As at March 31, 2014	As at March 31, 2013	As at March 31, 2013
SHARE CAPITAL				
Issued, subscribed and fully paid :				
1,763,465 Ordinary Shares	155,354	9,304,151	155,354	8,432,615
	155,354	**9,304,151**	**155,354**	**8,432,615**

Note - 2

RESERVES AND SURPLUS (Amount in USD)

Particulars		As at March 31, 2013	Additions	Deductions	Adjustments	As at Mar 31, 2014
(a) Translation Reserves		**(50,750)**	(42,968)	-	-	**(93,718)**
(b) Surplus i.e. balance in statement of Profit and Loss	[Note (i) below]	**562,247**	12,413	-	-	**574,660**
		511,497	**(30,555)**	**-**	**-**	**480,942**

Notes:-

	2013-2014		*2012-2013*	
	Additions	*Deductions*	*Additions*	*Deductions*
(i) Changes in Statement of Profit and Loss :				
Profit /(Loss) for the year	*12,413*	-	*(78,523)*	-
	12,413	**-**	***(78,523)***	**-**

Note - 2

RESERVES AND SURPLUS (Amount in ₹)

Particulars		As at March 31, 2013	Additions	Deductions	Adjustments	As at Mar 31, 2014
(a) Translation Reserves		**(3,039,403)**	(2,573,344)	-	-	**(5,612,747)**
(b) Surplus i.e. balance in statement of Profit and Loss	[Note (i) below]	**33,672,940**	743,404	-	-	**34,416,344**
		30,633,537	**(1,829,939)**	**-**	**-**	**28,803,597**

Notes:-

	2013-2014		*2012-2013*	
	Additions	*Deductions*	*Additions*	*Deductions*
(i) Changes in Statement of Profit and Loss :				
Profit /(Loss) for the year	*743,404*	-	*(4,262,289)*	-
	743,404	**-**	***(4,262,289)***	**-**

TATA TECHNOLOGIES DE MEXICO SA DE CV, MEXICO
Notes forming part of financial statements

Note - 3	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(Amount in ₹)
	As at March 31, 2014	As at March 31, 2014	As at March 31, 2013	As at March 31, 2013
OTHER CURRENT LIABILITIES				
(a) Income received in advance	27,990	1,676,308	171,365	9,301,735
(b) Statutory dues	337,480	20,211,666	389,236	21,127,711
	365,470	**21,887,974**	**560,601**	**30,429,446**

Note - 4 (Amount in USD)

Sr. No	FIXED ASSETS	Cost as at April 1, 2013	Additions	Deductions	Translation Adjustments	Cost as at March 31, 2014	Accumulated depreciation up to March 31, 2013	Depreciation for the year ended March 31, 2014	Deductions	Translation Adjustments	Accumulated depreciation up to March 31, 2014	Net Book Value as at March 31, 2014	Net Book Value as at March 31, 2013
	TANGIBLE ASSETS												
(a)	Computers	48,012	2,716	-	(2,907)	47,821	43,992	4,389	-	(2,689)	45,692	2,129	4,020
(b)	Furniture and fixtures	11,362	402	-	(685)	11,079	10,665	633	-	(646)	10,652	427	697
(c)	Office equipments	5,977	944	-	(370)	6,551	4,854	722	-	(299)	5,277	1,274	1,123
(d)	Leasehold improvements	3,454	-	-	(207)	3,247	3,397	55	-	(205)	3,246	0.00	57
	Total	**68,805**	**4,062**	**-**	**(4,169)**	**68,698**	**62,908**	**5,799**	**-**	**(3,839)**	**64,868**	**3,830**	**5,897**

Note - 4 (Amount in ₹)

Sr. No	FIXED ASSETS	Cost as at April 1, 2013	Additions	Deductions	Translation Adjustments	Cost as at March 31, 2014	Accumulated depreciation up to March 31, 2013	Depreciation for the year ended March 31, 2014	Deductions	Translation Adjustments	Accumulated depreciation up to March 31, 2014	Net Book Value as at March 31, 2014	Net Book Value as at March 31, 2013
	TANGIBLE ASSETS												
(a)	Computers	2,875,464	162,684	-	(174,076)	2,864,072	2,634,666	262,861	-	(160,987)	2,736,540	127,532	240,798
(b)	Furniture and fixtures	680,496	24,098	-	(41,012)	663,582	638,713	37,897	-	(38,572)	638,038	25,544	41,783
(c)	Office equipments	357,961	56,548	-	(22,137)	392,372	290,712	43,265	-	(17,908)	316,069	76,303	67,249
(d)	Leasehold improvements	206,865	-	-	(12,373)	194,492	203,438	3,284	-	(12,230)	194,492	(0.00)	3,427
	Total	**4,120,786**	**243,330**	**-**	**(249,598)**	**4,114,518**	**3,767,529**	**347,307**	**-**	**(229,696)**	**3,885,138**	**229,379**	**353,257**

TATA TECHNOLOGIES DE MEXICO SA DE CV, MEXICO
Notes forming part of financial statements

Note - 5	(Amount in USD) As at March 31, 2014	(Amount in ₹) As at March 31, 2014	(Amount in USD) As at March 31, 2013	(Amount in ₹) As at March 31, 2013
TRADE RECEIVABLES				
(Unsecured, considered good unless otherwise stated)				
(a) Trade receivables due for a period exceeding six months				
Considered good	-	-	-	-
Considered doubtful	-	-	-	-
	-	-	-	-
Less : Allowances for doubtful debts	-	-	-	-
	-	**-**	**-**	**-**
(b) Other Trade Receivables				
Considered good	673,724	40,349,334	888,466	48,225,957
Considered doubtful	-	-	-	-
	673,724	40,349,334	888,466	48,225,957
Less : Allowances for doubtful debts	-	-	-	-
	673,724	**40,349,334**	**888,466**	**48,225,957**
	673,724	**40,349,334**	**888,466**	**48,225,957**

Note - 6	(Amount in USD) As at March 31, 2014	(Amount in ₹) As at March 31, 2014	(Amount in USD) As at March 31, 2013	(Amount in ₹) As at March 31, 2013
CASH AND BANK BALANCES				
(a) Current Account with banks	446,483	26,739,886	565,958	30,720,194
	446,483	**26,739,886**	**565,958**	**30,720,194**

Note - 7	(Amount in USD) As at March 31, 2014	(Amount in ₹) As at March 31, 2014	(Amount in USD) As at March 31, 2013	(Amount in ₹) As at March 31, 2013
OTHER CURRENT ASSETS				
(a) Advances to suppliers and contractors	47,204	2,827,072	114,994	6,241,861
(b) VAT, other taxes recoverable, statutory deposits and dues from government	331,902	19,877,594	309,483	16,798,752
(c) Prepaid expenses	26,943	1,613,628	28,790	1,562,697
	406,049	**24,318,294**	**453,267**	**24,603,310**

Note - 8	(Amount in USD) As at March 31, 2014	(Amount in ₹) As at March 31, 2014	(Amount in USD) As at March 31, 2013	(Amount in ₹) As at March 31, 2013
SHORT TERM LOANS AND ADVANCES				
(a) Loans and Advances employees	3,228	193,303	3,887	210,999
(b) Security Deposits	1,604	96,075	1,706	92,615
	4,832	**289,378**	**5,593**	**303,614**

TATA TECHNOLOGIES DE MEXICO SA DE CV, MEXICO
Notes forming part of financial statements

Note - 9

	(Amount in USD) Year ended March 31, 2014	(Amount in ₹) Year ended March 31, 2014	(Amount in USD) Year ended March 31, 2013	(Amount in ₹) Year ended March 31, 2013
REVENUE FROM OPERATIONS				
(a) Sale of Products	2,435,797	145,879,896	1,995,658	108,324,296
(b) Sale of Services	603,937	36,169,764	591,900	32,128,331
	3,039,734	**182,049,660**	**2,587,558**	**140,452,627**

Note -10

	(Amount in USD) Year ended March 31, 2014	(Amount in ₹) Year ended March 31, 2014	(Amount in USD) Year ended March 31, 2013	(Amount in ₹) Year ended March 31, 2013
OTHER INCOME				
(a) Interest income-Others	10,289	616,198	13,085	710,259
	10,289	**616,198**	**13,085**	**710,259**

Note - 11

	(Amount in USD) Year ended March 31, 2014	(Amount in ₹) Year ended March 31, 2014	(Amount in USD) Year ended March 31, 2013	(Amount in ₹) Year ended March 31, 2013
COST OF TRADED PRODUCTS				
(a) Purchase of Products	1,638,498	98,129,654	1,546,596	83,949,224
(b) Change in Stock in Trade	8,767	525,070	8,767	475,886
	1,647,265	**98,654,724**	**1,555,363**	**84,425,110**

Note - 12

	(Amount in USD) Year ended March 31, 2014	(Amount in ₹) Year ended March 31, 2014	(Amount in USD) Year ended March 31, 2013	(Amount in ₹) Year ended March 31, 2013
CONSULTANCY FEES, SOFTWARES AND OTHERS				
(a) Outsourcing Charges	563,204	33,730,285	316,287	17,168,084
(b) Professional Fees	7,428	444,892	5,967	323,889
(c) Training Costs	1,118	66,947	1,581	85,817
	571,750	**34,242,124**	**323,835**	**17,577,790**

TATA TECHNOLOGIES DE MEXICO SA DE CV, MEXICO
Notes forming part of financial statements

Note - 13

	(Amount in USD) Year ended March 31, 2014	(Amount in ₹) Year ended March 31, 2014	(Amount in USD) Year ended March 31, 2013	(Amount in ₹) Year ended March 31, 2013
EMPLOYEE BENEFIT EXPENSE				
(a) Salaries and Wages	706,077	42,286,937	702,157	38,113,099
(b) Staff welfare Expenses	-	-	705	38,261
	706,077	**42,286,937**	**702,862**	**38,151,360**

Note - 14

	(Amount in USD) Year ended March 31, 2014	(Amount in ₹) Year ended March 31, 2014	(Amount in USD) Year ended March 31, 2013	(Amount in ₹) Year ended March 31, 2013
OTHER EXPENSES				
(a) Repairs & Maintenance				
- Buildings	10,163	608,655	7,701	418,009
(b) Rent	31,466	1,884,498	30,232	1,640,995
(c) Overseas Marketing Expenses	5,321	318,652	115	6,229
(d) Office Expenses	3,694	221,210	3,160	171,547
(e) Travelling & Conveyance	37,687	2,257,103	38,508	2,090,196
(f) Water Charges	4,904	293,696	7,817	424,293
(g) Foreign Currency (Gain)/Loss - (Net)	(35,347)	(2,116,926)	(30,536)	(1,657,488)
(h) Communication Expenses	17,434	1,044,119	18,501	1,004,215
(i) Miscellaneous Expenses	25,764	1,543,016	13,274	720,535
	101,086	**6,054,023**	**88,772**	**4,818,531**

Tata Technologies de Mexico, S.A. de C.V.

Notes forming part of financial statements

Note 15

SIGNIFICANT ACCOUNTING POLICIES

1 Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention, in accordance with Indian Generally Accepted Accounting Principles (GAAP). GAAP comprises the mandatory accounting standards prescribed under Section 211(3C) of the Companies Act, 1956. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Use of Estimates

The preparation of the financial statements in conformity with GAAP requires the management of the Company (Management) to make estimates and assumptions that affect the reported amounts of revenue and expenses during the year and balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of financial statements. Provisions are made for all known losses and liabilities, future unforeseeable factors that may affect the profit on fixed price service contracts and also towards likely expenses for providing post-sales client support on such contracts.

1.3 Turnover

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts and other sales related taxes.

1.4 Revenue recognition

The Company acts as a reseller of hardware and software to the worldwide CAE community and provides services which include installation, training, product support, design services and consultancy. Hardware revenues are recognised when the hardware is delivered. Software revenues are recognised when a non-cancellable agreement has been signed and there are no uncertainties surrounding product acceptance, there are no significant vendor obligations, and the fees are fixed and determinable. Training, design services and consulting revenues are recognised as the services are performed. Support agreement revenues are recognised rateably over the support period except where the services of a third party are sold on. In this situation all revenue is recognised upfront.

1.5 Fixed assets and depreciation

Fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Short leasehold improvements	Period of lease
Plant and machinery	3–4 years
Furniture and Fixtures	4 years

1.6 Leasing

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.
Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.7 Inventories

Inventories are valued at lower of cost or net realizable value. Cost is ascertained on a moving weighted average basis.

1.8 Taxation

Current income tax expense is determined in accordance with tax laws applicable in countries where such operations are domiciled. Deferred tax expense or benefit is recognized on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognized only to the extent that there is virtual certainty that taxable income will be available to realize these assets. All other deferred tax assets are recognized only to the extent that there is reasonable certainty that future taxable income will be available to realize these assets.

1.9 Foreign currency translation

Income and expenses in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Monetary current assets and current liabilities that are denominated in foreign currency translated at the exchange rates prevalent as at the Balance Sheet date and the profit / loss so determined and also the realized exchange gains / losses are recognized in the Profit and Loss Account.

1.10 Impairment of Assets

At each balance sheet date, the Company reviews using internal resources the carrying amounts of its fixed assets to determine whether there is any indication that the assets suffered an impairment loss. If any such condition exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from continuing use of the asset and from its disposal are discounted to their present value using a pre tax rate that reflects the current market assessments of time value of money and the risks specific to the asset.
Reversal of impairment loss is recognized immediately as income in the Profit and Loss Account.

1.11 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. Borrowing costs are capitalized as part of the cost of a qualifying asset when it is probable that they will result in future economic benefits to the enterprise and the costs can be measured reliably. Other borrowing costs are recognized as an expense in the year in which they are incurred.

1.12 Provisions, contingent liabilities and contingent assets

A provision is recognized when the Company has present obligation as a result of past event and its probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. The provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect current best estimates. Contingent liabilities are not recognized in the financial statements. A contingent asset is neither recognized nor disclosed in the financial statements.

2. NOTES TO ACCOUNTS

2.1 Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is US $ Nil (₹ Nil) as at March 31, 2014 and 31st Mach 2013.

2.2 Contingent liabilities

There were no contingent liabilities as at 31st March 2014 and as at 31st March 2013.

2.3 Provision for Taxes

The provision for taxation pertains to tax liability as applicable to the jurisdictions of the country in which the Company operates. The provision for taxation for the current year has been computed by the management in consultation with the tax advisors to the Company.

2.4 Obligation towards non-cancellable Operating Lease

Particulars	March 31, 2014 (US $)	March 31, 2014 (₹)	March 31, 2013 (US $)	March 31, 2013 (₹)
Lease obligations				
The Total of Minimum lease payments for a period:	-	-	28,494	1,546,667
Due not later than one year	-	-	27,706	1,503,897
Later than one year but not later than five years	-	-	788	43,770
Later than five years	-	-	-	-
The total charge to the Profit & Loss Account	31,466	1,884,498	30,232	1,640,995

2.5 Related Party disclosures
A statement of transactions with related parties has been attached herewith.

Particulars	Nature of Transaction	TTUS # ($)	TTUS # (₹)
Income	**Income received by the Reporting Enterprise** Income received from services	13,091	784,013
Expenses	**Expenses paid by the Reporting Enterprise** Expenses paid	355,869	21,313,014
Payables	**Dues Payable by the Reporting Enterprise as on the date of the Reporting Period** Due Payable and outstanding on Supplies and services	49,450	2,961,586
Receivables	**Dues Receivable by the Rep orting Enterprise as on the date of the Reporting Period** Dues Receivable on Supplies and Services	828	49,995

 # TTUS: Tata Technologies Inc., USA (Parent Company)

2.6 Conversion into Indian Rupees

The financial information is expressed in US $ only in the audited Accounting packs based on which the attached financial statements have been reformatted. Solely for t he convenience of the reader and to meet the requirement of section 212 of the India n Companies Act, the amo unts appearing in In dian Rupees have been translated at a fixed exchange rate of 1 US $ = ₹59.8900 as on March 31, 2014 and 1 US $ = ₹54.2800 a s on March 31, 20 13. These translations should not be construed as a representation that any or all the amounts could be converted to Indian Rupees at this or any other rate.

2.7 The above Financial Statements are prepared from the internally prepared accounts of the Company. These accounts are audited by Deloitte Haskins & Sells in order to give an audit opinion in relation to the consolidated accounts of t he ultimate holding company i.e. Tata Technol ogies Limited. However, no separate audit report is issue d in re spect of the Company. An audit rep ort for the ultima te holding company is issued by Deloitte Haskins & Sells and is included in its financial statement.

15

TATA TECHNOLOGIES PTE. LTD.

ANNUAL REPORT 2013-14

TATA TECHNOLOGIES PTE LTD

(Incorporated in the Republic of Singapore)

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TATA TECHNOLOGIES PTE LTD

(Incorporated in the Republic of Singapore)

DIRECTORS' REPORT

The Directors submit their report together with the audited accounts of the Company for the year ended 31 March 2014.

1 DIRECTORS

The names of the Directors in office at the date of this report are:

FARROKH KAVARANA
WILLIAM CHAN KWOK WAH
P.P. KADLE
PATRICK RAYMON MCGOLDRICK

2 ARRANGEMENT FOR DIRECTORS TO ACQUIRE BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangements, to which the Company is a party, whereby Directors might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

3 DIRECTORS' INTEREST IN SHARES AND DEBENTURES

No Director of the Company who held office at the end of the financial year, had, according to the register required to be kept under Section 164 of the Companies Act, Cap. 50, an interest in shares of the Company at beginning of the year or at end of the year.

4 DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director has received or has become entitled to receive benefits under contracts required to be disclosed by section 201 (8) of the Companies Act, Cap. 50.

5 SHARE OPTIONS

a) **Share Options Granted**

No options were granted during the year to take up unissued shares of the Company.

b) **Share Options Exercised**

During the year, there were no shares issued by virtue of the exercise of options to take up shares of the Company.

c) **Unissued Shares Under Option**

There were no unissued shares of the Company under option as at the end of the financial year.

DIRECTORS' REPORT

6 **CARRYING VALUE OF SUBSIDIARIES AND LOAN TO SUBSIDIARIES**

The Directors are of the opinion that, based on a professional valuation, the carrying values of the subsidiaries are stated at the fair values and no impairment provision is necessary.

There are loans to subsidiaries totalling US$1,642,297 (` 93,357,167) for which the directors are of the opinion no impairment provision is necessary.

7 **AUDITORS**

The auditors, Messrs. H. WEE & CO., have expressed their willingness to accept re-appointment.

ON BEHALF OF THE BOARD

FARROKH KAVARANA
DIRECTOR

WILLIAM CHAN KWOK WAH
DIRECTOR

DATED :

TATA TECHNOLOGIES PTE LTD

(Incorporated in the Republic of Singapore)

STATEMENT BY DIRECTORS

In the opinion of the Directors, the accompanying statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows together with the notes thereon are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 March 2014 and of the results of the business, changes in equity and cash flows of the Company for the year then ended and at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

ON BEHALF OF THE BOARD

FARROKH KAVARANA
DIRECTOR

WILLIAM CHAN KWOK WAH
DIRECTOR

DATED :

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

TATA TECHNOLOGIES PTE LTD

(Incorporated in the Republic of Singapore)

We have audited the accompanying financial statements of **TATA TECHNOLOGIES PTE LTD** set out on pages 5 to 27 which comprise the statement of financial position as at 31 March 2014 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair statement of comprehensive income and statement of financial position and to maintain accountability of assets.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at 31 March 2014 and the results, changes in equity and cash flows of the Company for the year ended on that date.

EMPHASIS ON MATTER

CARRYING VALUE OF SUBSIDIARIES AND LOAN TO SUBSIDIARIES

The Directors are of the opinion that, based on a professional valuation, the carrying values of investment in subsidiaries are stated at fair values and no impairment provision is necessary.

The Directors are of the opinion that loans to subsidiaries totalling US$1,642,297 (` 98,357,167) are stated at fair values and no impairment provision is necessary.

We have relied on the fair values adopted by the Directors and professional valuation.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

H. WEE & CO.
PUBLIC ACCOUNTANTS AND
CHARTERED ACCOUNTANTS

SINGAPORE
DATED:

TATA TECHNOLOGIES PTE LTD

(Incorporated in the Republic of Singapore)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2014

	NOTE	2014		2013	
		US$	₹	US$	₹
REVENUES					
Sales	3	2,286,209	136,921,057	4,163,233	225,980,287
Commission	3	2,237,637	134,012,080	2,470,817	134,115,947
Other revenues	14	144,531	8,655,962	113,680	6,170,550
Total revenues		4,668,377	279,589,099	6,747,730	366,266,784
COSTS AND EXPENSES					
Purchases and related expenses		1,905,747	114,135,188	3,524,813	191,326,850
Amortisation of trade marks	6	10,404	623,096	4,410	239,375
Depreciation	7	60,011	3,594,059	66,980	3,635,674
Director's remuneration		720,322	43,140,085	700,181	38,005,825
Exchange difference		(88,905)	(5,324,520)	104,139	5,652,665
Group cost recharged		(13,787)	(825,703)	(1,227,417)	(66,624,195)
Salaries and employee benefits		897,674	53,761,693	794,439	43,122,148
Other operating expenses	14	316,893	18,978,722	228,882	12,423,715
Total costs and expenses		3,808,359	228,082,620	4,196,427	227,782,057
OPERATING PROFIT		860,018	51,506,479	2,551,303	138,484,727
FINANCE COST	14	-	-	(7,523)	(408,348)
PROFIT BEFORE TAXATION		860,018	51,506,479	2,543,780	138,076,379
Taxation	15	(32,433)	(1,942,412)	(41,806)	(2,269,230)
PROFIT FOR THE YEAR		827,585	49,564,067	2,501,974	135,807,149
OTHER COMPREHENSIVE INCOME:					
Item that may be reclassified subsequently to profit or loss:					
Foreign currency translation		43,800	2,623,182	13,337	723,932
OTHER COMPREHENSIVE INCOME, net of tax		43,800	2,623,182	13,337	723,932
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**871,385**	**52,187,249**	**2,515,311**	**136,531,081**

THE ATTACHED NOTES TO THE ACCOUNTS
FORM AN INTEGRAL PART OF THE ACCOUNTS

TATA TECHNOLOGIES PTE LTD

(Incorporated in the Republic of Singapore)

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014

	NOTE	2014		2013	
		US$	₹	US$	₹
SHARE CAPITAL	4	54,000,000	3,234,060,000	54,000,000	2,931,120,000
CAPITAL RESERVE	5a	52,776,305	3,160,772,906	52,776,305	2,864,697,835
CURRENCY TRANSLATION RESERVE	5b	3,417,672	204,684,376	3,373,872	183,133,772
RETAINED EARNINGS/ACCUMULATED (LOSSES)		4,598,733	275,418,119	3,771,148	204,697,913
		114,792,710	6,874,935,401	113,921,325	6,183,649,520
Represented by:					
INTANGIBLE ASSETS	6	106,850	6,399,247	80,826	4,387,235
PLANT AND EQUIPMENT	7	186,211	11,152,177	221,027	11,997,346
SUBSIDIARY COMPANIES	8	108,244,275	6,482,749,630	98,244,275	5,332,699,247
CURRENT ASSETS					
Trade debtors	9	272,766	16,335,956	65,492	3,554,906
Trade debtors - related companies	10	130,066	7,789,653	1,978,281	107,381,093
Other debtors	11	130,434	7,811,692	128,682	6,984,859
Amount due from subsidiaries	8	2,225,229	133,268,965	1,247,133	67,694,379
Fixed deposits	17	1,100,011	65,879,657	11,861,410	643,837,333
Bank and cash balances	17	3,136,368	187,837,080	1,140,953	61,930,929
		6,994,874	418,923,003	16,421,951	891,383,499
Less: **CURRENT LIABILITIES**					
Trade creditors	12	569,080	34,082,201	921,059	49,995,083
Trade creditor-related company	10	142,879	8,557,023	28,321	1,537,264
Other creditors	13	18,511	1,108,624	72,873	3,955,546
Provision for taxation		9,030	540,807	24,501	1,329,914
		739,500	44,288,655	1,046,754	56,817,807
NET CURRENT ASSETS		6,255,374	374,634,347	15,375,197	834,565,692
		114,792,710	6,874,935,401	113,921,325	6,183,649,520

THE ATTACHED NOTES TO THE ACCOUNTS
FORM AN INTEGRAL PART OF THE ACCOUNTS

TATA TECHNOLOGIES PTE LTD

(Incorporated in the Republic of Singapore)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2014

	SHARE CAPITAL		CAPITAL RESERVE		CURRENCY TRANSLATION RESERVE		RETAINED EARNINGS/ ACCUMULATED (LOSSES)		TOTAL EQUITY	
	US$	₹	US$	₹	US$	₹	US$	₹	US$	₹
Balance at 1 April 2012	54,000,000	2,931,120,000	52,776,305	2,864,697,835	3,360,535	182,409,840	1,269,174	68,890,764	111,406,014	6,047,118,440
Total comprehensive income for the year	-	-	-	-	13,337	723,932	2,501,974	135,807,149	2,515,311	136,531,080
Balance at 31 March 2013	54,000,000	2,931,120,000	52,776,305	2,864,697,835	3,373,872	183,133,772	3,771,148	204,697,913	113,921,325	6,183,649,520
Balance at 1 April 2013	54,000,000	3,234,060,000	52,776,305	3,160,772,906	3,373,872	202,061,194	3,771,148	225,854,054	113,921,325	6,822,748,154
Total comprehensive income for the year	-	-	-	-	43,800	2,623,182	827,585	49,564,065	871,385	52,187,247
Balance at 31 March 2014	54,000,000	3,234,060,000	52,776,305	3,160,772,906	3,417,672	204,684,376	4,598,733	275,418,119	114,792,710	6,874,935,401

THE ATTACHED NOTES TO THE ACCOUNTS
FORM AN INTEGRAL PART OF THE ACCOUNTS

TATA TECHNOLOGIES PTE LTD

(Incorporated in the Republic of Singapore)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2014

	2014		2013	
	US$	₹	US$	₹
CASH FLOWS FROM OPERATING ACTIVITIES				
Net profit before taxation	860,018	51,506,479	2,543,780	138,076,379
Adjustments for:				
Amortisation of trade marks	10,404	623,096	4,410	239,374
Depreciation of plant and equipment	60,011	3,594,059	66,980	3,635,674
Interest expense	-	-	7,523	408,348
Interest income	(63,701)	(3,815,053)	(104,077)	(5,649,300)
(Gain)/Loss on disposal of plant and equipment	(1,088)	(65,160)	-	-
Currency translation differences	43,800	2,623,182	13,337	723,932
Operating profit before working capital changes	909,444	54,466,603	2,531,953	137,434,407
(Increase)/Decrease in debtors	1,639,189	98,171,029	(1,313,813)	(71,313,770)
Decrease/(Increase) in amount due from subsidiaries - trade	(577,099)	(34,562,459)	1,216,574	66,035,637
(Decrease) in creditors	(291,783)	(17,474,884)	(74,432)	(4,040,169)
Cash generated from operation	1,679,751	100,600,289	2,360,282	128,116,105
Net interest income	63,701	3,815,052	96,554	5,240,950
Tax paid	(47,904)	(2,868,971)	(43,805)	(2,377,735)
Net cash flow from operating activities	1,695,548	101,546,370	2,413,031	130,979,320
CASH FLOWS FROM INVESTING ACTIVITIES				
Addition to invesment in subsidiary	(10,000,000)	(598,900,000)	-	-
Acquisition of intangible assets	(36,428)	(2,181,673)	(58,355)	(3,167,509)
Proceed from sale of plant and equipment	1,144	68,514	-	-
Purchase of plant and equipment	(25,251)	(1,512,282)	(29,517)	(1,602,183)
Loan to director-repayment	-	-	64,933	3,524,563
Loan to subsidiaries-repayment	1,099,003	65,819,290	2,039,028	110,678,440
Loan to subsidiary	(1,500,000)	(89,835,000)	-	-
Net cash flow from investing activities	(10,461,532)	(626,541,151)	2,016,089	109,433,311
CASH FLOWS FROM FINANCING ACTIVITIES				
Bank loan-repayment	-	-	(582,693)	(31,628,576)
Net cash flow (used in) financing activities	-	-	(582,693)	(31,628,576)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(8,765,984)	(524,994,781)	3,846,427	208,784,055
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	13,002,363	778,711,521	9,155,936	496,984,207
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 17)	4,236,379	253,716,740	13,002,363	705,768,262

THE ATTACHED NOTES TO THE ACCOUNTS
FORM AN INTEGRAL PART OF THE ACCOUNTS

The notes on pages 9 to 27 form an integral part of and should be read in conjunction with these accounts.

1 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The accounts expressed in United States Dollar (US$), which is the Company's functional currency, have been prepared under the historical cost convention (except as disclosed in the accounting policies below) and in accordance with Singapore Financial Reporting Standards (FRS) as required by the Companies Act.

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Information about critical judgements, key assumptions and accounting estimates that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

Investment in subsidiaries

The carrying amount of investment in subsidiaries and loans to subsidiaries is disclosed in Note 8. Management has evaluated whether there is any indication of impairment by considering both internal and external sources of information, and is of the opinion no impairment provision is necessary.

Allowances for receivables

The Company makes allowances for bad and doubtful debts based on an assessment of the recoverability of trade and other receivables. Allowances are applied to trade and other receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of bad and doubtful debts requires the use of judgement and estimates. Judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness, past collection history of each customer and on-going dealings with them. Where the expectation is different from the original estimate, such difference will impact the carrying value of trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed. The carrying amounts of the Company's trade and other receivables are disclosed in Notes 9 and 10 respectively.

In the current financial year, the Company has adopted all the new and revised FRS and Interpretations of FRS ("INT FRS") issued by the Accounting Standards Council that are relevant to its operations and effective for the current financial year

The adoption of these new/revised FRSs has no material effect on the financial statements.

1 **SIGNIFICANT ACCOUNTING POLICIES** – (Cont'd)

(b) **Consolidation**

Consolidated financial statements of the Company and its subsidiaries have not been prepared. Its immediate holding company, Tata Technologies Limited, a company incorporated in India, prepares consolidated financial statements which include the results of the Company and all its subsidiaries. Copies of the consolidated financial statements can be obtained from 25, Pune Infotech Park, Hlnjawadi, Pune, India.

A list of the Company's subsidiary companies is shown in Note 8.

(c) **Intangible Assets**

Intangible assets are measured at fair value upon initial recognition. Subsequent to initial recognition, the intangible assets are measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets comprise of legal fees incurred in registering trade marks. They are amortised over their estimated useful lives of ten years.

(d) **Plant and Equipment and Depreciation**

Plant and equipment are stated at cost less accumulated depreciation and any impairment loss. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. Expenditure for additions, improvements and renewals is capitalised and expenditure for maintenance and repairs is charged to profit or loss. When assets are sold or retired, their cost and accumulated depreciation are removed from the financial statements and any gain or loss resulting from their disposal is included in profit or loss.

Depreciation is calculated on the straight line method to write off the cost of the assets over their estimated useful lives. The estimated useful lives are as follows:

Computer equipment	1 to 3 years
Office furniture and equipment	5 to 10 years
Motor vehicle	10 years

Fully depreciated assets are retained in the accounts until they are no longer in use and no further charge for depreciation is made in respect of these assets.

(e) **Subsidiary Companies**

Shares in subsidiary companies are stated at cost (except for two of the subsidiaries which were re-stated at fair values – Notes 5 and 8). Provision for impairment in value of the investments would be made if the directors consider that their value had permanently fallen below cost.

1 **SIGNIFICANT ACCOUNTING POLICIES** – (Cont'd)

(f) **Financial Assets**

(i) Classification

The Company classifies its financial assets according to the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date. The Company's only financial assets are loans and receivables.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the statement of financial position date which are presented as non-current assets.

Loans and receivables include 'bank and cash balances', 'fixed deposit' and 'trade and other debtors' excluding prepayment.

(ii) Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date – the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the net sale proceeds and its carrying amount is recognised in profit or loss. Any amount in the fair value reserve relating to that asset is also transferred to profit or loss.

(iii) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised as expenses.

(iv) Subsequent measurement

Loans and receivables are carried at amortised cost using the effective interest method.

Interest income on financial assets is recognised separately in profit or loss.

1 **SIGNIFICANT ACCOUNTING POLICIES** – (Cont'd)

(f) **Financial Assets** – (Cont'd)

(v) Impairment of Assets

The carrying amounts of the Company's assets are reviewed at each statement of financial position date to determine whether there is any indication of any impairment. If any such indication exists, the asset's recoverable amount is estimated. All impairment losses are recognised in profit or loss whenever the carrying amount of an asset of its cash-operating unit exceeds its recoverable amount.

An impairment loss is only reversed to the extent the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. All reversals of impairment losses are recognised in profit or loss.

(g) **Cash and Cash Equivalents**

Cash and cash equivalents comprise cash in hand and at bank and fixed deposits which are subject to an insignificant risk of changes in value. Cash equivalents are stated at amounts at which they are convertible into cash.

(h) **Financial Liabilities**

Financial liabilities include trade payables, other amounts payable and interest-bearing loans. Financial liabilities are recognised on the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. Financial liabilities are initially recognised at fair value of consideration received less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process. The liabilities are derecognised when the obligation under the liability is discharged, cancelled or expired.

(i) **Provision**

Provisions are recognised when the Company has a present obligation (legal or constructive) where, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

(j) **Foreign Currency**

The Company's functional currency is the United States Dollar. Transactions in other currencies during the financial year are converted to United States Dollar at the rates of exchange prevailing on the transaction dates. Monetary assets and liabilities denominated in other currencies are translated into United States Dollar at the rates of exchange prevailing at the statement of financial position date or at the contracted rates where they are covered by forward exchange contracts. All exchange adjustments are taken to profit or loss.

1 **SIGNIFICANT ACCOUNTING POLICIES** – (Cont'd)

(k) **Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Sales of good

Revenue is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer, which generally coincides with delivery and acceptance of the goods sold. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(ii) Services rendered

Revenue is recognised upon when services are rendered to and accepted by customers.

(iii) Commission income

Commission income is recognised when the Company's rights to receive payment is established.

(iv) Interest income

Interest income is recognised as interest accrues (using the effective interest method) unless collectability is in doubt.

(l) **Income Tax**

Income tax expense is determined on the basis of tax effect accounting, using the liability method, and is applied to all temporary differences at the statement of financial position date between the carrying amounts of assets and liabilities and the amounts used for tax purposes.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

(m) **Employee Benefits**

(i) Pension obligations

As required by law, the Company makes contributions to the contribution pension scheme, the Central Provident Fund (CPF). CPF contributions are recognised as compensation expense in the same period as the employment that gives rise to the contribution.

(ii) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for leave as a result of services rendered by employees up to the statement of financial position date.

1 **SIGNIFICANT ACCOUNTING POLICIES** – (Cont'd)

(n) **Operating Lease**

Rental payable/receivable under operating leases is accounted for in the statement of comprehensive income on a straight-line basis over the periods of the respective leases.

(o) **Related Parties**

A party is considered to be related to the Company if:

i) The party, directly or indirectly through one or more intermediaries,
- controls, is controlled by, or is under common control with, the Company;
- has an interest in the Company that gives it significant influence over the Company; or
- has joint control over the Company;

ii) The party is an associate;

iii) The party is a jointly-controlled entity;

iv) The party is a member of the key management personnel of the Company;

v) The party is a close member of the family of any individual referred to in (i) or (iv); or

vi) The party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v).

2 **GENERAL**

The Company is a limited liability company incorporated and domiciled in Singapore.

The Company has a branch in Korea.

The principal activities of the Company are that of development of software and marketing of computer systems and software, provision of engineering support and maintenance services and computer consultancy and related services.

The principal activities of the subsidiary companies are set out in Note 8 to the accounts.

There have been no significant changes in the nature of these activities during the financial year.

The registered office of the Company is located at 8 Shenton Way, #19-05 AXA Tower, Singapore 068811.

The financial statements of the Company were authorised by the Board of Directors on

3 **REVENUES**

Revenues of the Company consist of revenues from sales of goods and services, maintenance income, commission income and other revenues (Note 14).

Sales represent invoiced value after trade discounts.

NOTES TO THE ACCOUNTS - 31 MARCH 2014

4 SHARE CAPITAL

	2014	2013	2014		2013	
	No. of Shares		US$	₹	US$	₹
Ordinary shares						
Issued and fully paid						
Balance at beginning of year	54,000,000	54,000,000	54,000,000	3,234,060,000	54,000,000	2,931,120,000
Balance at end of year	54,000,000	54,000,000	54,000,000	3,234,060,000	54,000,000	2,931,120,000

All issued shares are fully paid and have no par value. The Company has one class of ordinary shares which carries no right to fixed income. The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The Company is not subject to any externally imposed capital requirements.

5a CAPITAL RESERVE

Capital reserve of the Company was derived as follows:

Tata Technologies, USA, a subsidiary of the Company acquired during the financial year ended 31 March 2006, made a 338(g) election as per US IRS provisions to treat the acquisition of INCAT International Plc as a deemed asset sale resulting in INCAT International Plc's investment in INCAT Holdings USA/iKnowledge Solutions Inc. getting distributed as in specie dividend to Tata Technologies, USA. In turn Tata Technologies, USA has distributed in specie dividend to the Company, the shares of iKnowledge Solutions Inc. and INCAT International Plc.

The carrying values of these investments as at 31 March 2006 in the respective holding company's audited accounts were adopted for this in specie dividend, i.e. US$85,935,488 (Rs.5,146,676,376) for INCAT International Plc and US$6,840,817 (Rs.409,696,530) for iKnowledge Solutions Inc. As the surplus of the in specie dividend over the cost of investment arose from a group restructuring shortly after the investment was made, the Directors are of the opinion this surplus is capital in nature hence it has been taken to the Capital Reserve.

	2014		2013	
	US$	₹	US$	₹
Balance at beginning and end of year	52,776,305	3,160,772,906	52,776,305	2,864,697,835

5b CURRENCY TRANSLATION RESERVE

The currency translation reserve comprises all foreign exchange differences arising from change in the Company's functional currency from Singapore Dollar to United States Dollar in financial year ended 31 March 2013 and the translation of the financial statements of its Korea Branch's foreign operations whose functional currency is different from the functional currency of the Company.

6 INTANGIBLE ASSETS

	2014		2013	
	US$	₹	US$	₹
Trade marks, at cost				
At 1 April	89,064	5,334,043	30,709	1,666,885
Additions	36,428	2,181,673	58,355	3,167,509
At 31 March	125,492	7,515,716	89,064	4,834,394
Less: Amortisation	18,642	1,116,469	8,238	447,159
	106,850	6,399,247	80,826	4,387,235
Analysis of amortisation				
At 1 April	8,238	493,373	3,828	207,784
Current year's amortisation	10,404	623,096	4,410	239,375
At 31 March	18,642	1,116,469	8,238	447,159

7 PLANT AND EQUIPMENT

	Computer equipment US$	Office furniture & equipment US$	Motor vehicle US$	Total US$	Computer equipment ₹	Office furniture & equipment ₹	Motor vehicle ₹	Total ₹
COST								
At 1.4.2012	95,040	124,195	181,632	400,867	5,691,946	7,438,039	10,877,940	24,007,925
Additions	29,517	-	-	29,517	1,767,774	-	-	1,767,774
Disposals	-	-	-	-	-	-	-	-
At 31.3.2013	124,557	124,195	181,632	430,384	7,459,720	7,438,039	10,877,940	25,775,699
Additions	13,736	11,515	-	25,251	822,649	689,633	-	1,512,282
Disposals	(88)	(12,916)	-	(13,004)	(5,270)	(773,539)	-	(778,809)
At 31.3.2013	138,205	122,794	181,632	442,631	8,277,099	7,354,133	10,877,940	26,509,172
ACCUMULATED DEPRECIATION								
At 1.4.2012	73,609	61,200	7,568	142,377	4,408,443	3,665,268	453,248	8,526,959
Additions	21,831	26,985	18,164	66,980	1,307,459	1,616,132	1,087,842	4,011,431
Disposals	-	-	-	-	-	-	-	-
At 31.3.2013	95,440	88,185	25,732	209,357	5,715,902	5,281,400	1,541,090	12,538,390
Additions	16,305	25,543	18,163	60,011	976,506	1,529,769	1,087,786	3,594,061
Disposals	(32)	(12,916)	-	(12,948)	(1,916)	(773,539)	-	(775,456)
At 31.3.2014	111,713	100,812	43,895	256,420	6,690,492	6,037,630	2,628,876	15,356,995
NET BOOK VALUE								
At 31.3.2014	26,492	21,982	137,737	186,211	1,586,607	1,316,503	8,249,068	11,152,177
At 31.3.2013	29,117	36,010	155,900	221,027	1,580,471	1,954,623	8,462,252	11,997,346

Motor vehicle is held in trust by a Director for the Company.

8 **SUBSIDIARY COMPANIES**

	2014		2013	
	US$	₹	US$	₹
Investment in subsidiaries:				
Unquoted shares				
Balance at beginning of year				
- at cost	15,467,969	926,376,664	5,467,969	296,801,357
- at fair value	92,776,306	5,556,372,966	92,776,306	5,035,897,890
Balance at end of year	108,244,275	6,482,749,630	98,244,275	5,332,699,247
Amount due from subsidiaries:				
Loan to an indirect subsidiary *	97,540	5,841,671	725,892	39,401,418
Loan to a subsidiary *	44,757	2,680,497	515,408	27,976,346
Loan to a subsidiary ^	1,500,000	89,835,000	-	-
Trade debts due from an indirect subsidiary	-	-	1,516,456	82,313,231
Trade debts due (to)/from a subsidiary	600,612	35,970,652	(1,510,623)	(81,996,616)
Trade debts due (to) a subsidiary	(17,680)	(1,058,855)	-	-
	2,225,229	133,268,965	1,247,133	67,694,379
	110,469,504	6,616,018,595	99,491,408	5,400,393,626

Loan to an indirect subsidiary is unsecured and repayable on demand. Interest is charged at 1.90688 to 1.9175 (2013: 1.91625% to 2.42963%) per annum. Balance at 31 March 2014 represents unpaid interest.

Loan to a subsidiary is unsecured and repayable by 8 December 2012. The loan repayment was extended to 4 July 2013 and 8 November 2013. Interest is charged at 2.10688 to 2.1175 (2013: 2.11625% to 2.62963%) per annum. Balance at 31 March 2014 represents unpaid interest.

*These loans to the subsidiaries are denominated in Sterling Pound.

^An unsecured one year loan denominated in United States Dollar, at an interest rate of 2% per annum was disbursed to another subsidiary on 27 February 2014.

The ageing analysis of trade debts due from subsidiaries is as follows:

	2014		2013	
	US$	₹	US$	₹
Current	228,032	13,656,836	1,137,944	61,767,600
30 days	87,102	5,216,539	-	-
60 days	173,301	10,378,997	-	-
90 days and above^	112,177	6,718,280	378,512	20,545,631
	600,612	35,970,652	1,516,456	82,313,231

^Trade debtors past due but not impaired.

8 **SUBSIDIARY COMPANIES** – (Cont'd)

Details of the subsidiaries are as follows:

Name of Company	Country of incorporation & place of business	Percentage 2014	Percentage 2013	Principal activities
+^ Tata Technologies Inc (wef 1 April 2010) (Sole stockholder of Class B common stock)	Michigan, USA	84	84%	Information technology & consultancy services
+* INCAT International Plc	United Kingdom	100	100%	Information technology & consultancy services
+*Tata Technologies (Thailand) Limited	Thailand	100	100%	Information technology & consultancy services

The Company has incorporated a subsidiary on 10 March 2014 in Shanghai, People's Republic of China with a capital commitment of US$500,000.This subsidiary has not commenced any business activities during the financial year.

^Not required to be audited by local laws.
*Audited by other firms.
+Subsidiaries consolidated by immediate holding company, Tata Technologies Limited.
Copies of the consolidated financial statements of Tata Technologies Limited can be obtained from 25, Pune Infotech Park, Hinjawadi, Pune, India.

9 **TRADE DEBTORS**

Trade debtors are non-interest bearing and are normally settled on 30 - 60 days terms.

	2014		2013	
	US$	₹	US$	₹
Trade debtors	272,766	16,335,956	65,492	3,554,906
Less: Impairment	-	-	-	-
	272,766	16,335,956	65,492	3,554,906
Analysis of impairment				
At 1 April	-	-	74,284	4,032,136
Impairment written off	-	-	(52,216)	(2,834,284)
Impairment written back	-	-	(22,068)	(1,197,851)
At 31 March	-	-	-	-

The ageing analysis of trade debtors is as follows:

	2014		2013	
	US$	₹	US$	₹
Current	257,074	15,396,162	55,612	3,018,619
30 days	12,923	773,958	3,247	176,247
60 days	2,769	165,836	6,633	360,040
	272,766	16,335,956	65,492	3,554,906

*No trade debtors were past due.

9 **TRADE DEBTORS** – (Cont'd)

Trade debtors included debtors denominated in the following foreign currencies at statement of financial position date:

	2014		2013	
	US$	₹	US$	₹
Singapore Dollar	9,178	549,670	6,204	336,753
Sterling Pound	6,981	418,092	-	-

10 **TRADE DEBTORS/CREDITOR – RELATED COMPANIES**

Trade debtors comprise of amounts due from:

	2014		2013	
	US$	₹	US$	₹
Ultimate holding company	-	-	1,778,361	96,529,435
Related companies	130,066	7,789,653	199,920	10,851,658
	130,066	7,789,653	1,978,281	107,381,093

The ageing analysis of trade debtors is as follows:

	2014		2013	
	US$	₹	US$	₹
Current	130,066	7,789,653	1,958,702	106,318,346
90 days and above*	-	-	19,579	1,062,747
	130,066	7,789,653	1,978,281	107,381,093

*Trade debtors past due but not impaired.

Trade creditor comprises of amount due (to):

	2014		2013	
	US$	₹	US$	₹
Immediate holding company	(142,879)	(8,557,023)	(28,321)	(1,537,264)

Trade debtors/creditor – related companies included balances denominated in the following foreign currencies at statement of financial position date:

	2014		2013	
	US$	₹	US$	₹
India Rupee	-		(1,397)	
Singapore Dollar	404	24,196	342	18,564

11 OTHER DEBTORS

	2014		2013	
	US$	₹	US$	₹
Cost billed in advance	4,770	285,675	30,722	1,667,590
Deposits	75,793	4,539,243	50,740	2,754,167
Prepayments	46,563	2,788,658	46,645	2,531,891
Recoverables	2,742	164,218	-	-
Staff advance	566	33,898	575	31,211
	130,434	7,811,692	128,682	6,984,859

Deposits and staff advance included balances denominated in the following foreign currencies at statement of financial position date:

	2014		2013	
	US$	₹	US$	₹
Chinese Renminbi	22,978	1,376,152	-	-
Singapore Dollar	50,310	3,013,066	51,315	2,785,378

12 TRADE CREDITORS

Trade creditors are non-interest bearing and are normally settled on 30 - 60 days terms.

Trade creditors included creditors denominated in the following foreign currencies at statement of financial position date:

	2014		2013	
	US$	₹	US$	₹
Chinese Renminbi	13,998	838,340		
Korean Won	35,444	2,122,741	159,815	8,674,758
Singapore Dollar	433,120	25,939,557	373,704	20,284,653

13 OTHER CREDITORS

	2014		2013	
	US$	₹	US$	₹
Unearned income	18,511	1,108,624	72,873	3,955,546
	18,511	1,108,624	72,873	3,955,546

14 REVENUES AND EXPENSES

Other revenues, other operating expenses and finance costs comprise of:

	2014		2013	
	US$	₹	US$	₹
Other revenues				
Interest received	63,701	3,815,053	104,077	5,649,300
Gain on disposal of plant and equipment	1,088	65,162	-	-
Sundry	79,742	4,775,747	9,603	521,250
	144,531	8,655,962	113,680	6,170,550
Other operating expenses				
Impairment of trade debtors (Note 9)	-	-	(22,068)	(1,197,851)
Legal and professional fee	56,316	3,372,764	30,172	1,637,735
Rent	140,042	8,387,115	92,968	5,046,303
Travel and transport	34,943	2,092,737	59,726	3,241,928
Others	85,592	5,126,106	68,084	3,695,600
	316,893	18,978,722	228,882	12,423,715
Finance costs				
Bank loan interest	-	-	7,523	408,348

15 TAXATION

	2012		2013	
	US$	₹	US$	₹
Korea Branch:				
Current year's provision	31,004	1,856,830	44,647	2,423,440
Previous year's under/(over)overprovision	1,429	85,582	(2,841)	(154,210)
	32,433	1,942,412	41,806	2,269,230

The reconciliation of the tax expense and the product of accounting profit multiplied by the applicable tax rate is as follows:

	2014		2013	
	US$	₹	US$	₹
Accounting profit	860,018	51,506,479	2,543,780	138,076,378
Tax at the applicable tax rates of 17%	146,203	8,756,098	432,443	23,473,006
Tax effect of:				
- Expenses not deductible for tax purposes	13,322	797,854	27,295	1,481,579
- Income not taxable	(25,388)	(1,520,487)	-	-
- Utilisation of brought forward tax losses	(73,612)	(4,408,623)	(375,563)	(20,385,560)
- S13(8)	(39,096)	(2,341,459)	(50,459)	(2,738,915)
- PIC relief	(24,450)	(1,464,311)	(41,086)	(2,230,148)
- Others	3,021	180,922	7,370	400,038
Foreign tax	32,433	1,942,412	41,806	2,269,230
	32,433	1,942,412	41,806	2,269,230

15 **TAXATION** – (Cont'd)

The Company has unutilised tax losses and unabsorbed wear and tear allowances of US$47,044 (Rs.2,816,806) (2013: US$604,767) (Rs.32,826,753) and US$133,040 (Rs.7,967,766) (2013:US$139,130) (Rs.7,551,976)respectively for which no deferred tax asset is recognised due to uncertainty of their recoverabilities. The use of these balances is subject to the agreement of the tax authority and compliance with relevant provisions of the Income Tax Act.

16 **RELATED PARTY TRANSACTIONS**

During the year, significant transactions between the Company and its related companies, on terms as agreed with the respective related companies, were as follows:

	2014		2013	
	US$	₹	US$	₹
Sales	1,587,146	95,054,174	3,781,130	205,239,736
Commission	2,125,046	127,269,005	2,135,008	115,888,234
Purchases	1,618,036	96,904,176	2,662,406	144,515,398
Interest income	55,973	3,352,223	36,174	1,963,525
Other income	41,480	2,484,237	-	-
Group cost recharged	13,787	825,703	1,227,417	66,624,195
General expenses	10,512	629,564	6,205	336,807

17 **CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist of bank and cash balances and short term deposits with banks. Cash and cash equivalents included in the statement of cash flows comprise the following statement of financial position amounts:

	2014		2013	
	US$	₹	US$	₹
Fixed deposits	1,100,011	65,879,657	11,861,410	643,837,333
Bank and cash balances	3,136,368	187,837,080	1,140,953	61,930,929
	4,236,379	253,716,737	13,002,363	705,768,262

Fixed deposits bear interest at effective interest rates ranging between 0.00% and 0.02% (2013: 0.07% and 0.25%) per annum and for a tenure of approximately 1 to 7 days (2013: 1 to 180 days).

Cash and cash equivalents were denominated in the following currencies at statement of financial position date:

	2014		2013	
	US$	₹	US$	₹
Korean Won	43,929	2,630,908	188,348	10,223,529
Singapore Dollar	118,378	7,089,658	268,279	14,562,184
Sterling Pound	1,270,934	76,116,236	245,810	13,342,566
United States Dollar	2,803,138	167,879,935	12,299,926	667,639,983
	4,236,379	253,716,737	13,002,363	705,768,262

18 EMPLOYEE BENEFITS

The Company's contribution to the Central Provident Fund was in respect of:

	2014		2013	
	US$	₹	US$	₹
Director	4,733	283,459	3,284	178,256
Staff	73,918	4,426,949	58,488	3,174,729
	78,651	4,710,408	61,772	3,352,984

Compensation of directors and key management personnel

The compensation comprised:

	2014		2013	
	US$	₹	US$	₹
Director's remuneration	720,322	43,140,085	700,181	38,005,825

There are no other key members of management except for the directors of the Company.

19 OPERATING LEASE COMMITMENTS

At the statement of financial position date, the Company was committed to make the following payments in respect of rental of premises under a non-cancellable operating lease as follows:

	2014		2013	
	US$	₹	US$	₹
Lease which expires:				
Within one year	79,506	4,761,614	161,448	8,763,397
Later than one year but not more than five years	-	-	79,683	4,325,194
	79,506	4,761,614	241,131	13,088,591

Rental of premises (net) charged to statement of comprehensive income during the financial year amounted to US$140,042) (Rs.8,387,115) (2013: US$92,968) (Rs.5,046,303)

20 FINANCIAL ASSETS AND LIABILITIES

Financial assets and liabilities can be categorised as follows:

	Loans and receivables		Financial liabilities at amortised cost		Total	
	US$	₹	US$	₹	US$	₹
2014						
Trade debtors	272,766	16,335,956	-		272,766	16,335,956
Trade debtors - related companies	130,066	7,789,653	-	-	130,066	7,789,653
Other debtors (excluding prepayments)	83,871	5,023,034	-	-	83,871	5,023,034
Amount due from subsidiaries	2,225,229	133,268,965	-	-	2,225,229	133,268,965
Fixed deposits	1,100,011	65,879,657	-	-	1,100,011	65,879,657
Bank and cash balances	3,136,368	187,837,080	-	-	3,136,368	187,837,080
	6,948,311	416,134,344	-	-	6,948,311	416,134,344
		-		-		-
Liabilities		-		-		-
Trade creditors	-	-	569,080	34,082,201	569,080	34,082,201
Trade creditor-related company	-	-	142,879	8,557,023	142,879	8,557,023
	-	-	711,959	42,639,226	711,959	42,639,226
2013						
Assets						
Trade debtors	65,492	3,554,906	-	-	65,492	3,554,906
Trade debtors - related companies	1,978,281	107,381,093	-	-	1,978,281	107,381,093
Other debtors (excluding prepayments)	51,315	2,785,378	-	-	51,315	2,785,378
Amount due from subsidiaries	1,247,133	67,694,379	-	-	1,247,133	67,694,379
Fixed deposits	11,861,410	643,837,333	-	-	11,861,410	643,837,333
Bank and cash balances	1,140,953	61,930,929	-		1,140,953	61,930,929
	16,344,584	887,184,018	-	-	16,344,584	887,184,018
Liabilities						
Trade creditors	-	-	921,059	49,995,083	921,059	49,995,083
Trade creditor-related company	-	-	28,321	1,537,264	28,321	1,537,264
	-	-	949,380	51,532,347	949,380	51,532,347

21 FINANCIAL RISK MANAGEMENT

The main risks arising from the Company's financial statements are credit risk, foreign exchange risk, interest rate risk, liquidity risk, capital management and fair values. The directors review and agree on policies for managing each of these risks and they are summarised below:

(i) Credit risk

The management monitors the Company's exposure to credit risks on an ongoing basis.

Cash and cash equivalents are placed with financial institutions with good credit ratings.

As at the statement of financial position date, there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

(ii) Foreign exchange risk

The Company is exposed to foreign exchange risk arising from certain currency exposures. The Company monitors foreign currency exchange rates movements closely to ensure that their exposures are minimised.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the profit net of tax to a reasonably possible change in foreign currencies exchange rates against the United States dollar, with all other variables held constant.

	2014		2013	
	US$	₹	US$	`₹
S$/US$ (Strengthened 5%)	(10,576)	(633,397)	(1,974)	(107,149)
(Weakened 5%)	10,576	633,397	1,974	107,149
Sterling Pound/US$ (Strengthened 5%)	58,939	3,529,857	61,715	3,349,890
(Weakened 5%)	(58,939)	(3,529,857)	(61,715)	(3,349,890)

iii) Interest rate risk

The Company is exposed to interest rate risk through the impact of rate changes on interest bearing loan from bank and to subsidiaries and fixed deposits. The Company adopts a policy of constantly monitoring movement in interest rates to ensure that borrowings and lending are maintained at favourable rates. The sensitivity analysis for changes in interest rate is not disclosed as the effect on profit or loss is considered not significant.

(iv) Liquidity risk

Liquidity risk refers to the risk in which the Company encounters difficulties in meeting its short-term obligations. Liquidity risks are managed by matching the payment and receipt cycle.

The Company actively manages its operating cash flows so as to finance the Company's operations. As part of its overall prudent liquidity management, the Company minimises liquidity risk by ensuring availability of funding through an adequate amount of committed credit facilities from financial institutions and maintains sufficient level of cash to meet its working capital requirements.

21 **FINANCIAL RISK MANAGEMENT** – (Cont'd)

(iv) **Liquidity risk** – (Cont'd)

The following table details the Company's remaining contractual maturity for their non-derivative financial instruments. The table has been drawn up based on undiscounted cash flows of financial instruments based on the earlier of the contractual date or when the Company is expected to receive or pay.

Contractual maturity analysis

	Within one financial year		After one financial year but within five financial years		Total	
	US$	₹	US$	₹	US$	₹
2014						
Financial assets						
Non-interest bearing	1,926,256	115,363,471	-	-	1,926,256	115,363,471
Variable interest bearing	5,017,285	300,485,199	-	-	5,017,285	300,485,199
	6,943,541	415,848,670	-	-	6,943,541	415,848,670
Financial liabilities		-				
Non-interest bearing	668,853	40,057,606	-	-	668,853	40,057,606
	668,853	40,057,606	-	-	668,853	40,057,606
2013						
Financial assets						
Non-interest bearing	3,241,874	175,968,921	-	-	3,241,874	175,968,921
Variable interest bearing	13,102,710	711,215,099	-	-	13,102,710	711,215,099
	16,344,584	887,184,020	-	-	16,344,584	887,184,020
Financial liabilities		-				
Non-interest bearing	949,380	51,532,346	-	-	949,380	51,532,346
	949,380	51,532,346	-	-	949,380	51,532,346

The Company's operations are financed mainly through equity, retained earnings and bank loan. Adequate lines of credits are maintained to ensure the necessary liquidity is available when required.

The repayment terms and the interest rates, where applicable, have been disclosed in the respective notes to the financial statements.

(v) **Capital Management**

The primary objective of the Company's capital management is to ensure that it has sufficient capital in order to support its business and to generate sufficient returns to its shareholders.

(vi) **Fair Values**

The carrying amounts of bank and cash balances, fixed deposits, receivables and payables approximate their fair values due to their short term nature.

NOTES TO THE ACCOUNTS - 31 MARCH 2014

22 HOLDING COMPANIES

The Company is a wholly-owned subsidiary of Tata Technologies Limited, a company incorporated in India. Its ultimate holding company is Tata Motor Limited, a company incorporated in India.

23 CONTINGENT LIABILITIES

The Company acts as a guarantor for an overseas subsidiary who entered into an agreement for the lease of premises. The Company will thus be liable for any claims by the landlord which is not fulfilled by the subsidiary.

The Company also provide guarantee for the performance and discharge of an overseas subsidiary's obligations and liabilities under a master supply agreement entered into between Airbus SAS and the overseas subsidiary.

This agreement was extended from 31 March 2014 to 31 December 2018.

DETAILED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2014

	2014		2013	
	US$	**₹**	**US$**	**₹**
INCOME				
Sales	2,286,209	136,921,057	4,163,233	225,980,287
	2,286,209	**136,921,057**	**4,163,233**	**225,980,288**
Less: **COST OF SALES**				
Purchases and related expenses	1,905,747	114,135,188	3,524,813	191,326,850
	1,905,747	**114,135,188**	**3,524,813**	**191,326,850**
GROSS PROFIT	**380,462**	**22,785,869**	**638,420**	**34,653,438**
Add: **OTHER INCOME**				
Commission	2,237,637	134,012,080	2,470,817	134,115,947
Interest received	63,701	3,815,053	104,077	5,649,300
Gain on disposal of plant and equipment	1,088	65,160	-	-
Sundry	79,742	4,775,748	9,603	521,251
	2,762,630	**165,453,910**	**3,222,917**	**174,939,933**
Less: **EXPENSES** (Schedule 1)	**1,916,399**	**114,773,134**	**1,906,554**	**103,487,751**
Group cost recharged	**(13,787)**	**(825,703)**	**(1,227,417)**	**(66,624,197)**
NET PROFIT FOR THE YEAR BEFORE TAXATION	**860,018**	**51,506,479**	**2,543,780**	**138,076,379**

THIS SCHEDULE DOES NOT FORM PART
OF THE AUDITED STATUTORY ACCOUNTS

DETAILED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2014

SCHEDULE 1

	2014		2013	
	US$	**₹**	**US$**	**₹**
EXPENSES				
Amortisation of trade marks	10,404	623,096	4,410	239,375
Audit fee	11,580	693,526	10,621	576,508
Bank charges	2,911	174,340	1,997	108,397
Bank loan interest	-	-	7,523	408,348
Central Provident Fund & SDF	79,701	4,773,293	62,924	3,415,515
Computer expenses	796	47,672	713	38,702
Depreciation	60,011	3,594,059	66,980	3,635,674
Entertainment	8,322	498,405	6,626	359,659
Exchange difference	(88,905)	(5,324,520)	104,139	5,652,665
General expenses	18,032	1,079,936	11,644	632,036
Housing and relocation	105,138	6,296,715	105,546	5,729,037
Impairment of trade debts	-	-	(22,068)	(1,197,851)
Insurance	1,057	63,304	789	42,827
Legal and professional fee	56,316	3,372,765	30,172	1,637,736
Medical expenses	54,302	3,252,147	65,754	3,569,127
Motor vehicle expenses	7,954	476,365	2,787	151,278
Postage and freight	2,245	134,453	904	49,069
Printing and stationery	1,517	90,853	1,328	72,084
Rent	140,042	8,387,115	92,968	5,046,303
Repair and maintenance		-		-
- Equipment	1,980	118,582	2,618	142,105
- Premises	3,447	206,441	2,507	136,080
Salaries	1,048,188	62,775,979	981,179	53,258,396
Sales commission	29,668	1,776,817	(18,478)	(1,002,986)
Staff bonus	282,424	16,914,373	279,779	15,186,404
Staff insurance	16,478	986,867	15,047	816,751
Staff recruitment	-	-	115	6,242
Subscription and publication	10,924	654,238	11,510	624,763
Telephone	13,104	784,799	12,149	659,448
Training and seminar	2,097	125,589	2,754	149,487
Travel and transport	34,943	2,092,734	59,726	3,241,927
Utilities	1,723	103,190	1,891	102,643
	1,916,399	**114,773,134**	**1,906,554**	**103,487,751**

THIS SCHEDULE DOES NOT FORM PART
OF THE AUDITED STATUTORY ACCOUNTS

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TATA TECHNOLOGIES (THAILAND) LTD.

ANNUAL REPORT 2013-14

TATA TECHNOLOGIES (THAILAND) LIMITED

Directors of the Company	***1***
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TATA TECHNOLOGIES (THAILAND) LIMITED

DIRECTORS:	1) Mr. Patrick McGoldrick 2) Mr. Ramesh Indhewat 3) Mr. Subhendu Ghosh
REGISTERED: OFFICE	889, Thai CC Tower, Room 108-9, 10th Floor, South Sathorn Road, Kwhaeng Yannawa, Khet Sathorn, Bangkok Metropolis 10120 Thailand
AUDITORS:	Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd

REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
TO THE SHAREHOLDERS AND BOARD OF DIRECTORS
TATA TECHNOLOGIES (THAILAND) LIMITED

We have audited the financial statements of Tata Technologies (Thailand) Limited, which comprise the statement of financial position as at March 31, 2014, and the statement of income and statement of changes in shareholders' equity for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standard for Non-Publicly Accountable Entities and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Thai Standards on Auditing. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for an audit opinion.

Opinion

In our opinion, the aforementioned financial statements present fairly, in all material respects, the financial position of Tata Technologies (Thailand) Limited as at March 31, 2014 and its financial performance for the year then ended in accordance with Thai Financial Reporting Standard for Non-Publicly Accountable Entities.

Permsak Wongpatcharapakorn
Certified Public Accountant (Thailand)
Registration No. 3427
DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

BANGKOK
April 18, 2014

TATA TECHNOLOGIES (THAILAND) LIMITED

STATEMENTS OF FINANCIAL POSITION

AS AT MARCH 31, 2014

	Notes	2014		2013	
		BAHT		BAHT	
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	4	28,255,010	52,064,659	10,360,335	19,178,120
Temporary investment	5	5,122,104	9,438,347	5,000,000	9,255,550
Trade and other receivables	6	14,297,176	26,344,977	16,793,490	31,086,597
Refundable value-added tax		3,137,547	5,781,464	2,851,411	5,278,275
Other current assets		-	-	44,585	82,532
Total Current Assets		50,811,837	93,629,447	35,049,821	64,881,074
NON-CURRENT ASSETS					
Leasehold improvement and equipment	7	4,662,328	8,591,132	5,404,061	10,003,511
Intangible asset	8	899,230	1,656,984	1,337,216	2,475,334
Other non-current assets		1,024,880	1,888,514	1,006,780	1,863,659
Total Non-current Assets		6,586,438	12,136,630	7,748,057	14,342,506
TOTAL ASSETS		57,398,275	105,766,077	42,797,878	79,223,580

Notes to the financial statements form an integral part of these statements

TATA TECHNOLOGIES (THAILAND) LIMITED

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT MARCH 31, 2014

	Notes	2014		2013	
LIABILITIES AND SHAREHOLDERS' EQUITY		BAHT		BAHT	
CURRENT LIABILITIES					
Trade and other payables	9	3,320,742	6,119,030	4,713,134	8,724,529
Other current liabilities		263,903	486,286	199,437	369,180
Total Current Liabilities		3,584,645	6,605,316	4,912,571	9,093,709
NON-CURRENT LIABILITIES					
Employee benefit obligations	10	2,488,997	4,586,400	1,724,547	3,192,326
Total Non-current Assets		2,488,997	4,586,400	1,724,547	3,192,326
TOTAL LIABILITIES		6,073,642	11,191,716	6,637,118	12,286,035
SHAREHOLDERS' EQUITY					
SHARE CAPITAL					
Authorized share capital					
705,341 ordinary shares of Baht 50 each		35,267,050	64,985,535	35,267,050	65,283,189
Paid-up share capital					
705,341 ordinary shares of Baht 50 each, fully paid		35,267,050	64,985,535	35,267,050	65,283,189
RETAINED EARNINGS					
Unappropriated		16,057,583	29,588,826	893,710	1,654,356
TOTAL SHAREHOLDERS' EQUITY		51,324,633	94,574,361	36,160,760	66,937,545
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		57,398,275	105,766,077	42,797,878	79,223,580

Notes to the financial statements form an integral part of these statements

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED MARCH 31, 2014

	Paid-up Share Capital		Retained Earnings Unappropriate (Deficit)		Total Shareholders' Equity	
	BAHT		BAHT		BAHT	
Beginning balance as at April 1, 2012	35,267,050	65,283,189	(8,460,555)	(15,661,418)	26,806,495	49,621,772
Net profit	-	-	9,354,265	17,315,774	9,354,265	17,315,774
Ending balance as at March 31, 2013	35,267,050	65,283,189	893,710	1,654,356	36,160,760	66,937,546
Beginning balance as at April 1, 2013	35,267,050	64,985,535	893,710	1,646,813	36,160,760	66,632,349
Net profit	-	-	15,163,873	27,942,013	15,163,873	27,942,013
Ending balance as at March 31, 2014	35,267,050	64,985,535	16,057,583	29,588,826	51,324,633	94,574,362

Notes to the financial statements form an integral part of these statements

TATA TECHNOLOGIES (THAILAND) LIMITED

STATEMENTS OF INCOME

FOR THE YEARS ENDED MARCH 31, 2014

	Notes	2014		2013	
		BAHT		BAHT	
REVENUES					
Revenue from rendering services	12	65,835,292	121,312,718	56,177,530	103,990,788
Gain on exchange rate - net		754,203	1,389,747	-	-
Other income		308,005	567,552	26,457	48,975
Total Revenues		66,897,500	123,270,017	56,203,987	104,039,763
EXPENSES					
Cost of rendering services		42,615,708	78,526,687	36,686,188	67,910,169
Administrative expenses		9,117,919	16,801,317	9,772,255	18,089,520
Loss on exchange rate - net		-	-	391,279	724,300
Total Expenses		51,733,627	95,328,004	46,849,722	86,723,989
PROFIT BEFORE FINANCE COSTS AND INCOME TAX EXPENSE		15,163,873	27,942,013	9,354,265	17,315,774
FINANCE COSTS		-	-	-	-
PROFIT BEFORE INCOME TAX EXPENSE		15,163,873	27,942,013	9,354,265	17,315,774
INCOME TAX EXPENSE	11	-	-	-	-
NET PROFIT		15,163,873	27,942,013	9,354,265	17,315,774

Notes to the financial statements form an integral part of these statements

1. GENERAL INFORMATION OF THE COMPANY

Tata Technologies (Thailand) Limited ("the Company") was incorporated under the Thai Civil and Commercial Code on September 30, 2005 to engage in certain service providing for research and development in the automobile industry, and the development of enterprise computer software for which including consultation and training in design and development processes. The Company's registered office is located at Thai CC Tower Unit 108 - 9, 10th Floor, 889 South Sathorn Rd., Yannawa, Sathorn, Bangkok.

Tata Technologies Pte Limited, the Company's major shareholder incorporated in Singapore, holds 99.99% of the Company's shares. The ultimate parent company is Tata Motors Limited.

The Company has extensive relationship with related parties. Accordingly, the financial statements may not necessarily be indicative of the conditions that would have existed or the results of operations would have occurred had the Company operated without such affiliation.

2. BASIS FOR PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

The Company maintains its accounting records in Thai Baht and prepares its statutory financial statements in the Thai language in conformity with Thai Financial Reporting Standards for Non-Publicly Accountable Entities (TFRS for NPAEs) issued by the Federation of Accounting Professions and accounting practices generally accepted in Thailand.

The financial statements of the Company are prepared in compliance with the Notification of the Department of Business Development dated September 28, 2011 regarding "The Brief Particulars in the Financial Statements B.E. 2554".

3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared on the measurement basis of historical cost except as disclosed in the significant accounting policies are as follows:

3.1 Cash and cash equivalents

Cash and cash equivalents consists of cash on hand and all types of deposits at financial institutions with original maturities of three months or less from the date of acquisition and excluding deposits at financial institutions used as collateral.

3.2 Temporary Investments

Temporary investments is investment in fixed deposit with maturity term over 3 months up to 12 months and is stated at cost and without obligation.

3.3 Trade receivables

Trade receivables are stated at the net realizable value.

The Company provides allowance for doubtful accounts equal to the estimated losses that may be incurred in the collection of all receivables. These estimated losses are based on historical collection experience and the review of the current status of existing receivables.

3.4 Leasehold improvement and equipment

Leasehold improvement and equipment are recorded at cost. Cost is measured by the cash or cash equivalent price of obtaining the asset that brings it to the location and condition necessary for its intended used. Leasehold improvements and equipment are presented in the statement of financial position at cost less accumulated depreciation and allowance for impairment, if any.

Depreciation calculated using the straight-line method over the estimated useful lives of assets as follows:

Leasehold improvement	Period of lease agreement
Office equipment	5 years

3.5 Intangible asset

Intangible asset represents computer software, which is stated at cost less accumulated amortization and allowance for impairment (if any).

Amortization is calculated by the straight-line method over the estimated useful life of 5 years.

3.6 Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of assets may not be recoverable. Whenever, the carrying amount of assets exceeds their recoverable amounts, an impairment loss is recognized as expense in the statement of income.

3.7 Employee benefit obligations

Employee benefit obligations are provisions for employee benefit obligations under the Thai Labor Protection Act. Employee benefit obligations are calculated using assumptions as of the

statements of financial position date such as salary rate, employee turnover rate and service years of employee, etc.

3.8 Revenue recognition

Income from rendering of services is recognized on the basis of percentage of completion which is determined by survey of work performed.

Income recognized but not yet billed is presented as "Unbilled Receivables" under trade and other receivables heading in the statement of financial position.

The proceeds received from customers before recognition of revenues are presented as "Amount due to customers" under trade and other payables heading in the statement of financial position.

3.9 Foreign currency transactions

Transactions in foreign currencies are recorded in Baht based on the rates prevailing at the transaction dates. Outstanding balances of monetary assets and liabilities, denominated in foreign currencies at the statement of financial position date, are translated into Baht at the exchange rates established by the Bank of Thailand on the statement of financial position date.

Translation gains or losses are recognized in the statements of income for the year.

3.10 Operating leases

Lease of assets under which all the risks and rewards of ownership are effectively retained by the lessors are classified as operating leases. Lease payment under an operating lease is recognized as an expense in the statement of income.

3.11 Income tax expense

Income tax expense, if any, is based on tax paid and accrued for the year.

3.12 Use of management's judgement

The preparation of financial statements in conformity with TFRS for NPAEs also requires the Company's management to exercise judgments in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at March 31, 2014 and 2013, consist of the following:

	2014		2013	
	Baht		Baht	
Cash on hand	20,000	36,853	20,000	37,022
Cash at bank - current accounts	20,068,206	36,979,081	2,340,435	4,332,403
Cash at bank - time deposits	8,166,804	15,048,725	7,999,900	14,808,695
Total	28,255,010	52,064,659	10,360,335	19,178,120

5. TEMPORARY INVESTMENTS

As at March 31, 2014 and 2013, temporary investments of the Company represents time deposit at a financial institution due within 6 months with interest rate at 1.9% and 2.7% per annum respectively.

6. TRADE AND OTHER RECEIVABLES

Trade and other receivables - net as at March 31, 2014 and 2013, consist of the following:

	2014		2013	
	Baht	**Qr-**	Baht	**Qr-**
Trade receivables -other companies	128,400	236,599	481,500	891,309
Trade receivables - related companies	12,761,758	23,515,708	15,658,892	28,986,332
Unbilled revenue -other companies	-	-	-	-
Unbilled revenue -related companies	-	-	-	-
Prepaid expenses	1,407,018	2,592,670	653,098	1,208,956
Total	14,297,176	26,344,977	16,793,490	31,086,597

7. LEASEHOLD IMPROVEMENT AND EQUIPMENT - NET

Leasehold improvement and equipment - net as at March 31, 2014 and 2013, consist of the following:

	Balance as at	Increase	Decrease	Balance as at
	March 31,			March 31,
	2013			2014
	Baht	Baht	Baht	Baht
Cost				
Leasehold improvement	6,305,859	-	-	6,305,859
In `	11,619,617	-	-	11,619,617
Office equipment	13,765,339	1,098,231	-	14,863,570

In `Rs.	25,364,975	2,023,677	-	27,388,652
Total	20,071,198	1,098,231	-	21,169,429
In `Rs.	36,984,592	2,023,677	-	39,008,269
Accumulated Depreciation				
Leasehold improvement	(4,808,717)	(604,115)	-	(5,412,832)
In `Rs.	(8,860,878)	(1,113,185)	-	(9,974,061)
Office equipment	(9,858,420)	(1,235,849)	-	(11,094,269)
In `Rs.	(18,165,814)	(2,277,262)	-	(20,443,076)
Total	(14,667,137)	(1,839,964)	-	(16,507,101)
In Rs.	(27,026,692)	(3,390,447)	-	(30,417,137)
Leasehold improvement and equipment – net	5,404,061			4,662,328
In Rs.	9,957,900			8,591,132

	Balance as at	Increase	Decrease	Balance as at
	March 31,			March 31,
	2012			2013
	Baht	Baht	Baht	Baht
Cost				
Leasehold improvement	5,642,744	1,447,184	(784,069)	6,305,859
In Rs.	10,445,340	2,678,897	(1,451,398)	11,672,839
Office equipment	10,943,329	2,822,010	-	13,765,339
In Rs.	20,257,306	5,223,849	-	25,481,155
Total	16,586,073	4,269,194	(784,069)	20,071,198
In Rs.	30,702,646	7,902,746	(1,451,398)	37,153,994
Accumulated Depreciation				
Leasehold improvement	(4,953,420)	(479,217)	623,920	(4,808,717)
In Rs.	(9,169,325)	(887,083)	1,154,945	(8,901,464)
Office equipment	(8,984,708)	(873,712)	-	(9,858,420)
In Rs.	(16,631,683)	(1,617,337)	-	(18,249,020)
Total	(13,938,128)	(1,352,929)	623,920	(14,667,137)
In Rs.	(25,801,008)	(2,504,420)	1,154,945	(27,150,484)
Leasehold improvement and equipment – net	2,647,945			5,404,061

In ₹s.	4,901,638			10,003,511

Depreciation for the years ended March 31,

2014	Baht	1,839,964
	In ₹s.	3,390,446

2013	Baht	1,352,929
	In ₹s.	2,493,002

8. INTANGIBLE ASSET - NET

Intangible asset - net, as at March 31, 2014 and 2013, consist of the following:

As at March 31, 2014

	Balance as at	Increase	Decrease	Balance as at
	March 31,			March 31,
	2013			2014
	Baht	Baht	Baht	Baht
Cost				
Computer software	9,081,149	-	-	9,081,149
In ₹s.	16,733,561	-	-	16,733,561
Total	9,081,149	-	-	9,081,149
In ₹s.	16,733,561	-	-	16,733,561
Accumulated amortization				
Computer software	(7,743,933)	(437,986)	-	(8,181,919)
In ₹s.	(14,269,513)	(807,064)	-	(15,076,577)
Total	(7,743,933)	(437,986)	-	(8,181,919)
In ₹s.	(14,269,513)	(807,064)	-	(15,076,577)
Intangible asset - net	1,337,216	-	-	899,230
In ₹s.	2,464,048	-	-	1,656,984

As at March 31, 2013

	Balance as at March 31, 2012	Increase	Decrease	Balance as at March 31, 2013
	Baht	Baht	Baht	Baht
Cost				
Computer software	9,081,149	-	-	9,081,149
In Rs.	16,810,206	-	-	16,810,206
Total	9,081,149	-	-	9,081,149
In Rs.	16,810,206	-	-	16,810,206
Accumulated amortization				
Computer software	(7,305,957)	(437,986)	-	(7,743,933)
In Rs.	(13,524,130)	(810,742)	-	(14,334,872)
Total	(7,305,957)	(437,986)	-	(7,743,933)
In Rs.	(13,524,130)	(810,742)	-	(14,334,872)
Intangible asset - net	1,775,192	-	-	1,337,216
In Rs.	3,286,076	(810,742)	-	2,475,334

Amortization for the years ended March 31,

2014	Baht	437,986
	In Rs.	807,064
2013	Baht	437,976
	In Rs.	810,742

9. TRADE AND OTHER PAYABLES

Trade and other payables as at March 31, 2014 and 2013, consist of the following:

	2014		2013	
	Baht	Rs.	Baht	Rs.
Trade payables - related companies	407,812	751,463	1,776,142	3,287,834
Amount due to customers - related companies	-	-	138,098	255,635
Other payables	1,201,457	2,213,887	755,015	1,397,615
Accrued expenses	1,711,473	3,153,680	2,043,879	3,783,445
Total	3,320,742	6,119,030	4,713,134	8,724,529

10. EMPLOYEE BENEFIT OBLIGATIONS

Employee benefit obligations for the years ended March 31, 2014 and 2013 consist of the following:

	2014		2013	
	Baht	Rs.	Baht	Rs.
Balance brought forward	1, 724,547	3,177,770	1, 176,663	2 ,178,133
Add Current year service cost	764,450	1,408,630	547,884	1,014,194
Balance carried forward	2,488,997	4,586,400	1,724,547	3,192,326

11. INCOME TAX EXPENSE

According to Royal Decree No. 555 B.E 2555 issued under the Revenue Code regarding the corporate income tax rate reduction effective December 27, 2012, the corporate income tax was reduced from 30% to 23% of net profit for accounting period beginning on or after January 1, 2012 but not later than December 31, 2012 and reduced to 20% of net profit for the accounting periods beginning on or after January 1, 2013 but not later than December 31, 2014. The Company used tax rate of 20% and 23% for income tax calculation for the years ended December 31, 2013 and 2012, respectively.

For the years ended March 31, 2014 and 2013, the Company has net profit but there is no income tax expense because of income tax exemption privileges for its promoted business (see Note 12) and also had accumulated tax losses brought forward from prior years.

12. PROMOTIONAL PRIVILEGES

The Company has been granted promotional privileges under the Investment Promotion Act B.E. 2520 by the Board of Investment (BOI) to support research and development business according to the Promotional Certificate No. 1984(4)/2005 dated November 7, 2005 and Regional operating headquarters according to the Promotional Certificate No. 1201/2556 dated February 8, 2013. Subject to certain imposed conditions, the privileges include the following:

a) Exemption for import duty on imported machinery as approved by the Board of Investment.

b) Exemption from corporate income tax on profits from the promoted business for the period of eight years commencing the date income has first derived.

c) In case of net losses arising from operations during the period which the Company is granted exemption from corporate income tax, such net losses incurred can be deducted from net profit after the corporate income tax exemption period for up to 5 years from the expiry date of such period and can be selected to deduct from net profit of such year or several years.

d) Exemption for income tax in dividends paid from the profit of the promoted operations for a period of eight years commencing the date the Company derives income from its commercial operations.

The Company has generated income from the research and development business and software business since March 3, 2006 and no income from Regional Operating Headquarters business.

As a promoted entity, the company is required to comply with certain conditions stipulated in the promotional certificates, such as size of investment and operating location.

For the years ended March 31, 2014 and 2013, the Company had revenue from BOI promoted and non-BOI promoted activities as follows:

For the year ended March 31, 2014

	BOI Promoted activity		Non - BOI Promoted activity		Total	
	Baht	Rs.	Baht	Rs.	Baht	Rs.
Revenue from:						
Domestic services	3,159,576	5,822,056	6,251,065	11,518,650	9,410,641	17,340,706
Overseas services	45,696,003	84,202,654	10,728,648	19,769,358	56,424,651	103,972,012
Total	48,855,579	90,024,710	16,979,713	31,288,008	65,835,292	121,312,718

For the year ended March 31, 2013

	BOI Promoted activity		Non - BOI Promoted activity		Total	
	Baht	Rs.	Baht	Rs.	Baht	Rs.
Revenue from:						
Domestic services	2,387,743	4,419,975	8,848,996	16,380,465	11,236,739	20,800,440
Overseas services	40,746,160	75,425,624	4,194,631	7,764,723	44,940,791	83,190,348
Total	43,133,903	79,845,599	13,043,627	24,145,188	56,177,530	103,990,788

13. COMMITMENTS

The Company has entered into lease agreements in respect of the lease of office building space and office equipment. Future minimum rentals payable under these leases as at March 31, 2014 and 2013, consists of the following:

	2014		2013	
	Baht	Rs.	Baht	Rs.
Not later than 1 year	2,361,659	4,351,758	3,077,220	5,696,273
Later than 1 year and not later than 5 years	890,068	1,640,102	2,094,225	3,876,641
Total	3,251,727	5,991,860	5,171,445	9,572,914

14. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved for issuing by the authorized director of the Company on April 18, 2014.

15. CONVERSION INTO INDIAN RUPEE

The financial information is expressed in Thai Baht only in the audited Accounting packs based on which the financial statements have been reformatted. Solely for the convenience of the reader and to meet the requirement of section 212 of the Indian Companies Act, the amounts appearing in Indian Rupees have been translated at a fixed exchange rate of 1 Baht =Rs.1.84267 as on March 31, 2014 and 1 Baht =Rs. 1.85111as on March 31, 2013. These translations should not be construed as a representation that any or all the amounts could be converted to Indian Rupees at this or any other rate.

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TATA TECHNOLOGIES EUROPE LTD.

ANNUAL REPORT 2013-14

Company Registration No. 02016440

TATA TECHNOLOGIES EUROPE LIMITED

Report and Financial Statements

31 March 2014

TATA Technologies Europe Limited

Report and Financial Statements 2014

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TATA Technologies Europe Limited

Officers and Professional Advisors

Directors

Praveen Kadle
Patrick McGoldrick
Warren Harris
Nicholas Sale

Secretary

Ovalsec Limited

Registered office

2 Temple Back East
Temple Quay
Bristol
BS1 6EG

Business address

Enterprise Centre
Coventry University Technology Park
Puma Way, Coventry
West Midlands
CV1 2TT

Bankers

JP Morgan Chase
125 London Wall
London EC2Y 5AJ

State Bank of India
118 Soho Road
Birmingham
B21 9DP

Auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor

Four Brindleyplace, Birmingham, B1 2HZ
United Kingdom

TATA Technologies Europe Limited

Directors' Report

The Directors present their Annual Report and the Audited Financial Statements for the year ended 31 March 2014.

Principal activities

Tata Technologies Europe Limited provides engineering and design solutions to leading manufacturers and their suppliers in the automotive, aerospace and general manufacturing industries. Through a range of product lifecycle management and enterprise resource planning services the Company helps its customers to realize product superiority with its digital manufacturing, application lifestyle manufacturing, systems integration solutions and other IT hardware, software and ongoing support.

Country of incorporation

Tata Technologies Europe Limited has been incorporated in the United Kingdom with its registered address at 2 Temple Back East, Temple Quay, Bristol, BS1 6EG

Dividends

The Directors do not propose any payment of dividend for the year 2014, (2013: £Nil).

Going Concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report above. The Strategic Report, Directors' Report and Financial Statements also describe the financial and liquidity position of the Company and the Company's objectives, policies and processes for managing its principal risks.

Whilst the current economic conditions and underlying risks do create some uncertainty over the level of demand for the Group services, the business was still able to generate revenue of £99.30 mn with an EBITDA of £7.80 mn in 2014. The Directors expect a general level of improvement as the European economy shows signs of strengthening which ensures the ongoing viability of the business to operate.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Capital Structure

The details of the authorized and issued share capital have been shown along with the movements from the previous year in Note 14 below. The Company has no individual shareholders and it's wholly and fully held by its holding Company INCAT International PLC which currently holds an issued capital consisting of 10,000 shares which have been allotted and fully paid.

The Company has the authority to issue ordinary shares under its Articles of Association. No person has any special rights of control over the Company's share capital which are all issued and fully paid.

The Directors are not aware of any agreements resulting in restrictions on the transfer of shares or voting rights which are governed by the provisions as per the Articles of Association, the Companies Act and any other related legislation.

TATA Technologies Europe Limited

Directors' Report

Directors

The names of the Directors who served the Company throughout the period were as follows:

Mr. Praveen Kadle	Appointed on 4th June 2009
Mr. Patrick McGoldrick	Appointed on 4th June 2009
Mr. Warren Harris	Appointed on 4th June 2009
Mr. Nicholas Sale	Appointed on 20th July 2010

Directors' indemnities

The Company is currently holding a valid Directors and Officers insurance policy.

Charitable and political contributions

The Company has contributed £9,162 (2013 - Nil) for charity during current year.

Employees

Disabled employees

It is the policy of the Company to support the employment of disabled employees where possible, both in recruitment and by retention of employees who become disabled while in the employment of the Company.

Employee Consultation

The Company is conscious that its employees are critical contributors to its success. The Company continues to provide employees with relevant information and to seek their views on matters of common concern. The group encourages good communications with employees which are initially established through publication of a monthly newsletter distributed to all employees.

Auditor

Each of the persons who are a Director at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- The Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP has expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors'
and signed on behalf of the Board

Nicholas Sale
Director

May 2014

TATA Technologies Europe Limited

Directors' Responsibilities Statement

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

* Select suitable accounting policies and then apply them consistently;
* Make judgements and accounting estimates that are reasonable and prudent;
* State whether applicable UK Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements; and
* Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditors' Report

Independent Auditor's Report to the members of TATA Technologies Europe Limited

We have audited the financial statements of TATA Technologies Europe Limited for the year ended 31 March 2014 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes 1 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent Auditors' Report

Independent Auditor's Report to the members of TATA Technologies Europe Limited (CONTINUED)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Jonathan Dodworth (Senior Statutory Auditor)

for and behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor

Birmingham, UK

May 2014

TATA Technologies Europe Limited

Profit and Loss Account
Year ended 31 March 2014

	Note	2014 £'000	2014 INR'000 (see note 1)	2013 £'000	2013 INR'000 (see note 1)
Turnover	2	99,296	9,549,635	94,864	8,156,672
Cost of sales		(82,671)	(7,950,760)	(75,507)	(6,492,360)
Gross profit		16,625	1,598,875	19,357	1,664,312
Distribution costs		(5,004)	(481,249)	(4,325)	(371,871)
Administrative expenses		(4,554)	(437,990)	(5,209)	(447,842)
Operating profit		7,067	679,636	9,823	844,599
Interest receivable and similar income	4	368	35,366	384	33,032
Interest payable and similar charges	5	(77)	(7,367)	(75)	(6,460)
Profit on ordinary activities before taxation		7,358	707,635	10,132	871,171
Tax charge on profit on ordinary activities	8	(1,227)	(118,026)	(1,992)	(171,278)
Profit for the financial year		6,131	589,609	8,140	699,893

There are no recognised gains or losses in either the current or the prior financial year other than stated above and therefore no separate statement of total recognised gains and losses is presented.

All results are derived from continuing operations.

TATA Technologies Europe Limited

Balance Sheet
At 31 March 2014

	Note	2014 £'000	2014 INR'000 (see note 1)	2013 £'000	2013 INR'000 (see note 1)
Fixed assets					
Tangible assets	9	483	48,124	600	49,198
		483	48,124	600	49,198
Current assets					
Stocks	10	-	-	1	111
Debtors - for more than one year	11	661	65,793	701	57,551
Debtors - due within one year	11	23,465	2,335,560	28,188	2,314,180
Cash at bank and in hand		31,413	3,126,685	21,559	1,769,970
		55,539	5,528,038	50,449	4,141,812
Creditors: amounts falling due within one year	12	32,056	3,190,697	33,213	2,726,755
Net current assets		23,483	2,337,339	17,236	1,415,057
Total assets less current liabilities, being net assets		23,966	2,385,463	17,836	1,464,255
Capital and reserves					
Called up share capital	14	10	995	10	821
Profit and loss account	15	23,956	2,384,467	17,826	1,463,434
Shareholders' funds	16	23,966	2,385,463	17,836	1,464,255

These financial statements of Tata Technologies Europe Limited, registered No. 02016440, were approved by the Board of Directors and authorised for issue in May 2014.

Signed on behalf of the Board of Directors

Nicholas Sale

Director

Notes to the Financial Statements
Year ended 31 March 2014

1. Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted, which have been applied consistently throughout the current and the prior financial year, are described below.

Basis of Preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

Going Concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review above. The directors' report and financial statements also describes the financial and liquidity position of the Company and the Company's objectives, policies and processes for managing its principal risks.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Turnover

Turnover represents amounts receivable for goods and services net of value added tax and trade discounts, together with sales commissions' receivable. For contracts which are for the supply of services and hardware on a time and material basis, turnover is recognised as goods and services are delivered.

For long term contracts, turnover is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Revenues derived from variations on contracts are included only when they have been agreed by the customer.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	- 33.3% on cost
Fixtures, fittings and equipment	- 25% on cost
Vehicles	- 25% on cost

Residual value is calculated on prices prevailing at the date of acquisition.

Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving items.

Long-term contracts

Amounts recoverable on long-term contracts, which are included in debtors, are stated at the net sales value of the work done less amounts received as progress payments on account. Excess progress payments are included in creditors as payment on account.

Pension costs

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they fall due.

Operating leases

The annual rentals on operating leases are charged to the profit and loss account on a straight-line basis over the life of the lease.

Notes to the Financial Statements
Year ended 31 March 2014

1. Accounting policies (continued)

Foreign exchange

Transactions denominated in foreign currencies are translated to the functional currency at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated at the rates ruling at that date. These translation differences are dealt with in the profit and loss account.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less, at a future date, at rates expected to apply when they crystallise based on current tax rates and law or substantively enacted by the balance sheet date. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Cash flow statement

The company is a wholly owned subsidiary and the cash flows of the company are included in the consolidated cash flow statement of Tata Motors Limited. Consequently the company is exempt under Financial Reporting Standard No. 1 (Revised) from the requirement to prepare a cash flow statement.

General note on translation to Indian Rupees

The financial information is prepared in accordance with UK GAAP and is expressed in Pounds Sterling, the functional currency of the company. The balances presented in Indian Rupees alongside the Pound Sterling balances represent the UK GAAP balances translated into Indian Rupees at a fixed exchange rate of 1 Pounds Sterling = INR 96.1730 for the Profit and Loss Account for year ended March 31, 2014 and 1 Pounds Sterling = INR 99.5351 for the Balance Sheet as at 31 March 2014 (Previous Year: 1 Pounds Sterling = INR 85.9828 for the Profit and Loss Account for year ended March 31, 2013 and 1 Pounds Sterling = INR 82.09853 for the Balance Sheet as at 31 March 2013). These have been provided solely for the convenience of the reader and to meet the requirements of Section 212 of the Indian Companies Act, which requires that a parent company must also file subsidiary financial statements in India. These translations should not be construed as a representation that any or all the amounts could be converted into Indian Rupees at this or any other rate, or that any of all of the amounts presented are prepared in accordance with Indian GAAP.

Notes to the Financial Statements
Year ended 31 March 2014

2. Turnover

	2014		2013	
	£'000	INR'000 (See Note 1)	£'000	INR'000 (See note 1)
Geographical analysis of turnover by destination (incl other income)				
United Kingdom	86,238	8,293,767	79,973	6,876,302
Rest of Europe	13,058	1,255,827	14,891	1,280,370
	99,296	9,549,635	94,864	8,156,672

In the opinion of the directors, the company's activities constitute one class of business.

3. Profit on ordinary activities before taxation includes the following charges

	2014		2013	
	£'000	INR'000 (see note 1)	£'000	INR'000 (see note 1)
Depreciation of tangible assets	363	34,885	322	27,354
Exchange differences	139	13,347	(152)	(13,075)
Operating lease rentals				
- plant, machinery and vehicles	614	59,050	512	44,029
- other	772	74,258	662	56,938
Fees payable to the company's auditor for the audit of the company's annual accounts	65	6,251	65	5,608
Fees payable to the company's auditor member firms	19	1,827	19	1,639
Fess payable to the company's auditor for taxation compliance services	18	1,740	9	764
Loss on sale of asset	1	76	0	19

4. Interest receivable and similar income

	2014		2013	
	£'000	INR'000 (see note 1)	£'000	INR'000 (see note 1)
Bank interest	368	35,366	384	33,032

Notes to the Financial Statements
Year ended 31 March 2014

5. Interest payable and similar charges

	2014		2013	
	£'000	INR'000 (see note 1)	£'000	INR'000 (see note 1)
Bank interest	77	7,367	75	6,460

6. Directors' emoluments

	2014		2013	
	£'000	INR'000 (see note 1)	£'000	INR'000 (see note 1)
Aggregate emoluments for qualifying services	174	16,723	168	14,451
Contributions to a money purchase pension scheme	10	962	10	860
	184	17,685	178	15,311

The remuneration of the highest paid director was £173,890 (INR 16,723,523) in the current year and £168,072 (INR 14,451,301) in the year ended 31 March 2013. A loan receivable from one of the Director's amounting to £75,000 (INR 7,366,700) (2013: £75,000, (INR 6,448,710) exists at the balance sheet year end.

Nicholas Sale who served during the period and in previous year was a member of the money purchase pension scheme.

7. Employees

The average monthly number of employees (including directors) during the period was:

	2014 No.	2013 No.
Selling and Administration	44	40
Management	6	6
Direct	406	383
	456	429

Notes to the Financial Statements
Year ended 31 March 2014

7. Employees (continued)

	2014		2013	
	£'000	INR'000 (see note 1)	£'000	INR'000 (see note 1)
Employment costs				
Wages and salaries	23,371	2,247,696	21,696	1,865,452
Social security costs	2,986	287,180	2,593	222,977
Other pension costs	514	49,469	418	35,963
	26,872	2,584,345	24,707	2,124,392

Pension costs

The company operates a "Personal Pension Plan" whereby the company agrees to pay a defined contribution for eligible employees into the employee's own personal pension scheme. The pension charge represents contributions payable by the company for the period. The charge for the period is £514, 377 (INR: 49, 469, 175), (2013: £418,250) (INR 35,962,306). The company's liability is limited to the amount of the contribution. The liability for meeting future pension payments rests solely with the employees' personal pension schemes.

8. Tax on profit on ordinary activities

	2014		2013	
	£'000	INR'000 (see note 1)	£'000	INR'000 (see note 1)
UK corporation tax				
Current tax	1,545	148,562	2,359	202,833
Group relief paid for	89	8,598	176	15,133
Prior years adjustment / tax refund	(462)	(39,135)	(543)	(46,688)
Deferred tax (refer to note 13)	55	5,253	-	-
	1,227	118,026	1,992	171,278

Factors affecting the taxation rate

The taxation rate for each period is different to the standard rate of corporation tax in the UK of 23% (2013: 24%). The differences are reconciled below:

Notes to the Financial Statements
Year ended 31 March 2014

8. Tax on profit on ordinary activities (continued)

	2014		2013	
	£'000	INR'000 (see note 1)	£'000	INR'000 (see note 1)
Profit on ordinary activities before taxation	7,358	707,635	10,132	871,178
UK statutory rate of tax charge @ 23% (2013: 24%)	1,692	162,756	2,432	209,083
Effects of:				
Expenses not deductible for tax purposes	-	-	(136)	(11,694)
Capital allowances less than depreciation	(35)	(3,366)	(6)	(516)
Movement in short term timing differences	90	8,656	-	-
Group relief	(148)	(14,194)	-	-
Tax at branches	-	-	69	5,933
Current taxation charge for the period	1,600	153,852	2,359	202,806

In the 2013 Budget, issued on 20th March 2013, the Chancellor announced that the main rate of corporation tax would be further reduced to 23% with effect from 1 April 2013, with further reductions down to 21% by 1 April 2014.

In the 2014 Budget, issued on 19th March 2014, the Chancellor announced that the main rate of corporation tax would be further reduced to 21% with effect from 1 April 2014, with further annual 1% rate reductions down to 20% from 1 April 2015. As these future rate reductions had not been enacted at the balance sheet date, they have not been reflected in these financial statements. The effect of these tax rate reductions will be accounted for in the period they are substantively enacted.

Notes to the Financial Statements
Year ended 31 March 2014

9. Tangible Fixed Assets

	Plant & Machinery £'000	Fixtures, Fittings & Equipment £'000	Vehicles £'000	Total £'000
Cost				
At 1 April 2013	1,933	591	32	2,556
Additions	193	65	-	258
Disposals	(919)	(2)	(32)	(953)
At 31 March 2014	1,207	654	0	1,862
Depreciation				
At 1 April 2013	1,504	433	19	1,956
Charge for the year	277	83	3	363
Disposals	(918)	(2)	(22)	(942)
At 31 March 2014	863	514	0	1,377
Net book value				
At 31 March 2014	343	140	0	483
At 31 March 2013	429	158	13	600

Notes to the Financial Statements
Year ended 31 March 2014

9. Tangible Fixed Assets (continued)

	Plant& Machinery INR'000 (see note 1)	Fixtures, Fittings & Equipment INR'000 (see note 1)	Vehicles INR'000 (see note 1)	Total INR'000 (see note 1)
Cost				
At 1 April 2013	158,672	48,527	2,628	209,827
Additions	18,588	6,241	-	24,830
Disposals	(88,365)	(178)	(3,078)	(91,620)
Exchange difference	31,174	10,510	450	42,250
At 31 March 2014	120,069	65,101	-	185,287
Depreciation				
At 1 April 2013	123,476	35,583	1,570	160,629
Charge for the year	(88,290)	(177)	(2,116)	(90,582)
Disposals	82,996	49,448	(28)	132,417
Exchange difference	(32,285)	(33,677)	545	(65,417)
At 31 March 2014	85,898	51,177	(29)	137,046
Net book value				
At 31 March 2014	34,171	13,924	29	48,124
At 31 March 2013	35,196	12,944	1,058	49,198

10. Stocks

	2014		2013	
	£'000	INR'000 (see note 1)	£'000	INR'000 (see note 1)
Finished goods and goods for resale	0	0	1	111

Notes to the Financial Statements
Year ended 31 March 2014

11. Debtors: (including Loans & Advances)

	2014		2013	
	£'000	INR'000 (see note 1)	£'000	INR'000 (see note 1)
Trade debtors	8,152	811,397	15,194	1,247,410
Amounts owed by group undertakings	12,413	1,235,491	7,319	600,851
Other debtors	569	56,599	530	43,483
Prepayments and accrued income	2,563	255,069	5,471	449,176
Deferred tax asset (note 13)	430	42,754	375	30,811
	24,126	2,401,307	28,889	2,371,731

Considering the business profitability of the company and based on budgets approved by the Board of Directors, the company believes that the deferred tax asset created in the books of account is recoverable.

12. Creditors: amounts falling due within one year

	2014		2013	
	£'000	INR'000 (see note 1)	£'000	INR'000 (see note 1)
Trade creditors	6,390	635,986	3,871	317,792
Amounts owed to group undertakings	4,472	445,154	9,299	763,403
Other taxes and social security costs	5,035	501,140	1,860	152,666
Corporation tax	1,455	144,861	2,931	240,660
Other creditors	612	60,933	522	42,851
Accruals and deferred income	14,092	1,402,626	14,730	1,209,383
	32,056	3,190,700	33,213	2,726,755

All amounts owed to group undertakings are repayable on demand and no interest was charged in either the current or the prior financial year.

Notes to the Financial Statements
Year ended 31 March 2014

13. Deferred Taxation

	2014		2013	
	£'000	INR'000 (see note 1)	£'000	INR'000 (see note 1)
The amounts provided for deferred tax assets are:				
Capital allowances in excess of depreciation	217	21,594	252	20,689
Short term timing differences	213	21,160	123	10,122
	430	42,754	375	30,811

Movement on deferred taxation asset in the period:

	2014		2013	
	£'000	INR'000 (see note 1)	£'000	INR'000 (see note 1)
Opening balance	375	30,811	375	30,565
Credit/ (charge) to profit and loss account	55	5,253	-	-
Exchange difference	-	6,690	-	246
Closing balance	430	42,754	375	30,811

14. Called up share capital

	2014		2013	
	£'000	INR'000 (see note 1)	£'000	INR'000 (see note 1)
Called up, allotted and fully paid				
10,000 ordinary shares of £1 each	10	995	10	821

15. Profit and loss account

	£'000	INR'000 (see note 1)
Balance at 1 April 2013	17,825	1,463,434
Profit for the financial year	6,131	589,609
Foreign exchange difference	-	331,425
Balance at 31 March 2014	23,956	2,384,467

Notes to the Financial Statements
Year ended 31 March 2014

16. Reconciliation of movements in shareholder's funds

	2014		2013	
	£'000	INR'000 (see note 1)	£'000	INR'000 (see note 1)
Profit for the financial year	6,131	589,609	8,140	699,893
Foreign exchange difference	-	331,599	-	(26,079)
Opening shareholder's funds	17,836	1,464,255	9,696	790,441
Closing shareholder's funds	23,966	2,385,463	17,836	1,464,255

17. Annual commitments under non-cancellable operating leases

At 31 March, the company had annual commitments under non-cancellable operating leases as follows:

	Land and Buildings		Other	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Leases which expire:				
Within one year	661	561	544	460
Within two to five years	863	926	670	478
After five years	114	118	-	-
	1,638	1,605	1,215	938

	Land and Buildings		Other	
	2014 INR'000 (see note 1)	2013 INR'000 (see note 1)	2014 INR'000 (see note 1)	2013 INR'000 (see note 1)
Leases which expire:				
Within one year	63,569	48,234	52,360	39,560
Within two to five years	83,032	76,001	64,459	39,261
After five years	10,959	9,716	-	-
	157,561	133,951	116,820	78,821

Notes to the Financial Statements
Year ended 31 March 2014

18. **Foreign exchange contract commitments**

Financial commitments at 31st March were as follows:

	2014		2013	
	£ '000	**USD '000**	**£ '000**	**USD '000**
Foreign exchange contracts	9,492	15,500	-	-
	9,492	15,500	-	-

The fair value of the foreign exchange contracts at the current was £180,276 (USD 300,538) (2013: USD Nil).

19. Related party transactions

The company has taken advantage of the exemption available in FRS 8 "Related Party Transactions" not to disclose details of transactions with fellow group companies.

20. Ultimate parent company and controlling party

The immediate parent company is INCAT International plc, a company registered in the United Kingdom. The ultimate parent company and controlling party of the company is Tata Motors Limited, a company registered in India.

Tata Motors Limited is the parent company of the largest group to which this company belongs and for which group financial statements are prepared. The smallest group to which this company belongs and for which group financial statements are prepared is headed by Tata Technologies Limited, an intermediate parent company. Copies of the consolidated financial statements of Tata Motors Limited can be obtained from Bombay House, 24 Homi Mody Street, Mumbai, 400 001, India.

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INCAT INTERNATIONAL PLC

ANNUAL REPORT 2013-14

INCAT International PLC

Report and Financial Statements 2014

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INCAT International PLC
Company Registration No. 02377350

Officers and Professional Advisers

Directors

Praveen Kadle
Patrick McGoldrick
Warren Harris

Secretary

Ovalsec Limited

Registered office

2 Temple Back East
Temple Quay
Bristol
BS1 6EG

Bankers

JP Morgan Chase
125 London Wall
London EC2Y 5AJ

Auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
Birmingham, UK

INCAT International PLC

Directors' Report

The Directors present their annual report and the audited financial statements for the year ended 31 March 2014.

The statement of Directors' responsibilities, as given on page 4, is considered to be part of this Directors' report.

This Directors' report has been prepared in accordance with the provisions applicable to Companies entitled to the small Company's exemption

Business review and principal activities

The principal activity of the Company is to act as a holding Company for the European Tata Technologies subsidiaries, whose business is the provision of IT and engineering design services.

The Company made a Profit after tax for the year of £83,742 (INR 8,053,760) in comparison to a Loss after tax of £52,915 (INR 4,549,810) for the year ended 31 March 2013.

Dividends

No dividend has been proposed for the year 2014 (2013: £Nil).

Future outlook

It is expected that INCAT International PLC will continue to be the holding Company for the European INCAT Companies for the foreseeable future.

Going Concern

The Directors report & financial statements describe the financial and liquidity position of the Company. The Company has a positive Net Current Asset position as at 31st March 2014.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Directors

The Directors, who served throughout the financial year, are as shown on page 1.

INCAT International PLC

Directors' Report (continued)

Auditors

Each of the persons who is a Director at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

In preparing the Directors' report advantage has been taken of the small companies' exemption under the Companies Act 2006. As a result of the small companies' exemption, the company is not required to prepare a Strategic Report

Approved by the Board of Directors
and signed on behalf of the Board

Warren Harris
Director

May 2014

INCAT International PLC

Directors' Responsibilities Statement

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the Directors were not entitled to take advantage of the small companies exemption from preparing a Strategic Report or in preparing the Directors' report.

Jonathan Dodworth (Senior Statutory Auditor)

for and behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor
Birmingham, UK
May 2014

INCAT International PLC

Profit and Loss Account
Year ended 31 March 2014

	Notes	2014		2013	
		£000	INR000 (see Note 1)	£000	INR000 (see Note 1)
Administrative expenditure (Net)		(74)	(7,106)	(163)	(14,051)
Operating Profit/(Loss)		(74)	(7,106)	(163)	(14,051)
Other interest receivable and similar income		180	17,327	161	13,871
Interest payable and similar charges	5	(22)	(2,167)	(51)	(4,370)
Profit /(Loss) on ordinary activities before taxation	2	84	8,054	(53)	(4,550)
Tax on Profit/(Loss) on ordinary activities	6	-	-	-	-
Profit for the financial year	11	84	8,054	(53)	(4,550)

There are no recognised gains or losses in either the current or the prior financial year other than as stated above and therefore no separate statement of total recognised gains and losses is presented.

All results derive from continuing operations.

INCAT International PLC

Balance Sheet
At 31 March 2014

	Note	2014 £000	2014 INR000 (see Note 1)	2013 £000	2013 INR000 (see Note 1)
Fixed assets					
Investments	7	7,077	704,431	5,523	453,475
Current assets					
Debtors	8	716	71,286	811	66,566
Cash at bank and in hand		289	28,714	442	36,236
		1,005	100,000	1,253	102,802
Creditors: amounts falling due within one year	9	(2,308)	(229,719)	(1,086)	(89,119)
Net current / (liabilities) assets		(1,303)	(129,719)	167	13,683
Net assets		5,774	574,712	5,690	467,158
Capital and reserves					
Called up share capital	10	243	24,162	243	19,929
Share premium account	11	3,029	301,534	3,029	248,714
Merger reserve	11	853	84,928	853	70,051
Capital redemption reserve	11	12	1,168	12	964
Profit and loss account	11	1,637	162,920	1,553	127,500
Shareholders' funds		5,774	574,712	5,690	467,158

These financial statements of INCAT International PLC, registered number 02377350 were approved by the Board of Directors and authorised for issue in May 2014

Signed on behalf of the Board of Directors

Warren Harris
Director

INCAT International PLC

Notes to the Financial Statements
Year ended 31 March 2014

1. Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted, which have been applied consistently throughout the current and the prior financial year, are described below.

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

Going Concern

The Directors report & financial statements describe the financial and liquidity position of the Company. The Company has positive Net Current Asset position as at 31st March 2014.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements

Group financial statements

Group financial statements have not been prepared as the group is entitled to the exemption conferred by s1162 of the Companies Act and the group accounts are prepared in accordance with the provisions of EU seventh directive. Its ultimate parent Company, Tata Motors Limited, a Company registered in India, prepares consolidated financial statements which include the results of all group Companies. These financial statements therefore include information relating to INCAT International PLC.

Investments

Investments held as fixed assets are stated at cost less provision for any impairment.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less, at a future date, at rates expected to apply when they crystallise based on current tax rates and law or substantively enacted by the balance sheet date. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset, or on unremitted earnings of subsidiaries and associates where there is no commitment to remit these earnings. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Notes to the Financial Statements
Year ended 31 March 2014

1. Accounting policies (continued)

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

Exchange differences arising from the re-translation of the opening net assets of subsidiaries which operate in currencies other than sterling are taken to reserves together with the difference arising when the profit and loss accounts are translated at average rates and compared with rates ruling at the period-end.

General note on translation to Indian Rupees

The financial information prepared in accordance with UK GAAP is expressed in Pounds Sterling. The balances presented in Indian Rupees alongside the Pound Sterling balances represent the UK GAAP balances translated into Indian Rupees at a fixed exchange rate of 1 Pounds Sterling = INR **96.1730** for the profit and loss account for the year ended March 31, 2014 and 1 Pounds Sterling = INR **99.5351** for the Balance Sheet as at 31 March 2014 and 1 Pound Sterling = INR **85.9828** for Profit and Loss Account for the year ended March 31, 2014 and 1 Pound Sterling **82.09853** for Balance Sheet as at 31 March 2013. These have been provided solely for the convenience of the reader and to meet the requirements of Section 212 of the Indian Companies Act, which requires that a parent Company must also file subsidiary financial statements in India. These translations should not be construed as a representation that any or all the amounts could be converted into Indian Rupees at this or any other rate, or that any of all of the amounts presented are prepared in accordance with Indian GAAP.

Cash flow statement

The Company is a wholly owned subsidiary and the cash flows of the Company are included in the consolidated cash flow statement of Tata Motors Limited. Consequently the Company is exempt under Financial Reporting Standard No. 1 (Revised) from the requirement to prepare a cash flow statement.

2. Profit/ (Loss) on ordinary activities before taxation

Operating profit / (loss) is stated after charging:

	2014		2013	
	£000	INR000 (see Note 1)	£000	INR000 (see Note 1)
Auditors' remuneration				
- fees payable to the Companies auditors for the audit of the Company's annual financial statements*	-	-	-	-
Foreign exchange losses	63	6,051	163	14,023

* The Audit fees is borne by the subsidiary Company, Tata Technologies Europe Limited.

3. Directors' remuneration

The Directors of INCAT International Plc are not employed or paid by the Company. The remuneration of the Directors can be found in the financial statements of other group Companies in both the current and the prior financial year as follows:

P Kadle – Tata Capital Limited;
P McGoldrick – Tata Technologies Pte Limited; and
W Harris – Tata Technologies Inc

It is not practicable to allocate their remuneration between group Companies.

Notes to the Financial Statements
Year ended 31 March 2014

4. Employees

The Company had no employees in either the current financial year or the prior financial year.

5. Interest payable and similar charges

	2014		2013	
	£000	INR000 (see Note 1)	£000	INR000 (see Note 1)
Bank charges	23	2,167	51	4,370

6. Tax on profit on ordinary activities

	2014		2013	
	£000	INR000 (see Note 1)	£000	INR000 (see Note 1)
UK corporation tax at 23% (2013: 24%)	0	0	0	0

The tax assessed for the year is lower than that resulting from applying the standard rate of corporation tax in the UK of 23% (2013: 24%). The differences are explained below:

	2014		2013	
	£000	INR000 (see Note 1)	£000	INR000 (see Note 1)
Profit / (loss) on ordinary activities before taxation	84	8,054	(53)	(4,550)
UK Corporation tax at 23% (2013: 24%) thereon	0	0	(13)	(1,118)
Plus the effect of:				
Expenses not deductible for tax purposes				
Group Relief	0	0	0	0
Other non taxable income	0	0	13	1,118
Prior year adjustment				
Tax credit not recognised in the period				
Current tax credit for the year	-	-	-	-

A deferred tax asset has not been recognised in respect of timing differences relating to tax losses, short term timing differences and accelerated capital allowances as there is insufficient evidence that the asset will be recovered. The amount of the asset not recognised is £34,156 (2013: £34,156). The asset would be recovered if sufficient suitable taxable profits were to arise in the future against which it could be offset.

In the 2013 Budget, issued on 20th March 2013, the Chancellor announced that the main rate of corporation tax would be further reduced to 23% with effect from 1 April 2013, with further reductions down to 21% by 1 April 2014.

In the 2014 Budget, issued on 19th March 2014, the Chancellor announced that the main rate of corporation tax would be further reduced to 21% with effect from 1 April 2014, with further annual 1% rate reductions down to 20% from 1 April 2015. As these future rate reductions had not been enacted at the balance sheet date, they have not been reflected in these financial statements. The effect of these tax rate reductions will be accounted for in the period they are substantively enacted.

Notes to the Financial Statements
Year ended 31 March 2014

7. Fixed asset investments

	Shares in subsidiary undertakings £000	Shares in parent undertaking £000	Total £000
Cost and net book value			
At 1 April 2013	4,247	1,276	5,523
Addition	-	1,554	1,554
At 31 March 2014	4,247	2,830	7,077

	Shares in subsidiary undertakings INR000 (see Note 1)	Shares in parent undertaking INR000 (see Note 1)	Total INR000 (see Note 1)
Cost and net book value			
At 1 April 2013	348,707	104,768	453,475
Addition / Exchage diff	74,061	176,895	250,956
At 31 March 2014	422,768	281,663	704,431

Addition of investments represents the increase in the shares held by the ESOP Trust in Tata Technologies Limited.

The Company holds more than 20% of the share capital of the following Companies, the activities of which are all computer and related services.

Subsidiary undertakings and Companies directly held by parent Company	Country of incorporation	Class	Shares held and voting rights %	Status
Tata Technologies Europe Limited	Great Britain	Ordinary	100	Trading
INCAT GmbH	Germany	Ordinary	100	Dormant
INCAT Holdings BV	Netherlands	Ordinary	100	Dormant

Notes to the Financial Statements
Year ended 31 March 2014

8. Debtors

	2014		2013	
	£000	INR000 (see Note 1)	£000	INR000 (see Note 1)
Other debtors	716	71,286	811	66,566
	716	71,286	811	66,566

9. Creditors: amounts falling due within one year

	2014		2013	
	£000	INR000 (see Note 1)	£000	INR000 (see Note 1)
Amounts owed to group undertakings	2,294	228,358	1,064	87,380
Accruals and deferred income	14	1,361	22	1,739
	2,308	229,719	1,086	89,119

Amounts owed to group undertakings are repayable on demand. No interest was charged in either the current or prior financial year.

10. Authorised share capital

	2014		2013	
	£000	INR000 (see Note 1)	£000	INR000 (see Note 1)
Authorised:				
35,000,000 ordinary shares of 1p each (2013: 35,000,000)	350	34,837	350	28,734

	2014		2013	
	£000	INR000 (see Note 1)	£000	INR000 (see Note 1)
Called up & Paid Up :				
24.275,000 ordinary shares of 1p each (2013: 24.275,000)	243	24,162	243	19,929

Notes to the Financial Statements
Year ended 31 March 2014

11. Statement of movements on reserves

	Called up Share Capital £000	Capital redemption reserve £000	Merger reserve £000	Share premium account £000	Profit and loss account £000	Total £000
Balance at 1 April 2013	243	12	853	3,029	1,553	5,690
Profit for the financial year	-	-	-	-	84	84
Balance at 31 March 2014	243	12	853	3,029	1,637	5,774

	INR000 Called up Share Capital	INR000 Capital redemption reserve (see Note 1)	INR000 Merger reserve (see Note 1)	INR000 Share premium account (see Note 1)	INR000 Profit and loss account (see Note 1)	INR000 (see Note 1)
Balance at 1 April 2013	19,929	964	70,051	248,714	127,500	467,158
Loss for the financial year	-	-	-	-	8,054	8,054
Exchange difference	4,233	204	14,877	52,820	27,366	99,500
Balance at 31 March 2014	24,162	1,168	84,928	301,534	162,920	574,712

12. ESOP Trust

INCAT International Limited ESOP 2000 is a Trust which was formed on 3 January 2000. The object of the Trust was to benefit, by means of an employee share scheme within the meaning of section 831 of the Companies Act 2006, employees and former employees of the Company.

The Trust holds shares in the Tata Technologies Limited and sells these at market value to staff within the Group. It does not grant share options or issue shares at less than market value.

The income, related costs and the assets and liabilities of the Trust are included in these financial statements, in line with UITF Abstract 38 - Accounting for ESOP Trusts.

13. Related party transactions

The Company has taken advantage of the exemption available under Section 3(c) of FRS 8 "Related Party Transactions" not to disclose details of transactions with fellow group Companies.

14. Ultimate parent Company and controlling party

The ultimate parent Company and controlling party of the Company is Tata Motors Limited, a Company registered in India.

Tata Motors Limited is the parent Company of the largest group to which this Company belongs and for which group financial statements are prepared. Copies of the consolidated financial statements of Tata Motors Limited can be obtained from Bombay House, 24 Homi Mody Street, Mumbai, 400 001, India.

The immediate parent undertaking of the Company is Tata Technologies Pte Ltd, a Company registered in Singapore. Copies of the consolidated financial statements of Tata Technologies Pte Ltd can be obtained from 25, Pune Infotech Park, Hinjawadi, Pune, India.

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INCAT GmbH

ANNUAL REPORT 2013-14

INCAT GmbH, GERMANY

Directors of the Company	***1***
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INCAT GmbH, GERMANY

DIRECTORS: 1. Mr Nick Sale
2. Mr Stephane Bechot

REGISTERED OFFICE: Breitwiesenstrasse 19,
70565, Stuttgart, Germany

TO THE MEMBERS OF
INCAT GmbH

The Directors hereby present the Fifteenth Annual Report on the Business and Operations of the Company and Statement of Accounts for the year ended March 31, 2014.

1. FINANCIAL RESULTS

The Financial Results of the Company for the year ended March 31, 2014 are as follows:

	For the year ended 31st March 2014	
	(In €)	(In Rs.)
Other Income	52,026	4,282,027
Loss for the year	99,498	8,189,080

2. OPERATIONS

As a part of Euro one restructuring exercise, the business operations of the Company along with assets and liabilities were transferred to Tata Technologies Europe Limited as on 1st April 2009. As a result, the Company has not carried out any business operations during the year under consideration. Consequently, no sales turnover has been reported. However, the Company has incurred certain Interest income over loan given to Tata Technologies Europe Limited (its fellow subsidiary) of € 52,026 (Rs.4,282,027). During the year, the company reported loss of € 99,498 (Rs.8,189,080)

3. CHANGE IN SHARE CAPITAL

During the year, no changes have occurred in the authorized and paid up capital of the Company.

4. DIVIDEND

Considering the overall financial performance of the Company, the Board of Directors have not recommended any dividend on equity capital of the Company during the year under reference.

5. POST BALANCE SHEET EVENTS

There have been no significant post balance sheet events, since the end of the financial year ended 31st March 2014, which have had a material effect on the financial position of the Company.

6. PUBLIC DEPOSITS

The Company has not accepted any deposits from the public.

7. CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION

The operations of the Company are such that they are not deemed as energy intensive. However, the Company constantly makes effort to avoid excessive consumption of energy and encourage conservation of energy.

8. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to section 217(2AA) of the companies Act, 1956 the directors, based on the representations received from the operating management, confirm that:-

1. in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;

2. they have, in selection of the accounting policies, applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that year;

3. they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;

4. they have prepared the accounts on a "going concern basis".

9. ACKNOWLEDGEMENTS

The Directors wish to place on record their gratitude to all the Company's customers, business partners, bankers, auditors and government/statutory authorities for their support.

On behalf of the Board of Directors;

Nick Sale Director
Stephane Bechot Director

Place : Stuttgart, Germany
Date : May 2014

NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE 1

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

1 Significant Accounting Policies

The financial statements are prepared under the historical cost convention, in accordance with Indian Generally Accepted Accounting Principles (GAAP). GAAP comprises the mandatory accounting standards prescribed under Section 211(3C) of the Companies Act, 1956. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

1.1 Use of Estimates

The preparation of the financial statements in conformity with GAAP requires the management of the Company (Management) to make estimates and assumptions that affect the reported amounts of revenue and expenses during the year and balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of financial statements.
Provisions are made for all known losses and liabilities, future unforeseeable factors that may affect the profit on fixed price service contracts and also towards likely expenses for providing post-sales client support on such contracts.

1.2 Foreign currency translation

Income and expenses in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Monetary current assets and current liabilities that are denominated in foreign currency translated at the exchange rates prevalent as at the Balance Sheet date and the profit / loss so determined and also the realized exchange gains / losses are recognized in the Profit and Loss Account.

2 Notes to Accounts

2.1 Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is € Nil (Rs. Nil) as at March 31, 2014

2.2 Contingent liabilities

There were no contingent liabilities as at 31st March 2014 and as at 31st March 2013.

2.4 Related Party Disclosures

The summary of related party transactions are as under:-

GMBH	**Nature of Transaction**	**TTEL, UK (€)**	**TTEL UK (Rs.)**
Group 1 Fin.Receipts	**Financial services received by the Reporting Enterprise**	**52,027**	4,282,031
1.1)	Interest received on Loans	52,027	4,282,031
Group 2 Payables	**Dues Payable by the Reporting Enterprise as on the date of the Reporting Period**	**-**	**-**
2.1)	Due Payable and outstanding on Supplies and Services	-	-
Group 3 Receivables	**Dues Receivable by the Reporting Enterprise as on the date of the Reporting Period**	**2,514,168**	**206,926,114**
3.1)	Loans paid and outstanding (Incl. of interest)	2,514,168	206,926,114
Group 4 Other items	**Any other items**	**91,010**	**7,490,487**
4.1)	Sale of business / undertakings	91,010	7,490,487

2.5 Conversion into Indian Rupees

The financial information is expressed in Euro only in the audited Accounting packs based on which the attached financial statements have been reformatted. Solely for the convenience of the reader and to meet the requirement of section 212 of the Indian Companies Act, the amounts appearing in Indian Rupees have been translated at a fixed exchange rate of 1 **€** = Rs. 82.304 as on March 31, 2014 (1 Euro=Rs. 69.4976 as at 31st March 2013) These translations should not be construed as a representation that any or all the amounts could be converted to Indian Rupees at this or any other rate.

2.6 The above Financial Statements are prepared from the internally prepared management accounts of the Company. The same management accounts are audited in order for the Group Auditors to give an audit opinion in relation to the Group accounts. However, no separate audit report is given in respect of the Company. An audit report for the Group is issued by Deloitte Haskins & Sells, Chartered Accountants and is included in its financial statements.

INCAT GmbH
Balance Sheet as at MARCH 31, 2014

Particulars	Note No	(Amount in €) March 31, 2014	(Amount in ₹) March 31, 2014	(Amount in €) March 31, 2013	(Amount in ₹) March 31, 2013
I. EQUITY AND LIABILITIES					
(1) **Shareholders' Funds**					
(a) Share Capital	2	164,000	13,497,858	164,000	11,397,606
(b) Reserves and Surplus	3	1,875,005	154,320,425	1,974,503	137,223,249
		2,039,005	**167,818,283**	**2,138,503**	**148,620,855**
(2) **Current Liabilities**					
(a) Trade Payables		99,548	8,193,180	184,209	12,802,000
(b) Other Current Liabilities	4	-	-	2,778	193,060
(c) Current Income tax liabilities		94,467	7,775,053	132,462	9,205,776
		194,015	**15,968,233**	**319,449**	**22,200,836**
		2,233,020	**183,786,516**	**2,457,952**	**170,821,691**
II. ASSETS					
(1) **Non-Current Assets**					
(a) Loan to Subsidiary	5	2,182,265	179,609,190	2,455,173	170,628,559
(2) **Current Assets**					
(a) Other Current Assets	6	50,755	4,177,326	2,779	193,132
Significant Accounting Policies	1	**2,233,020**	**183,786,516**	**2,457,952**	**170,821,691**

In terms of our report attached

For and on behalf of the Board

Nick Sale	**Director**
Stephane Bechot	**Director**

Place: Stuttgart, Germany

INCAT GmbH

Statement of Profit and Loss for the year ended Mar 31, 2014

Particulars	Note No	(Amount in €) Year ended March 31, 2014	(Amount in ₹) Year ended March 31, 2013	(Amount in €) Year ended March 31, 2014	(Amount in ₹) Year ended March 31, 2013
I. Other Income	A	52,027	4,282,027	72,260	5,021,897
Total Revenue		**52,027**	**4,282,027**	**72,260**	**5,021,897**
II. Expenses :					
- Consultancy fees, Softwares and others	B	61,251	5,041,202	68,000	4,725,835
Total Expenses		**61,251**	**5,041,202**	**68,000**	**4,725,835**
III. Profit befor tax (I - II)		**(9,224)**	**(759,175)**	**4,260**	**296,062**
IV. **Tax Expense**					
(a) Current Tax		**90,274**	**7,429,906**	**132,462**	**9,205,777**
III. **Profit for the year (I - II)**		**(99,498)**	**(8,189,080)**	**(128,202)**	**(8,909,715)**
Significant Accounting Policies	1				

For and on behalf of the Board

Nick Sale **Director**

Stephane Bechot **Director**

Place: Stuttgart, Germany

INCAT GmbH
Notes forming part of financial statements

NOTE - 2	(Amount in €)	(Amount in ₹)	(Amount in €)	(Amount in ₹)
	As at March 31, 2014	As at March 31, 2014	As at March 31, 2013	As at March 31, 2013
SHARE CAPITAL				
Authorised :				
1640 (previous year 1640) Ordinary shares of EUR 100 each	164,000	13,497,858	164,000	11,397,606
	164,000	**13,497,858**	**164,000**	**11,397,606**
Issued, subscribed and fully paid :				
1640 (previous year 1640) Ordinary shares of EUR 100 each	164,000	13,497,858	164,000	11,397,606
	164,000	**13,497,858**	**164,000**	**11,397,606**

INCAT GmbH
Notes forming part of financial statements

NOTE - 3

RESERVES AND SURPLUS (Amount in €)

	Particulars		As at March 31, 2014	Additions	Deductions	As at March 31, 2013
(a)	Capital Reserve		832,809			**832,809**
(b)	Surplus i.e. balance in statement of Profit and Loss	[Note 3 (i)]	1,141,694	(99,498)	-	**1,042,196**
			1,974,503	**(99,498)**	**-**	**1,875,005**

RESERVES AND SURPLUS (Amount in ₹)

	Particulars		As at March 31, 2014	Additions	Deductions	As at March 31, 2013
(a)	Capital Reserve		68,543,511			**68,543,511**
(b)	Surplus i.e. balance in statement of Profit and Loss	[Note 3 (i)]	93,965,994	(8,189,080)	-	**85,776,914**
			162,509,505	(8,189,080)	-	**154,320,425**

(Amount in €)

	2013-2014		2012-2013	
	Additions	Deductions	Additions	Deductions
Note 3(i) **Changes in Statement of Profit and Loss :**				
(a) (Loss) for the year	(99,498)	-	(128,202)	
	(99,498)	**-**	**(128,202)**	**-**

(Amount in ₹)

	2013-2014		2012-2013	
	Additions	Deductions	Additions	Deductions
Note 3(i) **Changes in Statement of Profit and Loss :**				
(a) (Loss) for the year	(8,189,080)	-	(8,909,715)	
	(8,189,080)	**-**	**(8,909,715)**	**-**

INCAT GmbH
Notes forming part of financial statements

NOTE - 4	(Amount in €)	(Amount in ₹)	(Amount in €)	(Amount in ₹)
	As at March 31, 2014	As at March 31, 2014	As at March 31, 2013	As at March 31, 2013
OTHER CURRENT LIABILITIES				
Non Financials				
- Statutory dues	-	-	2,778	193,060
	-	**-**	**2,778**	**193,060**

NOTE - 5	(Amount in €)	(Amount in ₹)	(Amount in €)	(Amount in ₹)
	As at March 31, 2014	As at March 31, 2014	As at March 31, 2013	As at March 31, 2013
LOAN TO SUBSIDIARY				
Financial				
Tata Technologies Europe Limited	2,182,265	179,609,123	2,455,173	170,628,559
	2,182,265	**179,609,123**	**2,455,173**	**170,628,559**

NOTE - 6	(Amount in €)	(Amount in ₹)	(Amount in €)	(Amount in ₹)
	As at March 31, 2014	As at March 31, 2014	As at March 31, 2014	As at March 31, 2014
OTHER CURRENT ASSETS				
Non Financials				
- VAT, other taxes recoverable, statutory deposits	50,755	4,177,326	2,779	193,132
	50,755	**4,177,326**	**2,779**	**193,132**

INCAT GmbH
Notes forming part of financial statements

NOTE - A	(Amount in €)	(Amount in ₹)	(Amount in €)	(Amount in ₹)
	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2014	Year ended March 31, 2013
OTHER INCOME				
- Interest income-Others	52,027	4,282,027	72,260	5,021,897
	52,027	**4,282,027**	**72,260**	**5,021,897**
NOTE - B				
CONSULTANCY FEES, SOFTWARES AND OTHERS				
- Professional Fees	39,890	3,283,129	68,000	4,725,835
- Others	21,361	1,758,073	-	-
	61,251	**5,041,202**	**68,000**	**4,725,835**

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CAMBRIC HOLDINGS INC.

ANNUAL REPORT 2013-14

CAMBRIC HOLDINGS INC

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CAMBRIC HOLDINGS INC.

DIRECTORS:

1. Mr. Patrick McGoldrick
2. Mr. Warren Harris
3. Mr. Praveen Kadle
4. Mr. Timothy P. Hayes

REGISTERED: OFFICE

555 E Broadway, Suite 300
Salt Lake City, UT 84102
USA

TO THE MEMBERS OF
Cambric Holdings Inc.

The Directors hereby present the Second Annual Report on the Business and Operations of the Company and Statement of Accounts for the year ended March 31, 2014.

1. FINANCIAL RESULTS

The Financial Results of the Company for the year ended March 31, 2014 are as follows:

	(In US $)	(In ₹)
Income	1,037,835	62,155,953
Profit for the year	886,356	53,083,887

2. OPERATIONS

Cambric Holdings Inc. is the US-based parent company of Cambric Corporation. It was formed in 2012. Cambric Holdings employs corporate and finance staff that service the other Cambric entities. It also holds the credit facilities for the group. During the year the company registered a turnover of US $ 1,037,835 (₹62,155,953) and a profit of US $ 886,356 (₹53,083,887) .

The company employes on an average 10 permanent and contractual employees as on March 31, 2014.

3. DIVIDEND

Considering the overall financial performance of the Company, the Board of Directors have not recommended any dividend on equity capital of the Company during the year under reference.

4. POST BALANCE SHEET EVENTS

There have been no significant post balance sheet events, since the end of the financial year ended 31st March 2014, which have had a material effect on the financial position of the Company.

5. PUBLIC DEPOSITS

The Company has not accepted any deposits from the public.

6. CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION

The operations of the Company are such that they are not deemed as energy intensive. However, the Company constantly makes effort to avoid excessive consumption of energy and encourage conservation of energy.

7. AUDIT

The Company is not required to obtain an audit opinion as per local regulations. Therefore, the financial statements of the Company for the year ended March 31, 2014 has not been audited.

8. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to section 217 (2AA) of the companies Act, 1956 the directors, based on the representations received from the operating management, confirm that:-

1. in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;

2. they have, in selection of the accounting policies, applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that year;

3. they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;

4. they have prepared the annual accounts on a "going concern basis".

9. ACKNOWLEDGMENTS

Your Directors would like to express their heartfelt gratitude to all the customers, business partners and bankers for their continued support and association. The Directors also wish to thank the Government and all the statutory authorities for their support and co-operation.

The Directors would also like to place on record their appreciation of the dedicated, individual and collective contribution of all the employees in the overall growth and progress of the Company during the last year.

On behalf of the Board of Directors;

Mr. Warren Harris Director
Mr. Praveen Kadle Director
Mr. Timothy P. Hayes Director
Mr. Patrick McGoldrick Director

Place: Salt Lake City, USA
Date: 2nd May, 2014

Cambric Holdings Inc.

Balance Sheet as at MARCH 31, 2014

Particulars	Note No.	(Amount in USD) March 31, 2014	(Amount in ₹) March 31, 2014
I. EQUITY AND LIABILITIES			
(1) **Shareholders' Funds**			
(a) Share Capital	1	10,816,741	647,814,630
(b) Reserves and Surplus	2	886,356	53,083,887
		11,703,097	**700,898,517**
(2) **Non-current Liabilities**			
(a) Long-term Borrowings	3	20,000,000	1,197,800,000
		20,000,000	**1,197,800,000**
(3) **Current Liabilities**			
(a) Short-term Borrowings	4	1,250,000	74,862,500
(b) Trade Payables		753,675	45,137,595
(c) Short-term Provisions	5	54,387	3,257,261
		2,058,062	**123,257,356**
		33,761,159	**2,021,955,873**
II. ASSETS			
(1) **Non-current Assets**			
(a) Goodwill on Acquisition		31,906,748	1,910,895,161
(b) Non-current Investments	6	100	5,989
(c) Deferred tax Assets (net)		1,388,715	83,170,141
		33,295,563	**1,994,071,291**
(2) **Current Assets**			
(a) Trade Receivables	7	13,895	832,157
(b) Cash and Bank Balances	8	353,335	21,161,203
(c) Other Current Assets	9	98,366	5,891,222
		465,596	**27,884,582**
		33,761,159	**2,021,955,873**
Significant Accounting Policies	15		

For and on behalf of the Board of Directors

Praveen Kadle	**Director**
Patrick McGoldrick	**Director**
Warren Harris	**Director**
Timothy P. Hayes	**Director**

Place: Salt Lake City, USA
Date: 2nd May, 2014

Cambric Holdings Inc.

Statement of Profit and Loss for the year ended March 31, 2014

	Particulars	Note No.	(Amount in USD) Year ended March 31, 2014	(Amount in ₹) Year ended March 31, 2014
I.	Revenue from Operations	10	1,037,835	62,155,953
II.	**Total Revenue (I)**		**1,037,835**	**62,155,953**
III	Expenses :			
	(a) Consultancy fees, Softwares and others	11	57,759	3,459,174
	(b) Employee Benefit Expense	12	967,466	57,941,553
	(c) Finance Cost	13	386,150	23,126,501
	(d) Other Expenses	14	128,821	7,715,100
	Total Expenses		**1,540,196**	**92,242,328**
IV	**Profit / (Loss) Before Tax (II-III)**		**(502,361)**	**(30,086,375)**
V	Tax Expense :			
	(a) Deferred Tax		(1,388,717)	(83,170,262)
VI.	**Profit / (Loss) from continuing operations (IV- V)**		**886,356**	**53,083,887**

Significant Accounting Policies **15**

For and on behalf of the Board of Directors

Praveen Kadle	**Director**
Pat McGoldrick	**Director**
Warren Harris	**Director**
Timothy P. Hayes	**Director**

Place: Salt Lake City, USA
Date: 2nd May, 2014

Cambric Holdings Inc.
Notes forming part of financial statements

Note - 1	(Amount in USD)	(Amount in ₹)
	March 31, 2014	March 31, 2014
SHARE CAPITAL		
Issued, subscribed and fully paid :		
4000 Ordinary shares of no par value	10,816,741	647,814,630
	10,816,741	**647,814,630**

Cambric Holdings Inc.

Notes forming part of financial statements

Note - 2

RESERVES AND SURPLUS **(Amount in USD**

Particulars		As at March 31, 2013	Additions	Deductions	Adjustments	Translation Adjustment	As at Mar 31, 2014
(a) Surplus i.e. balance in statement of Profit and Loss	[Note (i) below]	-	886,356	-	-	-	**886,356**
		-	**886,356**	**-**	**-**	**-**	**886,356**

Notes:-	(Amount in USD) *2013-2014* *Additions*	*Deductions*
(i) Changes in Statement of Profit and Loss :		
(a) Profit for the year	*886,356*	-
	886,356	**-**

Note - 2

RESERVES AND SURPLUS **(Amount in Rs)**

Particulars		As at March 31, 2013	Additions	Deductions	Adjustments	Translation Adjustment	As at Mar 31, 2014
(a) Surplus i.e. balance in statement of Profit and Loss	[Note (i) below]	-	53,083,887	-	-	-	**53,083,887**
		-	**53,083,887**	**-**	**-**	**-**	**53,083,887**

Notes:-	(Amount in Rs.) *2013-2014* *Additions*	*Deductions*
(i) Changes in Statement of Profit and Loss :		
(a) Profit for the year	*53,083,887*	-
	53,083,887	**-**

Cambric Holdings Inc.
Notes forming part of financial statements

Note - 3	(Amount in USD)	(Amount in ₹)
	March 31, 2014	March 31, 2014
LONG TERM BORROWINGS		
(A) Unsecured		
(i) Term Loans		
- Bank of America *[Terms of repayment - 50% on April 30, 2015 and 50% on April 30, 2016]*	20,000,000	1,197,800,000
	20,000,000	**1,197,800,000**

Note - 4	(Amount in USD)	(Amount in ₹)
	March 31, 2014	March 31, 2014
SHORT TERM BORROWINGS		
(A) Unsecured		
(a) Loans repayable on demand	1,250,000	74,862,500
	1,250,000	**74,862,500**

Note - 5	(Amount in USD)	(Amount in ₹)
	March 31, 2014	March 31, 2014
SHORT-TERM PROVISIONS		
(a) Provision for Employee benefits	54,387	3,257,261
	54,387	**3,257,261**

Cambric Holdings Inc.
Notes forming part of financial statements

Note - 6	(Amount in USD)	(Amount in ₹)
	March 31, 2014	March 31, 2014
NON-CURRENT INVESTMENTS		
TRADE (UNQUOTED) - at cost		
1 Subsidiaries (Details below)	100	5,989
- Midwest Managed Services (MMS)	*100*	5,989
	100	**5,989**

Note - 7	(Amount in USD)	(Amount in ₹)
	March 31, 2014	March 31, 2014
TRADE RECEIVABLES		
(Unsecured, considered good unless otherwise stated)		
(a) Trade receivables due for a period exceeding six months		
Considered good	-	
Considered doubtful	-	
	-	-
Less : Allowances for doubtful debts	-	
	-	**-**
(b) Other Trade Receivables		-
Considered good	13,895	832,157
Considered doubtful	-	-
	13,895	832,157
Less : Allowances for doubtful debts	-	-
	13,895	**832,157**
	13,895	**832,157**

Note - 8	(Amount in USD)	(Amount in ₹)
	March 31, 2014	March 31, 2014
CASH AND BANK BALANCES		
(a) Current Account with banks	353,335	21,161,203
	353,335	**21,161,203**

Note - 9	(Amount in USD)	(Amount in ₹)
	March 31, 2014	March 31, 2014
OTHER CURRENT ASSETS		
(a) Advances to suppliers and contractors	96,816	5,798,310
(b) Prepaid expenses	1,550	92,912
	98,366	**5,891,222**

Cambric Holdings Inc.
Notes forming part of financial statements

Note - 10

	(Amount in USD) Year ended March 31, 2014	(Amount in ₹) Year ended March 31, 2014
REVENUE FROM OPERATIONS		
(a) Sale of Services	1,037,835	62,155,953
	1,037,835	**62,155,953**

Note - 11

	(Amount in USD) Year ended March 31, 2014	(Amount in ₹) Year ended March 31, 2014
CONSULTANCY FEES, SOFTWARES AND OTHERS		
(a) Outsourcing Charges	54,541	3,266,422
(b) Professional Fees	3,218	192,752
	57,759	**3,459,174**

Note -12

	(Amount in USD) Year ended March 31, 2014	(Amount in ₹) Year ended March 31, 2014
EMPLOYEE BENEFIT EXPENSE		
(a) Salaries and Wages	966,224	57,867,167
(b) Staff welfare Expenses	1,242	74,386
	967,466	**57,941,553**

Note - 13

	(Amount in USD) Year ended March 31, 2014	(Amount in ₹) Year ended March 31, 2014
FINANCE COSTS		
(a) Interest Expense		
- Interest on Borrowings	386,150	23,126,501
	386,150	**23,126,501**

Cambric Holdings Inc.
Notes forming part of financial statements

Note - 14

	(Amount in USD)	(Amount in ₹)
	Year ended March 31, 2014	Year ended March 31, 2014
OTHER EXPENSES		
(a) Rates and Taxes	1,138	68,134
(b) Office Expenses	2,798	167,581
(c) Travelling & Conveyance	43,070	2,579,481
(d) Auditors Remuneration	13,932	834,387
(e) Staff Training and Seminar Expenses	549	32,880
(f) Foreign Currency (Gain)/Loss - (Net)	4,161	249,203
(g) Communication Expenses	16,084	963,286
(h) Miscellaneous Expenses	47,089	2,820,148
	128,821	**7,715,100**

Cambric Holdings, Inc.

Notes forming part of financial statements

Note 15

SIGNIFICANT ACCOUNTING POLICIES

1 Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention, in accordance with Indian Generally Accepted Accounting Principles (GAAP). GAAP comprises the mandatory accounting standards prescribed under Section 211(3C) of the Companies Act, 1956. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Use of Estimates

The preparation of the financial statements in conformity with GAAP requires the management of the Company (Management) to make estimates and assumptions that affect the reported amounts of revenue and expenses during the year and balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of financial statements. Provisions are made for all known losses and liabilities, future unforeseeable factors that may affect the profit on fixed price service contracts and also towards likely expenses for providing post-sales client support on such contracts.

1.3 Turnover

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts and other sales related taxes.

1.4 Revenue recognition

The Company acts as a reseller of hardware and software to the worldwide CAE community and provides services which include installation, training, product support, design services and consultancy. Hardware revenues are recognised when the hardware is delivered. Software revenues are recognised when a non-cancellable agreement has been signed and there are no uncertainties surrounding product acceptance, there are no significant vendor obligations, and the fees are fixed and determinable. Training, design services and consulting revenues are recognised as the services are performed. Support agreement revenues are recognised rateably over the support period except where the services of a third party are sold on. In this situation all revenue is recognised upfront.

1.5 Fixed assets and depreciation

Fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Short leasehold improvements	Period of lease
Plant and machinery	3–4 years
Furniture and Fixtures	4 years

1.6 Leasing

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.
Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.7 Inventories

Inventories are valued at lower of cost or net realizable value. Cost is ascertained on a moving weighted average basis.

1.8 Taxation

Current income tax expense is determined in accordance with tax laws applicable in countries where such operations are domiciled. Deferred tax expense or benefit is recognized on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognized only to the extent that there is virtual certainty that taxable income will be available to realize these assets. All other deferred tax assets are recognized only to the extent that there is reasonable certainty that future taxable income will be available to realize these assets.

1.9 Foreign currency translation

Income and expenses in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Monetary current assets and current liabilities that are denominated in foreign currency translated at the exchange rates prevalent as at the Balance Sheet date and the profit / loss so determined and also the realized exchange gains / losses are recognized in the Profit and Loss Account.

1.10 Impairment of Assets

At each balance sheet date, the Company reviews using internal resources the carrying amounts of its fixed assets to determine whether there is any indication that the assets suffered an impairment loss. If any such condition exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from continuing use of the asset and from its disposal are discounted to their present value using a pre tax rate that reflects the current market assessments of time value of money and the risks specific to the asset.
Reversal of impairment loss is recognized immediately as income in the Profit and Loss Account.

1.11 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. Borrowing costs are capitalized as part of the cost of a qualifying asset when it is probable that they will result in future economic benefits to the enterprise and the costs can be measured reliably. Other borrowing costs are recognized as an expense in the year in which they are incurred.

1.12 Provisions, contingent liabilities and contingent assets

A provision is recognized when the Company has present obligation as a result of past event and its probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. The provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect current best estimates. Contingent liabilities are not recognized in the financial statements. A contingent asset is neither recognized nor disclosed in the financial statements.

2. NOTES TO ACCOUNTS

2.1 Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is US $ Nil (₹ Nil) as at March 31, 2014.

2.2 Contingent liabilities

There were no contingent liabilities as at 31st March 2014.

2.3 Provision for Taxes

The provision for taxation pertains to tax liability as applicable to the jurisdictions of the country in which the Company operates. The provision for taxation for the current year has been computed by the management in consultation with the tax advisors to the Company.

2.4 Breakup of Deferred Tax Assets is as under:

Particulars	**As at March 31st,2014 (US $)**	**As at March 31st,2014 (₹)**
Liabilities:		
Other timing differences	(9,215)	(551,877)
Sub-total	**(9,215)**	**(551,877)**
Assets:		
Other timing differences	1,378,028	82,530,106
Provision for doubtful debts	1,472	88,158
Sub-total	**1,379,500**	**82,618,264**
Deferred Tax Asset (Net)	**1,388,715**	**83,170,141**

2.5 Conversion into Indian Rupees

The financial information is expressed in US $ only in the audited Accounting packs based on which the attached financial statements have been reformatted. Solely for the convenience of the reader and to meet the requirement of section 212 of the Indian Companies Act, the amounts appearing in Indian Rupees have been translated at a fixed exchange rate of 1 US $ = ₹ 59.8900 as on March 31, 2014. These translations should not be construed as a representation that any or all the amounts could be converted to Indian Rupees at this or any other rate.

2.6 The above Financial Statements are prepared from the internally prepared accounts of the Company. These accounts are audited by Deloitte Haskins & Sells in order to give an audit opinion in relation to the consolidated accounts of the ultimate holding company i.e. Tata Technologies Limited. However, no separate audit report is issued in respect of the Company. An audit report for the ultimate holding company is issued by Deloitte Haskins & Sells and is included in its financial statement.

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CAMBRIC CORPORATION

Annual Report 2013-14

CAMBRIC CORPORATION, DELAWARE

Directors of the Company	*1*
Directors Report	*2-3*
Financial Statements	*4-5*
Notes forming part of Financial Statements	*6-18*

CAMBRIC CORPORATION, DELAWARE

DIRECTORS:

1. Mr. Patrick McGoldrick
2. Mr. Warren Harris
3. Mr. Praveen Kadle
4. Mr. Timothy P. Hayes
5. Mr. Merilee Hunt

REGISTERED: OFFICE

555 E Broadway, Suite 300
Salt Lake City, UT 84102
USA

TO THE MEMBERS OF
Cambric Corporation, Delaware

The Directors hereby present the Sixteenth Annual Report on the Business and Operations of the Company and Statement of Accounts for the year ended March 31, 2014.

1. FINANCIAL RESULTS

The Financial Results of the Company for the year ended March 31, 2014 are as follows:

	(In US $)	(In ₹)
Income	17,104,081	1,024,363,408
Profit for the year	168,420	10,086,680

2. OPERATIONS

Cambric Corporation is the main operating entity of the group and is the parent company of Cambric Limited, Cambric GmbH, Cambric Managed Services Inc and Cambric UK Ltd. Cambric Corporation employs US-based operational management as well as US-based engineering resources. Cambric Corporation is also responsible for marketing, sales, human resources and information technology. Cambric Corporation is the entity contracting with external customers to perform engineering services.

During the year the company registered a turnover of US $ 17,104,081 (₹1,024,363,408) and a profit of US $168,420 (₹10,086,680)

The company employes on an average 72 permanent and contractual employees as on March 31, 2014

3. DIVIDEND

Considering the overall financial performance of the Company, the Board of Directors have not recommended any dividend on equity capital of the Company during the year under reference.

4. POST BALANCE SHEET EVENTS

There have been no significant post balance sheet events, since the end of the financial year ended 31st March 2014, which have had a material effect on the financial position of the Company.

5. PUBLIC DEPOSITS

The Company has not accepted any deposits from the public.

6. CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION

The operations of the Company are such that they are not deemed as energy intensive. However, the Company constantly makes effort to avoid excessive consumption of energy and encourage conservation of energy.

7. AUDIT

The Company is not required to obtain an audit opinion as per local regulations. Therefore, the financial statements of the Company for the year ended March 31, 2014 has not been audited.

8. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to section 217 (2AA) of the companies Act, 1956 the directors, based on the representations received from the operating management, confirm that:-

1. in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;

2. they have, in selection of the accounting policies, applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that year;

3. they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;

4. they have prepared the annual accounts on a "going concern basis".

9. ACKNOWLEDGMENTS

Your Directors would like to express their heartfelt gratitude to all the customers, business partners and bankers for their continued support and association. The Directors also wish to thank the Government and all the statutory authorities for their support and co-operation.

The Directors would also like to place on record their appreciation of the dedicated, individual and collective contribution of all the employees in the overall growth and progress of the Company during the last year.

On behalf of the Board of Directors;

Mr. Warren Harris Director
Mr. Praveen Kadle Director
Mr. Timothy P. Hayes Director
Mr. Merilee Hunt Director
Mr. Patrick McGoldrick Director

Place: Salt Lake City, USA
Date: 2nd May, 2014

Cambric Corporation, Delaware
Balance Sheet as at MARCH 31, 2014

Particulars	Note No.	(Amount in USD) March 31, 2014	(Amount in ₹) March 31, 2014
I. EQUITY AND LIABILITIES			
(1) **Shareholders' Funds**			
(a) Share Capital	1	100	5,989
(b) Reserves and Surplus	2	7,593,642	454,783,230
		7,593,742	**454,789,219**
(2) **Current Liabilities**			
(a) Trade Payables		1,443,506	86,451,588
(b) Other Current Liabilities	3	189,776	11,365,660
(c) Short-term Provisions	4	203,364	12,179,467
		1,836,646	**109,996,715**
		9,430,388	**564,785,934**
II. ASSETS			
(1) **Non-current Assets**			
(a) Fixed Assets			
(i) Tangible Assets	5	163,029	9,763,798
(ii) Intangible Assets	6	561,948	33,655,063
		724,977	**43,418,861**
(b) Non-current Investments	7	2,730,753	163,544,802
		3,455,730	**206,963,663**
(2) **Current Assets**			
(a) Trade Receivables	8	3,011,306	180,347,134
(b) Cash and Bank Balances	9	1,797,856	107,673,619
(c) Other Current Assets	10	1,092,700	65,441,804
(d) Short-term loans and advances	11	27,593	1,652,551
(g) Current income tax assets		45,203	2,707,163
		5,974,658	**357,822,271**
		9,430,388	**564,785,934**
Significant Accounting Policies	18		

For and on behalf of the Board of Directors

Warren Harris	**Director**
Praveen Kadle	**Director**
Pat McGoldrick	**Director**
Timothy P. Hayes	**Director**
Merilee Hunt	**Director**

Place: Salt Lake City, USA
Date: 2nd May, 2014

Cambric Corporation, Delaware

Statement of Profit and Loss for the year ended March 31, 2014

	Particulars	Note No.	(Amount in USD) Year ended March 31, 2014	(Amount in ₹) Year ended March 31, 2014
I.	Revenue from Operations	12	16,972,055	1,016,456,367
II.	Other Income	13	132,026	7,907,041
III.	**Total Revenue (I + II)**		**17,104,081**	**1,024,363,408**
IV.	Expenses :			
	(a) Consultancy fees, Softwares and others	14	9,828,327	588,618,496
	(b) Employee Benefit Expense	15	5,746,153	344,137,119
	(c) Finance Cost	16	1,140	68,291
	(d) Depreciation and amortisation Expense	5 & 6	423,836	25,383,545
	(e) Other Expenses	17	934,737	55,981,373
	Total Expenses		**16,934,193**	**1,014,188,824**
V.	**Profit Before Tax (III-IV)**		**169,888**	**10,174,584**
VI.	Tax Expense :			
	(a) Current Tax		1,468	87,904
VII.	**Profit from continuing operations (V- VI)**		**168,420**	**10,086,680**
	Significant Accounting Policies	18		

For and on behalf of the Board of Directors

Warren Harris	**Director**
Praveen Kadle	**Director**
Pat McGoldrick	**Director**
Timothy P. Hayes	**Director**
Merilee Hunt	**Director**

Place: Salt Lake City, USA
Date: 2nd May, 2014

Cambric Corporation, Delaware
Notes forming part of financial statements

Note - 1

	(Amount in USD)	(Amount in ₹)
	March 31, 2014	**March 31, 2014**
SHARE CAPITAL		
Issued, subscribed and fully paid :		
10 Ordinary shares of USD 0.001 per share	**100**	**5,989**
	100	**5,989**

Cambric Corporation, Delaware
Notes forming part of financial statements

Note - 2

RESERVES AND SURPLUS **(Amount in USD)**

Particulars		As at March 31, 2013	Additions	Deductions	Adjustments	As at Mar 31, 2014
(a) Capital Reserve	[Note (i) below]	-	7,425,222	-	-	**7,425,222**
(b) Surplus i.e. balance in statement of Profit and Loss	[Note (ii) below]	-	168,420	-	-	**168,420**
		-	**7,593,642**	-	-	**7,593,642**

Notes:-

	(Amount in USD) 2013-2014 Additions	Deductions
(i) Changes in Capital Reserve		
(a) On account of acquisition by Tata Technologies Inc.	7,425,222	-
	7,425,222	**-**

	(Amount in USD) 2013-2014 Additions	Deductions
(ii) Changes in Statement of Profit and Loss :		
(a) Profit for the year	*168,420*	-
	168,420	**-**

Note - 2
RESERVES AND SURPLUS

(Amount in ₹)

Particulars		As at March 31, 2013	Additions	Deductions	Adjustments	As at Mar 31, 2014
(a) Capital Reserve	[Note (i) below]	-	444,696,550	-	-	**444,696,550**
(b) Surplus i.e. balance in statement of Profit and Loss	[Note (ii) below]	-	10,086,680	-	-	**10,086,680**
		-	**454,783,230**	-	-	**454,783,230**

Notes:-

	(Amount in ₹) 2013-2014 Additions	Deductions
(i) Changes in Capital Reserve		
(a) On account of acquisition by Tata Technologies Inc.	444,696,550	-
	444,696,550	**-**

	(Amount in ₹) 2013-2014 Additions	Deductions
(ii) Changes in Statement of Profit and Loss :		
(a) Profit for the year	*10,086,680*	-
	10,086,680	**-**

Cambric Corporation, Delaware
Notes forming part of financial statements

Note -3

	(Amount in USD	(Amount in ₹)
	March 31, 2014	**March 31, 2014**
OTHER CURRENT LIABILITIES		
(a) Income received in advance	181,319	10,859,173
(b) Statutory dues	6,227	372,952
(c) Advance and Progress payments	2,230	133,535
	189,776	**11,365,660**

Note -4

	(Amount in USD	(Amount in ₹)
	March 31, 2014	**March 31, 2014**
SHORT-TERM PROVISIONS		
(a) Provision for Employee benefits	203,364	12,179,467
	203,364	**12,179,467**

Cambric Corporation, Delaware
Notes forming part of financial statements

Note - 5

(Amount in USD)

	FIXED ASSETS	Cost as at April 1, 2013	Acquisition During 2013-14	Additions	Deductions	Translation Adjustment	Cost as at Mar 31, 2014	Accumulated depreciation up to April 1, 2013	Accumulated Depreciation on Acquisition During 2013-14	Depreciation for the year 2013-2014	Deductions	Translation Adjustment	Accumulated depreciation up to Mar 31, 2014	Net Book Value as at Mar 31, 2014	Net Book Value as at Mar 31, 2013
[A]	**TANGIBLE ASSETS**														
(a)	Plant & Machinery and Equipments	-	388,968	27,064	162,900	-	253,132	-	285,344	60,145	162,900	-	182,589	70,543	-
(b)	Furniture and fixtures	-	483,142	6,957	179,945	-	310,155	-	359,012	45,888	179,945	-	224,955	85,200	-
(c)	Vehicles	-	12,882	6,242	6,441	-	12,682	-	5,117	3,181	2,770	(132)	5,396	7,286	-
	Total	**-**	**884,992**	**40,263**	**349,286**	**-**	**575,969**	**-**	**649,473**	**109,214**	**345,615**	**(132)**	**412,940**	**163,029**	**-**

Note - 5

(Amount in ₹)

	FIXED ASSETS	Cost as at April 1, 2013	Acquisition During 2013-14	Additions	Deductions	Translation Adjustment	Cost as at Mar 31, 2014	Accumulated depreciation up to April 1, 2013	Accumulated Depreciation on Acquisition During 2013-14	Depreciation for the year 2013-2014	Deductions	Translation Adjustment	Accumulated depreciation up to Mar 31, 2014	Net Book Value as at Mar 31, 2014	Net Book Value as at Mar 31, 2013
[A]	**TANGIBLE ASSETS**														
(a)	Plant & Machinery and Equipments	-	23,295,280	1,620,875	9,756,096	-	15,160,059	-	17,089,243	3,602,088	9,756,096	-	10,935,235	4,224,824	-
(b)	Furniture and fixtures	-	28,935,362	416,673	10,776,876	-	18,575,158	-	21,501,210	2,748,237	10,776,876	-	13,472,571	5,102,588	-
(c)	Vehicles	-	771,474	373,810	385,737	-	759,547	-	306,476	190,535	165,920	(7,930)	323,161	436,386	-
	Total	**-**	**53,002,116**	**2,411,358**	**20,918,709**	**-**	**34,494,764**	**-**	**38,896,929**	**6,540,860**	**20,698,892**	**(7,930)**	**24,730,967**	**9,763,798**	**-**

Cambric Corporation, Delaware
Notes forming part of financial statements

Note -6

(Amount in USD)

	FIXED ASSETS	Cost as at April 1, 2013	Acquisition During 2013-14	Additions	Deductions	Translation Adjustments	Cost as at Mar 31, 2014	Accumulated amortisation as at April 1, 2013	Accumulated Amortisation on Acquisition During 2013-14	Amortisation for the year 2013-2014	Deductions	Translation Adjustments	Accumulated amortisation up to Mar 31, 2014	Net Book Value as at Mar 31, 2014	Net Book Value as at Mar 31, 2013
[B]	**INTANGIBLE ASSETS**														
(a)	Copyrights	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Software Licenses	-	1,507,626	-	331,635		1,175,991	-	631,056	314,623	331,636		614,044	561,948	-
	Total	**-**	**1,507,626**	**-**	**331,635**	**-**	**1,175,991**	**-**	**631,056**	**314,623**	**331,636**	**-**	**614,044**	**561,948**	**-**

Note -6

(Amount in ₹)

	FIXED ASSETS	Cost as at April 1, 2013	Acquisition During 2013-14	Additions	Deductions	Translation Adjustments	Cost as at Mar 31, 2014	Accumulated amortisation as at April 1, 2013	Accumulated Amortisation on Acquisition During 2013-14	Amortisation for the year 2013-2014	Deductions	Translation Adjustments	Accumulated amortisation up to Mar 31, 2014	Net Book Value as at Mar 31, 2014	Net Book Value as at Mar 31, 2013
[B]	**INTANGIBLE ASSETS**														
(a)	Copyrights	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Software Licenses	-	90,291,724	-	19,861,602	-	70,430,122	-	37,793,916	18,842,745	19,861,601	-	36,775,060	33,655,063	-
	Total	**-**	**90,291,724**	**-**	**19,861,602**	**-**	**70,430,122**	**-**	**37,793,916**	**18,842,745**	**19,861,601**	**-**	**36,775,060**	**33,655,063**	**-**

Cambric Corporation, Delaware
Notes forming part of financial statements

Note - 7	(Amount in USD)	(Amount in ₹)
	March 31, 2014	March 31, 2014
NON-CURRENT INVESTMENTS		
TRADE (UNQUOTED) - at cost		
1 **Subsidiaries (Details below)**	2,730,753	163,544,802
- Cambric Limited, Bahamas	2,700,000	161,703,000
- Cambric Consulting SRL, Romania	30,753	1,841,802
	2,730,753	**163,544,802**

Note - 8	(Amount in USD)	(Amount in ₹)
	March 31, 2014	March 31, 2014
TRADE RECEIVABLES		
(Unsecured, considered good unless otherwise stated)		
(a) Trade receivables due for a period exceeding six months		
Considered good	(8,402)	(503,205)
Considered doubtful	4,210	252,112
	(4,192)	(251,093)
Less : Allowances for doubtful debts	4,210	252,112
	(8,402)	**(503,205)**
(b) Other Trade Receivables		
Considered good	3,019,708	180,850,339
Considered doubtful	-	-
	3,019,708	180,850,339
Less : Allowances for doubtful debts	-	-
	3,019,708	**180,850,339**
	3,011,306	**180,347,134**

Cambric Corporation, Delaware
Notes forming part of financial statements

Note - 9	(Amount in USD)	(Amount in ₹)
	March 31, 2014	March 31, 2014
CASH AND BANK BALANCES		
(a) Cash on hand	607	36,361
(b) Current Account with banks	1,797,249	107,637,258
	1,797,856	**107,673,619**

Note - 10	(Amount in USD)	(Amount in ₹)
	March 31, 2014	March 31, 2014
OTHER CURRENT ASSETS		
(a) Advances to suppliers and contractors	14,626	875,949
and dues from government	8,388	502,351
(b) Prepaid expenses	63,596	3,808,737
(c) Unbilled Revenue	1,006,090	60,254,767
	1,092,700	**65,441,804**

Note - 11	(Amount in USD)	(Amount in ₹)
	March 31, 2014	March 31, 2014
SHORT TERM LOANS AND ADVANCES		
Unsecured (Considered Good)		
(a) Loans and Advances employees	10,000	598,907
(b) Security Deposits	17,593	1,053,644
	27,593	**1,652,551**

Cambric Corporation, Delaware
Notes forming part of financial statements

Note -12

	(Amount in USD)	(Amount in ₹)
	Year ended March 31, 2014	Year ended March 31, 2014
REVENUE FROM OPERATIONS		
(b) Sale of Services	16,972,055	1,016,456,367
	16,972,055	**1,016,456,367**

Note - 13

	(Amount in USD)	(Amount in ₹)
	Year ended March 31, 2014	Year ended March 31, 2014
OTHER INCOME		
(e) Other non-operating Income	132,026	7,907,041
	132,026	**7,907,041**

Note - 14

	(Amount in USD)	(Amount in ₹)
	Year ended March 31, 2014	Year ended March 31, 2014
CONSULTANCY FEES, SOFTWARES AND OTHERS		
(a) Outsourcing Charges	9,759,207	584,478,935
(b) Professional Fees	69,120	4,139,561
	9,828,327	**588,618,496**

Cambric Corporation, Delaware
Notes forming part of financial statements

Note - 15

	(Amount in USD) Year ended March 31, 2014	(Amount in ₹) Year ended March 31, 2014
EMPLOYEE BENEFIT EXPENSE		
(a) Salaries and Wages	5,662,873	339,149,444
(b) Staff welfare Expenses	83,280	4,987,675
	5,746,153	**344,137,119**

Note - 16

	(Amount in USD) Year ended March 31, 2014	(Amount in ₹) Year ended March 31, 2014
FINANCE COSTS		
(a) Interest Expense		
- Interest	1,140	68,291
	1,140	**68,291**

Note - 17

	(Amount in USD) Year ended March 31, 2014	(Amount in ₹) Year ended March 31, 2014
OTHER EXPENSES		
(a) Repairs & Maintenance		
- Buildings	4,732	283,408
(b) Rent	177,680	10,641,258
(c) Rates and Taxes	8,442	505,596
(d) Insurance	20,030	1,199,579
(e) Overseas Marketing Expenses	6,695	400,953
(f) Office Expenses	60,496	3,623,103
(g) Travelling & Conveyance	429,560	25,726,344
(h) Water Charges	4,341	259,984
(i) Staff Training and Seminar Expenses	3,290	197,051
(j) Staff Recruitment Expenses	19,517	1,168,894
(k) Foreign Currency (Gain)/Loss - (Net)	43,382	2,598,147
(l) Communication Expenses	95,073	5,693,930
(m) Bad Debts written off	8,083	484,105
(n) Miscellaneous Expenses	53,416	3,199,081.05
	934,737	**55,981,373**

Cambric Corporation, Delaware

Notes forming part of financial statements

Note 18

SIGNIFICANT ACCOUNTING POLICIES

1 Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention, in accordance with Indian Generally Accepted Accounting Principles (GAAP). GAAP comprises the mandatory accounting standards prescribed under Section 211(3C) of the Companies Act, 1956. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Use of Estimates

The preparation of the financial statements in conformity with GAAP requires the management of the Company (Management) to make estimates and assumptions that affect the reported amounts of revenue and expenses during the year and balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of financial statements. Provisions are made for all known losses and liabilities, future unforeseeable factors that may affect the profit on fixed price service contracts and also towards likely expenses for providing post-sales client support on such contracts.

1.3 Turnover

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts and other sales related taxes.

1.4 Revenue recognition

The Company acts as a reseller of hardware and software to the worldwide CAE community and provides services which include installation, training, product support, design services and consultancy. Hardware revenues are recognised when the hardware is delivered. Software revenues are recognised when a non-cancellable agreement has been signed and there are no uncertainties surrounding product acceptance, there are no significant vendor obligations, and the fees are fixed and determinable. Training, design services and consulting revenues are recognised as the services are performed. Support agreement revenues are recognised rateably over the support period except where the services of a third party are sold on. In this situation all revenue is recognised upfront.

1.5 Fixed assets and depreciation

Fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Short leasehold improvements	Period of lease
Plant and machinery	3–4 years
Furniture and Fixtures	4 years

1.6 Leasing

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.
Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.7 Inventories

Inventories are valued at lower of cost or net realizable value. Cost is ascertained on a moving weighted average basis.

1.8 Taxation

Current income tax expense is determined in accordance with tax laws applicable in countries where such operations are domiciled. Deferred tax expense or benefit is recognized on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognized only to the extent that there is virtual certainty that taxable income will be available to realize these assets. All other deferred tax assets are recognized only to the extent that there is reasonable certainty that future taxable income will be available to realize these assets.

1.9 Foreign currency translation

Income and expenses in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Monetary current assets and current liabilities that are denominated in foreign currency translated at the exchange rates prevalent as at the Balance Sheet date and the profit / loss so determined and also the realized exchange gains / losses are recognized in the Profit and Loss Account.

1.10 Impairment of Assets

At each balance sheet date, the Company reviews using internal resources the carrying amounts of its fixed assets to determine whether there is any indication that the assets suffered an impairment loss. If any such condition exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from continuing use of the asset and from its disposal are discounted to their present value using a pre tax rate that reflects the current market assessments of time value of money and the risks specific to the asset.
Reversal of impairment loss is recognized immediately as income in the Profit and Loss Account.

1.11 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. Borrowing costs are capitalized as part of the cost of a qualifying asset when it is probable that they will result in future economic benefits to the enterprise and the costs can be measured reliably. Other borrowing costs are recognized as an expense in the year in which they are incurred.

1.12 Provisions, contingent liabilities and contingent assets

A provision is recognized when the Company has present obligation as a result of past event and its probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. The provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect current best estimates. Contingent liabilities are not recognized in the financial statements. A contingent asset is neither recognized nor disclosed in the financial statements.

2. NOTES TO ACCOUNTS

2.1 Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is US $ Nil (₹ Nil) as at March 31, 2014.

2.2 Contingent liabilities

There were no contingent liabilities as at 31st March 2014.

2.3 Provision for Taxes

The provision for taxation pertains to tax liability as applicable to the jurisdictions of the country in which the Company operates. The provision for taxation for the current year has been computed by the management in consultation with the tax advisors to the Company.

2.4 Obligation towards non-cancellable Operating Lease

Particulars	**March 31, 2014 (US $)**	**March 31, 2014 (₹)**
The Total of Minimum lease payments for a period:	605,486	36,262,556
Due not later than one year	197,685	11,839,354
Later than one year but not later than five years	407,801	24,423,202
Later than five years	-	-
The total charge to the Statement of Profit & Loss	177,680	10,641,258

2.5 Related Party disclosures
A statement of transactions with related parties has been attached herewith.

Particulars	Nature of Transaction	TTUS # ($)	TTUS # (₹)
Income	**Income received by the Reporting Enterprise** Income received from services	183,654	10,999,014
Expenses	**Expenses paid by the Reporting Enterprise** Expenses paid	131,274	7,861,972
Payables	**Dues Payable by the Reporting Enterprise as on the date of the Reporting Period** Due Payable and outstanding on Supplies and services	105,489	6,317,749
Receivables	**Dues Receivable by the Reporting Enterprise as on the date of the Reporting Period** Dues Receivable on Supplies and Services	137,289	8,222,211

 # TTUS: Tata Technologies Inc., USA (Parent Company)

2.6 Conversion into Indian Rupees

The financial information is expressed in US $ only in the audited Accounting packs based on which the attached financial statements have been reformatted. Solely for the convenience of the reader and to meet the requirement of section 212 of the Indian Companies Act, the amounts appearing in Indian Rupees have been translated at a fixed exchange rate of 1 US $ = ₹59.8900 as on March 31, 2014. These translations should not be construed as a representation that any or all the amounts could be converted to Indian Rupees at this or any other rate.

2.7 The above Financial Statements are prepared from the internally prepared accounts of the Company. These accounts are audited by Deloitte Haskins & Sells in order to give an audit opinion in relation to the consolidated accounts of the ultimate holding company i.e. Tata Technologies Limited. However, no separate audit report is issued in respect of the Company. An audit report for the ultimate holding company is issued by Deloitte Haskins & Sells and is included in its financial statement.

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CAMBRIC LIMITED

ANNUAL REPORT 2013-14

CAMBRIC LIMITED

Directors of the Company	*1*
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CAMBRIC LIMITED

DIRECTORS:
1. Mr. Timothy P. Hayes
2. Mr. Merilee Hunt

REGISTERED OFFICE:
C/o H&J Corporate Services Ltd.
Ocean Centre, Montagu Foreshore
East Bay Street
PO Box SS-19084
Nassau, Bahamas

TO THE MEMBERS OF
Cambric Limited

The Directors hereby present the Seventeenth Annual Report on the Business and Operations of the Company and Statement of Accounts for the year ended March 31, 2014.

1. FINANCIAL RESULTS

The Financial Results of the Company for the year ended March 31, 2014 are as follows:

	(In US $)	(In ₹)
Income	666,200	39,898,718
Loss for the year	29,777	1,783,369

2. OPERATIONS

Cambric Limited was formed in 1997. Cambric Limited holds the majority of the engineering software licenses that are used by the group. It wholly owns Cambric Consulting SRL, Romania.

During the year the company registered a turnover of US $ 666,200 (₹ 39,898,718) and a loss of US $ 29,777 (₹ 1,783,369)

There are no employees as on March 31, 2014

3. DIVIDEND

Considering the overall financial performance of the Company, the Board of Directors have not recommended any dividend on equity capital of the Company during the year under reference.

4. POST BALANCE SHEET EVENTS

There have been no significant post balance sheet events, since the end of the financial year ended 31st March 2014, which have had a material effect on the financial position of the Company.

5. PUBLIC DEPOSITS

The Company has not accepted any deposits from the public.

6. CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION

The operations of the Company are such that they are not deemed as energy intensive. However, the Company constantly makes effort to avoid excessive consumption of energy and encourage conservation of energy.

7. AUDIT

The Company is not required to obtain an audit opinion as per local regulations. Therefore, the financial statements of the Company for the year ended March 31, 2014 has not been audited.

8. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to section 217 (2AA) of the companies Act, 1956 the directors, based on the representations received from the operating management, confirm that:-

1. in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;

2. they have, in selection of the accounting policies, applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that year;

3. they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;

4. they have prepared the annual accounts on a "going concern basis".

9. ACKNOWLEDGMENTS

Your Directors would like to express their heartfelt gratitude to all the customers, business partners and bankers for their continued support and association. The Directors also wish to thank the Government and all the statutory authorities for their support and co-operation.

The Directors would also like to place on record their appreciation of the dedicated, individual and collective contribution of all the employees in the overall growth and progress of the Company during the last year.

On behalf of the Board of Directors;

Mr. Timothy P. Hayes Director
Mr. Merilee Hunt Director

Place: Bahamas

Date: 2nd May, 2014

Cambric Limited, Bahama
Balance Sheet as at MAR 31, 2014

Particulars	Note No.	(Amount in USD) March 31, 2014	(Amount in ₹) March 31, 2014
I. EQUITY AND LIABILITIES			
(1) **Shareholders' Funds**			
(a) Share Capital	1	2,700,000	161,703,000
(b) Reserves and Surplus	2	(26,498)	(1,586,988)
		2,673,502	**160,116,012**
		2,673,502	**160,116,012**
II. ASSETS			
(1) **Non-current Assets**			
(a) Fixed Assets			
(ii) Intangible Assets	3	131,977	7,904,130
		131,977	**7,904,130**
(b) Goodwill on Acquisition		198,393	11,881,748
(c) Non-current Investments	4	1,641,311	98,298,122
		1,971,681	**118,084,000**
(2) **Current Assets**			
(a) Trade Receivables	5	381,533	22,850,012
(b) Cash and Bank Balances	6	45,685	2,736,089
(c) Other Current Assets	7	274,602	16,445,911
		701,820	**42,032,012**
		2,673,502	**160,116,012**
Significant Accounting Policies	12		

For and on behalf of the Board of Directors

Timothy P. Hayes **Director**
Merilee Hunt **Director**

Place: Bahamas
Date: 2nd May, 2014

Cambric Limited, Bahama

Statement of Profit and Loss for the year ended March 31, 2014

	Particulars	Note No.	(Amount in USD) Year ended March 31, 2014	(Amount in ₹) Year ended March 31, 2014
I.	Revenue from Operations	8	659,513	39,498,234
II.	Other Income	9	6,687	400,484
III.	**Total Revenue (I + II)**		**666,200**	**39,898,718**
IV.	Expenses :			
	(a) Consultancy fees, Softwares and others	10	543,209	32,532,808
	(b) Amortisation Expense	3	151,391	9,066,810
	(c) Other Expenses	11	1,377	82,469
	Total Expenses		**695,977**	**41,682,087**
V.	**Loss Before Tax (III-IV)**		**(29,777)**	**(1,783,369)**
VI.	Tax Expense :			
	(a) Current Tax		-	-
	(b) Earlier Year		-	-
	(c) Deferred Tax		-	-
			-	**-**
VII.	**Loss from continuing operations (V- VI)**		**(29,777)**	**(1,783,369)**
	Significant Accounting Policies	12		

For and on behalf of the Board of Directors

Timothy P. Hayes **Director**
Merilee Hunt **Director**

Place: Bahamas
Date: 2nd May, 2014

Cambric Limited, Bahama
Notes forming part of financial statements

Note - 1

	(Amount in USD)	(Amount in ₹)
	March 31, 2014	**Mar 31, 2013**
SHARE CAPITAL		
Issued, subscribed and fully paid :		
5000 ordinary shares of USD 1 per share	2,700,000	161,703,000
	2,700,000	**161,703,000**

Cambric Limited, Bahama
Notes forming part of financial statements

Note -2

RESERVES AND SURPLUS **(Amount in USD)**

Particulars		As at March 31, 2013	Additions	Deductions	Adjustments	Translation Adjustment	As at Mar 31, 2014
(a) Surplus i.e. balance in statement of Profit and Loss	[Note (i) below]	-	(26,498)	-	-	-	(26,498)
		-	**(26,498)**	**-**	**-**	**-**	**(26,498)**

Notes:-	(Amount in USD) *2013-2014*	
	Additions	*Deductions*
(i) Changes in Statement of Profit and Loss :		
(a) Loss for the year	*(29,777)*	-
(b) Dividend from Cambric Armenia	*3,279*	-
	(26,498)	**-**

Note -2

RESERVES AND SURPLUS **(Amount in ₹)**

Particulars		As at March 31, 2013	Additions	Deductions	Adjustments	Translation Adjustment	As at Mar 31, 2014
(a) Surplus i.e. balance in statement of Profit and Loss	[Note (i) below]	-	(1,586,988)	-	-	-	(1,586,988)
		-	**(1,586,988)**	**-**	**-**	**-**	**(1,586,988)**

Notes:-	(Amount in ₹) *2013-2014*	
	Additions	*Deductions*
(i) Changes in Statement of Profit and Loss :		
(a) Loss for the year	*(1,783,369)*	-
(b) Dividend from Cambric Armenia	*196,381*	-
	(1,586,988)	**-**

Cambric Limited, Bahama
Notes forming part of financial statements

Note - 3

(Amount in USD)

FIXED ASSETS	Cost as at April 1, 2013	Acquisition During 2013-14	Additions	Deductions	Translation Adjustments	Cost as at Mar 31, 2014	Accumulated depreciation / amortisation as at April 1, 2013	Accumulated Depreciation on Acquisition During 2013-14	Depreciation / Amortisation for the year 2013-2014	Deductions	Translation Adjustments	Accumulated depreciation / amortisation up to Mar 31, 2014	Net Book Value as at Mar 31, 2014	Net Book Value as at Mar 31, 2013
[A] INTANGIBLE ASSETS														
Software Licenses	-	***1,755,972***	23,939	-	-	*1,779,911*		***1,496,543***	151,391			*1,647,933*	***131,977***	-
Total	**-**	**1,755,972**	**23,939**	**-**	**-**	**1,779,911**	**-**	**1,496,543**	**151,391**	**-**	**-**	**1,647,933**	**131,977**	**-**

Note - 3

(Amount in ₹)

FIXED ASSETS	Cost as at April 1, 2013	Acquisition During 2013-14	Additions	Deductions	Translation Adjustments	Cost as at Mar 31, 2014	Accumulated depreciation / amortisation as at April 1, 2013	Accumulated Depreciation on Acquisition During 2013-14	Depreciation / Amortisation for the year 2013-2014	Deductions	Translation Adjustments	Accumulated depreciation / amortisation up to Mar 31, 2014	Net Book Value as at Mar 31, 2014	Net Book Value as at Mar 31, 2013
[A] INTANGIBLE ASSETS														
Software Licenses	-	105,165,152	1,433,707	-	-	106,598,859	-	89,627,979	9,066,810	-	-	98,694,728	7,904,130	-
Total	**-**	**105,165,152**	**1,433,707**	**-**	**-**	**106,598,859**	**-**	**89,627,979**	**9,066,810**	**-**	**-**	**98,694,728**	**7,904,130**	**-**

Cambric Limited, Bahama
Notes forming part of financial statements

Note - 4	(Amount in USD)	(Amount in ₹)
	As at March 31, 2014	As at March 31, 2014
NON-CURRENT INVESTMENTS		
TRADE (UNQUOTED) - at cost		
1 Subsidiaries (Details below)	1,641,311	**98,298,122**
- Cambric Consulting SRL, Romania	*1,641,311*	*98,298,122*
	1,641,311	**98,298,122**

Note - 5	(Amount in USD)	(Amount in ₹)
	March 31, 2014	March 31, 2014
TRADE RECEIVABLES		
(Unsecured, considered good unless otherwise stated)		
(a) Trade receivables due for a period exceeding six months		
Considered good	-	-
Considered doubtful	-	-
	-	-
Less : Allowances for doubtful debts	-	
	-	**-**
(b) Other Trade Receivables		
Considered good	381,533	22,850,012
Considered doubtful	-	-
	381,533	22,850,012
Less : Allowances for doubtful debts	-	-
	381,533	**22,850,012**
	381,533	**22,850,012**

Note - 6	(Amount in USD)	(Amount in ₹)
	As at March 31, 2014	As at March 31, 2014
CASH AND BANK BALANCES		
(a) Current Account with banks	45,685	2,736,089
	45,685	**2,736,089**

Cambric Limited, Bahama
Notes forming part of financial statements

Note - 7

	(Amount in USD)	(Amount in ₹)
	March 31, 2014	**March 31, 2014**
OTHER CURRENT ASSETS		
(a) Prepaid expenses	274,602	16,445,911
	274,602	**16,445,911**

Cambric Limited, Bahama
Notes forming part of financial statements

Note - 8

	(Amount in USD)	(Amount in ₹)
	Year ended March 31, 2014	Year ended March 31, 2014
REVENUE FROM OPERATIONS		
(a) Sale of Services	659,513	39,498,234
	659,513	**39,498,234**

Note - 9

	(Amount in USD)	(Amount in ₹)
	Year ended March 31, 2014	Year ended March 31, 2014
OTHER INCOME		
(a) Interest income-Others	6,687	400,484
	6,687	**400,484**

Note - 10

	(Amount in USD)	(Amount in ₹)
	Year ended March 31, 2014	Year ended March 31, 2014
CONSULTANCY FEES, SOFTWARES AND OTHERS		
(a) Software-internal use	542,178	32,471,011
(b) Professional Fees	1,031	61,797.01
	543,209	**32,532,808**

Note - 11

	(Amount in USD)	(Amount in ₹)
	Year ended March 31, 2014	Year ended March 31, 2014
OTHER EXPENSES		
(a) Miscellaneous Expenses	1,377	82,469
	1,377	**82,469**

Seventeenth annual report 2013-14

Cambric Limited

Notes forming part of financial statements

Note 12

SIGNIFICANT ACCOUNTING POLICIES

1 Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention, in accordance with Indian Generally Accepted Accounting Principles (GAAP). GAAP comprises the mandatory accounting standards prescribed under Section 211(3C) of the Companies Act, 1956. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

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Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts and other sales related taxes.

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1.5 Fixed assets and depreciation

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Short leasehold improvements	Period of lease
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Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.
Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

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Inventories are valued at lower of cost or net realizable value. Cost is ascertained on a moving weighted average basis.

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Current income tax expense is determined in accordance with tax laws applicable in countries where such operations are domiciled. Deferred tax expense or benefit is recognized on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognized only to the extent that there is virtual certainty that taxable income will be available to realize these assets. All other deferred tax assets are recognized only to the extent that there is reasonable certainty that future taxable income will be available to realize these assets.

1.9 Foreign currency translation

Income and expenses in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Monetary current assets and current liabilities that are denominated in foreign currency translated at the exchange rates prevalent as at the Balance Sheet date and the profit / loss so determined and also the realized exchange gains / losses are recognized in the Profit and Loss Account.

1.10 Impairment of Assets

At each balance sheet date, the Company reviews using internal resources the carrying amounts of its fixed assets to determine whether there is any indication that the assets suffered an impairment loss. If any such condition exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from continuing use of the asset and from its disposal are discounted to their present value using a pre tax rate that reflects the current market assessments of time value of money and the risks specific to the asset.
Reversal of impairment loss is recognized immediately as income in the Profit and Loss Account.

1.11 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. Borrowing costs are capitalized as part of the cost of a qualifying asset when it is probable that they will result in future economic benefits to the enterprise and the costs can be measured reliably. Other borrowing costs are recognized as an expense in the year in which they are incurred.

1.12 Provisions, contingent liabilities and contingent assets

A provision is recognized when the Company has present obligation as a result of past event and its probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. The provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect current best estimates. Contingent liabilities are not recognized in the financial statements. A contingent asset is neither recognized nor disclosed in the financial statements.

2. NOTES TO ACCOUNTS

2.1 Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is US $ Nil (₹ Nil) as at March 31, 2014.

2.2 Contingent liabilities

There were no contingent liabilities as at 31st March 2014.

2.3 Provision for Taxes

The provision for taxation pertains to tax liability as applicable to the jurisdictions of the country in which the Company operates. The provision for taxation for the current year has been computed by the management in consultation with the tax advisors to the Company.

2.4 Conversion into Indian Rupees

The financial information is expressed in US $ only in the audited Accounting packs based on which the attached financial statements have been reformatted. Solely for the convenience of the reader and to meet the requirement of section 212 of the Indian Companies Act, the amounts appearing in Indian Rupees have been translated at a fixed exchange rate of 1 US $ = ₹59.8900 as on March 31, 2014. These translations should not be construed as a representation that any or all the amounts could be converted to Indian Rupees at this or any other rate.

2.5 The above Financial Statements are prepared from the internally prepared accounts of the Company. These accounts are audited by Deloitte Haskins & Sells in order to give an audit opinion in relation to the consolidated accounts of the ultimate holding company i.e. Tata Technologies Limited. However, no separate audit report is issued in respect of the Company. An audit report for the ultimate holding company is issued by Deloitte Haskins & Sells and is included in its financial statement.

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CAMBRIC CONSULTING SRL, ROMANIA

ANNUAL REPORT 2013-14

CAMBRIC CONSULTING SRL, ROMANIA

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CAMBRIC CONSULTING SRL, ROMANIA

SOLE ADMINISTRATOR Mr. Timothy P. Hayes

REGISTERED:
OFFICE
Str. Branduselor, No. 84
Brasov, 500397
Romania

TO THE MEMBERS OF
Cambric Consulting SRL, Romania

The Directors hereby present the Seventeenth Annual Report on the Business and Operations of the Company and Statement of Accounts for the year ended March 31, 2014.

1. FINANCIAL RESULTS

The Financial Results of the Company for the year ended March 31, 2014 are as follows:

	(In US $)	(In ₹)
Income	7,267,468	435,248,684
Profit for the year	177,993	10,660,049

2. OPERATIONS

Cambric Consulting Romania is an engineering production entity with locations in Brasov, Craiova, and Iasi Romania. The entity is 100% dedicated to providing engineering services to Cambric entities. It was formed in 1997. It does not perform individual sales and marketing and only has management responsibility specific to its operations.

During the year the company registered a turnover of US $ 7,267,468 (₹435,248,684) and a profit of US $177,993 (₹10,660,049)

The company employes on an average 312 permanent and contractual employees as on March 31, 2014

3. DIVIDEND

Considering the overall financial performance of the Company, the Board of Directors have not recommended any dividend on equity capital of the Company during the year under reference.

4. POST BALANCE SHEET EVENTS

There have been no significant post balance sheet events, since the end of the financial year ended 31st March 2014, which have had a material effect on the financial position of the Company.

5. PUBLIC DEPOSITS

The Company has not accepted any deposits from the public.

6. CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION

The operations of the Company are such that they are not deemed as energy intensive. However, the Company constantly makes effort to avoid excessive consumption of energy and encourage conservation of energy.

7. AUDIT

The Company is not required to obtain an audit opinion as per local regulations. Therefore, the financial statements of the Company for the year ended March 31, 2014 has not been audited.

8. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to section 217 (2AA) of the companies Act, 1956 the directors, based on the representations received from the operating management, confirm that:-

1. in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;

2. they have, in selection of the accounting policies, applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that year;

3. they have taken proper and s ufficient care, to the best of their knowledge and ability, for the maintenance of a dequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;

4. they have prepared the annual accounts on a "going concern basis".

9. ACKNOWLEDGMENTS

Your Directors would like to express their heartfelt gratitude to all the customers, business partners and bankers for their continued support and association. The Directors also wish to thank the Government and all the statutory authorities for their support and co-operation.

The Directors would also like to place on record their appreciation of the dedicated, individual and collective contribution of all the employees in the overall growth and progress of the Company during the last year.

On behalf of the Board of Directors;

Mr. Timothy P. Hayes Sole Administrator

Place: Romania
Date: 2nd May, 2014

CAMBRIC CONSULTING SRL, ROMANIA

Balance Sheet as at March 31, 2014

Particulars	Schedule No	(Amount in $) Mar 31, 2014	(Amount in ₹) Mar 31, 2014
I. EQUITY AND LIABILITIES			
(1) **Shareholders' Funds**			
(a) Share Capital	1	1,641,234	98,293,525
(b) Reserves and Surplus	2	242,336	14,513,524
		1,883,570	**112,807,049**
(2) **Current Liabilities**			-
(a) Trade Payables		617,998	37,011,767.43
(b) Short-term Provisions	3	107,367	6,430,194
(c) Current income tax liabilities		14,740	882,786
		740,105	**44,324,748**
		2,623,675	**157,131,797**
II. ASSETS			
(1) **Non-current Assets**			
(a) Fixed Assets			
(i) Tangible Assets	4	158,886	9,515,683
(ii) Intangible Assets	5	268	16,022
(iii) Capital Work-in-progress		13,367	800,520
		172,521	**10,332,225**
(b) Goodwill on acquisition		**1,574,716**	**94,309,733**
		1,747,237	**104,641,958**
(2) **Current Assets**			-
(a) Trade Receivables	6	698,608	41,839,612
(b) Cash and Bank Balances	7	112,601	6,743,658
(c) Other Current Assets	8	65,051	3,895,890
(d) Short-term loans and advances	9	178	10,679
		876,438	**52,489,839**
		2,623,675	**157,131,797**
Significant Accounting Policies	10		

For and on behalf of the Board

Timothy P Hayes
Sole Administrator

Date: May 02, 2014
Place: Romania

CAMBRIC CONSULTING SRL, ROMANIA

Profit and Loss Statement for the year ended March 31, 2014

	Particulars	Schedule No	(Amount in $) Mar 31, 2014	(Amount in ₹) Mar 31, 2014
I.	Revenue from Operations	A	7,255,484	434,530,950
II.	Other Income	B	11,984	717,734
III.	**Total Revenue**		**7,267,468**	**435,248,684**
IV.	Expenses :			
	(a) Consultancy fees, Softwares and others	C	1,445,305	86,559,290
	(b) Employee Benefit Expense	D	4,793,244	287,067,394
	(c) Depreciation and amortisation Expense	4&5	154,579	9,257,730
	(d) Other Expenses	E	646,114	38,695,784
	Total Expenses		**7,039,242**	**421,580,198**
V.	**Profit Before Tax (III - IV)**		**228,226**	**13,668,486**
VI.	Tax Expense :			
	(a) Current Tax		50,233	3,008,437
VII.	**Profit from continuing operations (V - VI)**		**177,993**	**10,660,049**
	Significant Accounting Policies	10		

For and on behalf of the Board

Timothy P. Hayes
Sole Administrator

Date: May 02, 2014
Place: Romania

Notes forming part of Financial Statements

SCHEDULE - 1	(Amount in $)	(Amount in ₹)
	Mar 31, 2014	Mar 31, 2014
SHARE CAPITAL		
Issued, subscribed and fully paid :		
307,382 Equity interests of 10 RON per Equity interest	1,641,234	98,293,525
	1,641,234	**98,293,525**

Notes forming part of Financial Statements

SCHEDULE - 2

RESERVES AND SURPLUS (Amount in $)

Particulars		As at March 31, 2013	Additions	Deductions	Adjustments	Translation Adjustment	As at Mar 31, 2014
(a) Translation Reserves		-	20,542	-	-	-	20,542
(b) Surplus i.e. balance in statement of Profit and Loss	[Note (i) below]	-	177,993	15,644	-	-	162,349
(c) Legal Reserves	[Note (ii) below]	-	59,445	-	-	-	59,445
		-	257,980	15,644	-	-	242,336

Notes:-

(i) Changes in Statement of Profit and Loss :	*2013-2014*		*2012-2013*	
(a) Profit for the year	*177,993*			
(b) Transfer to Legal Reserve	-	*15,644*		-
	177,993	*15,644*	-	-

(ii) Changes in Legal Reserve :	*2013-2014*		*2012-2013*	
(a) Amount transferred from Profit and Loss Account - Opening Reserve	*43,801*	-	-	-
(b) Transfer from Statement of Profit and Loss	*15,644*			
	59,445	-	-	-

RESERVES AND SURPLUS (Amount in ₹)

Particulars		As at March 31, 2013	Additions	Deductions	Adjustments	Translation Adjustment	As at Mar 31, 2014
(a) Translation Reserves		-	1,230,276	-	-	-	1,230,276
(b) Surplus i.e. balance in statement of Profit and Loss	[Note (i) below]	-	10,659,989	936,919	-	-	9,723,070
(c) Legal Reserves		-	3,560,177	-	-	-	3,560,177
		-	15,450,443	936,919	-	-	14,513,524

Notes:-

(i) Changes in Statement of Profit and Loss :	*2013-2014*		*2012-2013*	
(a) Profit for the year	*10,659,989*	-		
(b) Transfer to Legal Reserve	-	*936,919*		-
	10,659,989	*936,919*	-	-

(ii) Changes in Legal Reserve :	*2013-2014*		*2012-2013*	
(a) Amount transferred from Profit and Loss Account - Opening Reserve	*2,623,258*	-	-	-
(b) Transfer from Statement of Profit and Loss	*936,919*			
	3,560,177	-	-	-

Notes forming part of Financial Statements

SCHEDULE - 3	(Amount in $)	(Amount in ₹)
	Mar 31, 2014	Mar 31, 2014
SHORT-TERM PROVISIONS		
(a) Provision for Employee benefits	107,367	6,430,194
	107,367	**6,430,194**

Notes forming part of Financial Statements

SCHEDULE - 4

(Amount in $)

	FIXED ASSETS	Cost as at April 1, 2013	Acquisition During 2013-14	Additions	Deductions	Translation Adjustments	Cost as at Mar 31, 2014	Accumulated depreciation as at April 1, 2013	Accumulated Depreciation on Acquisition During 2013-14	Depreciation for the year 2013-2014	Deductions	Translation Adjustments	Accumulated depreciation / amortisation up to Mar 31, 2014	Net Book Value as at Mar 31, 2014	Net Book Value as at Mar 31, 2013
[A]	TANGIBLE ASSETS														
(a)	Plant & Machinery and Equipments	-	1,040,703	50,230	-	14,075	1,105,008		830,639	122,307	-	14,023	966,969	138,039	-
(b)	Furniture and fixtures	-	170,705	-	-	2,309	173,014		132,930	17,051	-	2,186	152,167	20,847	-
	Total	-	1,211,408	50,230	-	16,384	1,278,022		963,569	139,358	-	16,209	1,119,136	158,886	-

(Amount in ₹)

	FIXED ASSETS	Cost as at April 1, 2013	Acquisition During 2013-14	Additions	Deductions	Translation Adjustments	Cost as at Mar 31, 2014	Accumulated depreciation as at April 1, 2013	Accumulated Depreciation on Acquisition During 2013-14	Depreciation / Amortisation for the year 2013-2014	Deductions	Translation Adjustments	Accumulated depreciation / amortisation up to Mar 31, 2014	Net Book Value as at Mar 31, 2014	Net Book Value as at Mar 31, 2013
[A]	TANGIBLE ASSETS														
(a)	Plant & Machinery and Equipments	-	62,327,676	3,008,288	-	842,931	66,178,895		49,746,997	7,324,939	-	839,862	57,911,798	8,267,097	-
(b)	Furniture and fixtures	-	10,223,551	-	-	138,265	10,361,816		7,961,157	1,021,176	-	130,897	9,113,230	1,248,586	-
	Total	-	72,551,227	3,008,288	-	981,196	76,540,711		57,708,154	8,346,115	-	970,759	67,025,028	9,515,683	-

Notes forming part of Financial Statements

SCHEDULE - 5

(Amount in $)

	FIXED ASSETS	Cost as at April 1, 2013	Acquisition During 2013-14	Additions	Deductions	Translation Adjustments	Cost as at Mar 31, 2014	Accumulated amortisation as at April 1, 2013	Accumulated Depreciation on Acquisition During 2013-14	Amortisation for the year 2013-2014	Deductions	Translation Adjustments	Accumulated amortisation up to Mar 31, 2014	Net Book Value as at Mar 31, 2014	Net Book Value as at Mar 31, 2013
[B]	INTANGIBLE ASSETS														
(a)	Software Licenses	-	228,568	-	-	3,091	231,659	-	212,939	15,221	-	3,232	231,392	268	-
	Total	-	228,568	-	-	3,091	231,659	-	212,939	15,221	-	3,232	231,392	268	-

(Amount in ₹)

	FIXED ASSETS	Cost as at April 1, 2013	Additions	Additions	Deductions	Translation Adjustments	Cost as at Mar 31, 2014	Accumulated amortisation as at April 1, 2013	Accumulated Depreciation on Acquisition During 2013-14	Amortisation for the year 2013-2014	Deductions	Translation Adjustments	Accumulated amortisation up to Mar 31, 2014	Net Book Value as at Mar 31, 2014	Net Book Value as at Mar 31, 2013
[B]	INTANGIBLE ASSETS														
(a)	Software Licenses	-	13,688,951	-	-	185,132	13,874,083	-	12,752,908	911,615	-	193,538	13,858,061	16,022	-
	Total	-	13,688,951	-	-	185,132	13,874,083	-	12,752,908	911,615	-	193,538	13,858,061	16,022	-

Notes forming part of Financial Statements

SCHEDULE - 6	(Amount in $) Mar 31, 2014	(Amount in ₹) Mar 31, 2014
TRADE RECEIVABLES		
(Unsecured, considered good unless otherwise stated)		
(a) Trade receivables due for a period exceeding six months		
Considered good	-	
Considered doubtful	-	
	-	-
Less : Allowances for doubtful debts	-	
	-	-
(b) Other Trade Receivables		
Considered good	698,608	41,839,612
Considered doubtful	-	-
	698,608	41,839,612
Less : Allowances for doubtful debts	-	-
	698,608	**41,839,612**
		-
		-
	698,608	**41,839,612**

SCHEDULE - 7		
CASH AND BANK BALANCES		
(A) Cash and Cash Equivalents		
(a) Cash on hand	861	51,579
(b) Current Account with banks [Note (i) to (ii)]	25,497	1,526,997
(c) Bank Deposits less than 3 months maturity	86,243	5,165,082
	112,601	**6,743,658**

SCHEDULE - 8		
OTHER CURRENT ASSETS		
(a) VAT, other taxes recoverable, statutory deposits and dues from government	56,121	3,361,059
(b) Prepaid expenses	8,930	534,831
	65,051	**3,895,890**

SCHEDULE - 9		
SHORT TERM LOANS AND ADVANCES		
Unsecured (Considered Good)		
(a) Loans and Advances employees	0	7
(b) Security Deposits	178	10,672
	178	**10,679**

Notes forming part of Financial Statements

SCHEDULE - A

	(Amount in $)	(Amount in ₹)
	Mar 31, 2014	Mar 31, 2014
REVENUE FROM OPERATIONS		
(a) Sale of Services	7,255,484	434,530,950
	7,255,484	**434,530,950**

SCHEDULE - B

OTHER INCOME		
(a) Interest income-Others	1,027	61,522
(b) Other non-operating Income	10,957	656,212
	11,984	**717,734**

SCHEDULE - C

CONSULTANCY FEES, SOFTWARES AND OTHERS		
(a) Outsourcing Charges	1,423,972	85,281,704
(b) Software-internal use	17,994	1,077,682
(c) Professional Fees	3,339	199,904
	1,445,305	**86,559,290**

Notes forming part of Financial Statements

SCHEDULE - D

	(Amount in $) Mar 31, 2014	(Amount in ₹) Mar 31, 2014
EMPLOYEE BENEFIT EXPENSE		
(a) Salaries and Wages	4,637,972	277,768,131
(b) Staff welfare Expenses	155,272	9,299,263
	4,793,244	**287,067,394**

SCHEDULE - E

OTHER EXPENSES		
(a) Repairs & Maintenance - Building	2,207	132,193
(b) Rent	333,954	20,000,499
(c) Rates and Taxes	3,130	187,452
(d) Insurance	372	22,283
(e) Overseas Marketing Expenses	199	11,940
(f) Office Expenses	62,909	3,767,648
(g) Travelling & Conveyance	32,039	1,918,805
(h) Water Charges	137,117	8,211,962
(i) Auditors Remuneration	8,750	524,046
(j) Staff Training and Seminar Expenses	3,737	223,789
(k) Staff Recruitment Expenses	1,175	70,389
(l) Foreign Currency (Gain)/Loss - (Net)	3,793	227,170
(m) Communication Expenses	36,486	2,185,130
(n) Miscellaneous Expenses	20,246	1,212,478
	646,114	**38,695,784**

Seventeenth annual report 2013-14

Cambric Consulting SRL, Romania

Notes forming part of financial statements

Note 10

SIGNIFICANT ACCOUNTING POLICIES

1 Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention, in accordance with Indian Generally Accepted Accounting Principles (GAAP). GAAP comprises the mandatory accounting standards prescribed under Section 211(3C) of the Companies Act, 1956. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Use of Estimates

The preparation of the financial statements in conformity with GAAP requires the management of the Company (Management) to make estimates and as sumptions that affect the reported amounts of revenue and expenses during the year and balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of financial statements. Provisions are made for all known losses and liabilities, future unforeseeable factors that may affect the profit on fixed price service contracts and also towards likely expenses for providing post-sales client support on such contracts.

1.3 Turnover

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts and other sales related taxes.

1.4 Revenue recognition

The Company acts as a reseller of hardware and software to the worldwide CAE community and provides services which include installation, training, product support, design services and consultancy. Hardware revenues are recognised when the hardware is delivered. Software revenues are recognised when a non-cancellable agreement has been signed and there are no uncertainties surrounding product acceptance, there are no significant vendor obligations, and the fees are fixed an d determinable. Training, design services and consulting revenues are recognised as the services are performed. Support agreement revenues are recognised rateably over the support period except where the services of a third party are sold on. In this situation all revenue is recognised upfront.

1.5 Fixed assets and depreciation

Fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Short leasehold improvements	Period of lease
Plant and machinery	3–4 years
Furniture and Fixtures	4 years

1.6 Leasing

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the le ase term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.
Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.7 Inventories

Inventories are valued at lower of cost or net realizable value. Cost is ascertained on a moving weighted average basis.

1.8 Taxation

Current income tax expense is determined in accordance with tax laws applicable in countries where such operations are domiciled. Deferred tax expense or benefit is recognized on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more s ubsequent periods. Deferred tax as sets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax as sets in res pect of unabs orbed depreciation and c arry forward of losses are recognized only to the extent that there is virtual certainty that taxable income will be available to realize these assets. All other deferred tax assets are recognized only to the extent that there is reasonable certainty that future taxable income will be available to realize these assets.

1.9 Foreign currency translation

Income and expenses in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Monetary current assets and current liabilities that are denominated in foreign currency translated at the exchange rates prevalent as at the Balance Sheet date and the profit / loss so determined and also the realized exchange gains / loss es are recognized in the Profit a nd Loss Account.

1.10 Impairment of Assets

At each balance sheet date, the Company reviews using internal resources the carrying amounts of its fixed assets to determine whether there is any indication that the assets suffered an impairment loss. If any such condition exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in

use. In assessing value in use, the estimated future cash flows expected from continuing use of the asset and from its disposal are discounted to their present value using a pre tax rate that reflects the current market assessments of time value of money and the risks specific to the asset.
Reversal of impairment loss is recognized immediately as income in the Profit and Loss Account.

1.11 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. Borrowing costs are capitalized as part of the cost of a qualifying asset when it is probable that they will result in future economic benefits to the enterprise and the costs can be measured reliably. Other borrowing costs are recognized as an expense in the year in which they are incurred.

1.12 Provisions, contingent liabilities and contingent assets

A provision is recognized when the Company has present obligation as a result of past event and its probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. The provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect current best estimates. Contingent liabilities are not recognized in the financial statements. A contingent asset is neither recognized nor disclosed in the financial statements.

2. NOTES TO ACCOUNTS

2.1 Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is US $ Nil (ضيNil) as at March 31, 2014.

2.2 Contingent liabilities

There were no contingent liabilities as at 31st March 2014.

2.3 Provision for Taxes

The provision for taxation pertains to tax liability as applicable to the jurisdictions of the country in which the Company operates. The provision for taxation for the current year has been computed by the management in consultation with the tax advisors to the Company.

2.4 Obligation towards non-cancellable Operating Lease

Particulars	March 31, 2014 (US $)	March 31, 2014 ( )
The Total of Minimum lease payments for a period:	732,947	43,896,207
Due not later than one year	329,803	19,751,880
Later than one year but not later than five years	403,144	24,144,267
Later than five years	-	-
The total charge to the Statement of Profit & Loss	333,954	20,000,499

2.5 Conversion into Indian Rupees

The financial information is expressed in US $ only in the audited Accounting packs based on which the attached financial statements have been reformatted. Solely for the convenience of the reader and to meet the requirement of section 212 of the Indian Companies Act, the amounts appearing in Indian Rupees have been translated at a fixed exchange rate of 1 US $ = ضي59.8900 as on March 31, 2014.

These translations should not be construed as a representation that any or all the amounts could be converted to Indian Rupees at this or any other rate.

2.6 The above Financial Statements are prepared from the internally prepared accounts of the Company. These accounts are audited by Deloitte Haskins & Sells in order to give an audit opinion in relation to the consolidated accounts of the ultimate holding company i.e. Tata Technologies Limited. However, no separate audit report is issued in respect of the Company. An audit report for the ultimate holding company is issued by Deloitte Haskins & Sells and is included in its financial statement.

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CAMBRIC GmbH

ANNUAL REPORT 2013-14

CAMBRIC GmbH

Directors of the Company	*1*
Directors Report	*2-3*
Financial Statements	*4-5*
Notes forming part of Financial Statements	*6-15*

CAMBRIC GMBH

DIRECTORS: 1. Mr. Timothy P. Hayes

REGISTERED: C/o ServiceKnotor
OFFICE Campus, Geb. A1 1
D-66123 Saarbrucken

TO THE MEMBERS OF
Cambric GmbH

The Directors hereby present the Eleventh Annual Report on the Business and Operations of the Company and Statement of Accounts for the year ended March 31, 2014.

1. FINANCIAL RESULTS

The Financial Results of the Company for the year ended March 31, 2014 are as follows:

	(In US $)	(In ₹)
Income	757,857	45,388,072
Profit for the year	24,392	1,460,887

2. OPERATIONS

Cambric GmbH is an engineering services entity. It was formed in 2002 to enable Cambric to provide services to European clients. Currently, the entity is 100% dedicated to providing engineering services in Germany to Cambric customers, on-site at the customer facilities (customer purchase orders are assigned from Cambric Corporation to Cambric GmbH). It does not perform individual sales and marketing or any management functions. During the year the company registered a turnover of US $ 757,857 (₹45,388,072) and a profit of US $ 24,392 (₹1,460,887)

The company employes on an average 4 permanent and contractual employees as on March 31, 2014.

3. DIVIDEND

Considering the overall financial performance of the Company, the Board of Directors have not recommended any dividend on equity capital of the Company during the year under reference.

4. POST BALANCE SHEET EVENTS

There have been no significant post balance sheet events, since the end of the financial year ended 31st March 2014, which have had a material effect on the financial position of the Company.

5. PUBLIC DEPOSITS

The Company has not accepted any deposits from the public.

6. CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION

The operations of the Company are such that they are not deemed as energy intensive. However, the Company constantly makes effort to avoid excessive consumption of energy and encourage conservation of energy.

7. AUDIT

The Company is not required to obtain an audit opinion as per local regulations. Therefore, the financial statements of the Company for the year ended March 31, 2014 has not been audited.

8. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to section 217 (2AA) of the co mpanies Act, 1956 the directors, based on the rep resentations received from the operating management, confirm that:-

1. in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;

2. they have, in selection of the accounting policies, applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view o f the state of affairs of the Company at the end of the financial year and of the loss of the Company for that year;

3. they have taken proper and sufficient ca re, to the be st of their kno wledge and ability, for the maintenance of adeq uate accounting records for safeguarding the a ssets of the Co mpany and fo r preventing and detecting frauds and other irregularities;

4. they have prepared the annual accounts on a "going concern basis".

9. ACKNOWLEDGMENTS

Your Directors would like to express their heartfelt gratitude to all the customers, business partners and bankers for their continued support and association. The Directors also wish to thank the Government and all the statutory authorities for their support and co-operation.

The Directors would also like to pl ace on record their appreciation of th e dedicated, individual and collective contribution of all the employees in the overall growth and progress of the Company during the last year.

On behalf of the Board of Directors;

Timothy P. Hayes **Director**

Place: Germany
Date: 2nd May, 2014

Cambric Gmbh

Balance Sheet as at MARCH 31, 2014

Particulars	Note No.	(Amount in USD) March 31, 2014	(Amount in ₹) March 31, 2014
I. EQUITY AND LIABILITIES			
(1) **Shareholders' Funds**			
(a) Share Capital	1	30,651	1,835,674
(b) Reserves and Surplus	2	207,152	12,406,344
		237,803	**14,242,018**
(2) **Current Liabilities**			
(a) Other Current Liabilities	3	33,102	1,982,482
(b) Short-term Provisions	4	19,837	1,188,055
(c) Current income tax liabilities		13,585	813,598
		66,524	**3,984,135**
		304,327	**18,226,153**
II. ASSETS			
(1) **Non-current Assets**			
(a) Fixed Assets			
(i) Tangible Assets	5	2,089	125,093
		2,089	**125,093**
(2) **Current Assets**			
(a) Trade Receivables	6	237,823	14,243,196
(b) Cash and Bank Balances	7	10,320	618,073
(c) Other Current Assets	8	41,492	2,484,961
(d) Short-term loans and advances	9	12,603	754,830
		302,238	**18,101,060**
		304,327	**18,226,153**
Significant Accounting Policies	15		

For and on behalf of the Board of Directors

Timothy P. Hayes **Director**

Place: Germany
Date: 2nd May, 2014

Cambric Gmbh

Profit and Loss Statement for the period ended MAR 31, 2014

	Particulars	Note No.	(Amount in USD) Year ended March 31, 2014	(Amount in ₹) Year ended March 31, 2014
I.	Revenue from Operations	10	756,652	45,315,918
II.	Other Income	11	1,205	72,154
III.	**Total Revenue (I + II)**		**757,857**	**45,388,072**
IV.	Expenses :			
	(a) Consultancy fees, Softwares and others	12	412,949	24,731,541
	(b) Employee Benefit Expense	13	238,536	14,285,902
	(c) Depreciation Expense	5	4,902	293,568
	(d) Other Expenses	14	67,882	4,065,442
	Total Expenses		**724,269**	**43,376,453**
V.	**Profit Before Tax (III-IV)**		**33,588**	**2,011,619**
VI.	Tax Expense :			
	(a) Current Tax		9,196	550,732
VII	**Profit from continuing operations (V - VI)**		**24,392**	**1,460,887**
	Significant Accounting Policies	15		

For and on behalf of the Board of Director

Timothy P. Hayes **Director**

Place: Germany
Date: 2nd May, 2014

Cambric Gmbh
Notes forming part of financial statements

Note - 1	(Amount in USD)	(Amount in ₹)
	March 31, 2014	March 31, 2014
SHARE CAPITAL		
Issued, subscribed and fully paid :		
EUR 25,000 @	30,651	1,835,674
	30,651	**1,835,674**

@ As per the official Handel Register of Germany & Articles of Association, No Actual certificate issued as on Balance Sheet date.

Cambric Gmbh
Notes forming part of financial statements

Note - 2

RESERVES AND SURPLUS (Amount in USD)

Particulars		As at March 31, 2013	Additions	Deductions	Adjustments	As at Mar 31, 2014
						-
(b) Capital Reserve	[Note (i) below]	-	171,955	-	-	**171,955**
						-
(c) Translation Reserves		-	10,805	-	-	**10,805**
(e) Surplus i.e. balance in statement of Profit and Loss	[Note (ii) below]	-	24,392	-	-	**24,392**
		-	**207,152**	-	-	**207,152**

Notes:-

(Amount in USD)

	2013-2014 Additions	Deductions
(i) Changes in Capital Reserve		
(a) On account of acquisition by Tata Technologies Inc.	*171,955*	-
	171,955	**-**

(Amount in USD)

	2013-2014 Additions	Deductions
(ii) Changes in Statement of Profit and Loss :		
(a) Profit for the year	*24,392*	-
	24,392	**-**

Note - 2

RESERVES AND SURPLUS (Amount in ₹)

Particulars		As at March 31, 2013	Additions	Deductions	Adjustments	As at Mar 31, 2014
						-
(b) Capital Reserve	[Note (i) below]	-	10,298,362	-	-	**10,298,362**
						-
(c) Translation Reserves		-	647,095	-	-	**647,095**
(e) Surplus i.e. balance in statement of Profit and Loss	[Note (ii) below]	-	1,460,887	-	-	**1,460,887**
		-	**12,406,344**	-	-	**12,406,344**

Notes:-

(Amount in ₹)

	2013-2014 Additions	Deductions
(i) Changes in Capital Reserve		
(a) On account of acquisition by Tata Technologies Inc.	*10,298,362*	-
	-	-
	10,298,362	**-**

(Amount in ₹)

	2013-2014 Additions	Deductions
(ii) Changes in Statement of Profit and Loss :		
(a) Profit for the year	*1,460,887*	-
	1,460,887	**-**

Cambric Gmbh
Notes forming part of financial statements

Note - 3	(Amount in USD	(Amount in ₹)
	March 31, 2014	March 31, 2013
OTHER CURRENT LIABILITIES		
(a) Statutory dues	33,102	1,982,482
	33,102	**1,982,482**

Note -4	(Amount in USD	(Amount in ₹)
	March 31, 2014	March 31, 2013
SHORT-TERM PROVISIONS		
(a) Provision for Employee benefits	19,837	1,188,055
	19,837	**1,188,055**

Cambric Gmbh
Notes forming part of financial statements

Note - 5

(Amount in USD)

	FIXED ASSETS	Cost as at April 1, 2013	Acquisition During 2013-14	Additions	Deductions	Translation Adjustment	Cost as at Mar 31, 2014	Accumulated depreciation up to April 1, 2013	Accumulated Depreciation on Acquisition During 2013-14	Depreciation for the year 2013-2014	Deductions	Translation Adjustment	Accumulated depreciation up to Mar 31, 2014	Net Book Value as at Mar 31, 2014	Net Book Value as at Mar 31, 2013
[A]	**TANGIBLE ASSETS**														
(a)	Plant & Machinery and Equipments	-	15,619	-	-	800	16,419	-	8,854	4,902	-	574	14,330	2,089	-
	Total	**-**	**15,619**	**-**	**-**	**800**	**16,419**	**-**	**8,854**	**4,902**	**-**	**574**	**14,330**	**2,089**	**-**

Note - 5

(Amount in ₹)

	FIXED ASSETS	Cost as at April 1, 2013	Acquisition During 2013-14	Additions	Deductions	Translation Adjustment	Cost as at Mar 31, 2014	Accumulated depreciation up to April 1, 2013	Accumulated Depreciation on Acquisition During 2013-14	Depreciation for the year 2013-2014	Deductions	Translation Adjustment	Accumulated depreciation up to Mar 31, 2014	Net Book Value as at Mar 31, 2014	Net Book Value as at Mar 31, 2013
[A]	**TANGIBLE ASSETS**														
(a)	Plant & Machinery and Equipments	-	935,422	-	-	47,890	983,312	-	530,242	293,568	-	34,409	858,219	125,093	-
	Total	**-**	**935,422**	**-**	**-**	**47,890**	**983,312**	**-**	**530,242**	**293,568**	**-**	**34,409**	**858,219**	**125,093**	**-**

Cambric Gmbh
Notes forming part of financial statements

Note - 6	(Amount in USD) March 31, 2014	(Amount in ₹) March 31, 2014
TRADE RECEIVABLES		
(Unsecured, considered good unless otherwise stated)		
(a) Trade receivables due for a period exceeding six months		
Considered good	-	
Considered doubtful	-	
	-	-
Less : Allowances for doubtful debts	-	
	-	**-**
(b) Other Trade Receivables		
Considered good	237,823	14,243,196
Considered doubtful	-	-
	237,823	14,243,196
Less : Allowances for doubtful debts	-	-
	237,823	**14,243,196**
	237,823	**14,243,196**

Note - 7	(Amount in USD) March 31, 2014	(Amount in ₹) March 31, 2014
CASH AND BANK BALANCES		
(a) Current Account with banks	10,320	618,073
	10,320	**618,073**

Note - 8	(Amount in USD) March 31, 2014	(Amount in ₹) March 31, 2014
OTHER CURRENT ASSETS		
(a) Prepaid expenses	16,761	1,003,821
(b) Unbilled Revenue	24,731	1,481,140
	41,492	**2,484,961**

Note - 9	(Amount in USD) March 31, 2014	(Amount in ₹) March 31, 2014
SHORT TERM LOANS AND ADVANCES		
Unsecured (Considered Good)		
(a) Loans and Advances employees	12,603	754,830
	12,603	**754,830**

Cambric Gmbh
Notes forming part of financial statements

Note -10	(Amount in USD)	(Amount in ₹)
	Year ended March 31, 2014	Year ended March 31, 2014
REVENUE FROM OPERATIONS		
(b) Sale of Services	756,652	45,315,918
	756,652	**45,315,918**

Note -11	(Amount in USD)	(Amount in ₹)
	Year ended March 31, 2014	Year ended March 31, 2014
OTHER INCOME		
(a) Interest income-Others	1,205	72,154
	1,205	**72,154**

	(Amount in USD)	(Amount in ₹)
	Year ended March 31, 2014	Year ended March 31, 2014
Note -12		
CONSULTANCY FEES, SOFTWARES AND OTHERS		
(a) Outsourcing Charges	412,949	24,731,541
	412,949	**24,731,541**

Cambric Gmbh
Notes forming part of financial statements

Note -13

	(Amount in USD) Year ended March 31, 2014	(Amount in ₹) Year ended March 31, 2014
EMPLOYEE BENEFIT EXPENSE		
(a) Salaries and Wages	187,474	11,227,826
(b) Staff welfare Expenses	51,062	3,058,076
	238,536	**14,285,902**

Note -14

	(Amount in USD) Year ended March 31, 2014	(Amount in ₹) Year ended March 31, 2014
OTHER EXPENSES		
(a) Rent	2,958	177,141
(b) Rates and Taxes	82	4,915
(c) Office Expenses	341	20,450
(d) Travelling & Conveyance	50,559	3,027,988
(e) Auditors Remuneration	8,312	497,798
(f) Staff Training and Seminar Expenses	2,011	120,429
(g) Foreign Currency (Gain)/Loss - (Net)	857	51,350
(h) Communication Expenses	135	8,067
(i) Miscellaneous Expenses	2,627	157,304.48
	67,882	**4,065,442**

Cambric Gmbh

Notes forming part of financial statements

Note 15

SIGNIFICANT ACCOUNTING POLICIES

1 Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention, in accordance with Indian Generally Accepted Accounting Principles (GAAP). GAAP comprises the mandatory accounting standards prescribed under Section 211(3C) of the Companies Act, 1956. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Use of Estimates

The preparation of the financial statements in conformity with GAAP requires the management of the Company (Management) to make estimates and assumptions that affect the reported amounts of revenue and expenses during the year and balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of financial statements. Provisions are made for all known losses and liabilities, future unforeseeable factors that may affect the profit on fixed price service contracts and also towards likely expenses for providing post-sales client support on such contracts.

1.3 Turnover

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts and other sales related taxes.

1.4 Revenue recognition

The Company acts as a reseller of hardware and software to the worldwide CAE community and provides services which include installation, training, product support, design services and consultancy. Hardware revenues are recognised when the hardware is delivered. Software revenues are recognised when a non-cancellable agreement has been signed and there are no uncertainties surrounding product acceptance, there are no significant vendor obligations, and the fees are fixed and determinable. Training, design services and consulting revenues are recognised as the services are performed. Support agreement revenues are recognised rateably over the support period except where the services of a third party are sold on. In this situation all revenue is recognised upfront.

1.5 Fixed assets and depreciation

Fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Short leasehold improvements	Period of lease
Plant and machinery	3–4 years
Furniture and Fixtures	4 years

1.6 Leasing

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.
Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.7 Inventories

Inventories are valued at lower of cost or net realizable value. Cost is ascertained on a moving weighted average basis.

1.8 Taxation

Current income tax expense is determined in accordance with tax laws applicable in countries where such operations are domiciled. Deferred tax expense or benefit is recognized on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognized only to the extent that there is virtual certainty that taxable income will be available to realize these assets. All other deferred tax assets are recognized only to the extent that there is reasonable certainty that future taxable income will be available to realize these assets.

1.9 Foreign currency translation

Income and expenses in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Monetary current assets and current liabilities that are denominated in foreign currency translated at the exchange rates prevalent as at the Balance Sheet date and the profit / loss so determined and also the realized exchange gains / losses are recognized in the Profit and Loss Account.

1.10 Impairment of Assets

At each balance sheet date, the Company reviews using internal resources the carrying amounts of its fixed assets to determine whether there is any indication that the assets suffered an impairment loss. If any such condition exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from continuing use of the asset and from its disposal are discounted to their present value using a pre tax rate that reflects the current market assessments of time value of money and the risks specific to the asset.
Reversal of impairment loss is recognized immediately as income in the Profit and Loss Account.

1.11 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. Borrowing costs are capitalized as part of the cost of a qualifying asset when it is probable that they will result in future economic benefits to the enterprise and the costs can be measured reliably. Other borrowing costs are recognized as an expense in the year in which they are incurred.

1.12 Provisions, contingent liabilities and contingent assets

A provision is recognized when the Company has present obligation as a result of past event and its probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. The provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect current best estimates. Contingent liabilities are not recognized in the financial statements. A contingent asset is neither recognized nor disclosed in the financial statements.

2. NOTES TO ACCOUNTS

2.1 Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is US $ Nil (₹ Nil) as at March 31, 2014.

2.2 Contingent liabilities

There were no contingent liabilities as at 31st March 2014.

2.3 Provision for Taxes

The provision for taxation pertains to tax liability as applicable to the jurisdictions of the country in which the Company operates. The provision for taxation for the current year has been computed by the management in consultation with the tax advisors to the Company.

2.4 Conversion into Indian Rupees

The financial information is expressed in US $ only in the audited Accounting packs based on which the attached financial statements have been reformatted. Solely for the convenience of the reader and to meet the requirement of section 212 of the Indian Companies Act, the amounts appearing in Indian Rupees have been translated at a fixed exchange rate of 1 US $ = ₹59.8900 as on March 31, 2014 These translations should not be construed as a representation that any or all the amounts could be converted to Indian Rupees at this or any other rate.

2.5 The above Financial Statements are prepared from the internally prepared accounts of the Company. These accounts are audited by Deloitte Haskins & Sells in order to give an audit opinion in relation to the consolidated accounts of the ultimate holding company i.e. Tata Technologies Limited. However, no separate audit report is issued in respect of the Company. An audit report for the ultimate holding company is issued by Deloitte Haskins & Sells and is included in its financial statement.

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CAMBRIC UK LIMITED

ANNUAL REPORT 2013-14

CAMBRIC UK LIMITED

Directors of the Company	*1*
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CAMBRIC UK LIMITED

DIRECTORS: Mr. Timothy P. Hayes

REGISTERED: C/o Blick Rothenberg (BRAL)/ UK
OFFICE 16 Great Queen Street
Covent Garden
London, WC2B 5AH

TO THE MEMBERS OF
Cambric UK, Limited

The Directors hereby present the Sixth Annual Report on the Business and Operations of the Company and Statement of Accounts for the year ended March 31, 2014.

1. FINANCIAL RESULTS

The Financial Results of the Company for the year ended March 31, 2014 are as follows:

	(In US $)	(In ₹)
Income	8,229,395	492,858,492
Profit for the year	191,304	11,457,167

2. OPERATIONS

Cambric UK Ltd is an engineering services entity that was formed in 2008, and in 2011 became Cambric's European headquarters, enabling Cambric to provide services throughout much of Europe. Cambric UK Ltd is 100% dedicated to providing engineering services to Cambric-related entities through internal subcontracts. It performs some sales and marketing activities.

The Czech Republic Branch was formed to allow engineering services to be provided in the Czech Republic on-site, at customer facilities (applicable customer purchase orders are assigned from Cambric Corporation to the Branch). During fiscal year 2014, there was no revenue activity in the Branch. During the year the company registered a turnover of US $ 8,229,395 (₹492,858,492) and a profit of US $ 191,304 (₹11,457,167)

The company employes on an average 7 permanent and contractual employees as on March 31, 2014.

3. DIVIDEND

Considering the overall financial performance of the Company, the Board of Directors have not recommended any dividend on equity capital of the Company during the year under reference.

4. POST BALANCE SHEET EVENTS

There have been no significant post balance sheet events, since the end of the financial year ended 31st March 2014, which have had a material effect on the financial position of the Company.

5. PUBLIC DEPOSITS

The Company has not accepted any deposits from the public.

6. CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION

The operations of the Company are such that they are not deemed as energy intensive. However, the Company constantly makes effort to avoid excessive consumption of energy and encourage conservation of energy.

7. AUDIT

The Company is not required to obtain an au dit opinion as per local regulations. Therefore, the financial statements of the Company for the year ended March 31, 2014 has not been audited.

8. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to s ection 217 (2AA) of th e companies Act, 1956 the directors, based on the representations received from the operating management, confirm that:-

1. in the preparation of th e annual accounts, the applicable accounting standards have been followed and that there are no material departures;

2. they have, in s election of the a ccounting policies, applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that year;

3. they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;

4. they have prepared the annual accounts on a "going concern basis".

9. ACKNOWLEDGMENTS

Your Directors would like to express their heartfelt gratitude to all the customers, business partners and bankers for their continued support and association. The Directors also wish to thank the Government and all the statutory authorities for their support and co-operation.

The Directors would also like to place on record their appreciation of the dedicated, individual and collective contribution of all the employees in the overall growth and progress of the Company during the last year.

On behalf of the Board of Directors;

Mr. Timothy P. Hayes Director

Place: UK
Date: 2nd May, 2014

Cambric UK Limited

Balance Sheet as at March 31, 2014

Particulars	Schedule No	(Amount in $) Mar 31, 2014	(Amount in ₹) Mar 31, 2014
I. EQUITY AND LIABILITIES			
(1) **Shareholders' Funds**			
(a) Share Capital	1	1	79
(b) Reserves and Surplus	2	307,068	18,390,274
		307,069	**18,390,353**
(2) **Current Liabilities**			-
(a) Trade Payables		766,138	45,883,996
(b) Short-term Provisions	3	11,725	702,216
(c) Current income tax liabilities		70,698	4,234,099
		848,561	**50,820,311**
		1,155,630	**69,210,664**
II. ASSETS			-
(a) **Current Assets**			-
(a) Trade Receivables	4	1,002,382	60,032,633
(b) Cash and Bank Balances	5	113,838	6,817,747
(c) Other Current Assets	6	39,410	2,360,284
			-
		1,155,630	**69,210,664**
Significant Accounting Policies	7		

For and on behalf of the Board

Timothy P. Hayes
Director

Date: May 02, 2014
Place: UK

Cambric UK Limited

Profit and Loss Statement for the year ended March 31, 2014

	Particulars	Schedule No	(Amount in $) Mar 31, 2014	(Amount in ₹) Mar 31, 2014
I.	Revenue from Operations	A	8,229,395	492,858,492
	Total Revenue (I + II)		**8,229,395**	**492,858,492**
II.	Expenses :			-
	(a) Consultancy fees, Softwares and others	B	7,824,232	468,593,257
	(b) Employee Benefit Expense	C	96,082	5,754,369
	(c) Other Expenses	D	78,315	4,690,256
	Total Expenses		**7,998,629**	**479,037,882**
				-
III.	**Profit Before Tax**		**230,767**	**13,820,610**
IV.	**Tax Expense :**			-
	(a) Current Tax		39,463	2,363,443
V.	**Profit from continuing operations (VIII - IX)**		**191,304**	**11,457,167**
	Significant Accounting Policies	7		

For and on behalf of the Board

Timothy P. Hayes
Director

Date: May 02, 2014
Place: UK

Notes forming part of Financial Statements

SCHEDULE - 1	(Amount in $)	(Amount in ₹)
	Mar 31, 2014	Mar 31, 2014
SHARE CAPITAL		
Authorised :		
1000 Ordinary Share of GBP 1 Per share	1,000	59,890
	1,000	**59,890**
Issued, subscribed and fully paid :		
1 Ordinary Share of GBP 1 Per share	**1**	**79**
		-
	1	**79**

Notes forming part of Financial Statements

SCHEDULE - 2

RESERVES AND SURPLUS **(Amount in $)**

Particulars		As at March 31, 2013	Additions	Deductions	Adjustments	Translation Adjustment	As at Mar 31, 2014
(a) Surplus i.e. balance in statement of Profit and Loss	[Note (i) below]	-	191,304	-	-	-	**191,304**
(b) Capital Reserve	[Note (ii) below]	-	129,765	-	-	-	**129,765**
(c) Translation Reserves		-	(14,001)	-	-	-	**(14,001)**
		-	**307,068**	-	-	-	**307,068**

Notes:-

(i) Changes in Statement of Profit and Loss :

	2013-2014		***2012-2013***	
(a) Profit for the year	*191,304*	-	-	-
	191,304	-	-	-

(ii) Changes in Capital Reserve :

	2013-2014		***2012-2013***	
(a) Capital Reserve on account of acquisition with Tata Technologies Inc.	*129,765*		-	-
		-		-
	129,765	-	-	-

RESERVES AND SURPLUS **(Amount in ₹)**

Particulars		As at March 31, 2013	Additions	Deductions	Adjustments	Translation Adjustment	As at Mar 31, 2014
(a) Surplus i.e. balance in statement of Profit and Loss	[Note (i) below]	-	11,457,167	-	-	-	**11,457,167**
(b) Capital Reserve	[Note (ii) below]		7,771,623				**7,771,623**
(c) Translation Reserves		-	(838,516)	-	-	-	**(838,516)**
		-	**18,390,274**	-	-	-	**18,390,274**

Notes:-

(i) Changes in Statement of Profit and Loss :

	2013-2014		***2012-2013***	
(a) Profit for the year	*11,457,167*		-	-
	11,457,167	-	-	-

(ii) Changes in Capital Reserve :

	2013-2014		***2012-2013***	
(a) Capital Reserve on account of acquisition by Tata Technologies Inc.	*7,771,623*		-	-
		-		-
	7,771,623	-	-	-

SCHEDULE - 3	(Amount in $)	(Amount in ₹)
	Mar 31, 2014	Mar 31, 2014
SHORT-TERM PROVISIONS		
(a) Provision for Employee benefits	**11,725**	**702,216**
	11,725	**702,216**

Notes forming part of Financial Statements

SCHEDULE - 4	(Amount in $)	(Amount in ₹)
	Mar 31, 2014	Mar 31, 2014
TRADE RECEIVABLES		
(Unsecured, considered good unless otherwise stated)		
(a) Trade receivables due for a period exceeding six months		
Considered good	-	
Considered doubtful	-	
	-	-
Less : Allowances for doubtful debts	-	
(b) Other Trade Receivables		
Considered good	1,002,382	60,032,633
Considered doubtful	-	-
	1,002,382	60,032,633
Less : Allowances for doubtful debts	-	-
	1,002,382	**60,032,633**
		-
	1,002,382	**60,032,633**

SCHEDULE - 5	(Amount in $)	(Amount in ₹)
	Mar 31, 2014	Mar 31, 2014
CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Current Account with banks	113,838	6,817,747
	113,838	**6,817,747**

SCHEDULE - 6	(Amount in $)	(Amount in ₹)
	Mar 31, 2014	Mar 31, 2014
OTHER CURRENT ASSETS		
(a) VAT, other taxes recoverable, statutory deposits	22,597	1,353,330
(b) Prepaid expenses	16,813	1,006,954
	39,410	**2,360,284**

Notes forming part of Financial Statements

SCHEDULE - A

	(Amount in $)	(Amount in ₹)
	Mar 31, 2014	**Mar 31, 2014**
REVENUE FROM OPERATIONS		
Sale of Services	8,229,395	492,858,492
	8,229,395	**492,858,492**

SCHEDULE - B

	(Amount in $)	(Amount in ₹)
	Mar 31, 2014	**Mar 31, 2014**
CONSULTANCY FEES, SOFTWARES AND OTHERS		
(a) Outsourcing Charges	7,822,124	468,466,993
(b) Professional Fees	2,108	126,264
	7,824,232	**468,593,257**

Notes forming part of Financial Statements

SCHEDULE - C

	(Amount in $)	(Amount in ₹)
	Mar 31, 2014	**Mar 31, 2014**
EMPLOYEE BENEFIT EXPENSE		
(a) Salaries and Wages	95,268	5,705,629
(b) Staff welfare Expenses	814	48,740
	96,082	**5,754,369**

SCHEDULE - D

	(Amount in $)	(Amount in ₹)
	Mar 31, 2014	**Mar 31, 2014**
OTHER EXPENSES		
(a) Rent	2,152	128,893
(b) Insurance	867	51,944
(c) Office Expenses	962	57,597
(d) Travelling & Conveyance	18,861	1,129,558
(e) Auditors Remuneration	34,171	2,046,478
(f) Foreign Currency (Gain)/Loss - (Net)	16,247	973,046
(g) Miscellaneous Expenses	5,055	302,740
	78,315	**4,690,256**

Sixth annual report 2013-14

Cambric UK, Limited

Notes forming part of financial statements

Note 7

SIGNIFICANT ACCOUNTING POLICIES

1 Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention, in accordance with Indian Generally Accepted Accounting Principles (GAAP). GAAP comprises the mandatory accounting standards prescribed under Section 211(3C) of the Companies Act, 1956. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Use of Estimates

The preparation of the financial statements in conformity with GAAP requires the management of the Company (Management) to make estimates and assumptions that affect the reported amounts of revenue and expenses during the year and balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of financial statements. Provisions are made for all known losses and liabilities, future unforeseeable factors that may affect the profit on fixed price service contracts and also towards likely expenses for providing post-sales client support on such contracts.

1.3 Turnover

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts and other sales related taxes.

1.4 Revenue recognition

The Company acts as a reseller of hardware and software to the worldwide CAE community and provides services which include installation, training, product support, design services and consultancy. Hardware revenues are recognised when the hardware is delivered. Software revenues are recognised when a non-cancellable agreement has been signed and there are no uncertainties surrounding product acceptance, there are no significant vendor obligations, and the fees are fixed and determinable. Training, design services and consulting revenues are recognised as the services are performed. Support agreement revenues are recognised rateably

over the support period except where the services of a third party are sold on. In this situation all revenue is recognised upfront.

1.5 Fixed assets and depreciation

Fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Short leasehold improvements	Period of lease
Plant and machinery	3–4 years
Furniture and Fixtures	4 years

1.6 Leasing

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period. Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.7 Inventories

Inventories are valued at lower of cost or net realizable value. Cost is ascertained on a moving weighted average basis.

1.8 Taxation

Current income tax expense is determined in accordance with tax laws applicable in countries where such operations are domiciled. Deferred tax expense or benefit is recognized on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognized only to the extent that there is virtual certainty that taxable income will be available to realize these assets. All other deferred tax assets are recognized only to the extent that there is reasonable certainty that future taxable income will be available to realize these assets.

1.9 Foreign currency translation

Income and expenses in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Monetary current assets and current liabilities that are denominated in foreign currency translated at the exchange rates prevalent as at the Balance Sheet date and the profit / loss so determined and also the realized exchange gains / losses are recognized in the Profit and Loss Account.

1.10 Impairment of Assets

At each balance sheet date, the Company reviews using internal resources the carrying amounts of its fixed assets to determine whether there is any indication that the assets suffered an impairment loss. If any such condition exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from continuing use of the asset and from its disposal are discounted to their present value using a pre tax rate that reflects the current market assessments of time value of money and the risks specific to the asset.
Reversal of impairment loss is recognized immediately as income in the Profit and Loss Account.

1.11 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. Borrowing costs are capitalized as part of the cost of a qualifying asset when it is probable that they will result in future economic

benefits to the enterprise and the costs can be measured reliably. Other borrowing costs are recognized as an expense in the year in which they are incurred.

1.12 Provisions, contingent liabilities and contingent assets

A provision is recognized when the Company has present obligation as a result of past event and its probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. The provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect current best estimates. Contingent liabilities are not recognized in the financial statements. A contingent asset is neither recognized nor disclosed in the financial statements.

2. NOTES TO ACCOUNTS

2.1 Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is US $ Nil (ضNil) as at March 31, 2014.

2.2 Contingent liabilities

There were no contingent liabilities as at 31st March 2014.

2.3 Provision for Taxes

The provision for taxation pertains to tax liability as applicable to the jurisdictions of the country in which the Company operates. The provision for taxation for the current year has been computed by the management in consultation with the tax advisors to the Company.

2.4 Conversion into Indian Rupees

The financial information is expressed in US $ only in the audited Accounting packs based on which the attached financial statements have been reformatted. Solely for the convenience of the reader and to meet the requirement of section 212 of the Indian Companies Act, the amounts appearing in Indian Rupees have been translated at a fixed exchange rate of 1 US $ = ض59.8900 as on March 31, 2014. These translations should not be construed as a representation that any or all the amounts could be converted to Indian Rupees at this or any other rate.

2.5 The above Financial Statements are prepared from the internally prepared accounts of the Company. These accounts are audited by Deloitte Haskins & Sells in order to give an audit opinion in relation to the consolidated accounts of the ultimate holding company i.e. Tata Technologies Limited. However, no separate audit report is issued in respect of the Company. An audit report for the ultimate holding company is issued by Deloitte Haskins & Sells and is included in its financial statement.

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CAMBRIC MANAGED SERVICES INC

ANNUAL REPORT 2013-14

CAMBRIC MANAGED SERVICES INC.

Directors of the Company	*1*
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CAMBRIC MANAGED SERVICES INC.

DIRECTORS: 1. Mr. Timothy P. Hayes

REGISTERED: OFFICE
555 E Broadway, Suite 300
Salt Lake City, UT 84102
USA

TO THE MEMBERS OF
Cambric Managed Services Inc.

The Directors hereby present the Tenth Annual Report on the Business and Operations of the Company and Statement of Accounts for the year ended March 31, 2014.

1. FINANCIAL RESULTS

The Financial Results of the Company for the year ended March 31, 2014 are as follows:

	(In US $)	(In ₹)
Income	-	-
Loss for the year	2,256	135,121

2. OPERATIONS

Cambric Managed Services is being utilized for placement of engineers in non-European countries. To date, this has only involved engineering services on-site at customer facilities in Australia. It does not conduct any sales or marketing or management activities.

During fiscal year 2014, there was no revenue activity in the entity. There is a loss of US $ 2,256 (₹135,121)

There are no employees as on March 31, 2014.

3. DIVIDEND

Considering the overall financial performance of the Company, the Board of Directors have not recommended any dividend on equity capital of the Company during the year under reference.

4. POST BALANCE SHEET EVENTS

There have been no significant post balance sheet events, since the end of the financial year ended 31st March 2014, which have had a material effect on the financial position of the Company.

5. PUBLIC DEPOSITS

The Company has not accepted any deposits from the public.

6. CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION

The operations of the Company are such that they are not deemed as energy intensive. However, the Company constantly makes effort to avoid excessive consumption of energy and encourage conservation of energy.

7. AUDIT

The Company is not required to obtain an audit opinion as per local regulations. Therefore, the financial statements of the Company for the year ended March 31, 2014 has not been audited.

8. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to section 217 (2AA) of the companies Act, 1956 the directors, based on the representations received from the operating management, confirm that:-

1. in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;

2. they have, in selection of the accounting policies, applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that year;

3. they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;

4. they have prepared the annual accounts on a "going concern basis".

9. ACKNOWLEDGMENTS

Your Directors would like to express their heartfelt gratitude to all the customers, business partners and bankers for their continued support and association. The Directors also wish to thank the Government and all the statutory authorities for their support and co-operation.

The Directors would also like to place on record their appreciation of the dedicated, individual and collective contribution of all the employees in the overall growth and progress of the Company during the last year.

On behalf of the Board of Directors;

Mr. Timothy P. Hayes Director

Date: May 02, 2014

Place: Pune

Cambric Managed Services Inc.

Balance Sheet as at March 31, 2014

Particulars	Schedule No	(Amount in $) Mar 31, 2014	(Amount in ₹) Mar 31, 2014
I. EQUITY AND LIABILITIES			
(1) **Shareholders' Funds**			
(a) Share Capital	1	1	60
(b) Reserves and Surplus	2	(1,550)	(92,815)
		(1,549)	**(92,755)**
(2) **Non-current Liabilities**			
(b) Trade Payables		2,306	138,124
		2,306	**138,124**
		758	**45,370**
II. ASSETS			
(1) **Current Assets**			
(a) Cash and Bank Balances	3	758	45,370
		758	**45,370**
Significant Accounting Policies	4		

For and on behalf of the Board

Timothy P. Hayes
Director

Date: May 02, 2014
Place: Pune

Cambric Managed Services Inc.

Profit and Loss Statement for the year March 31, 2014

	Particulars	Schedule No	(Amount in $) Mar 31, 2014	(Amount in ₹) Mar 31, 2013
I.	Revenue from Operations		-	-
II.	Other Income		-	-
III.	**Total Revenue (I + II)**		**-**	**-**
IV.	Expenses :			
	(a) Other Expenses	A	2,256	135,121
	Total Expenses		**2,256**	**135,121**
V.	**Loss Before Tax**		**(2,256)**	**(135,121)**
VI.	Tax Expense :			
	(a) Current Tax		-	-
VII	**Loss from continuing operations**		**(2,256)**	**(135,121)**
	Significant Accounting Policies	4		

For and on behalf of the Board

Timothy P. Hayes
Director

Date: May 02, 2014
Place: Pune

Notes forming part of Financial Statements

SCHEDULE - 1	(Amount in $) Mar 31, 2014	(Amount in ₹) Mar 31, 2014
SHARE CAPITAL		
Authorised :		
100 Ordinary share of no par value	100	5,989
	100	5,989
Issued, subscribed and fully paid :		
1 Ordinary share of no par value	1	60
	1	60

Notes forming part of Financial Statements

SCHEDULE - 2

RESERVES AND SURPLUS

(Amount in $)

Particulars		As at March 31, 2013	Additions	Deductions	Adjustments	Translation Adjustment	As at Mar 31, 2014
(a) Capital Reserve	[Note (i) below]	-	706	-	-	-	706
(b) Surplus i.e. balance in statement of Profit and Loss	[Note (ii) below]	-	(2,256)	-	-	-	(2,256)
		-	(1,550)	-	-	-	(1,550)

Notes:-	*2013-2014*		*2012-2013*	
(i) Change in Capial Reserve				
(a) Capital Reserve on account of acquisition with Tata Technologies Inc.	*706*	-		-
	706	-	-	-
(ii) Changes in Statement of Profit and Loss :				
(a) Loss for the year	*(2,256)*			
	(2,256)	-	-	-

(Amount in ₹)

Particulars		As at March 31, 2013	Additions	Deductions	Adjustments	Translation Adjustment	As at Mar 31, 2014
(a) Capital Reserve	[Note (i) below]	-	42,307	-	-	-	42,307
(b) Surplus i.e. balance in statement of Profit and Loss	[Note (ii) below]	-	(135,121)	-	-	-	(135,121)
		-	(92,815)	-	-	-	(92,815)

Notes:-	*2013-2014*		*2012-2013*	
(i) Change in Capial Reserve				
(a) Capital Reserve on account of acquisition with Tata Technologies Inc.	*42,307*	-		-
	42,307	-	-	-
(ii) Changes in Statement of Profit and Loss :				
(a) Loss for the year	*(135,121)*			
	(135,121)	-	-	-

Notes forming part of Financial Statements

SCHEDULE - 3	(Amount in $) Mar 31, 2014	(Amount in ₹) Mar 31, 2014
CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Current Account with banks	758	45,370
	758	**45,370**

Notes forming part of Financial Statements

SCHEDULE - A	(Amount in $) Mar 31, 2014	(Amount in ₹) Mar 31, 2014
OTHER EXPENSES		
(a) Auditors Remuneration	1,456	87,203
(b) Foreign Currency (Gain)/Loss - (Net)	(232)	(13,868)
(c) Miscellaneous Expenses	1,032	61,786
	2,256	**135,121**

Cambric Managed Services Inc.

Notes forming part of financial statements

Note 4

SIGNIFICANT ACCOUNTING POLICIES

1 Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention, in accordance with Indian Generally Accepted Accounting Principles (GAAP). GAAP comprises the mandatory accounting standards prescribed under Section 211(3C) of the Companies Act, 1956. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Use of Estimates

The preparation of the financial statements in conformity with GAAP requires the management of the Company (Management) to make estimates and assumptions that affect the reported amounts of revenue and expenses during the year and balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of financial statements. Provisions are made for all known losses and liabilities, future unforeseeable factors that may affect the profit on fixed price service contracts and also towards likely expenses for providing post-sales client support on such contracts.

1.3 Turnover

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts and other sales related taxes.

1.4 Revenue recognition

The Company acts as a reseller of hardware and software to the worldwide CAE community and provides services which include installation, training, product support, design services and consultancy. Hardware revenues are recognised when the hardware is delivered. Software revenues are recognised when a non-cancellable agreement has been signed and there are no uncertainties surrounding product acceptance, there are no significant vendor obligations, and the fees are fixed and determinable. Training, design services and consulting revenues are recognised as the services are performed. Support agreement revenues are recognised rateably over the support period except where the services of a third party are sold on. In this situation all revenue is recognised upfront.

1.5 Fixed assets and depreciation

Fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Short leasehold	Period of lease

improvements	
Plant and machinery	3–4 years
Furniture and Fixtures	4 years

1.6 Leasing

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.7 Inventories

Inventories are valued at lower of cost or net realizable value. Cost is ascertained on a moving weighted average basis.

1.8 Taxation

Current income tax expense is determined in accordance with tax laws applicable in countries where such operations are domiciled. Deferred tax expense or benefit is recognized on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognized only to the extent that there is virtual certainty that taxable income will be available to realize these assets. All other deferred tax assets are recognized only to the extent that there is reasonable certainty that future taxable income will be available to realize these assets.

1.9 Foreign currency translation

Income and expenses in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Monetary current assets and current liabilities that are denominated in foreign currency translated at the exchange rates prevalent as at the Balance Sheet date and the profit / loss so determined and also the realized exchange gains / losses are recognized in the Profit and Loss Account.

1.10 Impairment of Assets

At each balance sheet date, the Company reviews using internal resources the carrying amounts of its fixed assets to determine whether there is any indication that the assets suffered an impairment loss. If any such condition exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from continuing use of the asset and from its disposal are discounted to their present value using a pre tax rate that reflects the current market assessments of time value of money and the risks specific to the asset.
Reversal of impairment loss is recognized immediately as income in the Profit and Loss Account.

1.11 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. Borrowing costs are capitalized as part of the cost of a qualifying asset when it is probable that they will result in future economic benefits to the enterprise and the costs can be measured reliably. Other borrowing costs are recognized as an expense in the year in which they are incurred.

1.12 Provisions, contingent liabilities and contingent assets

A provision is recognized when the Company has present obligation as a result of past event and its probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. The provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect current best estimates. Contingent liabilities are not recognized in the financial statements. A contingent asset is neither recognized nor disclosed in the financial statements.

2. NOTES TO ACCOUNTS

2.1 Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is US $ Nil (₹ Nil) as at March 31, 2014.

2.2 Contingent liabilities

There were no contingent liabilities as at 31st March 2014.

2.3 Provision for Taxes

The provision for taxation pertains to tax liability as applicable to the jurisdictions of the country in which the Company operates. The provision for taxation for the current year has been computed by the management in consultation with the tax advisors to the Company.

2.4 Conversion into Indian Rupees

The financial information is expressed in US $ only in the audited Accounting packs based on which the attached financial statements have been reformatted. Solely for the convenience of the reader and to meet the requirement of section 212 of the Indian Companies Act, the amounts appearing in Indian Rupees have been translated at a fixed exchange rate of 1 US $ = ₹ 59.8900 as on March 31, 2014. These translations should not be construed as a representation that any or all the amounts could be converted to Indian Rupees at this or any other rate.

2.5 The above Financial Statements are prepared from the internally prepared accounts of the Company. These accounts are audited by Deloitte Haskins & Sells in order to give an audit opinion in relation to the consolidated accounts of the ultimate holding company i.e. Tata Technologies Limited. However, no separate audit report is issued in respect of the Company. An audit report for the ultimate holding company is issued by Deloitte Haskins & Sells and is included in its financial statement.

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MIDWEST MANAGED SERVICES INC

ANNUAL REPORT 2013-14

MIDWEST MANAGED SERVICES INC.

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Notes forming part of Financial Statements	*6-10*

MIDWEST MANAGED SERVICES INC.

DIRECTORS:	1. Mr. Timothy P. Hayes 2. Mr. Merilee Hunt
REGISTERED: OFFICE	555 E Broadway, Suite 300 Salt Lake City, UT 84102 USA

TO THE MEMBERS OF
Midwest Managed Services Inc.

The Directors hereby present the Second Annual Report on the Business and Operations of the Company and Statement of Accounts for the year ended March 31, 2014.

1. FINANCIAL RESULTS

The Financial Results of the Company for the year ended March 31, 2014 are as follows:

	(In US $)	(In ₹)
Income	-	-
Loss for the year	1,641	98,254

2. OPERATIONS

Midwest Managed Services was formed in 2012 to provide engineering staffing and recruiting services in the US. It does not conduct any sales or marketing or management activities. Since formation, there has been no revenue activity in the entity. The loss for the year is US $ 1,641 (₹98,254)

There are no employees as on March 31, 2014

3. DIVIDEND

Considering the overall financial performance of the Company, the Board of Directors have not recommended any dividend on equity capital of the Company during the year under reference.

4. POST BALANCE SHEET EVENTS

There have been no significant post balance sheet events, since the end of the financial year ended 31st March 2014, which have had a material effect on the financial position of the Company.

5. PUBLIC DEPOSITS

The Company has not accepted any deposits from the public.

6. CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION

The operations of the Company are such that they are not deemed as energy intensive. However, the Company constantly makes effort to avoid excessive consumption of energy and encourage conservation of energy.

7. AUDIT

The Company is not required to obtain an audit opinion as per local regulations. Therefore, the financial statements of the Company for the year ended March 31, 2014 has not been audited.

8. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to section 217 (2AA) of the companies Act, 1956 the directors, based on the representations received from the operating management, confirm that:-

1. in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;

2. they have, in selection of the accounting policies, applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that year;

3. they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;

4. they have prepared the annual accounts on a "going concern basis".

9. ACKNOWLEDGMENTS

Your Directors would like to express their heartfelt gratitude to all the customers, business partners and bankers for their continued support and association. The Directors also wish to thank the Government and all the statutory authorities for their support and co-operation.

The Directors would also like to place on record their appreciation of the dedicated, individual and collective contribution of all the employees in the overall growth and progress of the Company during the last year.

On behalf of the Board of Directors;

Mr. Timothy P. Hayes Director
Mr. Merilee Hunt Director

Place: Pune
Date: 2nd May, 2014

MIDWEST MANAGED SERVICES INC.

Balance Sheet as at March 31, 2014

Particulars	Schedule No	(Amount in $) Mar 31, 2014	(Amount in ₹) Mar 31, 2014
I. EQUITY AND LIABILITIES			
(1) **Shareholders' Funds**			
(a) Share Capital	1	100	5,989
(b) Reserves and Surplus	2	(1,641)	(98,254)
		(1,541)	**(92,265)**
(2) **Current Liabilities**			
(a) Trade Payables		3,534	211,669
		3,534	**211,669**
		1,994	**119,404**
II. ASSETS			
(1) **Non-current Assets**			
(a) Goodwill on acquisition		**1,609**	**96,351**
(2) **Current Assets**			
(a) Cash and Bank Balances	3	385	23,053
		385	**23,053**
		1,994	**119,404**
Significant Accounting Policies	4		

For and on behalf of the Board

Timothy P. Hayes
Director

Merilee Hunt
Director

Date: May 02, 2014
Place: Pune

MIDWEST MANAGED SERVICES INC.

Profit and Loss Statement for the year ended March 31, 2014

	Particulars	Schedule No	(Amount in $) Mar 31, 2014	(Amount in ₹) Mar 31, 2014
I.	Revenue from Operations		-	-
II.	Other Income		-	-
III.	**Total Revenue (I + II)**		**-**	**-**
IV.	Expenses :			
	Other Expenses	A	1,641	98,254
	Total Expenses		**1,641**	**98,254**
V	**Loss Before Tax**		**(1,641)**	**(98,254)**
VI	Tax Expense :			
	Current Tax		-	-
			-	**-**
VII	**Loss from continuing operations**		**(1,641)**	**(98,254)**
	Significant Accounting Policies	4		

For and on behalf of the Board

Timothy Hayes
Director

Merilee Hunt
Director

Date: May 02, 2014
Place: Pune

Notes forming part of Financial Statements

SCHEDULE - 1	(Amount in $) Mar 31, 2014	(Amount in ₹) Mar 31, 2014
SHARE CAPITAL		
Authorised :		
100 Ordinary shares of USD 10 per share	1,000	59,890
	1,000	**59,890**
Issued, subscribed and fully paid :		
10 Ordinary shares of USD 10 per share	100	5,989
	100	**5,989**

Notes forming part of Financial Statements

SCHEDULE - 2

RESERVES AND SURPLUS **(Amount in $)**

Particulars	As at March 31, 2013	Additions	Deductions	Adjustments	Translation Adjustment	As at Mar 31, 2014
(a) Surplus i.e. balance in statement of Profit and Loss	-	(1,641)	-	-	-	**(1,641)**
	-	**(1,641)**	**-**	**-**	**-**	**(1,641)**

Note:-

	2013-2014	*2012-2013*
Changes in Statement of Profit and Loss :		
(a) Loss for the year	*(1,641)*	
	(1,641)	**-**

RESERVES AND SURPLUS **(Amount in ₹)**

Particulars	As at March 31, 2013	Additions	Deductions	Adjustments	Translation Adjustment	As at Mar 31, 2014
(a) Surplus i.e. balance in statement of Profit and Loss	-	(98,254)	-	-	-	**(98,254)**
	-	**(98,254)**	**-**	**-**	**-**	**(98,254)**

Note:-

	2013-2014	*2012-2013*
Changes in Statement of Profit and Loss :		
(a) Loss for the year	*(98,254)*	
	(98,254)	**-**

Notes forming part of Financial Statements

SCHEDULE - A

	(Amount in $) Mar 31, 2014	(Amount in ₹) Mar 31, 2014
OTHER EXPENSES		
(a) Rates and Taxes	1,026	61,417
(b) Miscellaneous Expenses	615	36,837
	1,641	**98,254**

Midwest Managed Services Inc.

Notes forming part of financial statements

Note 4

SIGNIFICANT ACCOUNTING POLICIES

1 Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention, in accordance with Indian Generally Accepted Accounting Principles (GAAP). GAAP comprises the mandatory accounting standards prescribed under Section 211(3C) of the Companies Act, 1956. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Use of Estimates

The preparation of the financial statements in conformity with GAAP requires the management of the Company (Management) to make estimates and assumptions that affect the reported amounts of revenue and expenses during the year and balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of financial statements. Provisions are made for all known losses and liabilities, future unforeseeable factors that may affect the profit on fixed price service contracts and also towards likely expenses for providing post-sales client support on such contracts.

1.3 Turnover

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts and other sales related taxes.

1.4 Revenue recognition

The Company acts as a reseller of hardware and software to the worldwide CAE community and provides services which include installation, training, product support, design services and consultancy. Hardware revenues are recognised when the hardware is delivered. Software revenues are recognised when a non-cancellable agreement has been signed and there are no uncertainties surrounding product acceptance, there are no significant vendor obligations, and the fees are fixed and determinable. Training, design services and consulting revenues are recognised as the services are performed. Support agreement revenues are recognised rateably over the support period except where the services of a third party are sold on. In this situation all revenue is recognised upfront.

1.5 Fixed assets and depreciation

Fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Short leasehold improvements	Period of lease
Plant and machinery	3–4 years
Furniture and Fixtures	4 years

1.6 Leasing

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.
Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.7 Inventories

Inventories are valued at lower of cost or net realizable value. Cost is ascertained on a moving weighted average basis.

1.8 Taxation

Current income tax expense is determined in accordance with tax laws applicable in countries where such operations are domiciled. Deferred tax expense or benefit is recognized on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognized only to the extent that there is virtual certainty that taxable income will be available to realize these assets. All other deferred tax assets are recognized only to the extent that there is reasonable certainty that future taxable income will be available to realize these assets.

1.9 Foreign currency translation

Income and expenses in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Monetary current assets and current liabilities that are denominated in foreign currency translated at the exchange rates prevalent as at the Balance Sheet date and the profit / loss so determined and also the realized exchange gains / losses are recognized in the Profit and Loss Account.

1.10 Impairment of Assets

At each balance sheet date, the Company reviews using internal resources the carrying amounts of its fixed assets to determine whether there is any indication that the assets suffered an impairment loss. If any such condition exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from continuing use of the asset and from its disposal are discounted to their present value using a pre tax rate that reflects the current market assessments of time value of money and the risks specific to the asset.
Reversal of impairment loss is recognized immediately as income in the Profit and Loss Account.

1.11 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. Borrowing costs are capitalized as part of the cost of a qualifying asset when it is probable that they will result in future economic benefits to the enterprise and the costs can be measured reliably. Other borrowing costs are recognized as an expense in the year in which they are incurred.

1.12 Provisions, contingent liabilities and contingent assets

A provision is recognized when the Company has present obligation as a result of past event and its probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. The provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect current best estimates. Contingent liabilities are not recognized in the financial statements. A contingent asset is neither recognized nor disclosed in the financial statements.

2. NOTES TO ACCOUNTS

2.1 Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is US $ Nil (₹ Nil) as at March 31, 2014.

2.2 Contingent liabilities

There were no contingent liabilities as at 31st March 2014.

2.3 Provision for Taxes

The provision for taxation pertains to tax liability as applicable to the jurisdictions of the country in which the Company operates. The provision for taxation for the current year has been computed by the management in consultation with the tax advisors to the Company.

2.4 Conversion into Indian Rupees

The financial information is expressed in US $ only in the audited Accounting packs based on which the attached financial statements have been reformatted. Solely for the convenience of the reader and to meet the requirement of section 212 of the Indian Companies Act, the amounts appearing in Indian Rupees have been translated at a fixed exchange rate of 1 US $ = ₹ 59.8900 as on March 31, 2014. These translations should not be construed as a representation that any or all the amounts could be converted to Indian Rupees at this or any other rate.

2.5 The above Financial Statements are prepared from the internally prepared accounts of the Company. These accounts are audited by Deloitte Haskins & Sells in order to give an audit opinion in relation to the consolidated accounts of the ultimate holding company i.e. Tata Technologies Limited. However, no separate audit report is issued in respect of the Company. An audit report for the ultimate holding company is issued by Deloitte Haskins & Sells and is included in its financial statement.

TML HOLDINGS PTE LTD
(Incorporated in Singapore)
(Registration No. 200802595C)

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
31 MARCH 2014

TML HOLDINGS PTE. LTD.

FINANCIAL STATEMENTS

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TML HOLDINGS PTE. LTD.
STATEMENT OF DIRECTORS

In the opinion of the directors, the financial statements set out on pages 4 to 24 are prepared in accordance with the accounting policies of the Company to reflect the state of affairs of the Company as at 31 March 2014 and of its results, changes in equity and cash flows of the Company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

ON BEHALF OF THE DIRECTORS

.....
Chandrasekaran Ramakrishnan

.....
Mani Raman

24 April 2014

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF TML HOLDINGS PTE. LTD. (Incorporated in Singapore)

We have audited the accompanying financial statements of TML Holdings Pte. Ltd. (the "Company") which comprise the statement of financial position as at 31 March 2014, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 4 to 23. The financial statements have been prepared by management of the Company in accordance with the accounting policies of the Company solely for the purpose of inclusion in the offering circular issued in relation to the proposed offering of the US$ Notes on the Singapore Exchange Securities Trading Limited ("SGX-ST").

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements in accordance with the Company's accounting policies as stated in Note 2, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
TML HOLDINGS PTE. LTD.
(Incorporated in Singapore)

Opinion

In our opinion, the financial statements of the Company for the year ended 31 March 2014 are prepared, in all material respects, in accordance with the accounting policies of the Company as stated in Note 2.

Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements are prepared solely by the Company for inclusion in the offering circular issued in relation to the proposed offering of the US$ Notes on the SGX-ST. As a result, the financial statements may not be suitable for another purpose.

Public Accountants and
Chartered Accountants
Singapore

24 April 2014

TML HOLDINGS PTE. LTD.

STATEMENT OF FINANCIAL POSITION
31 MARCH 2014

	NOTE	31.03.2014 INR	31.03.2013 INR
ASSETS			
Current assets			
Cash and bank balances	6	7,654,399,953	12,811,656
Other receivables	7	34,992,934	14,598,417
Loan to subsidiaries - Current	8	778,615,839	-
Total current assets		8,468,008,726	27,410,073
Non-current assets			
Loan to subsidiaries	8	1,972,253,814	-
Investment in subsidiary	9	184,334,761,395	143,098,409,693
Other non-current assets		74,478	-
Total non-current assets		186,307,089,687	143,098,409,693
Total assets		194,775,098,413	143,125,819,766
LIABILITIES AND EQUITY			
Current liabilities			
Other payables and accruals	10	281,495,186	-
Preference shares		-	14,636,584,115
Income tax payable	11	596,273	-
Total current liabilities		282,091,459	14,636,584,115
Non-current liabilities			
Borrowings		33,810,820,889	-
Notes payable		15,820,892,749	-
		49,631,713,638	-
Capital and accumulated losses			
Share capital		152,830,041,335	136,636,632,715
Capital reserve		(1,970,871,654)	(1,762,044,059)
Accumulated losses		(5,997,876,365)	(6,385,353,005)
Total equity		144,861,293,316	128,489,235,651
Total liabilities and equity		194,775,098,413	143,125,819,766

See accompanying notes to financial statements.

TML HOLDINGS PTE. LTD.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

	NOTE	2014 INR	2013 INR
Dividend incme	5	14,396,004,397	14,024,086,506
Other (expenses) income		(3,186,547)	823,199
Interest expense	16	(1,004,411,422)	-
Foreign exchange gain (loss)		2,110,093,227	(889,420,013)
Interest income	16	42,333,841	40,498
Profit before income tax		15,540,833,496	13,135,530,190
Income tax (expense) credit	17	(596,273)	1,699,966
Total profit for the year representing total comprehensive income for the year		15,540,237,223	13,137,230,156

See accompanying notes to financial statements.

TML HOLDINGS PTE. LTD.

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

	Share Capital INR	Capital reserve INR	Accumulated losses INR	Total Equity INR
Balance at 1 April 2013	121,318,191,306	(1,564,499,900)	(14,848,245,624)	104,905,445,782
Dividends (Note 18)			(2,799,499,282)	(2,799,499,282)
Total comprehensive income for the year			13,137,230,156	13,137,230,156
Rate difference opening adjustment	15,318,441,409	(197,544,159)	(1,874,838,255)	13,246,058,995
Balance at 31 March 2013	136,636,632,715	(1,762,044,059)	(6,385,353,005)	128,489,235,651
Dividends (Note 18)			(14,396,004,397)	(14,396,004,397)
Total comprehensive income for the year			15,540,237,223	15,540,237,223
Rate difference opening adjustment	16,193,408,620	(208,827,595)	(756,756,186)	15,227,824,839
Balance at 31 March 2014	152,830,041,335	(1,970,871,654)	(5,997,876,365)	144,861,293,316

See accompanying notes to financial statements.

TML HOLDINGS PTE. LTD.

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

	2014 INR	2013 INR
Operating activities		
Profit/(Loss) before income tax	15,540,833,496	13,135,530,190
Adjustments for :		
Dividend Income	(14,396,004,397)	(14,024,086,506)
Interest expense	1,004,411,422	-
Interest Income	(42,333,841)	(40,498)
Foreign exchange (gain) loss	(2,448,698,792)	497,255,089
Cash flows before movements in working capital	(341,792,112)	(391,341,725)
Other receivables and non-current assets	12,722,039	(1,174,353)
Other payables and accruals	4,389,884	(2,149,570)
Cash used in operations	(324,680,189)	(394,665,648)
Tax paid	-	(4,049,704)
Interest received	10,521,455	40,498
Net cash used in operations	(314,158,734)	(398,674,854)
Investing activities		
Proceeds from redemption of preference shares by subsidiary	-	13,503,824,187
Dividend received	14,396,004,397	14,024,086,506
Investment in subsidiaries	(24,277,129,457)	-
Loan to subsidiaries	(2,816,013,618)	-
Restricted Cash	(894,911,729)	-
Net cash generated from (used in) Investing activities	(13,592,050,407)	27,527,910,693
Financing activities		
Dividend paid	(14,396,004,397)	(2,799,499,282)
Interest paid	(641,941,403)	(11,219,113,129)
Proceeds from issuance of notes	17,417,966,785	-
Proceeds from bank loan	34,596,732,439	-
Redemption of preference shares	(16,145,177,017)	(13,110,368,958)
Net cash generated from (used in) financing activities	20,831,576,407	(27,128,981,369)
Net increase in cash and bank balances	6,925,367,266	254,470
Cash and bank balances at beginning of year	12,811,656	12,557,186
Effects of Exchnage rate changes in the cash and cash equivalents held in foreign currencies	(179,042,193)	-
Cash and bank balances at end of year	**6,759,136,729**	**12,811,656**

See accompanying notes to financial statements.

1 GENERAL

The Company (Registration No. 200802595C) is incorporated in Singapore with its principal place of business and the registered office is at 9 Battery Road, #15-01, Straits Trading Building, Singapore 049910. The financial statements are expressed in Pound Sterling (GBP).

The principal activity of the Company is that of investment holding.

The principal activities of the subsidiaries are disclosed in Note 9 to the financial statements.

The financial statements of the Company ended 31 March 2014 were authorised for issue by the Board of Directors on 24 April 2014.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING - The financial statements have been prepared in accordance with the historical cost basis except as disclosed in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions, leasing transactions and measurements that have some similarities to fair value but are not fair value, such as net realisable value of inventories or value in use in assessment of impairment of assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

FINANCIAL INSTRUMENTS - Financial assets and financial liabilities are recognised on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees paid or received that form an integral part of the effective interest rate, transaction cost and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Interest and expense are recognised on an effective interest basis for debt instruments.

Financial assets

Cash and cash equivalents

Cash and cash equivalents comprises cash at bank and short term deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Other receivables and loans to subsidiaries

Other receivables and loans to subsidiaries are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate method, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of receivables where the carrying amount is reduced through the use of an allowance account. When a receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Other payables, preference shares, notes payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis, except for short-term payables when the recognition of interest would be immaterial.

Interest-bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the group's accounting policy for borrowing costs (see below).

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

INVESTMENT IN SUBSIDIARY - Investment in subsidiary in the financial statements of the Company is stated at cost, less any impairment in net recoverable value that has been recognised in profit or loss.

IMPAIRMENT OF NON-FINANCIAL ASSETS - At the end of each reporting period, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (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.

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.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately in profit or loss.

PROVISIONS - Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

REVENUE RECOGNTION - Revenue is measured at the fair value of the consideration received or receivable.

Dividend income is recognised when the shareholders' rights to receive payment have been established.

Interest income is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable.

BORROWING COSTS - All borrowing costs are recognised in profit or loss in the period in which they are incurred.

INCOME TAX - Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Company's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is charged or credited to profit or loss.

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.

Current and deferred tax are recognised as an expense or income in profit or loss.

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION - The financial statements of the Company are measured and presented in GBP, which is the currency of the primary economic environment in which the Company operates (its functional currency).

Transactions in currencies other than the Company's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in other comprehensive income.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies

Management is of the view that there are no critical judgements made in applying the Company's accounting policies apart from key sources of estimation uncertainty as mentioned below.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Investments in subsidiaries

Investments in subsidiaries are stated at cost less impairment loss and the Company determines whether these are impaired as at each reporting period end. This determination requires significant judgement and estimates. The Company evaluates, among other factors, the market and economic environment in which the subsidiaries operate, economic performance of the entities, the duration and extent to which the cost of investments in the entities exceed their net tangible assets values and fair value of investment less cost to sell.

During the year, the Company has considered and assessed the value of its investments and is of the opinion that no impairment is necessary as there are no indicators of impairment. If the performance of the subsidiaries and/or market condition were to deteriorate which will affect the Company's investments in the subsidiaries, impairment may be required.

Recoverability of loans to subsidiaries

The Company makes allowance for bad and doubtful debts based on an assessment of the recoverability of loans to subsidiaries. Allowances are applied to loans to subsidiaries where events or changes in circumstance indicate that the balances may not be collectible. The identification of bad and doubtful debts requires the use of judgement and estimates. Where the expectation is different from the original estimates, such difference may impact the carrying value of loans to subsidiaries and doubtful debts expenses may need to be provided in the year in which such estimate has changed. The carrying amount of the loans to subsidiaries has been disclosed in Note 8 to the financial statements.

4 FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

(a) *Categories of financial instruments*

The following table sets out the financial instruments as at the end of the reporting period:

	31.03.2014	31.03.2013
Financial Assets	**INR**	**INR**
Loans and receivables (including cash and cash equivalents)	10,440,337,018	27,196,962
Financial Liabilities		
Amortised cost	49,913,208,824	14,636,584,122

(b) *Financial risk management policies and objectives*

(i) Foreign exchange risk management

At the year end, the carrying amounts of significant monetary assets and monetary liabilities that are not denominated in the functional currency are as follows:

	Assets (INR)		Liabilities (INR)	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
United States Dollars	2,272,677,531	26,963,346	25,898,949,005	14,636,584,122
Singapore Dollars	5,381,721,248	-	23,732,764,606	-
United States Dollars	2,680,713,892	-	-	-

If the relevant foreign currency strengthens by 10% against the functional currency of the Company, profit before tax will increase (decrease) by

	United States dollar impact		Singapore dollar impact		Thai baht impact	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2014
	INR	INR	INR	INR	INR	INR
Profit before tax	(2,362,627,176)	(1,460,962,043)	(1,835,104,326)	-	268,071,370	-

If the relevant foreign currency weakens by 10% against the functional currency of the Company, the effect on profit before tax is the converse of the above.

(b) *Financial risk management policies and objectives (Cont'd)*

(ii) Interest rate risk management

The company's exposure to changes in interest rates relates primarily to interest-bearing loans to subsidiaries and borrowings as disclosed in Notes 8 and 12 to the financial statements respectively.

The sensitivity analysis below has been determined based on the exposure to interest rates for interest-bearing borrowings and loans to subsidiaries at the end of the reporting period and the stipulated changes taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher or lower and all other variables were held constant, the profit before tax would decrease/increase by INR155,299,776 (2013 : INR Nil).

(iii) Credit risk management

The Company is an investment holding company and does not have credit risk exposures with outside parties apart from receivables and loans due from its subsidiaries.

Cash and cash equivalents is held with creditworthy financial institutions.

(iv) Liquidity risk management

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.
Liquidity and interest risk analyses for non-derivative financial liabilities

The following table details the remaining contractual maturity for non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which is not included in the carrying amount of the financial liability on the statement of financial position

	Weighted average effective interest rate	Within 1 year	Within 2 to 5 years	More than 5 years	Adjustments	Total
	%	INR	INR	INR	INR	INR
2014						
Non-interest bearing	-	281,495,186	-	-	-	281,495,186
Variable rate instrument	2.79	1,194,086,949	22,895,821,285	15,329,194,506	-5,608,281,788	33,810,820,952
Fixed rate instrument	4.25	743,072,606	18,159,679,091	-	-3,081,859,010	15,820,892,687
		2,218,654,741	41,055,500,376	15,329,194,506	-8,690,140,798	49,913,208,825

(b) *Financial risk management policies and objectives (Cont'd)*

(iv) Liquidity risk management (Cont'd)

Liquidity and interest risk analyses for non-derivative financial assets

The following table details the expected maturity for non-derivative financial assets. The table below has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Company anticipates that the cash flow will occur in a different period. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which are not included in the carrying amount of the financial asset on the statement of financial position.

	Weighted average effective interest rate	Within 1 year	Within 2 to 5 years	Adjustments	Total
2014	**%**	**INR**	**INR**	**INR**	**INR**
Non interest bearing	-	6,505,835,224	-	-	6,505,835,287
Variable rate instrument	2.65	849,654,794	2,073,064,988	(171,850,129)	2,750,869,653
Fixed rate instrument	0.41	1,186,058,523	-	(2,426,445)	1,183,632,078
		8,541,548,541	2,073,064,988	(174,276,574)	10,440,337,018

In 2013, the non-derivative financial liabilities and assets were due within 1 year from the end of the reporting period and bore no interest.

(v) Fair value of financial assets and financial liabilities

The carrying amounts of cash and bank balances, other receivables and other payables and preference shares approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

Management considers that the carrying amounts of the borrowings and loans to subsidiaries recorded at amortised cost approximate the fair values as they bear interest of floating rates.

The carrying amount of the notes payable approximates the fair values based on the quoted bid prices in an active market as at the end of the reporting period. Accordingly, management has classified the notes payable as Level 1 on the fair value hierarchy.

(c) *Capital risk management policies and objectives*

The Company reviews its capital structure on annual basis to ensure that the Company will be able to continue as a going concern. The capital structure of the Company comprised only issued capital and debts which comprised notes payables and borrowings. The Company's overall strategy remains unchanged from 2013.

5 HOLDING COMPANY AND RELATED COMPANY TRANSACTIONS

The Company is a wholly-owned subsidiary of Tata Motors Limited incorporated in India, which is also the Company's ultimate holding company. Related companies in these financial statements refer to members of the holding company's group of companies.

Some of the Company's transactions and arrangements are between members of the group and the effect of these on the basis determined between the parties is reflected in the financial statements. The intercompany balances are unsecured, interest-free and repayable on demand, unless stated otherwise.

The remuneration of directors and key management personnel is paid by a related company.

Significant transactions in related companies during the year:

	31.03.2014 INR	31.03.2013 INR
Dividend income from subsidiary	(14,396,004,397)	(14,024,086,506)
Interest income from subsidiaries	(29,882,682)	-
Dividend expense to holding company	14,396,004,397	2,799,499,282

6 CASH AND BANK BALANCES

	31.03.2014 INR	31.03.2013 INR
Cash at banks	6,470,767,855	12,811,656
Short term deposits	1,183,632,079	-
	7,654,399,934	12,811,656
Less : Restricted cash	(895,263,205)	-
	6,759,136,729	12,811,656

As at 31 March 2014, the short term deposits bore an average effective interest of 0.41% per annum with tenure of approximately six months.

Restricted cash pertained to debt service reserve account held for the purpose of the borrowings (Note 12) and notes payable (Note 13).

7 OTHER RECEIVABLES

	31.03.2014 INR	31.03.2013 INR
Deposit	260,052	232,497
Prepayment	33,949	213,151
Due from subsidiary (Note 5)	29,882,682	14,152,769
Others	4,816,251	-
	34,992,934	14,598,417

8 LOANS TO SUBSIDIARIES

	31.03.2014 INR	31.03.2013 INR
Loan to subsidiaries	2,750,869,653	-
Less : Amount due within twelve months	(778,615,839)	-
	1,972,253,814	

Loan to a subsidiary amounting to INR 2,680,713,892 carries interest at 50 basis points above 12 month Bangkok Interbank Offer Rate. The loan was assigned from its ultimate holding company during the year and repayments will commence on 23 October 2014 until maturity on 28 March 2018.

The remaining loan carries interest at South Africa prime lending rate. The loan was assigned from its ultimate holding company during the year and repayments will commence on 6 February 2016 until maturity on 1 November 2016.

9 INVESTMENTS IN SUBSIDIARIES

	31.03.2014 INR	31.03.2013 INR
Unquoted equity shares, at cost	184,334,761,395	143,098,409,693

Details of the Company's direct subsidiaries are as follows:

Name of the company	Principal activities/ Country of incorporation	Proportion of ownership and voting power held (%) 31.03.2014	31.03.2013
Jaguar Land Rover Automotive plc	Investment holding company/ United Kingdom	100	100
Tata Motors (Thailand) Limited (1)	Manufacturing and assembling vehicles / Thailand	94.36	-
Tata Daewoo Commercial Vehicle Co., Ltd (1)	Manufacturing and selling commercial vehicles / Republic of South Korea	100	-
Tata Motors (SA) (Proprietary) Ltd (1)	Manufacturing and assembling commercial vehicles / South Africa	60	-

(1) These subsidiaries were acquired during the year from its ultimate holding company for a consideration of INR 24,277,129,464.

10 OTHER PAYABLES AND ACCRUALS

	31.03.2014 INR	31.03.2013 INR
Interest accrued but not due	277,105,273	-
Accruals	4,389,913	-
	281,495,186	-

11 PREFERENCE SHARES

	31.03.2014		31.03.2013	
	Number of preference shares	INR	Number of preference shares	INR
Current				
Beginning of the year	2,585,463	16,371,230,115	5,028,999	27,249,697,952
Redeemed during the year	(2,585,463)	(16,145,177,017)	(2,443,536)	(13,503,824,187)
Exchange differences	-	(226,053,098)	-	890,710,350
Balance at end of the year	-	-	2,585,463	14,636,584,115

In 2013, the preference shares ("PS") were subscribed in full by Tata Motors Limited and were cumulative and, to the extent described below, participating preference shares.

The holder of the PS and the Company agreed that the dividend on the amount of capital that was paid up on PS, was at a rate of GBP 0% per share. Accordingly, no interest was accrued on the PS for the year ended 31 March 2013.

On a return of capital on liquidation, the assets of the Company available for distribution among the holders of the PS shall be applied first (in priority to any payment to the holders of the ordinary shares) in repaying the holders of the PS the sum of GBP62 per share together with a sum equal to any arrears and accruals of the preference dividend and any further sum payable in respect of the preference dividend or any redemption of the PS in each case calculated down to the date of the return of capital and to be payable whether or not such dividend or further sum has been declared or earned.

In 2014, the Company declared an interim preference dividend of INR 47.8172 per preference share (total preference dividend of INR 123,638,278) in respect of the financial year ended 31 March 2014 (Note 18). Subsequent to this, the PS were fully redeemed for an amount of INR 16,145,177,017.

12 BORROWINGS

	31.03.2014 INR	31.03.2013 INR
Non-current secured	33,810,820,889	-
Later than one year and not later than five years	18,870,845,054	-
Later than five years	14,939,975,835	-
	33,810,820,889	-

Borrowings amounting to INR 25,898,949,005 bear interest at 2.225% to 3.1% above London Interbank Offered Rate per annum and its effective interest rates range from 2.56% to 3.43% per annum. The remaining borrowings amounting to INR 7,911,871,885 bear interest at 1.975% to 2.85% above Swap Offer Rate per annum and its effective interest rates range from 2.27% to 3.14% per annum. These loans are repayable 48 months after the draw down date.

The borrowings are secured over the restricted cash (Note 6) and this has been set aside and at all times should be at least equal to the amount of interest due on the borrowings at that time on the next succeeding interest payment date.

13 NOTES PAYABLE

	31.03.2014 INR	31.03.2013 INR
Notes payable secured	15,820,892,749	-

Notes payable bear coupon rate at 4.25% per annum and interest is payable on a semi-annual basis. The notes are due on 16 May 2018.

The notes are secured over the restricted cash (Note 6) and this has been set aside and at all times should be at least equal to the amount of interest due on all notes payable at that time on the next succeeding interest payment date.

14 SHARE CAPITAL

	31.03.2014 INR	31.03.2013 INR
2,546,659,418 ordinary shares issued in US$	152,830,041,335	136,636,632,715

Ordinary share of the company has no par value, carry one vote per share and carry a right to dividends when declared by the Company.

15 CAPITAL RESERVE

The capital reserve arose out of a restructuring exercise carried out in 2010 and amounted to INR 21,575,514,480 as at 1 April 2011.

In 2012,

a. The holding company redeemed 7,055,000 of shares at par value of US$100 per share and the Company also issued 2,020,000 at the par value of US$100 per share. As a result of the above, the impact resulted in reduction of the capital reserve amounting to INR 1,337,081,206.

b. As a result of the change in the notice period of redemption of the preference shares in 2012 from 10 years to 1 month, there was a change in the fair value of the preference shares which amounted to INR 15,952,960,842 and had been accounted as a reduction to the capital reserve.

c. The Company entered into a share buy-back transaction with its holding company whereby it purchased 91,666,700 ordinary shares with a purchase consideration of US$ 201,666,740. The excess of the purchase consideration of US$2.20 per share and paid in capital of US$ 1.00 per share was accounted for under capital reserve which resulted in reduction of the capital reserve amounting to INR 6,047,516,491.

16 INTEREST INCOME/EXPENSE

	31.03.2014 INR	31.03.2013 INR
Interest income earned on loans to subsidiaries (Note 5)	29,882,682	-
Interest income earned on short term deposits	12,451,159	40,498
	42,333,841	40,498
Interest expense on notes payable	648,661,592	-
Interest expense on borrowings	355,749,830	-
	1,004,411,422	

17 INCOME TAX (EXPENSE) CREDIT

	31.03.2014 INR	31.03.2013 INR
Current tax	(596,273)	-
Overprovision in prior years	-	1,699,966
	(596,273)	1,699,966

Domestic income tax is calculated at 17% (2013 : 17%) of the estimated assessable profit for the financial year.

The total charge (credit) for the financial year can be reconciled to the accounting profit as follows:

	31.03.2014 INR	31.03.2013 INR
Profit (Loss) before income tax	14,692,279,677	13,135,530,190
Income tax expense at statutory rate of 17%	2,497,687,536	2,233,040,125
Exempt income	(2,666,644,263)	(2,384,094,708)
Expenses disallowed under tax	168,956,727	151,054,583
Overprovision in prior years	(1,901,436)	(1,699,966)
Income tax (credit) expense for the year	(1,901,436)	(1,699,966)

18 DIVIDENDS

In 2014, the Company declared and paid an interim tax exempt dividend of INR 5.6069 per share (total dividend of INR 14,272,366,143) and an interim preference dividend of INR 47.8172 per preference share (total preference dividend of INR 123,638,278) in respect of the financial year ended 31 March 2014.

In 2013, the Company declared and paid an interim tax exempt dividend of INR 1.09198 per share (total dividend of INR 2,799,499,282) in respect of the financial year ended 31 March 2013.

19 SEGMENT INFORMATION

For the purposes of monitoring segment performance and allocated resources between segments, the chief operating decision maker views the Company's operation as one operating segment, investment holding. Accordingly, no further disclosure of segment reporting has been presented.

20 SUBSEQUENT EVENT

Subsequent to 31 March 2014, the Company is in the process of filing its financial statements with the Singapore Exchange Securities Trading Limited for the purpose of issuing debt instruments.

21 CONVENIENCE TRANSLATION

The financial statements have been expressed in Great Britain Pounds ("GBP"), TML HOLDINGS PTE. LTD. functional currency. For the convenience of the reader and to meet the conditions of Section 212 of the Companies Act 1956, the financial statements have been translated into Indian Rupees ("INR") at GBP 1 = INR 96.1730 and INR 85.9828 on March 31, 2014 and 2013 respectively. In case any GBP amounts appearing in the audited financial statements prior to the above mentioned dates, the translation rate of March 31, 2013 has been applied.

Such translation should not be construed as representation that the GBP amounts have been or could be converted into INR at that or any other rate, or at all.

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TATA DAEWOOD COMMERCIAL VEHICLE COMPANY LIMITED

Annual Report 2013 – 14

Deloitte.

TATA DAEWOO COMMERCIAL VEHICLE CO. LTD.

FINANCIAL STATEMENTS AS OF AND
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013,
AND INDEPENDENT AUDITORS' REPORT

Deloitte Anjin LLC

DIRECTORS' REPORT

TO THE MEMBERS OF

TATA DAEWOO COMMERCIAL VEHICLE COMPANY LIMITED

The Directors present their thirteenth Annual Report and Audited Statement of Accounts for the year ended March 31, 2014.

1. Financial Results

	April 13 – March 14		April 12 – March 13	
	KRW Billion	Rs. in Crores	KRW Billion	Rs. in Crores
Gross Revenue	884.08	4,951.88	823.92	4,017.16
Cost of Sales	-748.53	-4,192.67	-730.68	-3,562.56
Gross Profit	135.55	759.21	93.24	454.60
Selling & Administrative Expenses	-103.58	-580.18	-97.00	-472.95
Operating Income	31.96	179.03	(3.76)	-18.36
Net Other Income/ (Expense)*	-1.44	-8.08	-6.68	-32.56
Income Before Income Tax	30.52	170.96	(10.44)	-50.91
Income Tax	-7.02	-39.32	1.24	6.03
Net Income for year	23.50	131.64	(9.21)	-44.88
Un-appropriated retained Earnings from previous year	66.90	374.71 **	76.10	419.59 **
Interim Dividend				
Dividend	0.00	0.00	0.00	0.00
Earned Surplus Reserve	0.00	0.00	0.00	0.00
Research & HRD Reserve	-	0.00	-	0.00
Un-appropriated retained earnings	90.39	506.35	66.90	374.71

* The results from the 100% Subsidiary Company – Tata Daewoo Commercial Vehicle sales and Distribution Co. Ltd have been included in the above results

**Adjusted to Foreign Exchange rate fluctuation.

2. Operating Results and Profits

FY2013-14 was a very encouraging as well as challenging year for the Company. On one hand Domestic volumes increased by 21.9% as a result to strong performance of the Company as compared to its competitors coupled with gradual recovery in the Korean economy. On the other hand Export volumes (including KD) decreased by 14.6% as compared to the previous year mainly due to adverse economic conditions in global markets. Company's total sales volume increased by 5% in FY13-14 compared to FY12-13. The positive impact of higher volume, various cost control initiatives and price increase in export market allowed Company to achieve Profit before taxes of KRW 30.52 Billion (Rs. 170.96 crore). The previous year results were negatively impacted by provision of KRW 18.9 Billion (Rs. 92.27 crore) made on account of court verdict in the Ordinary Wage Lawsuit filed by the Union Employees of the Company, resulting in Loss before taxes of KRW 10.44 Billion (Rs. 50.91 crore) in FY12-13.

During the year under review, the Company's total revenue was at KRW 884.08 billion (Rs. 4,951.89 crore) higher by 7.3 % compared to KRW 823.92 billion (Rs. 4,017.16 crore) in FY 2012-13. Company reported Profit before Tax was at KRW 30.52 billion (Rs. 170.96 crore) as compared to Loss before tax of KRW -10.44 billion (Rs. - 50.91 crore) in FY 2012-13. After providing for tax, the profit for the year stood at KRW 23.50 billion (Rs. 131.64 crore), against Loss of KRW -9.21 billion (Rs. – 44.88 crore) in the previous year.

3. Domestic Business:

Total market for **Heavy Commercial Vehicles** in Korea was almost stagnant during FY 2013-14 as compared to the previous year; however the Company achieved growth rate of 25.7% with sales of 2,995 units of HCV in FY 2013-14 as compared to 2,383 units in the previous year.

Medium Duty Trucks segment Industry witnessed 6% growth in FY13-14 mainly driven by gradual recovery of Korean economy. In this segment also Company outperformed Industry by achieving 19% volume growth with sales of 3,589 units in FY 2013-14 as compared to 3,017 units in the previous year.

The company was able to improve its market share in both, HCV as well as MCV segment. Company's domestic sales were 2nd highest in history of TDCV.

4. International Business:

The Company exported 4,016 units in FY 2013-14, a reduction of 14.6% as compared to 4,700 units sold in the previous year. The Company's sales decreased significantly in some of its traditional export markets like Russia, Laos, South Africa, Vietnam etc.
Sales during FY12-13 were high due to few specific tenders (eg. Kuwait, Iraq) which are not yearly requirement. In FY13-14 absence of such large volume tender business further contributed to the decline in export sales. Going forward company is trying to diversify its country portfolio so that it is not dependent on any particular export market.

5. Finance and Accounts

In the current year Company re-paid substantial amount of borrowings. Overall Borrowings as on 31st March 2014 reduced to KRW 40 Billion as against KRW 65 Billion on 31st March 2013.
The TDCV Union Employees had filed a lawsuit against the Company in March 2011 for including some elements of non ordinary Salary and Bonus as part of Ordinary Wages. The District Court gave a judgment in their favour on 22nd Jan 2013 and raised a demand on the Company for the period Dec 2007- May 2011 for KRW 17.2 Billion and interest for the unpaid period. The Company filed an appeal to the High Court against the order and is still pending. In the mean time, the Supreme Court has passed its judgment in another case wherein it has laid down the principles for deciding whether a particular component of salary is "Ordinary wage" and the application of the decision on a retrospective basis. So far a provision of KRW 24.3 billion has been made in financials which based on current status

and based on the legal opinion is sufficient to meet liabilities, if any in the future. The Company is closely monitoring the developments and taking steps to deal with the situation.

6. Corporate Governance

As a member of the Tata Group, the Company continues to follow and strengthen its business processes in keeping with the Tata Business Excellence Model, Tata Code of Conduct and best practices in Corporate Governance.
The company complies with the requirements of Internal Accounting Control System (IACS), a Korean legislation that requires the external auditors to review the operating effectiveness of accounting internal controls and attest management certification of the same and express an opinion in the audit report.

7. Audit

Under the Korean commercial law, the Company's External Auditors, Deloitte Anjin LLC, Seoul would hold office until the arrangement is changed. However, for the sake of good order, the shareholders' approval would be sought for their re-appointment for the financial year 2014-15.

8. Acknowledgements

During the year Mr Karl Slym, Chairman passed away. The Directors place on record the valuable contribution made and guidance provided by him during his tenure.
The Directors also wish to convey their appreciation to all of the Company's employees for their personal efforts as well as collective contribution to the Company's performance. The Directors acknowledge the managerial and operational support extended by Tata Motors Limited. The Directors would also like to thank the employee union, customers, suppliers, bankers, Government authorities and all other business associates for the continuous support given by them to the Company and their confidence in its management.

On behalf of the Board of Directors

Ravindra Pisharody
Director

May 21, 2014.

Independent Auditors' Report

English Translation of a Report Originally Issued in Korean

To the Board of Directors and the Shareholder of
Tata Daewoo Commercial Vehicle Co., Ltd.:

We have audited the accompanying statements of financial position of Tata Daewoo Commercial Vehicle Co., Ltd. (the "Company") as of March 31, 2014 and 2013, and the related statements of operations, changes in shareholder's equity and cash flows for the years then ended, all expressed in Korean won. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the Republic of Korea. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2014 and 2013, results of its operations, and its cash flows for the years then ended, in conformity with Accounting Standards for Non-Public Entities in the Republic of Korea ("KAS - NPEs").

Accounting principles and auditing standards and their application in practice vary among countries. The accompanying financial statements are not intended to present the financial position, results of operations, and cash flows in accordance with accounting principles and practices generally accepted in countries other than the Republic of Korea. In addition, the procedures and practices utilized in the Republic of Korea to audit such financial statements may differ from those generally accepted and applied in other countries. Accordingly, this report and the accompanying financial statements are for use by those knowledgeable about Korean accounting principles and auditing standards and their application in practice.

May 13, 2014

Notice to Readers

This report is effective as of May 13, 2014, the auditors' report date. Certain subsequent events or circumstances may have occurred between the auditors' report date and the time the auditors' report is read. Such events or circumstances could significantly affect the accompanying financial statements and may result in modifications to the auditors' report.

TATA DAEWOO COMMERCIAL VEHICLE CO., LTD.
STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2014 AND 2013

ASSETS	March 31, 2014		March 31, 2013	
CURRENT ASSETS				
Cash and cash equivalents, net of government subsidy of ₩674,364,813(Rs.37,772,347) as of March 31, 2014, and ₩16,479,282(Rs.803,479) as of March 31, 2013 (Notes 2, 10, 16 and 26)	₩65,958,143,339	Rs.3,694,430,380	₩100,618,684,064	Rs.4,905,859,320
Short-term financial instrument	-	-	2,100,000,000	102,389,578
Current portion of available-for-sale securities (Notes 2, 6 and 27)	602,590,000	33,752,114	-	-
Accounts and notes receivable (Notes 2, 16 and 17):				
- Trade, net of allowance for doubtful accounts of ₩850,112,159(Rs.47,616,261) as of March 31, 2014, and ₩1,016,783,322(Rs.49,575,245) as of March 31, 2013	82,490,236,093	4,620,421,662	52,721,050,632	2,570,517,196
- Other, net of allowance for doubtful accounts of ₩138,574,759(Rs.7,761,813) as of March 31, 2014, and ₩190,102,575(Rs.9,268,820) as of March 31, 2013	10,754,039,431	602,352,461	11,481,892,663	559,821,972
Advance payments, net of allowance for doubtful accounts of ₩15,134,237(Rs.847,695) as of March 31, 2014, and ₩153,975(Rs.7,507) as of March 31, 2013 (Note 2)	1,498,289,599	83,921,808	15,243,576	743,230
Foreign currency forward contracts (Notes 2, 19 and 27)	96,302,858	5,394,091	6,244,597	304,467
Deferred income tax assets (Notes 2 and 24)	9,664,965,423	541,351,531	8,669,001,074	422,673,981
Inventories, net (Notes 2, 4 and 9)	149,751,950,478	8,387,867,324	158,547,527,168	7,730,292,550
Other current assets (Note 5,17)	232,222,399	13,007,181	405,775,472	19,784,371
Total Current Assets	321,048,739,620	17,982,498,552	334,565,419,246	16,312,386,665
NON-CURRENT ASSETS				
Investment assets:				
Long-term financial instruments (Notes 2 and 3)	1,233,900,000	69,112,886	1,014,480,000	49,462,942
Available-for-sale securities (Notes 2, 6 and 27)	-	-	770,816,600	37,582,660
Equity method investment securities (Note 7)	2,546,725,055	142,646,502	1,460,126,156	71,191,286
Property, plant and equipment, net (Notes 2, 8 and 9)	205,783,023,738	11,526,265,235	215,072,678,483	10,486,286,061
Intangible assets, net (Notes 2 and 11)	27,925,350,558	1,564,147,477	30,689,155,534	1,496,309,369
Other non-current assets (Notes 2, 12 and 24)	5,532,287,970	309,873,076	7,799,457,645	380,277,702
Total Non-Current Assets	243,021,287,321	13,612,045,176	256,806,714,418	12,521,110,020
TOTAL ASSETS	₩564,070,026,941	Rs.31,594,543,728	₩591,372,133,664	Rs.28,833,496,685

Deloitte Anjin LLC
Lee, Joo Hyun
Partner
May 21, 2014

R. Pisharody
Chairman

S. B. Borwankar
Director

C. Ramakrishnan
Director

Kim, Kwan Kju
Representative Director & President

(Continued)

TATA DAEWOO COMMERCIAL VEHICLE CO., LTD.
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
MARCH 31, 2014 AND 2013

LIABILITIES AND SHAREHOLDER'S EQUITY	March 31, 2014		March 31, 2013	
CURRENT LIABILITIES				
Accounts payable (Notes 16, 17 and 27):				
- Trade	₩144,261,799,582	Rs.8,080,354,419	₩160,467,678,685	Rs.7,823,913,266
- Other	18,325,306,568	1,026,432,308	22,188,610,104	1,081,848,771
Short-term borrowings (Notes 13 and 27)	30,000,000,000	1,680,352,202	50,000,000,000	2,437,847,088
Advance receipts (Note 17)	2,781,189,380	155,779,257	6,387,493,369	311,434,642
Accrued expenses (Notes 16 and 17)	34,372,690,955	1,925,274,231	27,780,623,094	1,354,498,223
Withholdings	1,421,151,197	79,601,151	1,140,084,551	55,587,036
Current income tax liability (Notes 2 and 24)	5,221,680,090	292,475,388	657,358,883	32,050,809
Foreign currency forward contracts (Notes 2, 19 and 27)	3,318,012	185,848	652,037,376	31,791,348
Current portion of long-term borrowing (Notes 13 and 27)	10,000,000,000	560,117,401	5,000,000,000	243,784,709
Total Current Liabilities	246,387,135,784	13,800,572,205	274,273,886,062	13,372,755,892
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 13 and 27)	-	-	10,000,000,000	487,569,418
Long-term guarantee deposits received	36,000,000	2,016,423	36,000,000	1,755,250
Accrued severance indemnities, net of transfers to the National Pension Fund of ₩222,130,600(Rs.12,441,921) as of March 31, 2014, and ₩235,881,700(Rs.11,500,870) as of March 31, 2013 and retirement pension fund of ₩23,107,309,972(Rs.1,294,280,640) as of March 31, 2014. (Notes 2 and 15)	9,232,546,308	517,130,984	26,296,874,450	1,282,155,176
Accrued warranties (Notes 2 and 14)	15,963,626,494	894,150,498	13,192,339,808	643,218,144
Other non-current liabilities (Notes 10 and 27)	1,437,530,000	80,518,557	87,530,000	4,267,695
Total Non-Current Liabilities	26,669,702,802	1,493,816,462	49,612,744,258	2,418,965,683
Total Liabilities	273,056,838,586	15,294,388,667	323,886,630,320	15,791,721,575
SHAREHOLDER'S EQUITY				
Common stock (Notes 1 and 20)	15,080,300,000	844,673,844	15,080,300,000	735,269,309
Capital surplus (Note 20):				
Paid-in capital in excess of par value	92,753,162,813	5,195,266,045	92,753,162,813	4,522,360,558
Gain on capital reduction	50,650,609,388	2,837,028,767	50,650,609,388	2,469,568,813
Accumulated other comprehensive income (Note 6)				
Gain on valuation of available-for-sale securities	158,020,200	8,850,986	133,236,948	6,496,226
Retained earnings (Note 21):				
Earned surplus reserve	3,398,000,000	190,327,893	3,398,000,000	165,676,088
Reserve for research and human resource development	38,572,066,667	2,160,488,572	38,572,066,667	1,880,656,008
Unappropriated retained earnings	90,401,029,287	5,063,518,954	66,898,127,528	3,261,748,108
Total Shareholder's Equity	291,013,188,355	16,300,155,061	267,485,503,344	13,041,775,110
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	₩564,070,026,941	Rs.31,594,543,728	₩591,372,133,664	Rs.28,833,496,685

Deloitte Anjin LLC
Lee, Joo Hyun
Partner
May 21, 2014

R. Pisharody
Chairman

S. B. Borwankar
Director

C. Ramakrishnan
Director

Kim, Kwan Kju
Representative Director & President

(Concluded)

See accompanying notes to financial statements.

TATA DAEWOO COMMERCIAL VEHICLE CO., LTD.
STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

	2014		2013	
SALES (Notes 2 and 17):				
Finished goods	₩815,415,164,318	Rs.45,672,822,225	₩760,328,999,821	Rs.37,071,316,770
Others	68,664,085,087	3,845,994,885	63,586,559,611	3,100,286,184
	884,079,249,405	49,518,817,110	823,915,559,432	40,171,602,954
COST OF SALES:				
Finished goods	(696,107,223,875)	(38,990,176,878)	(680,532,287,698)	(33,180,673,124)
Others	(52,426,822,920)	(2,936,517,578)	(50,145,576,617)	(2,444,944,959)
	(748,534,046,795)	(41,926,694,456)	(730,677,864,315)	(35,625,618,083)
GROSS PROFIT	135,545,202,610	7,592,122,655	93,237,695,117	4,545,984,871
SELLING AND ADMINISTRATIVE EXPENSES (Notes 23 and 28)	(103,581,863,016)	(5,801,800,386)	(97,002,532,444)	(4,729,546,826)
OPERATING INCOME (LOSS)	31,963,339,594	1,790,322,269	(3,764,837,327)	(183,561,955)
OTHER INCOME (EXPENSES):				
Interest income	1,864,363,659	104,426,253	1,290,258,246	62,909,046
Interest expense	(5,334,764,779)	(298,809,458)	(7,245,936,950)	(353,289,726)
Rental income	19,980,000	1,119,115	18,780,000	915,655
Loss on foreign currency transactions, net (Note 2)	(606,732,005)	(33,984,115)	(717,467,863)	(34,981,539)
Loss on foreign currency translation, net (Note 2)	(661,056,400)	(37,026,919)	(579,796,247)	(28,269,092)
Loss on disposal of property, plant and equipment, net	(807,500)	(45,229)	(5,650,704)	(275,511)
Gain (loss) on impairment of property, plant and equipment, net	(146,008,032)	(8,178,164)	-	-
Other provision for doubtful accounts	(40,414,514)	(2,263,687)	(59,866,525)	(2,918,909)
Equity in income (loss) of associate	1,086,598,899	60,862,295	(454,362,266)	(22,153,315)
Loss on disposal of intangible assets, net	(79,976,652)	(4,479,631)	-	-
Gain on derivative instruments transactions, net (Notes 2 and 19)	1,688,692,779	94,586,621	928,954,593	45,292,985
Gain (loss) on derivative instruments valuation, net (Notes 2 and 19)	92,984,846	5,208,243	(645,792,779)	(31,486,881)
Loss on disposal of trade accounts receivable	(340,609,408)	(19,078,126)	(379,055,094)	(18,481,567)
Others	1,016,016,102	56,908,830	1,172,614,421	57,173,093
Other expenses, net	(1,441,733,005)	(80,753,972)	(6,677,321,168)	(325,565,761)
INCOME (LOSS) BEFORE INCOME TAX	30,521,606,589	1,709,568,294	(10,442,158,495)	(509,127,716)
INCOME TAX EXPENSE (BENEFIT) (Notes 2 and 24)	(7,018,704,830)	(393,129,871)	1,236,690,368	60,297,240
NET INCOME (LOSS)	₩23,502,901,759	Rs.1,316,438,423	(₩9,205,468,127)	(Rs.448,830,476)
NET INCOME (LOSS) PER SHARE (Note 25)	₩7,793	Rs.436	(₩3,052)	(Rs.149)

See accompanying notes to financial statements.

Deloitte Anjin LLC
Lee, Joo Hyun
Partner
May 21, 2014

R. Pisharody
Chairman

S. B. Borwankar
Director

C. Ramakrishnan
Director

Kim, Kwan Kju
Representative Director & President

TATA DAEWOO COMMERCIAL VEHICLE CO., LTD.
STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

	Common stock	Capital surplus	Accumulated other comprehensive income	Retained earnings	Total shareholder's equity
Balance, April 1, 2012	₩15,080,300,000	₩143,403,772,201	₩133,236,948	₩118,073,662,322	₩276,690,971,471
	Rs.735,269,309	Rs.6,991,929,371	Rs.6,496,226	Rs.5,756,910,680	Rs.13,490,605,584
Net loss	₩-	₩-	₩-	(₩9,205,468,127)	(₩9,205,468,127)
	Rs.-	Rs.-	Rs.-	(Rs.448,830,476)	(Rs.448,830,473)
Balance, March 31, 2013	₩15,080,300,000	₩143,403,772,201	₩133,236,948	₩108,868,194,195	₩267,485,503,344
	Rs.735,269,309	Rs.6,991,929,371	Rs.6,496,226	Rs.5,308,080,204	Rs.13,041,775,110
Balance, April 1, 2013	₩15,080,300,000	₩143,403,772,201	₩133,236,948	₩108,868,194,195	₩267,485,503,344
	Rs.844,673,844	Rs.8,032,294,812	Rs.7,462,833	Rs.6,097,896,996	Rs.14,982,328,483
Unrealized gain on valuation of available-for-sale securities	₩-	₩-	₩24,783,252	₩-	₩24,783,252
	Rs.-	Rs.-	Rs.1,388,153	Rs.-	Rs.1,388,153
Net income	₩-	₩-	₩-	₩23,502,901,759	₩23,502,901,759
	Rs.-	Rs.-	Rs.-	Rs.1,316,438,423	Rs.1,316,438,423
Balance, March 31, 2014	₩15,080,300,000	₩143,403,772,201	₩158,020,200	₩132,371,095,954	₩291,013,188,355
	Rs.844,673,844	Rs.8,032,294,812	Rs.8,850,986	Rs.7,414,335,419	Rs.16,300,155,061

See accompanying notes to financial statements.

TATA DAEWOO COMMERCIAL VEHICLE CO., LTD.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

	2014		2013	
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income (loss)	₩23,502,901,759	Rs.1,316,438,423	(₩9,205,468,127)	(Rs.448,830,476)
Expenses (income) not involving cash outflows (inflows):				
Depreciation	26,694,690,379	1,495,216,059	24,664,519,422	1,202,566,537
Amortization	4,652,627,823	260,601,780	4,427,646,234	215,878,490
Provision for severance indemnities	7,426,319,180	415,961,060	8,114,591,532	395,642,667
Provision for doubtful accounts	-	-	14,726,178	718,003
Reversal of allowance for doubtful accounts	(166,671,163)	(9,335,542)	-	-
Other provision for doubtful accounts	40,414,514	2,263,687	59,866,525	2,918,909
Provision for accrued warranties	13,475,414,815	754,781,432	12,016,278,514	585,876,992
Loss on foreign currency translation, net	(161,494,748)	(9,045,602)	(176,972,963)	(8,628,660)
Gain on derivative instruments transactions, net	(1,688,692,779)	(94,586,621)	(928,954,593)	(45,292,985)
Gain on derivative instruments valuation, net	(92,984,846)	(5,208,243)	645,792,779	31,486,881
Equity in loss (income) of associate	(1,086,598,899)	(60,862,295)	454,362,266	22,153,315
Loss on disposal of property, plant and equipment, net	807,500	45,229	5,650,704	275,511
Loss on impairment of property, plant and equipment, net	146,008,032	8,178,164	-	-
Loss on disposal of trade accounts receivable	340,609,408	19,078,126	379,055,094	18,481,567
Loss on disposal of intangible assets, net	79,976,652	4,479,631	-	-
Subtotal	49,660,425,868	2,781,566,865	49,676,561,692	2,422,077,227
Changes in assets and liabilities related to operating activities:				
Trade notes and accounts receivable	(29,895,325,711)	(1,674,489,213)	2,473,702,867	120,610,187
Other receivables	703,245,807	39,390,021	(3,009,403,046)	(146,729,289)
Advance payments	(1,498,026,285)	(83,907,059)	1,621,524,337	79,060,568
Current deferred income tax assets	(995,964,349)	(55,785,696)	(4,794,636,011)	(233,771,789)
Other current assets	173,553,073	9,721,010	42,817,255	2,087,638
Inventories	8,795,576,690	492,655,555	20,998,589,797	1,023,827,020
Non-current deferred income tax assets	2,167,959,527	121,431,185	(163,926,494)	(7,992,555)
Trade accounts payable	(16,161,857,763)	(905,253,776)	59,125,453,700	2,882,776,303
Other payables	(3,248,587,690)	(181,959,049)	2,460,193,157	119,951,494
Advance receipts	(3,606,303,989)	(201,995,362)	652,045,875	31,791,763
Withholdings	281,066,646	15,743,032	(657,215,450)	(32,043,815)
Accrued expenses	6,658,608,098	372,960,226	17,363,723,220	846,602,042
Current income tax liability	4,564,321,207	255,655,573	(2,927,692,861)	(142,745,350)
Payments of warranty claims	(10,704,128,129)	(599,556,842)	(11,475,994,605)	(559,534,401)
Payments of severance indemnities	(1,397,088,450)	(78,253,355)	(18,146,482,372)	(884,766,984)
Funded deposit of retirement pension plan	(23,107,309,972)	(1,294,280,640)	-	-
Transfers to the National Pension Fund	13,751,100	770,223	110,827,300	5,403,600
Other non-current liabilities	1,350,000,000	75,615,849	41,770,000	2,036,577
Subtotal	(65,906,510,190)	(3,691,538,318)	63,715,296,669	3,106,563,009
Net cash provided by operating activities	7,256,817,437	406,466,970	104,186,390,234	5,079,809,760

(Continued)

TATA DAEWOO COMMERCIAL VEHICLE CO., LTD.
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

	2014		2013	
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of short-term financial instruments	(₩340,527,500)	(19,073,538)	(₩2,744,720,000)	(133,824,153)
Proceeds from short-term financial instruments	2,440,527,500	136,698,192	2,444,720,000	119,197,071
Acquisition of long-term financial instruments	(219,420,000)	(12,290,096)	-	-
Proceeds from long-term financial instruments	-	-	499,740,000	24,365,794
Proceeds from sale of property, plant and equipment	1,000	56	89,090,909	4,343,800
Proceeds from available for sale of securities	200,000,000	11,202,348	-	-
Proceeds from sale of developments costs	361,509,220	20,248,760	-	-
Acquisition of property, plant and equipment	(18,164,259,663)	(1,017,411,791)	(31,116,753,106)	(1,517,157,719)
Acquisition of development costs	(2,330,308,719)	(130,524,646)	(3,986,426,538)	(194,365,967)
Settlements of currency forward contracts	1,042,900,000	58,414,644	818,350,000	39,900,243
Payment of guarantee deposits	(75,000,000)	(4,200,881)	(330,000,000)	(16,089,791)
Receipt of guarantee deposits	167,220,000	9,366,283	217,000,000	10,580,256
Net cash used in investing activities	(16,917,358,162)	(947,570,669)	(34,108,998,735)	(1,663,050,466)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from short-term borrowings	-	-	67,000,000,000	3,266,715,099
Repayment of short-term borrowings	(20,000,000,000)	(1,120,234,801)	(77,000,000,000)	(3,754,284,516)
Repayment of long-term borrowings	(5,000,000,000)	(280,058,700)	(15,000,000,000)	(731,354,127)
Net cash used in financing activities	(25,000,000,000)	(1,400,293,501)	(25,000,000,000)	(1,218,923,544)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(34,660,540,725)	(1,941,397,200)	45,077,391,499	2,197,835,750
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	100,618,684,064	5,635,827,580	55,541,292,565	2,708,023,570
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	₩65,958,143,339	Rs.3,694,430,380	₩100,618,684,064	Rs.4,905,859,320

(Concluded)

See accompanying notes to financial statements.

TATA DAEWOO COMMERCIAL VEHICLE CO., LTD.
NOTES TO FINANCIAL STATEMENTS
AS OF MARCH 31, 2014 AND 2013, AND
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

1. GENERAL:

Tata Daewoo Commercial Vehicle Co., Ltd. (the "Company") located in Gunsan-si, Jeollabuk-do, Republic of Korea, is engaged in manufacturing and selling of commercial vehicles. The Company was spun off from Daewoo Motor Co., Ltd. on November 1, 2002. As of March 31, 2014, the Company's common stock totaled ₩15,080,300,000 (Rs. 84,46,73,844), all of which is owned by TML Holdings Pte. Ltd., a wholly owned subsidiary of Tata Motors Limited.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

These accompanying financial statements are prepared in the Korean language (Hangul). Accordingly, these financial statements are intended for use by those who are informed about KAS - NPEs and Korean practices. In addition, these financial statements have been condensed, restructured, and translated into English with certain expanded descriptions from the Korean language financial statements.

The accompanying financial statements will be approved at the annual shareholder's meeting on May 21, 2014.

The Company's significant accounting policies used for the preparation of the financial statements are as follows:

a. Cash and Cash Equivalents

Cash and cash equivalents include cash, cash equivalent securities including checks issued by others, and checking accounts, ordinary deposits and financial instruments, which can be easily converted into cash and whose value changes due to changes in interest rates are not material, with maturities (or date of redemption) of three months or less from acquisition.

b. Allowance for Doubtful Accounts

The Company provides an allowance for doubtful accounts to cover estimated losses that may arise from non-collection of its receivables. The estimate of losses is based on the review of the aging and current status of outstanding receivables.

c. Inventories

Inventories are stated at cost which is determined by using the moving-average method, except for finished goods, work in process and goods in transit whose value is determined using the specific identification method. The Company maintains perpetual inventory system, which is adjusted to physical inventory counts performed at year-end. When the market value of inventories (net realizable value for finished goods, work in process and service parts, and current replacement cost for raw materials) is less than the carrying value, the carrying value is stated at the lower of cost or market. The Company applies the lower of cost or market method and loss on inventory valuation is presented as a deduction from

inventories and charged to cost of sales. However, when the circumstances that previously caused inventories to be written down below cost no longer exist and the new market value of inventories subsequently recovers, the valuation loss is reversed to the extent of the original valuation loss and the reversal is deducted from cost of sales.

d. Securities (Excluding Equity Method Investment Securities)

Debt and equity securities are initially stated at the market value of consideration given for acquisition (market value of securities acquired if market value of consideration given is not available) plus incidental costs attributable to the acquisition of the securities and are classified into trading, available-for-sale and held-to-maturity securities depending on the purpose and nature of acquisition. The Company presents trading securities as short-term investments, and available-for-sale securities and held-to-maturity securities as short-term investments or long-term investment securities depending on their nature in the statements of financial position. There are no trading and held-to-maturity securities as of March 31, 2014.

The moving-average method for equity securities and the specific identification method for debt securities are used to determine the cost of securities for the calculation of gain (loss) on disposal of those securities.

The following is the specific valuation method applied for debt and equity securities:

Debt and equity securities that do not fall under the classifications of trading or held-to-maturity securities are categorized and presented as available-for-sale securities included in investment assets. However, if an available-for-sale security matures or it is certain that such security will be disposed of within one year from the statement of financial position date, it is classified as a current asset.

Available-for-sale securities are recorded at fair value. Unrealized gain or loss from available-for-sale securities is presented as gain or loss on valuation of available-for-sale securities included in accumulated other comprehensive income under shareholder's equity. In addition, accumulated gain or loss on valuation of available-for-sale securities is reflected in either gain or loss on disposal of available-for-sale securities or loss on impairment of available-for-sale securities upon disposal or recognition of impairment of the securities. However, available-for-sale equity securities that are not marketable and whose fair value cannot be reliably measured are recorded at acquisition cost.

When there is objective evidence that the available-for-sale securities are impaired and the recoverable amount is lower than the cost (amortized cost for debt securities) of the available-for-sale securities, an impairment loss is recognized as loss on impairment of available-for-sale securities in non-operating expense and the related unrealized gain or loss remaining in shareholder's equity are adjusted to the impairment loss. If the value of impaired securities subsequently recovers and the recovery can be objectively related to an event occurring after the impairment loss was recognized, the reversal of impairment loss can be recognized up to the previously recorded impairment loss as a reversal of loss on impairment of available-for-sale securities in non-operating income. However, if the fair value increases after the impairment loss is recognized but does not relate to the recovery of impairment loss as described above, the increase in fair value is recorded in shareholder's equity.

e. Equity Method Investment Securities

Investments in equity securities of companies, over which the Company exercises significant influence, are reported using the equity method of accounting.

1) Accounting for changes in the equity of the investee

Under the equity method of accounting, the Company records changes in its proportionate equity of the net assets of the investee depending on the nature of the underlying changes in the investee as follows: (i) "equity in income (loss) of associates" in the non-operating income (expense) for net income (loss) of the investee; (ii) "increase (decrease) in retained earnings of associates" in the retained earnings for changes in beginning retained earnings of the investee; and (iii) "increase (decrease) in equity of associates" in the accumulated other comprehensive income (loss) for other changes in shareholder's equity of the investee.

When the equity method investee's unappropriated retained earnings carried over from prior-period changes due to significant error corrections, the Company records the changes in equity as "equity in income (loss) of associates" included in the non-operating income (expense) if the impact of the changes on the Company's financial statements is not significant. If the changes result from the changes in accounting policies of the equity method investee, they are reflected in the unappropriated retained earnings carried over from prior period in accordance with SKAS on changes in accounting policy and errors corrections. When the investee declares cash dividends, the dividends to be received are deducted directly from equity method investment securities.

2) Treatment of investment difference

Difference between the acquisition cost and the Company's proportionate equity in the fair value of net assets of the investee upon acquisition ("investment difference") is considered as (negative) goodwill and accounted for in accordance with accounting standards for business combination. The goodwill portion which is amortized over useful lives within 20 years on a straight line method and the negative goodwill portion which is amortized over the weighted-average useful lives of depreciable non-monetary assets of the investee are included in "equity in income (loss) of associates."

When the Company's equity interest in the investee increases due to an increase (or decrease) in contributed capital with (or without) consideration, the changes in the Company's proportionate equity in the investee are accounted for as investment difference. If the Company's equity interest decreases, the changes are accounted for as "gain (loss) on disposal of the equity method investment securities." However, if the investee is the Company's subsidiary, those changes are accounted for included in the capital surplus (capital adjustments).

3) Difference between the fair value and book value of net asset of the investee

Upon acquisition of the equity method investment securities, the Company's proportionate shares in the differences between the fair values and book values of the identifiable assets and liabilities of the investee are amortized/reversed and included in "equity in income (loss) of associates" in accordance with the investee's methods of accounting for the assets and liabilities.

4) Elimination of unrealized gain or loss from intercompany transactions

The Company's proportionate share in the gain (loss) arising from transactions between the Company and the investee, which remains in the book value of assets held as of statement of financial position date, is considered unrealized gain (loss) and adjusted to equity method investment securities. If the investee is a subsidiary of the Company, unrealized gain (loss) from sale of an asset by the Company to

the investee (downstream transaction) is fully eliminated and adjusted to equity method investment securities.

5) Impairment loss on equity method investment securities

When there is objective evidence that the equity method investment securities is impaired and the recoverable amount is lower than the carrying amount of the equity method investment securities, an impairment loss is recognized as “loss on impairment of equity method investment securities” included in non-operating expense and the unamortized investment difference is first reduced. When the recoverable amount is recovered after the recognition of impairment loss, the reversal of impairment loss is recognized as income up to the previously recorded impairment loss. The book value of the equity method investment securities after the reversal of the impairment loss cannot exceed the book value calculated as if the impairment loss would not have been originally recognized. The reversal of the impairment loss recognized against the unamortized investment difference is not allowed.

6) Disposal of equity method investment securities

When the investor disposes of all or part of an investment in an associate, any accumulated other comprehensive income (loss) relating to the disposed investment is accounted for as gain or loss on disposal of equity method investment securities.

f. Property, Plant and Equipment

Property, plant and equipment are stated at cost (acquisition cost or manufacturing cost plus expenditures directly related to preparing the assets ready for use in time and place, net of sales discount given) and assets acquired from investment in kind, by donation, or free of charge are stated at fair value. When an asset is exchanged for a similar kind of asset, the asset received is stated at the carrying value of the asset given. When an asset is exchange for a different kind of asset, the asset received is stated at the fair value of the asset given. When there is uncertainty as to the fair value of the asset given, the asset received is recorded at its fair value.

If the costs incurred after acquisition or completion increases the future economic benefit of an asset, such costs are capitalized if the costs can be objectively measured and incurred to replace an existing asset, the existing asset is removed from the financial statements. Costs incurred to repair and maintain assets are expensed as incurred.

In accordance with the Company’s policy, borrowing costs in relation to the manufacture, purchase, construction or development of assets are charged to current operations as incurred.

Property, plant and equipment are depreciated using a straight-line method over their economic useful lives which are determined from the time when the assets are ready for use (ready for their intended use by the management in time and place). Depreciation expense is recognized as manufacturing cost or as selling, general and administrative expense for all other cases, as incurred.

	Useful lives (years)
Buildings	40
Structures	20
Machinery and equipment	12
Other	6

g. Intangible Assets (excluding Goodwill)

Intangible assets are initially recognized at acquisition cost (purchase cost plus expenditures directly related to preparing the assets ready for use) and subsequently presented at amortized cost. Development costs are amortized when the capitalized assets can be used or sold, over 5 to 6 years and intangible assets other than development costs are amortized over the useful lives (10 years) of the related assets using the straight-line method. Amortization related to the manufacturing of other assets is included in the manufacturing cost of the asset whereas other amortization is included in selling and administrative expense.

h. Impairment of Assets

At the end of each reporting period, the Company reviews the carrying values of assets except for financial assets, inventories, assets generated from construction contracts, deferred tax assets, biological assets, and non-current assets of discontinued operations to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying value of the asset is reduced to its recoverable amount, and an impairment loss is immediately recorded in profit or loss. If an individual asset has impairment indication, cash flow from disposition of asset is less than its carrying amount, the carrying value of the asset is reduced to the net proceed on disposition, and an impairment loss is immediately recorded in profit or loss.
Also, regardless of impairment loss indicators, assets not in use and assets held for future use are estimated for recoverable amounts.

When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. If the recoverable amount of goodwill is estimated to be less than its carrying amount, an impairment loss is allocated to reduce the carrying value of the goodwill, and then allocated to reduce the carrying value of individual assets. The allocated amounts to individual assets cannot be lower than the larger of estimated recovered amount, value in use amount, and zero.

An impairment loss recognized for goodwill cannot be reversed subsequently, impairment loss recognized for assets other than goodwill is subjected to revaluation for a reversal of impairment loss that was recognized in prior years. When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of impairment loss is recognized immediately in profit or loss.

i. Government Subsidy

Government subsidy for the purpose of acquisition of certain assets is recorded as a deduction from the assets granted or other assets acquired for the temporary use of the assets granted. When the related assets are acquired, they are recorded as a deduction from the acquired assets and are offset against the depreciation of the acquired assets over their useful lives.

In addition, government subsidy without any repayment obligation is offset against the related expenses which they are intended to compensate; however, if there is no matching expense, they are recorded as operating revenue or non-operating revenue depending on whether they are directly related to the Company's principal operating activities. Government subsidy with a repayment obligation is recorded as a liability.

j. Long-Term Installment Transactions

Receivables or payables from long-term installment transactions, long-term loans/borrowings or the other similar transactions are stated at fair values. The discount or premium, resulting from the determination of present value is reported in the statements of financial position, as a direct deduction from or addition to the nominal value of the related receivables or payables and is amortized using the effective interest rate method, is included in the period profit or loss.

k. Effects of Foreign-Exchange Fluctuations

1) Functional currency and reporting currency

The Company presented the accompanying financial statements in Korean won, the currency in which the Company performs business operations, such as sales and purchases.

2) Foreign currency transaction

The Company records transactions made in foreign currency converted at the transaction date exchange rate. Non-monetary foreign exchange items which are estimated by historical cost are converted as of the transaction date exchange rate. Non-monetary items which are fair valued are converted at the exchange rate on the date when their fair values are fixed. If the gain or loss incurred from non-monetary items is recognized as other comprehensive income, the gain or loss from the exchange rate fluctuation is also recognized as other comprehensive income. Whereas, if the related gain or loss incurred from non-monetary items is recognized in the current period profit or loss, the related exchange rate fluctuation is also recognized in the current period profit or loss.

In addition, monetary assets and liabilities denominated in foreign currency are translated into Korean won at the Base Rates announced by Seoul Money Brokerage Services, Ltd. on the dates of the statements of financial position, which were ₩1,068.80 (Rs.60.00) and ₩1,112.10 (Rs.54.22) to US$1.00 at March 31, 2014 and 2013, respectively.

l. Accrued Severance Indemnities

In accordance with the Company's policy, all employees with more than one year of service are entitled to receive lump-sum severance payments upon termination of their employment, based on their current rates of salary and length of service. In accordance with the National Pension Law of Korea, a portion of the Company's severance indemnities was transferred, in cash, to the National Pension Fund through March 1999, and such amounts are presented as a deduction from accrued severance indemnities.

Meanwhile, the Company deposited a portion of its obligations for severance indemnities to guarantee employees' benefits through deposits that will be directly paid to employees and records them as retirement pension fund which are accounted for as a deduction to accrued severance indemnities

m. Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of past events, it is highly probable that the Company will be required to settle the obligation, and the amount can be reliably estimated.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset and as a reimbursement net of the provision-related expense.

n. Derivative Financial Instruments

The Company records rights and obligations arising from derivative instruments in assets and liabilities, which are stated at fair value. Gains and losses that result from the changes in the fair value of derivative instruments are recognized in current earnings. However, for derivative instruments for which cash flow hedge accounting is applied, the effective portion of the gain or loss on the derivatives instruments is recorded as gain (loss) on valuation of derivatives included in accumulated other comprehensive income (loss).

o. Revenue Recognition

Sales of finished goods and sales of auto parts included in sales - others are recognized at the time of delivery to customers. Repair service revenues included in sales - others are recognized upon completion of services, and service revenues included in sales - others are recognized when related revenue activities are completed, amounts are estimable and economic benefits are highly expected.

p. Income Tax Expense

The Company recognizes deferred income tax assets or liabilities for the temporary differences between the carrying amount of an asset and liability for the financial reporting purposes and the amounts used for income tax purposes. A deferred tax liability is generally recognized for all taxable temporary differences with some exceptions and a deferred tax asset is recognized to the extent when it is probable that taxable income will be available against which the deductible temporary difference can be utilized in the future. Deferred income tax asset (liability) is classified as a current or non-current asset (liability) depending on the classification of related asset (liability) in the statements of financial position. Deferred income tax asset (liability), which does not relate to a specific asset (liability) account in the statement of financial position such as a deferred income tax asset recognized for tax loss carryforwards, is classified as a current or non-current asset (liability) depending on the expected reversal period. Deferred income tax assets and liabilities in the same tax jurisdiction and in the same current or non-current classification are presented on a net basis. Current and deferred income tax expenses are included in income tax expense in the statements of income and additional income tax or tax refunds for the prior periods are included in income tax expense for the current period when recognized.

q. Critical Accounting Judgments and Key Sources of Estimation Uncertainty

In application of the Company's accounting policies, estimates and assumptions are applied to measure the carrying values of assets and liabilities, disclosures on provision, income and expense. The estimates and associated assumptions are also applied to measure the carrying values of property, plant and equipment, accounts receivable, inventory, evaluation of deferred tax asset, and evaluation of derivatives. Actual results may differ from these estimates.

3. RESTRICTED DEPOSITS:

Long-term financial instruments, restricted in use for payment of employees' retirement benefits as of March 31, 2014 and 2013, are as follows (In Korean won):

	2014		2013	
Long-term financial instruments:				
Personal pension	₩1,233,900,000	Rs.69,112,886	₩1,014,480,000	Rs. 49,462,942

4. INVENTORIES:

Details of inventory valuation as of March 31, 2014 and 2013, are as follows (In Korean won):

2014						
	Acquisition cost		Lower of cost or market value		Recovery gain (loss on valuation)	
Finished goods	₩44,026,745,804	Rs.2,466,014,642	₩44,026,745,804	Rs.2,466,014,642	₩-	Rs.-
Work in process	19,932,128,172	1,116,433,182	19,932,128,172	1,116,433,182	-	-
Raw materials	54,478,954,853	3,051,461,058	51,507,668,443	2,885,034,136	(2,031,027,836)	(113,761,403)
Materials in transit	17,190,242,213	962,855,378	17,190,242,213	962,855,378	-	-
Parts for service	22,405,311,791	1,254,960,500	17,095,165,846	957,529,986	(702,943,582)	(39,373,093)
Total	₩158,033,382,833	Rs.8,851,724,760	₩149,751,950,478	Rs.8,387,867,324	(₩2,733,971,418)	(Rs.153,134,496)

2013						
	Acquisition cost		Lower of cost or market value		Recovery gain (loss on valuation)	
Finished goods	₩51,200,008,732	Rs.2,496,355,844	₩51,200,008,732	Rs.2,496,355,844	₩-	Rs.-
Work in process	20,797,795,406	1,014,036,900	20,797,795,406	1,014,036,900	-	-
Raw materials	50,528,021,876	2,463,591,820	49,587,763,302	2,417,747,688	2,557,614,765	124,701,474
Materials in transit	18,755,420,905	914,456,965	18,755,420,905	914,456,965	-	-
Parts for service	22,813,741,186	1,112,328,251	18,206,538,823	887,695,153	(1,957,671,265)	(95,450,064)
Total	₩164,094,988,105	Rs.8,000,769,780	₩158,547,527,168	Rs.7,730,292,550	(₩599,943,500)	Rs.29,251,410

5. OTHER CURRENT ASSETS:

Other current assets as of March 31, 2014 and 2013, are summarized as follows (In Korean won):

	2014		2013	
Prepaid expenses	₩153,565,208	Rs.8,601,455	₩149,829,179	Rs.7,305,212
Accrued income	78,657,191	4,405,726	78,630,362	3,833,776
Prepaid tax	-	-	177,315,931	8,645,383
Total	₩232,222,399	Rs.13,007,181	₩405,775,472	Rs.19,784,371

6. AVAILABLE-FOR-SALE SECURITIES:

Available-for-sale securities as of March 31, 2014 and 2013, are summarized as follows (In Korean won):

(a) Debt securities

	Issuer	Acquisition cost		Fair value (book value) (Note)	
		2014	2013	2014	2013
Subordinated bonds	KEB	₩100,000,000	₩100,000,000	₩147,850,000	₩136,340,000
		Rs.5,601,174	Rs.4,875,694	Rs.8,281,336	Rs.6,647,521
Subordinated bonds	Kookmin Bank	₩300,000,000	₩300,000,000	₩454,740,000	₩420,090,000
		Rs.16,803,522	Rs.14,627,083	Rs.25,470,778	Rs.20,482,304
Hybrid bonds	KEB	₩-	₩200,000,000	₩-	₩214,386,600
		Rs.-	Rs.9,751,388	Rs.-	Rs.10,452,835
Transfers to current portion		(₩400,000,000)	₩-	(₩602,590,000)	₩-
		(Rs.22,404,696)	Rs.-	(Rs.33,752,114)	Rs.-
Total		₩-	₩600,000,000	₩-	₩770,816,600
		Rs.-	Rs.29,254,165	Rs.-	Rs.37,582,660

(Note) The fair value of debt securities, which are marketable, refers to the quoted market price, which is the closing price quoted at March 31, 2014 and 2013. However, if the closing price quoted at March 31, 2014 and 2013, is not available, the closing price quoted as of the immediately preceding trade date may be deemed as the fair value of debt securities. If debt securities are not marketable, the fair value of debt securities is evaluated at the price discounted future cash flow. In this case, the discounting rate takes into account credit ratings evaluated by independent, reputable credit rating agencies or credit ratings of other corporations with similar characteristic with the issuing house.

(b) Changes in unrealized gain

The changes in unrealized gain on available-for-sale securities for the years ended March 31, 2014 and 2013, are summarized as follows (In Korean won):

	2014			
Details	April 1, 2013	Gain on evaluation	Realization by disposal	March 31, 2014
Debt securities	₩170,816,600	₩46,160,000	₩14,386,600	₩202,590,000
	Rs.9,567,735	Rs.2,585,502	Rs.805,818	Rs.11,347,418
Tax effect	(₩37,579,652)	(₩10,155,200)	(₩3,165,052)	(₩44,569,800)
	(Rs.2,104,902)	(Rs.568,810)	(Rs.177,280)	(Rs.2,496,432)
Net	₩133,236,948	₩36,004,800	₩11,221,548	₩158,020,200
	Rs.7,462,833	Rs.2,016,691	Rs.628,538	Rs.8,850,986

	2013			
Details	April 1, 2012	Gain on evaluation	Realization by disposal	March 31, 2013
Debt securities	₩170,816,600	₩-	₩-	₩170,816,600
	Rs.8,328,495	Rs.-	Rs.-	Rs.8,328,495
Tax effect	(₩37,579,652)	₩-	₩-	(₩37,579,652)
	(Rs.1,832,269)	Rs.-	Rs.-	(Rs.1,832,269)
Net	₩133,236,948	₩-	₩-	₩133,236,948
	Rs.6,496,226	Rs.-	Rs.-	Rs.6,496,226

7. EQUITY METHOD INVESTMENT SECURITIES:

(a) Details of equity securities accounted for using the equity method as of March 31, 2014 and 2013, are as follows (In Korean won):

	2014			
Investee	Ownership (%)	Acquisition cost	Net asset value	Book value
Tata Daewoo Commercial Vehicle Sales & Distribution Co., Ltd. (“TDSC”)	100%	₩1,000,000,000	₩2,546,725,055	₩2,546,725,055
		Rs.56,011,740	Rs.142,646,502	Rs.142,646,502

	2013			
Investee	Ownership (%)	Acquisition cost	Net asset value	Book value
Tata Daewoo Commercial Vehicle Sales & Distribution Co., Ltd. (“TDSC”)	100%	₩1,000,000,000	₩1,460,126,156	₩1,460,126,156
		Rs.48,756,942	Rs.71,191,286	Rs.71,191,286

(b) Changes in equity securities accounted for using the equity method for the years ended March 31, 2014 and 2013, are as follows (In Korean won):

	2014			
Investee	April 1, 2013	Acquisition	Equity in income	March 31, 2014
TDSC	₩1,460,126,156	₩-	₩1,086,598,899	₩2,546,725,055
	Rs.81,784,207	Rs.-	Rs.60,862,295	Rs.142,646,502

	2013			
Investee	April 1, 2012	Acquisition	Equity in income	March 31, 2013
TDSC	₩1,914,488,422	₩-	(₩454,362,266)	₩1,460,126,156
	Rs.93,344,601	Rs.-	(Rs.22,153,315)	Rs.71,191,286

(c) The condensed financial information of the investee as of March 31, 2014 and 2013, and for the years ended March 31, 2014, and 2013 is as follows (In Korean won):

	2014			
Investee	Total assets	Total Liabilities	Revenue	Net income
TDSC	₩8,940,464,744	₩6,393,739,689	₩34,727,302,604	₩1,086,598,899
	Rs.500,770,987	Rs.358,124,485	Rs.1,945,136,646	Rs.60,862,295

	2013			
Investee	Total assets	Total Liabilities	Revenue	Net income
TDSC	₩5,080,316,038	₩3,620,189,882	₩24,285,336,863	(₩454,362,266)
	Rs.247,700,673	Rs.176,509,387	Rs.1,184,078,755	(Rs.22,153,315)

8. PROPERTY, PLANT AND EQUIPMENT:

(a) The book value and standard value of land declared by the Korean government for the purpose of taxes and land policies as of March 31, 2014 and 2013, are as follows (In Korean won):

	Book value		Standard value	
Type	2014	2013	2014	2013
Plant site	₩55,487,999,429	₩55,487,999,429	₩89,016,299,570	₩86,949,836,780
	Rs.3,107,979,401	Rs.2,705,425,157	Rs.4,985,957,833	Rs.4,239,408,129
Housing	₩184,352,272	₩184,352,272	₩176,142,435	₩172,127,793
	Rs.10,325,892	Rs.8,988,453	Rs.9,866,044	Rs.8,392,425
Total	₩55,672,351,701	₩55,672,351,701	₩89,192,442,005	₩87,121,964,573
	Rs.3,118,305,292	Rs.2,714,413,610	Rs.4,995,823,877	Rs.4,247,800,554

(b) Property, plant and equipment and related accumulated depreciation as of March 31, 2014 and 2013, are summarized as follows (In Korean won):

	2014		2013	
Land	₩55,672,351,701	Rs.3,118,305,292	₩55,672,351,701	Rs.2,714,413,610
Buildings	93,831,070,880	5,255,641,552	85,262,374,390	4,157,132,622
Structures	10,735,069,741	601,289,936	10,728,569,741	523,092,250
Machinery and equipment	89,981,599,258	5,040,025,948	88,614,979,258	4,320,595,384
Vehicles	1,251,653,626	70,107,298	1,246,153,626	60,758,640
Tools	3,098,477,373	173,551,109	2,427,183,434	118,342,041
Furniture and fixtures	5,235,440,687	293,246,143	4,992,815,870	243,434,433
Computers	11,277,164,585	631,653,611	10,208,236,909	497,722,413
Molds	95,142,371,155	5,329,089,762	91,605,731,155	4,466,415,300
Construction in progress	5,693,633,320	318,910,310	3,443,854,076	167,911,793
Total cost	371,918,832,326	20,831,820,961	354,202,250,160	17,269,818,487
Less : Assets acquired using government subsidy	(353,689,747)	(19,810,778)	(317,979,044)	(15,503,686)
Accumulated depreciation	(165,624,244,749)	(9,276,902,145)	(138,799,726,573)	(6,767,450,186)
Accumulated impairment loss	(157,874,092)	(8,842,803)	(11,866,060)	(578,553)
Net	₩205,783,023,738	Rs.11,526,265,235	₩215,072,678,483	Rs.10,486,286,061

c) Changes in property, plant and equipment for the years ended March 31, 2014 and 2013, are as follows (In Korean won):

	2014						
	April 1, 2013	Acquisition	Disposition	Transfer	Depreciation	Impairment loss	March 31, 2014
Land	₩55,672,351,701	₩-	₩-	₩-	₩-	₩-	₩55,672,351,701
	Rs.3,118,305,292	Rs.-	Rs.-	Rs.-	Rs.-	Rs.-	Rs.3,118,305,293
Buildings	₩68,022,000,384	₩5,754,696,490	₩-	₩2,814,000,000	(₩2,377,123,980)	₩-	₩74,213,572,894
	Rs.3,810,030,604	Rs.322,330,564	Rs.-	Rs.157,617,037	(Rs.133,146,850)	Rs.-	Rs.4,156,831,352
Structures	₩6,679,558,948	₩6,500,000	₩-	₩-	(₩546,829,603)	₩-	₩6,139,229,345
	Rs.374,133,720	Rs.364,076	Rs.-	Rs.-	(Rs.30,628,878)	Rs.-	Rs.343,868,918
Machinery and equipment	₩37,965,874,634	₩1,366,620,000	₩-	₩-	(₩9,386,172,600)	₩-	₩29,946,322,034
	Rs.2,126,534,701	Rs.76,546,764	Rs.-	Rs.-	(Rs.525,735,860)	Rs.-	Rs.1,677,345,606
Vehicles	₩684,413,252	₩5,800,000	(₩1,000)	₩-	(₩165,634,994)	₩-	₩524,577,258
	Rs.38,335,177	Rs.324,868	(Rs.56)	Rs.-	(Rs.9,277,504)	Rs.-	Rs.29,382,485
Tools	₩691,957,368	₩538,603,939	₩-	-	(₩249,063,877)	₩-	₩981,497,430
	Rs.38,757,736	Rs.30,168,144	Rs.-	Rs.-	(Rs.13,950,501)	Rs.-	Rs.54,975,379
Furniture and fixtures	₩1,856,995,788	₩249,084,817	(₩807,500)	₩-	(₩565,858,372)	₩-	₩1,539,414,733
	Rs.104,013,565	Rs.13,951,674	(Rs.45,229)	Rs.-	(Rs.31,694,712)	Rs.-	Rs.86,225,298
Computers	₩987,390,583	₩1,003,473,600	₩-	₩26,654,076	(₩476,829,956)	₩-	₩1,540,688,303
	Rs.55,305,465	Rs.56,206,302	Rs.-	Rs.1,492,941	(Rs.26,708,076)	Rs.	Rs.86,296,633
Molds	₩39,068,281,749	₩3,058,440,000	₩-	₩478,200,000	(₩12,927,176,997)	(₩146,008,032)	₩29,531,736,720
	Rs.2,188,282,442	Rs.171,308,546	Rs.-	Rs.26,784,814	(724,073,678)	(Rs.8,178,164)	Rs.1,654,123,961
Construction in progress	₩3,443,854,076	₩5,568,633,320	₩-	(₩3,318,854,076)	₩-	₩-	₩5,693,633,320
	Rs.192,896,259	Rs.311,908,842	Rs.-	(Rs.185,894,792)	Rs.-	Rs.-	Rs.318,910,310
Total	₩215,072,678,483	₩17,551,852,166	(₩808,500)	₩-	(₩26,694,690,379)	(₩146,008,032)	₩205,783,023,738
	Rs.12,046,594,961	Rs.983,109,780	(Rs.45,285)	Rs.-	(Rs.1,495,216,059)	(Rs.8,178,173)	Rs.11,526,265,235

	2013					
	April 1, 2012	Acquisition	Disposition	Transfer	Depreciation	March 31, 2013
Land	₩55,497,794,961	₩174,556,740	₩-	₩-	₩-	₩55,672,351,701
	Rs.2,705,902,757	Rs.8,510,853	Rs.-	Rs.-	Rs.-	Rs.2,714,413,610
Buildings	₩65,228,211,520	₩3,574,750,620	₩-	₩1,371,900,000	(₩2,152,861,756)	₩68,022,000,383
	Rs.3,180,328,111	Rs.174,293,908	Rs.-	Rs.66,889,648	(Rs.104,966,955)	Rs.3,316,544,712
Structures	₩7,198,858,653	₩21,649,050	₩-	₩5,520,000	(₩546,468,755)	₩6,679,558,948
	Rs.350,994,332	Rs.1,055,541	Rs.-	Rs.269,138	(Rs.26,644,145)	Rs.325,674,867
Machinery	₩37,221,370,412	₩8,968,942,840	₩-	₩177,300,000	(₩8,401,738,618)	₩37,965,874,634
and equipment	Rs.1,814,800,190	Rs.437,298,224	Rs.-	Rs.8,644,606	(Rs.409,643,081)	Rs.1,851,099,939
Vehicles	₩329,860,556	₩612,106,164	(₩94,736,613)	₩-	(₩162,816,855)	₩684,413,252
	Rs.16,082,992	Rs.29,844,425	(Rs.4,619,068)	Rs.-	(Rs.7,938,452)	Rs.33,369,897
Tools	₩625,869,412	₩272,787,022	₩-	₩2,991,690	(₩209,690,756)	₩691,957,368
	Rs.30,515,478	Rs.13,300,261	Rs.-	Rs.145,866	(Rs.10,223,880)	Rs.33,737,725
Furniture	₩1,681,085,996	₩737,618,619	(₩2,000)	₩-	(₩561,706,827)	₩1,856,995,788
and fixtures	Rs.81,964,612	Rs.35,964,028	(Rs.98)	Rs.-	(Rs.27,387,107)	Rs.90,541,436
Computers	₩1,591,540,164	₩234,670,200	(₩3,000)	₩-	(₩838,816,781)	₩987,390,583
	Rs.77,598,631	Rs.11,441,801	(Rs.146)	Rs.-	(Rs.40,898,141)	Rs.48,142,145
Molds	₩34,172,746,023	₩13,298,076,000	₩-	₩3,387,878,800	(₩11,790,419,074)	₩39,068,281,749
	Rs.1,666,158,588	Rs.648,373,517	Rs.-	Rs.165,182,609	(Rs.574,864,776)	Rs.1,904,849,938
Construction	₩7,250,938,872	₩1,449,514,851	₩-	(₩5,256,599,647)	₩-	₩3,443,854,076
in progress	Rs.353,533,604	Rs.70,673,911	Rs.-	(Rs.256,295,723)	Rs.-	Rs.167,911,793
Total	₩210,798,276,569	₩29,344,672,106	(₩94,741,613)	(₩311,009,157)	(₩24,664,519,422)	₩215,072,678,483
	Rs.10,277,879,295	Rs.1,430,756,469	(Rs.4,619,312)	(Rs.15,163,856)	(Rs.1,202,566,537)	Rs.10,486,286,061

9. INSURANCE:

As of March 31, 2014, certain assets of the Company are insured with Dongbu Insurance Co., Ltd. as follows (In Korean won):

Asset	Risk	Book value	Coverage
Inventories	Fire and comprehensive Liability	₩132,561,708,265 Rs.7,425,011,945	₩543,567,915,366 Rs.30,446,184,781
Property, plant and equipment		₩144,417,038,717 Rs.8,089,049,633	
		₩276,978,746,982 Rs.15,514,061,578	₩543,567,915,366 Rs.30,446,184,781

Additionally, as of March 31, 2014, the Company maintains insurance policies covering loss and liability arising from workmen's accidents, automobile accidents, product liability and international shipment of goods and other.

10. GOVERNMENT SUBSIDY:

The Company received a subsidy from the Ministry of Trade, Industry & Energy and Korea Agency for Infrastructure Technology Advancement for development of the non-driving air conditioning system and middle lower floor bus.

As of March 31, 2014, unused portion of such government subsidy totaling ₩674,364,813 (Rs.37,772,347) and ₩16,479,282 (Rs.923,033), respectively, is presented as a contra cash and cash equivalents account.

As of March 31, 2014 and 2013, the subsidy with recourse obligation amounting to ₩1,437,530,000 (Rs.80,518,557) and ₩87,530,000 (Rs.4,267,695), respectively, is recorded as other non-current liabilities.

11. INTANGIBLE ASSETS:

(a) Details of intangible assets as of March 31, 2014 and 2013, are as follows (In Korean won):

	2014			2013		
	Acquisition cost	Accumulated amortization	Book value	Acquisition cost	Accumulated amortization	Book value
Development costs	₩10,164,644,751	(₩2,736,058,943)	₩7,428,585,808	₩8,366,196,520	(₩1,900,490,236)	₩6,465,706,284
	Rs.569,339,440	(Rs.153,251,422)	Rs.416,088,018	Rs.407,910,15	(Rs.92,662,092)	Rs.315,248,064
Industrial rights	₩37,266,845,000	(₩16,770,080,250)	₩20,496,764,750	₩37,266,845,000	(₩13,043,395,750)	₩24,223,449,250
	Rs.2,087,380,835	(Rs.939,321,376)	Rs.1,148,059,459	Rs.1,817,017,392	(Rs.635,956,087)	Rs.1,181,061,305
Total	₩47,431,489,751	(₩19,506,139,193)	₩27,925,350,558	₩45,633,041,520Rs	(₩14,943,885,986)	₩30,689,155,534
	Rs.2,656,720,275	(Rs.1,092,572,798)	Rs.1,564,147,477	Rs.2,224,927,549	(Rs.728,618,179)	Rs.1,496,309,369

(b) Changes in intangible assets for the years ended March 31, 2014 and 2013, are as follows (In Korean won):

	2014				
	April 1, 2013	Acquisition	Transfer	Amortization	March 31, 2014
Development costs	₩6,465,706,284	₩2,330,308,719	(₩441,485,872)	(₩925,943,323)	₩7,428,585,808
	Rs.362,155,460	Rs.130,524,646	(Rs.24,728,392)	(Rs.51,863,697)	Rs.416,088,018
Industrial rights	₩24,223,449,250	₩-	₩-	(₩3,726,684,500)	₩20,496,764,750
	Rs.1,356,797,543	Rs.-	Rs.-	(Rs.208,738,084)	Rs.1,148,059,459
	₩30,689,155,534	₩2,330,308,719	(₩441,485,872)	(₩4,652,627,823)	₩27,925,350,558
Total	Rs.1,718,953,003	Rs.130,524,646	(24,728,392)	(Rs.260,601,781)	Rs.1,564,147,477

	2013				
	April 1, 2012	Acquisition	Transfer	Amortization	March 31, 2013
Development costs	₩2,869,232,323	₩3,986,426,538	₩311,009,157	(₩700,961,734)	₩6,465,706,284
	Rs.139,894,993	Rs.194,365,967	Rs.15,163,855	(Rs.34,176,751)	Rs.315,248,064
Industrial rights	₩27,950,133,750	₩-	₩-	(₩3,726,684,500)	₩24,223,449,250
	Rs.1,362,763,044	Rs.-	Rs.-	(Rs.181,701,739)	Rs.1,181,061,305
	₩30,819,366,073	₩3,986,426,538	₩311,009,157	(₩4,427,646,234)	₩30,689,155,534
Total	Rs.1,502,658,037	Rs.194,365,967	Rs.15,163,855	(Rs.215,878,490)	Rs.1,496,309,369

(c) Major item of intangible assets as of March 31, 2014, is as follows (In Korean won):

Description	Book value	Remaining useful lives
Intellectual property right	₩20,496,764,750 Rs.1,148,059,459	5 years

12. OTHER NON-CURRENT ASSETS:

Details of other non-current assets as of March 31, 2014 and 2013, are as follows (In Korean won):

	2014		2013	
Guarantee deposits	₩794,295,000	Rs.44,489,845	₩886,515,000	Rs.43,223,760
Deferred income tax assets	3,636,662,962	203,695,821	5,811,612,637	283,356,459
Others	1,101,330,008	61,687,410	1,101,330,008	53,697,483
Total	₩5,532,987,970	Rs.309,873,076	₩7,799,457,645	Rs.380,277,702

13. BORROWINGS:

Details of borrowings as of March 31, 2014 and 2013 are as follows (In Korean won):

(a) Short-term borrowings

Type	Lender	Annual interest rates at March 31, 2014	Amount 2014	Amount 2013
General loan	Shinhan Bank and others	3.92 -3.97%	₩30,000,000,000	₩45,000,000,000
			Rs.1,680,352,202	Rs.2,194,062,380
Import revolving loan	Exim Bank		₩-	₩5,000,000,000
			Rs.-	Rs.243,784,708
Total			₩30,000,000,000	₩50,000,000,000
			Rs.1,680,352,202	Rs.2,437,847,088

(b) Long-term borrowings

Type	Lender	Maturity	Annual interest rates at March 31, 2014	Amount 2014	Amount 2013	Repayment method
General Loan	Hana	Dec.15, 2014	3.86%	₩10,000,000,000 Rs.560,117,401	₩10,000,000,000 Rs.487,569,418	Payable in full at maturity
	Kookmin	-	-	₩- Rs.-	₩5,000,000,000 Rs.243,784,709	Payable in two years with one year grace period
Transfers to current portion				(₩10,000,000,000) (Rs.560,117,401)	(₩5,000,000,000) (Rs.243,784,709)	
Balance				₩- Rs.-	₩10,000,000,000 Rs.487,569,418	

14. ACCRUED WARRANTIES:

Changes in accrued warranties for the years ended March 31, 2014 and 2013, are summarized as follows (In Korean won):

	2014		2013	
Beginning of the year	₩13,192,339,808	Rs.738,925,908	₩12,652,055,899	Rs.616,875,553
Provision for warranty claims	13,475,414,815	754,781,432	12,016,278,514	585,876,992
Payments	(10,704,128,129)	(599,556,842)	(11,475,994,605)	(559,534,401)
End of the year	₩15,963,626,494	Rs.894,150,498	₩13,192,339,808	Rs.643,218,144

15. ACCRUED SEVERANCE INDEMNITIES:

(a) Changes in accrued severance indemnities for the years ended March 31, 2014 and 2013, are summarized as follows (In Korean won):

	2014		2013	
Beginning of the year	₩26,532,756,150	Rs.1,486,145,840	₩36,564,646,990	Rs.1,782,780,363
Provision for severance indemnities	7,426,319,180	415,961,060	8,114,591,532	395,642,667
Payments	(1,397,088,450)	(78,253,355)	(18,146,482,372)	(884,766,984)
End of the year	32,561,986,880	1,823,853,545	26,532,756,150	1,293,656,046
Less: Transfers to				
the National Pension Fund	(222,130,600)	(12,441,921)	(235,881,700)	(11,500,870)
Retirement pension fund	(23,107,309,972)	(1,294,280,640)	-	-
End of the year, net	₩9,232,546,308	Rs.517,130,984	₩26,296,874,450	Rs.1,282,155,176

(b) Details of changes in retirement pension fund for the years ended March 31, 2014 and 2013, are summarized as follows (In Korean won):

	2014		2013	
Beginning balance	₩-	Rs.-	₩-	Rs.-
Deposits	23,100,000,000	1,293,871,195	-	-
Payments	-	-	-	-
Interest accrued	7,309,972	409,444	-	-
Total	₩23,107,309,972	Rs.1,294,280,640	₩-	Rs.-

16. ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES:

Assets and liabilities denominated in foreign currencies as of March 31, 2014 and 2013, are summarized as follows (In Korean won and in each foreign currency):

		2014			2013		
		Foreign currencies	Won equivalent	Rupee equivalent	Foreign currencies	Won equivalent	Rupee equivalent
Assets:							
Cash and cash equivalents	US$	598,332	₩639,497,134	Rs.35,819,347	12,805,759	₩14,241,284,951	Rs.694,361,501
	EUR	26,330	38,689,451	2,167,063	29,313	41,777,665	2,036,951
	JPY	561,630	5,833,819	326,762	561,435	6,625,663	323,047
	AUD	258	254,662	14,264	256	296,517	14,457
	GBP	2,018	3,590,060	201,086	2,015	3,406,349	166,083
	CHF	58	70,129	3,928	58	68,176	3,324
	SEK	4,382	720,095	40,334	4,371	745,545	36,350
Accounts receivable – trade	US$	49,920,909	53,355,467,851	2,988,532,596	22,306,208	24,806,734,269	1,209,500,498
Accounts receivable – other	US$	15,254	16,302,996	913,159	260,157	289,320,822	14,106,398
	EUR	38,907	57,169,557	3,202,166	33,418	47,627,181	2,322,156
Total			₩54,117,595,754	Rs.3,031,220,705		₩39,437,887,138	Rs.1,922,870,765
Liabilities:							
Accounts payable - trade	US$	6,477,701	₩6,923,366,504	Rs.387,789,805	3,694,660	4,108,831,076	Rs.200,334,038
	EUR	2,705,811	3,975,891,632	222,696,609	2,277,032	3,245,249,049	158,228,419
Accounts payable - other	US$	1,086,772	1,161,541,753	65,059,975	2,903,848	3,229,369,340	157,454,173
	EUR	180,577	265,338,405	14,862,066	230,577	328,621,003	16,022,555
	JPY	561,199	5,829,342	326,512	561,199	6,622,878	322,911
	SEK	4,352	715,288	40,065	4,352	742,448	36,199
	CHF	58	70,129	3,928	58	68,176	3,324
	GBP	2,012	3,578,500	200,438	2,012	3,400,383	165,792
Accrued expenses	US$	1,920,583	2,052,718,929	114,976,359	1,765,011	1,962,868,989	95,703,489
Total			₩14,389,050,482	Rs.805,955,757		₩12,885,773,342	Rs.628,270,900

17. RELATED-PARTY TRANSACTIONS:

(a) Related parties

As of March 31, 2014, the related parties of the Company are summarized as follows:

Ultimate parent:	Tata Motors Limited
Parent:	TML Holdings Pte. Ltd.
Subsidiary:	TDSC
Others:	Tata Motors Limited's subsidiaries and associates

(b) The Company's transactions with related parties for the years ended March 31, 2014 and 2013, are summarized as follows (In Korean won):

Accounts	2014		2013	
Sales to:				
Tata Motors Limited	₩759,915,423	Rs.42,564,185	₩849,955,198	Rs.41,441,216
TDSC	269,582,847	15,099,804	201,796,800	9,838,995
Tata Motors Thailand Ltd.	84,972,529	4,759,459	1,671,607,203	81,502,455
TML Drivelines Ltd.	-	-	45,297,463	2,208,566
Tata Motors (SA)(PTY) Ltd.	555,656,201	31,123,271	-	-
	₩1,670,127,000	Rs.93,546,719	₩2,768,656,664	Rs.134,991,232
Purchase from:				
Tata Motors Limited	₩29,342,571	Rs.1,643,528	₩-	Rs.-
Tata Cummins Limited	112,058,025	6,276,565	-	-
	₩141,400,596	Rs.7,920,093	₩-	Rs.-
Fee and charges to:				
TDSC	₩37,712,870,850	Rs.2,121,710,422	₩26,320,542,673	Rs.1,283,309,166
Other to:				
Tata Motors Limited	₩6,181,000	Rs.346,209	₩66,194,374	Rs.3,227,435
TDSC	721,215,993	40,396,563	-	-
	₩727,396,993	Rs.40,742,772	₩66,194,374	Rs.3,227,435
Other from:				
Tata Motors Limited	₩866,199,494	Rs.48,517,341	1,284,978,149	Rs.62,651,605
Tata Technologies Pte. Ltd.	1,714,948,717	96,057,262	2,059,207,642	100,400,667
TDSC	166,873,999	9,346,903	132,748,576	6,472,415
Tata Motors Thailand Ltd.	42,923,960	2,404,246	17,481,864	852,362
Tata Sons Limited	1,584,753,684	88,764,811	91,596,941	4,465,987
	₩4,375,699,854	Rs.245,090,563	₩3,586,013,172	Rs.174,843,036

(c) Account balances due from or to related parties as of March 31, 2014 and 2013 are summarized as follows (In Korean won):

Account balances	2014		2013	
Accounts receivable - trade:				
Tata Motors Limited	₩195,135,038	Rs.10,929,853	₩89,410,538	Rs.4,359,384
TDSC	19,580,000	1,096,710	18,260,000	890,302
Tata Motors Thailand Ltd.	3,110,700	174,236	93,362,274	4,552,059
TML Drivelines Ltd.	-	-	45,596,767	2,223,159
Tata Motors (SA)(PTY) Ltd.	2,721,165	152,417	-	-
Accounts receivable - other:				
Tata Motors Limited	-	-	74,445,086	3,629,715
TDSC	2,587,818	144,948	2,413,532	117,676
Prepaid expense				
Tata Motors Limited	16,088,614	901,151	20,678,389	1,008,215
	₩239,223,335	Rs.13,399,315	₩344,166,586	Rs.16,780,510
Accounts payable - trade:				
Tata Cummins Limited	₩104,592,768	Rs.5,858,423	₩-	Rs.-
Accounts payable - other:				
Tata Motors Limited	240,246,168	12,944,267	₩348,982,040	Rs.17,015,297
Tata Technologies Pte., Ltd.	138,653,062	7,766,199	221,891,979	10,818,774
TDSC	4,589,091,881	257,043,022	3,172,129,293	154,663,323
Tata Motors Thailand Ltd.	12,019,190	673,216	3,584,109	174,750
Tata Sons Limited	15,760,525	882,774	1,668,150	81,334
Advanced receipts:				
Tata Motors Limited	-	-	8,586,163	418,635
Accrued expense:				
Tata Motors Limited	24,141,777	1,864,562	-	-
Tata Sons Limited	1,564,466,049	87,628,466	-	-
	₩6,688,971,420	Rs.374,660,929	₩3,756,841,734	Rs.183,172,113

18. COMMITMENTS AND CONTINGENCIES:

(a) Details of pending litigations as of March 31, 2014, are as follows (In Korean won):

District court	Plaintiff	Defendant	Description	Claim amount	Status
Supreme Court	Kwon, Junghee	TDCV and 6 other companies	Claims for damages from air pollution	₩10,000,000 Rs.560,117	won in 2nd trial and appellate proceeding
Seoul High Court	Employees	TDCV	Wage claims	₩17,243,044,051 Rs.965,812,901	lost in 1st trial and appellate proceeding
Seoul	Tae, wonsung and 1434 person	TDCV	Claims for loss resulted in Price-fixing	₩1,435,000,000 Rs.80,376,847	Proceeding in 1st trial
Seoul	Kmpo Construction vehicles and 29 Companies	TDCV	Claims for loss resulted in Price-fixing	₩147,000,000 Rs.8,233,726	Proceeding in 1st trial
Jeonju	Jeong, changkyun	TDCV	Claims for refund	₩20,000,100 Rs.1,120,240	Proceeding in 1st trial

The Company has accrued reserves for legal cases in which losses are probable and can be reasonably estimated.

As of March 31, 2014, the ultimate outcome and additional financial impact of above litigations cannot presently be determined.

(b) As of March 31, 2014, comprehensive banking facilities are provided by third parties for the Company as follows (In Korean won and in each foreign currency):

Provider	Credit limit	Amount utilized		Period	Description
KEB	₩20,000,000,000	US$2,606,648.65	(Note1)	Jul. 19,2013- Jul. 19,2014	Export-Import finance and working capital
		€ 765,402.98			
		US$9,000,000	(Note2)	Jul. 19,2013- Jul. 19,2014	Foreign exchange and derivatives
	₩25,000,000,000	₩18,939,863,678		Jan. 17,2014-Jan.17,2015	Seller's loan
	₩10,000,000,000	₩10,000,000,000		Oct. 07,2013- Oct. 07,2014	General loan
Shinhan Bank	₩10,000,000,000	₩3,740,162,046		Oct.09,2013- Oct.09,2014	Seller's loan
	US$3,000,000	US$25,374.20		Oct.09,2013- Oct.09,2014	Import finance
		€345,471.60			
	₩15,000,000,000	₩15,000,000,000		Mar. 20,2014- Mar. 20,2015	General loan
KDB	US$2,000,000	US$8,075.00		Jun. 29,2013- Jun. 29,2014	Import finance
		€159,000.00			
	₩6,000,000,000	-	(Note2)	Aug. 20,2012- Aug. 20,2014	Foreign exchange and derivatives
Hana Bank	₩5,000,000,000	-		Nov. 24,2013- Nov. 24,2014	General loan
	₩10,000,000,000	₩10,000,000,000		Jan. 20,2012- Dec. 15,2014	General loan
	US$3,000,000	US$42,230.72		Nov. 24,2013- Nov. 24,2014	Import finance
		€1,024,267.50			
ANZ Bank	US$20,000,000	-		Apr. 30,2013- Apr. 30,2014	Export-Import finance and working capital
	US$20,000,000	US$3,000,000	(Note2)	Apr. 30,2013- Apr. 30,2014	Foreign exchange and derivatives
Kookmin Bank	US$5,000,000	US$147,182.40		Oct. 30,2013- Apr. 30,2014	Import finance
	US$5,000,000	-		Oct. 23,2013-Sep. 6, 2014	Export finance
Jeonbuk Bank	₩5,000,000,000	₩5,000,000,000		Oct. 09,2013- Oct. 09,2014	General loan
HSBC	US$10,000,000	US$1,000,000	(Note2)	Oct. 31,2013-Oct. 31,2014	Foreign exchange and derivatives
Total	₩106,000,000,000	₩62,680,025,724			
	US$68,000,000	US$15,829,510.97			
		€ 2,294,142.08			

(Note1) As of March 31, 2014, the utilized line of credit includes accounts receivable that the Company factored at a discount or transferred to KEB with recourse totaling US$ 496,200 for which the Company is contingently liable.

(Note 2) These amounts represent contract amounts of derivatives held by the Company as of March 31, 2014.

In addition, the Company has provided payment guarantee in favor of KEB for loan of ₩1,462,500,000(Rs.81,917,170) to M/S CALA as of March 31, 2014, for which it will be contingently liable.

19. DERIVATIVES:

The Company had foreign currency forward contracts with banks and details of such contracts as of March 31, 2014 and 2013, are as follows (In U.S. dollars and Korean won):

		2014					
		Contract amount			Fair value		
	Bank	Foreign currency	Korean won contract rate per US$ 1	Amount	Assets	Liabilities	Net
Selling	ANZ	US$3,000,000	1080.90–1091.00	₩3,261,400,000	₩48,609,625	₩-	₩48,609,625
				Rs.182,676,689	Rs.2,722,710	Rs.-	Rs.2,722,710
	HSBC	US$ 1,000,000	1066.80	₩1,066,800,000	₩-	(₩3,144,410)	(₩3,144,410)
				Rs.59,753,324	Rs.-	(Rs.176,124)	(Rs.176,124)
	KEB	US$ 9,000,000	1070.10–1085.60	₩9,700,000,000	47,693,233	(₩173,602)	₩47,519,631
				Rs.543,313,879	Rs.2,671,381	(Rs.9,724)	Rs.2,661,657
		US$13,000,000		₩14,028,200,00	₩96,302,858	(₩3,318,012)	₩92,984,846
				Rs.785,743,892	Rs.5,394,091	(Rs.185,848)	Rs.5,208,243

		2013					
		Contract amount			Fair value		
	Bank	Foreign currency	Korean won contract rate per US$ 1	Amount	Assets	Liabilities	Net
Selling	ANZ	US$19,000,000	1060.0–1113.5	₩20,756,850,000	₩4,777,737	(₩485,377,674)	(₩480,599,937)
				Rs.1,012,040,527	Rs.232,948	(Rs.23,665,531)	(Rs.23,432,583)
	HSBC	US$ 2,000,000	1116.0–1118.0	₩2,234,000,000	₩1,466,860	₩-	₩1,466,860
				Rs.108,923,008	Rs.71,520	Rs.-	Rs.71,520
	KEB	US$ 5,000,000	1062.9–1093.5	₩5,406,100,000	₩-	(₩166,659,702)	(₩166,659,702)
				Rs.263,584,903	Rs.-	(Rs.8,125,817)	(Rs.8,125,817)
		US$ 26,000,000		₩28,396,950,000	₩6,244,597	(₩652,037,376)	(₩645,792,779)
				Rs.1,384,548,438	Rs.304,467	(Rs.31,791,348)	(Rs.31,486,880)

Gains and losses recognized in connection with foreign currency forward contracts for the years ended March 31, 2014 and 2013, are summarized as follows (In Korean won):

	2014	2013
Gain on foreign currency forward valuation	₩96,302,858	₩6,244,597
	Rs.5,394,091	Rs.304,467
Loss on foreign currency forward valuation	(₩3,318,012)	(₩652,037,376)
	(Rs.185,848)	(Rs.31,791,348)
Gain on foreign currency forward transactions	₩2,117,698,287	₩1,526,576,060
	Rs.118,615,966	Rs.74,431,180
Loss on foreign currency forward transactions	(₩429,005,508)	(₩597,621,467)
	(Rs.24,029,345)	(Rs.29,138,195)

20. COMMON STOCK AND CAPITAL SURPLUS:

Common stock and capital surplus as of March 31, 2014 and 2013, are as follows (In Korean won, except for share data):

	2014		2013	
Number of shares:				
Authorized	70,000,000		70,000,000	
Issued and outstanding	3,016,060		3,016,060	
Par value	₩5,000	Rs.280	₩5,000	Rs.244
Common stock	₩15,080,300,000	Rs.844,673,844	₩15,080,300,000	Rs.735,269,309
Capital surplus:				
Paid-in capital in excess of par value	₩92,753,162,813	Rs.5,195,266,045	₩92,753,162,813	Rs.4,522,360,558
Gain from capital reduction	50,650,609,388	2,837,028,767	50,650,609,388	2,469,568,813
Total	₩158,484,072,201	Rs.8,876,968,656	₩158,484,072,201	Rs.7,727,198,680

21. RETAINED EARNINGS:

(a) Earned Surplus Reserve

Under the Korean Commercial Code, the Company is required to appropriate at least 10% of the cash dividends paid each year to earned surplus reserve, till such reserve equals 50% of the capital stock. This reserve may not be utilized for cash dividends, but may only be used to offset against future deficit, if any, or may be transferred to capital stock.

(b) Reserve for Research and Human Resource Development

Under the Special Tax Treatment Control Law, the Company appropriated retained earnings for research and human resource development. The reserve, which was used for its own purpose, is regarded as 'Discretionary Appropriated Retained Earnings.'

(c) Statements of Appropriations of Retained Earnings

	2014		2013	
	(In Korean won)			
RETAINED EARNINGS BEFORE APPROPRIATIONS				
Beginning of the year	₩66,898,127,528	Rs.3,747,080,530	₩76,103,595,655	Rs.3,710,578,584
Net income(loss)	23,502,901,759	1,316,438,424	(9,205,468,127)	(448,830,476)
End of the year	90,401,029,287	5,063,518,954	66,898,127,528	3,261,748,108
APPROPRIATIONS	-	-	-	-
UNAPPROPRIATED RETAINED EARNINGS TO BE CARRIED FORWARD TO SUBSEQUENT YEAR	₩90,401,029,287	Rs.5,063,518,954	₩66,898,127,528	Rs.3,261,748,108

22. COMPREHENSIVE INCOME:

	2014		2013	
Net income(loss)	₩23,502,901,759	Rs.1,316,438,423	(₩9,205,468,127)	(Rs.448,830,474)
Other comprehensive income:				
Unrealized gain on available-for-sale-securities	31,773,400	1,779,683	-	-
Tax effect	(6,990,148)	(391,530)	-	-
Comprehensive income(loss)	₩23,527,685,011	Rs.1,317,826,576	(₩9,205,468,127)	(Rs.448,830,474)

23. SELLING AND ADMINISTRATIVE EXPENSES:

Details of selling and administrative expenses for the years ended March 31, 2014 and 2013, are as follows (In Korean won):

	2014		2013	
Salaries	₩14,463,907,590	Rs.810,148,632	₩17,537,698,476	Rs.855,084,543
Provision for severance indemnities	1,376,240,672	77,085,635	1,412,984,028	68,892,780
Other employee benefits	3,547,804,190	198,718,686	3,095,943,243	150,948,724
Utilities	169,494,323	9,493,672	160,103,167	7,806,141
Vehicle maintenance	229,800,429	12,871,522	226,067,825	11,022,376
Repairs	498,624,999	27,928,854	966,872,089	47,141,726
Rental	1,345,653,253	75,372,380	1,445,515,860	70,478,933
Insurance	176,662,273	9,895,161	193,545,047	9,436,665
Depreciation	1,175,720,242	65,854,137	1,234,362,571	60,183,744
Amortization	4,652,627,823	260,601,780	4,427,646,234	215,878,490
Supplies	126,487,959	7,084,811	120,316,454	5,866,262
Publication	169,259,668	9,480,529	390,122,633	19,021,187
Communication	293,693,186	16,450,266	355,630,823	17,339,471
Freight and storage	12,064,643,991	675,761,703	14,219,827,326	693,315,293
Taxes and dues	1,879,568,430	105,277,898	232,286,734	11,325,591
Travel	575,818,442	32,252,593	721,499,497	35,178,109
Fee and charges	43,371,468,153	2,429,311,400	31,129,322,032	1,517,770,542
Entertainment	75,909,966	4,251,849	76,482,168	3,729,037
Advertising	295,356,096	16,543,409	225,239,545	10,981,991
Training	130,990,009	7,336,978	154,994,261	7,557,046
Outsourcing	1,880,624,583	105,337,055	2,206,955,409	107,604,396
Research and development	100,779,680	5,644,845	-	-
Sales promotion	676,282,631	37,879,767	3,362,301,292	163,935,528
Provision for warranty	13,475,414,815	754,781,432	12,016,278,514	585,876,992
Packaging	536,859,100	30,070,412	542,452,175	26,448,309
Overseas marketing	451,334,934	25,280,055	530,203,700	25,851,111
Provision for doubtful accounts	(166,671,163)	(9,335,542)	14,726,178	718,003
Others	7,506,742	420,467	3,155,163	153,836
Total	₩103,581,863,016	Rs.5,801,800,386	₩97,002,532,444	Rs.4,729,546,826

24. INCOME TAX:

(a) The components of income tax expense for the years ended March 31, 2014 and 2013, are as follows (In Korean won):

	2014		2013	
Income tax currently payable at statutory income tax rate	₩5,846,709,652	Rs.327,484,381	₩3,721,872,137	Rs.181,467,104
Changes in deferred tax assets (liabilities) related to temporary differences (Note)	1,178,985,326	66,037,020	(4,958,562,505)	(241,764,344)
Income tax relating to components of other comprehensive income	(6,990,148)	(391,530)	-	-
	₩7,018,704,830	Rs.393,129,871	(₩1,236,690,368)	(Rs.60,297,240)

(Note) Changes in deferred tax assets-net related to temporary differences for the years ended March 31, 2014 and 2013, are as follows (In Korean won):

	2014		2013	
Beginning of the year	₩14,480,613,711	Rs.811,084,371	₩9,522,051,206	Rs.464,266,096
End of the year	(13,301,628,385)	(745,047,351)	(14,480,613,711)	(706,030,440)
	₩1,178,985,326	Rs.66,037,020	(₩4,958,562,505)	(Rs.241,764,344)

(b) A reconciliation of income tax expense and accounting income before income tax expense for the year ended March 31, 2014 and 2013, is as follows (In Korean won):

	2014		2013	
Income(loss) before income tax expense	₩30,521,606,589	Rs.1,709,568,294	(₩10,442,158,495)	(Rs.509,127,714)
Tax rate	24.20%		22.00%	
Tax effect at the tax rate	7,386,228,795	413,715,527	(2,297,274,869)	(112,008,097)
Adjustments:				
Nondeductible expenses	451,945,834	25,314,273	32,171,252	1,568,572
Tax credit	(568,525,515)	(31,844,103)	(1,555,454,825)	(75,839,220)
Additional income tax	-	-	2,605,868,074	127,054,158
Others	(250,944,284)	(14,055,826)	(22,000,000)	(1,072,653)
Income tax expense(benefits)	₩7,018,704,830	Rs.393,129,870	(₩1,236,690,368)	(Rs.60,297,240)
Effective tax rate	23.00%		11.84%	

(c) Changes in cumulative temporary differences and deferred income tax assets for the years ended March 31, 2014 and 2013, are as follows (In Korean won):

	2014			
Account	April 1, 2013(Note 1)	Decrease (Note 1)	Increase (Note 1)	March 31, 2014
Deferred tax assets (current):				
Accrued expenses	₩26,505,652,664 Rs.1,484,627,727	₩26,505,652,664 1,484,627,727	₩33,150,167,759 Rs.1,856,798,579	₩33,150,167,759 Rs.1,856,798,579
Allowance for doubtful accounts	₩552,787,605 Rs.30,962,596	₩552,787,605 Rs.30,962,596	₩46,675,292 Rs.2,614,364	₩46,675,292 Rs.2,614,364
Valuation of inventories	₩5,706,904,020 Rs.319,653,625	₩5,547,460,937 Rs.310,722,940	₩8,281,432,355 Rs.463,857,436	₩8,440,875,438 Rs.472,788,121
Loss on currency forward valuation	₩652,037,376 Rs.36,521,748	₩652,037,376 Rs.36,521,748	₩3,318,012 Rs.185,848	₩3,318,012 Rs.185,848
Government subsidy	₩421,988,327 Rs.23,636,300	₩82,992,553 Rs.4,648,557	₩2,126,588,787 Rs.119,113,938	₩2,465,584,561 Rs.138,101,682
Gain on currency forward valuation	(₩6,244,597) (Rs.349,771)	(₩6,244,597) (Rs.349,771)	(₩96,302,858) (Rs.5,394,091)	(₩96,302,858) (Rs.5,394,091)
Accrued interest income	(₩78,630,362) (Rs.4,404,223)	(₩78,630,362) (Rs.4,404,223)	(₩78,657,191) (Rs.4,405,726)	(₩78,657,191) (Rs.4,405,726)
Subtotal	₩33,754,495,033 Rs.1,890,648,002	₩33,256,056,176 Rs.1,862,729,574	₩43,433,222,156 Rs.2,432,770,348	₩43,931,661,013 Rs.2,460,688,777
Tax rate (Note 2)	22%			22%
Carry forwarded tax credit	₩1,243,012,167 Rs.69,623,274	₩1,243,012,167 Rs.69,623,274	₩- Rs.-	₩- Rs.-
Current deferred tax assets	₩8,669,001,074 Rs.485,565,835			₩9,664,965,423 Rs.541,351,531
Deferred tax assets (non-current):				
Accrued severance indemnities	₩23,315,254,492 Rs.1,305,927,974	₩- Rs.-	(₩18,967,006,216) (Rs.1,062,375,022)	₩4,348,248,276 Rs.243,552,952
Accrued warranties	₩13,192,339,808 Rs.738,925,908	₩13,192,339,808 Rs.738,925,908	₩15,963,626,494 Rs.894,150,498	₩15,963,626,494 Rs.894,150,498
Valuation of tangible assets	₩11,866,060 Rs.664,639	₩11,866,060 Rs.664,639	₩- Rs.-	₩- Rs.-
Depreciation	₩3,524,216,665 Rs.197,397,508	₩211,604,629 Rs.11,852,343	₩1,763,015,207 Rs.98,749,549	₩5,075,627,243 Rs.284,294,714
Reserve for research and human resource development	(₩12,333,333,333) (690,811,461)	(₩5,666,666,667) (317,399,860)	₩- Rs.-	(₩6,666,666,666) (Rs.373,411,600)
Available-for-sale securities	(₩170,816,600) (Rs.9,567,735)	(₩170,816,600) Rs. (9,567,735	(₩202,590,000) (Rs.11,347,418)	(₩202,590,000) (Rs.11,347,418)
Equity method investment securities	(₩460,126,156) (25,772,467)	₩- Rs.-	(₩1,086,598,899) (Rs.60,862,295)	(₩1,546,725,055) (Rs.86,634,762)
Accelerating depreciation	(₩662,979,858) (Rs.37,134,655)	(₩221,745,758) (Rs.12,420,366)	₩- Rs.-	(₩441,234,100) (Rs.24,714,290)
Subtotal	₩26,416,421,078 Rs.1,479,629,711	₩7,356,581,472 Rs.412,054,929	(₩2,529,553,414) (Rs.141,684,688)	₩16,530,286,192 Rs.925,890,094
Tax rate (Note 2)	22%			22%
Non-current deferred tax assets	₩5,811,612,637 Rs.325,518,536			₩3,636,662,962 Rs.203,695,821
Deferred tax assets (Note 3)	₩14,480,613,711 Rs.811,084,371			₩13,301,628,385 Rs.745,047,351

Account	2013 April 1, 2012	Decrease	Increase	2013 March 31, 2013
Deferred tax assets (current):				
Accrued expenses	₩7,464,722,711 Rs.363,957,051	₩7,464,722,711 Rs.363,957,051	₩26,505,652,664 Rs.1,292,334,564	₩26,505,652,664 Rs.1,292,334,564
Allowance for doubtful accounts	₩465,092,317 Rs.22,676,479	₩465,092,317 Rs.22,676,479	₩552,787,605 Rs.26,952,233	₩552,787,605 Rs.26,952,233
Valuation of inventories	₩6,306,847,520 Rs.307,502,597	₩6,147,404,437 Rs.299,728,640	₩5,547,460,937 Rs.270,477,230	₩5,706,904,020 Rs.278,251,187
Loss on currency forward valuation	₩114,944,390 Rs.5,604,337	₩114,944,390 Rs.5,604,337	₩652,037,376 Rs.31,791,348	₩652,037,376 Rs.31,791,348
Government subsidy	₩448,799,034 Rs.21,882,068	₩184,660,707 Rs.9,003,491	₩157,850,000 Rs.7,696,283	₩421,988,327 Rs.20,574,860
Gain on currency forward valuation	(₩4,339,797) (Rs.211,595)	(₩4,339,797) (Rs.211,595)	(₩6,244,597) (Rs.304,467)	(₩6,244,597) (Rs.304,467)
Accrued interest income	(₩79,716,506) (Rs.3,886,733)	(₩79,716,506) (Rs.3,886,733)	(₩78,630,362) (Rs.3,833,776)	(₩78,630,362) Rs. (3,833,776)
Subtotal	₩14,716,349,669 Rs.717,524,204	₩14,292,768,259 Rs.696,871,670	₩33,330,913,623 Rs.1,625,113,415	₩33,754,495,033 Rs.1,645,765,949
Tax rate (Note 1)	22%			22%
Carry forwarded tax credit	₩636,768,136 Rs.31,046,867	₩636,768,136 Rs.31,046,867	₩1,243,012,167 Rs.60,605,472	₩1,243,012,167 Rs.60,605,472
Current deferred tax assets	₩3,874,365,063 Rs.188,902,192			₩8,669,001,074 Rs.422,673,981
Deferred tax assets (non-current):				
Accrued severance indemnities	₩29,882,148,201 Rs.1,456,962,160	₩11,463,983,583 Rs.558,948,780	₩4,897,089,874 Rs.238,767,126	₩23,315,254,492 Rs.1,136,780,506
Accrued warranties	₩12,652,055,899 Rs.616,875,553	₩12,652,055,899 Rs.616,875,553	₩13,192,339,808 Rs.643,218,144	₩13,192,339,808 Rs.643,218,144
Valuation of tangible assets	₩11,866,060 Rs.578,553	₩- Rs.-	₩- Rs.-	₩11,866,060 Rs.578,553
Depreciation	₩2,097,080,323 Rs.102,247,223	₩225,787,696 Rs.11,008,718	₩1,652,924,038 Rs.80,591,521	₩3,524,216,665 Rs.171,830,027
Reserve for research and human resource development	(₩17,000,000,000) (Rs.828,868,010)	(₩4,666,666,667) (Rs.227,532,395)	₩- Rs.-	(₩12,333,333,333) (Rs.601,335,615)
Available-for-sale securities	(₩170,816,600) (Rs.8,328,495)	₩- Rs.-	₩- Rs.-	(₩170,816,600) (Rs.8,328,495)
Equity method investment securities	(₩914,488,422) (Rs.44,587,659)	(₩454,362,266) (Rs.22,153,315)	₩- Rs.-	(₩460,126,156) (Rs.22,434,344)
Accelerating depreciation	(₩886,544,807) (Rs.43,225,214)	(₩223,564,949) (Rs.10,900,343)	₩- Rs.-	(₩662,979,858) (Rs.32,324,870)
Subtotal	₩25,671,300,654 Rs.1,251,654,111	₩18,997,233,296 Rs.926,246,998	₩19,742,353,720 Rs.962,576,791	₩26,416,421,078 Rs.1,287,983,904
Tax rate (Note1)	22%			22%
Non-current deferred tax assets	₩5,647,686,143 Rs.275,363,904			₩5,811,612,637 Rs.283,356,459
Deferred tax assets (Note 2)	₩9,522,051,206 Rs.464,266,096			₩14,480,613,711 Rs.706,030,440

(Note 1) Temporary differences as of April 1, 2013 were partially adjusted based on the tax return and such adjusted amounts were reflected in the change of temporary differences for the year ended March 31, 2014.

(Note 2) Tax rate is the enacted tax rate which is expected to be applicable to future taxable income in the periods in which the deferred income tax liability and asset are expected to be settled or realized.

(Note 3) Deductible temporary differences are recorded to the extent that the resulting deferred tax assets are certain to be realized as of March 31, 2014 and 2013.

(d) Deferred income tax liabilities directly credited to shareholder's equity as of March 31, 2014 and 2013, are as follows (In Korean won):

	2014		
	Amount	Deferred income tax liabilities	Net
Gain on valuation of available-for-sale securities	₩202,590,000 Rs.11,347,418	(₩44,569,800) (Rs.2,496,432)	₩158,020,200 Rs.8,850,986

	2013		
	Amount	Deferred income tax liabilities	Net
Gain on valuation of available-for-sale securities	₩170,816,600 Rs.8,328,495	(₩37,579,652) (Rs.1,832,269)	₩133,236,948 Rs.6,496,226

(e) Current income tax asset and current income tax liability as of March 31, 2014 and 2013, are as follows (In Korean won):

	2014	2013
Current income tax asset	(₩625,029,562) (Rs.35,008,993)	(₩3,064,513,254) (Rs.149,416,294)
Current income tax liability	₩5,846,709,652 Rs.327,484,381	₩3,721,872,137 Rs.181,467,103
Current income tax liability, net	₩5,221,680,090 Rs.292,475,388	₩657,358,883 Rs.32,050,809

25. NET INCOME (LOSS) PER SHARE:

The Company's net income (loss) per share for the years ended March 31, 2014 and 2013, is as follows (In Korean won except for the share data in shares):

	2014	2013
Net income for common shareholder	₩23,502,901,759 Rs.1,316,438,423	(₩9,205,468,127) (Rs.448,830,476)
Weighted-average number of common shares outstanding (Note)	3,016,060	3,016,060
Net income and ordinary income per share	₩7,793 Rs.436	(₩3,052) (Rs.149)

(Note) Weighted-average number of shares outstanding for the years ended March 31, 2014 and 2013, was the same as the issued number of shares, as there was no change of outstanding shares of common stock during the years ended March 31, 2014 and 2013.

26. STATEMENTS OF CASH FLOWS:

The statements of cash flows are presented using the indirect method and non-cash transactions for the years ended March 31, 2014 and 2013, are as follows (In Korean won):

	2014		2013	
Transfer from available for sale securities to current portion	₩602,590,000	Rs.33,752,114	₩-	Rs.-
Transfer from construction in progress to				
Building	2,814,000,000	157,617,037	1,371,900,000	66,889,648
Machinery and equipment	-	-	177,300,000	8,644,606
Molds	478,200,000	26,784,814	3,387,878,800	165,182,609
Transfer from long-term borrowings to current portion	10,000,000,000	560,117,401	-	-
Payment of other payables due to acquisition of construction in progress	612,407,497	34,302,010	1,772,081,000	86,401,250

27. FINANCIAL INSTRUMENTS:

(a) Financial instruments that are measured subsequent to initial recognition at fair value as of March 31, 2014 and 2013, are as follows (In Korean won):

	2014		2013	
Financial Instruments Assets				
Foreign currency forward contracts (Note 1)	₩96,302,858	Rs.5,394,091	₩6,244,597	Rs.304,467
Available-for-sale securities (Note 2)	602,590,000	33,752,114	770,816,600	37,582,660
	₩698,892,858	Rs.39,146,205	₩777,061,197	Rs.37,887,127
Financial Instruments Liabilities				
Foreign currency forward contracts (Note 1)	₩3,318,012	Rs.185,848	₩652,037,376	Rs.31,791,348

(Note 1) Foreign currency forward contracts are stated at the market value at fair value.

(Note 2) The fair value of debt securities, which are marketable, refers to the quoted market price, which is the closing price quoted at March 31, 2014 and 2013. However, if the closing price quoted at March 31, 2014 and 2013, is not available, the closing price quoted as of the immediately preceding trade date may be deemed as the fair value of debt securities. If debt securities are not marketable, the fair value of debt securities is evaluated at the price discounted future cash flow. In this case, the discounting rate takes into account credit ratings evaluated by independent, reputable credit rating agencies or credit ratings of other corporations with similar characteristics with the issuing house.

(b) The maturity analysis of financial liabilities as of March 31, 2014 and 2013, is as follows (In Korean won):

	2014			
Account	Less than 3 months	3 months - 1 year	1 – 5 years	Total
Short-term borrowings	₩-	₩30,000,000,000	₩-	₩30,000,000,000
	Rs.-	Rs.1,680,352,202	Rs.-	Rs.1,680,352,202
Accounts payable, trade	₩144,261,799,582	₩-	₩-	₩144,261,799,582
	Rs.8,080,354,419	Rs.-	Rs.-	Rs.8,080,354,419
Accounts payable, other	₩18,325,306,568	₩-	₩-	₩18,325,306,568
	Rs.1,026,432,308	Rs.-	Rs.-	Rs.1,026,432,308
Foreign currency forward contracts	₩3,318,012	₩-	₩-	₩3,318,012
	Rs.185,848	Rs.-	Rs.-	Rs.185,848
Current portion of long-term borrowing	₩-	₩10,000,000,000	₩-	₩10,000,000,000
	Rs.-	Rs.560,117,401	Rs.-	Rs.560,117,401
Other non-current liabilities	₩-	₩-	₩1,437,530,000	₩1,437,530,000
	Rs.-	Rs.-	Rs.80,518,557	Rs.80,518,557
Total	₩162,590,424,162	₩40,000,000,000	₩1,437,530,000	₩204,027,954,162
	Rs.9,106,972,575	Rs.2,240,469,603	Rs.80,518,557	Rs.11,427,960,735

	2013			
Account	Less than 3 months	3 months - 1 year	1 – 5 years	Total
Short-term borrowings	₩10,000,000,000	₩40,000,000,000	₩-	₩50,000,000,000
	Rs.487,569,418	Rs.1,950,277,671	Rs.-	Rs.2,437,847,088
Accounts payable, trade	₩160,467,678,685	₩-	₩-	₩160,467,678,685
	Rs.7,823,913,266	Rs.-	Rs.-	Rs.7,823,913,266
Accounts payable, other	₩22,188,610,104	₩-	₩-	₩22,188,610,104
	Rs.1,081,848,771	Rs.-	Rs.-	Rs.1,081,848,771
Foreign currency forward contracts	₩400,289,734	₩251,747,642	₩-	₩652,037,376
	Rs.19,516,903	Rs.12,274,445	Rs.-	Rs.31,791,348
Current portion of long-term borrowing	₩1,250,000,000	₩3,750,000,000	₩-	₩5,000,000,000
	Rs.60,946,177	182,838,532	Rs.-	Rs.243,784,709
Long-term borrowings	₩-	₩-	₩10,000,000,000	₩10,000,000,000
	Rs.-	Rs.-	Rs.487,569,418	Rs.487,569,418
Other non-current liabilities	₩-	₩-	₩87,530,000	₩87,530,000
	Rs.-	Rs.-	Rs.4,267,695	Rs.4,267,695
Total	₩194,306,578,523	₩44,001,747,642	₩10,087,530,000	₩248,395,856,165
	Rs.9,473,794,535	Rs.2,145,390,648	Rs.491,837,113	Rs.12,111,022,295

(c) Liquidity risk management

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Company aims to maintain flexibility in funding by keeping committed credit lines available and maintaining enough reserves to avoid any potential cash shortfalls.

28. VALUE-ADDED INFORMATION:

Details of value-added information included in cost of goods manufactured and selling and administrative expenses for the years ended March 31, 2014 and 2013, are as follows (In Korean won):

	2014		2013	
Wages and salaries	₩75,833,413,553	Rs.4,247,561,448	₩87,360,432,851	Rs.4,259,427,537
Provision for severance indemnities	7,426,319,180	415,961,060	8,114,591,532	395,642,667
Employee welfare	15,473,581,845	866,702,244	14,042,429,018	684,665,894
Rent	2,840,618,759	159,108,000	3,108,079,716	151,540,462
Depreciation	26,694,690,379	1,495,216,059	24,664,519,422	1,202,566,537
Taxes and dues	2,619,043,908	146,697,207	923,774,301	45,040,410
Total	₩130,887,667,624	Rs.7,331,246,018	₩138,213,826,840	Rs.6,738,883,507

29. The financial statements are expressed in Korean Won only in the Audited Accounts solely for the convenience of the readers and to meet the conditions of section 212 of the companies act have been translated in Indian Rupees (Rs.) at the rate of Rs.1=KRW 17.8534 and KRW 20.5099 on March 31, 2014 and 2013 respectively. In case of any Korean Won amounts appearing in the audited financial statements prior to the above mentioned dates, the translation rate of March 31, 2014 has been applied. These translations should not be construed as a representation that any or all the amounts could be converted in Indian Rupees at this or any other rate

Independent Accountants' Review Report on Internal Accounting Control System ("IACS")
English Translation of a Report Originally Issued in Korean

To Chief Executive Officer of
Tata Daewoo Commercial Vehicle Co., Ltd.

We have reviewed the accompanying Report on the Management's Assessment of IACS (the "Management's Report") of Tata Daewoo Commercial Vehicle Co., Ltd. (the "Company") as of March 31, 2014. The Management's Report, and the design and operation of IACS are the responsibility of the Company's management. Our responsibility is to review the Management's Report and issue a review report based on our procedures. The Company's management stated in the accompanying Management's Report that "based on the assessment of the IACS as of March 31, 2014, the Company's IACS has been appropriately designed and is operating effectively as of March 31, 2014, in all material respects, in accordance with the IACS Framework established by the Korea Listed Companies Association."

We conducted our review in accordance with the IACS Review Standards established by the Korean Institute of Certified Public Accountants. Those standards require that we plan and perform a review, objective of which is to obtain a lower level of assurance than an audit, of the Management's Report in all material respects. A review includes obtaining an understanding of a company's IACS and making inquiries regarding the Management's Report and, when deemed necessary, performing a limited inspection of underlying documents and other limited procedures. The Company's design and operation of IACS and management's report on the assessment of IACS were performed in accordance with Chapter 5 (application for a large-sized non-listed company) of the IACS Framework. Therefore, we have performed the review in accordance with the Chapter 14 (special application for a large-sized non-listed corporation) of the IACS Review Standards established by the Korean Institute of Certified Public Accountants.

A company's IACS represents internal accounting policies and a system to manage and operate such policies to provide reasonable assurance regarding the reliability of financial statements prepared, in accordance with accounting principles generally accepted in the Republic of Korea, for the purpose of preparing and disclosing reliable accounting information. Because of its inherent limitations, IACS may not prevent or detect a material misstatement of the financial statements. Also, projections of any evaluation of effectiveness of IACS to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Based on our review, nothing has come to our attention that causes us to believe that the Management's Report referred to above is not fairly stated, in all material respects, in accordance with the IACS Framework established by the Korea Listed Companies Association.

Our review is based on the Company's IACS as of March 31, 2014, and we did not review its IACS subsequent to March 31, 2014. This report has been prepared pursuant to the Acts on External Audit for Stock Companies in the Republic of Korea and may not be appropriate for other purposes or for other users.

May 13, 2014

Report on the Assessment of Internal Accounting Control System ("IACS")

To the Board of Directors and the Auditor of
Tata Daewoo Commercial Vehicle Co., Ltd

I, as the Internal Accounting Control Officer ("IACO") of Tata Daewoo Commercial Vehicle Co., Ltd (the "Company"), assessed the status of the design and operation of the Company's IACS for the year ended March 31, 2014.

The Company's management including IACO is responsible for designing and operating IACS. I, as the IACO, assessed whether the IACS has been appropriately designed is effectively operating to prevent and detect any error or fraud which may cause any misstatement of the financial statements, for the purpose of preparing and disclosing reliable financial statements. I, as the IACO, applied IACS Framework established by the Korea Listed Companies Association for the assessment of design and operation of the IACS.

Based on the assessment of the IACS, as of March 31, 2014, the Company did not identify any material weakness, in all material respects, in accordance with the IACS Framework.

April 18, 2014

Abhay P Bawale
Internal Accounting Control Officer

Kim, Kwan Kju
President & CEO

TATA DAEWOO
Tata Daewoo Commercial Vehicle Company Limited
1589-1 Soryong-dong, Gunsan-si, Jeollabuk-do 573-715, Korea
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TATA DAEWOO COMMERCIAL VEHICLE SALES AND DISTRIBUTION COMPANY LIMITED

Annual Report 2013 – 14

Deloitte.

TATA DAEWOO COMMERCIAL VEHICLE SALES & DISTRIBUTION CO., LTD.

FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED MARCH 31, 2014 AND 2013,
AND INDEPENDENT AUDITORS' REPORT

Deloitte Anjin LLC

DIRECTORS' REPORT

TO THE MEMBERS OF
TATA DAEWOO COMMERCIAL VEHICLE SALES & DISTRIBUTION CO. LTD

The Directors present their Fourth Annual Report and Audited Statement of Accounts for the year ended March 31, 2014.

1. Financial Results

	April 2013 – March 2014		April 2012 – March 2013	
	KRW Million	Rs. In Crores	KRW Million	Rs. In Crores
Operating Revenue	34,727	194.51	24,285	118.41
Operating Expenses	(33,361)	(186.86)	(24,899)	(121.40)
Operating Income (Loss)	1,366	7.65	(613)	(2.99)
Net Other Income/ (Expense)	77	0.43	39	0.19
Income (Loss) Before Income Tax	1,443	8.08	(575)	(2.80)
Income Tax	(357)	-1.99	121	0.58
Net Income for year	1,087	6.09	(454)	(2.22)
Un-appropriated retained Earnings from previous year	390	2.18	844	4.40*
Interim Dividend	-	-	-	-
Dividend	-	-	-	-
Earned Surplus Reserve	-	-	-	-
Un-appropriated retained earnings	1,477	8.27	390	2.18*

*Adjusted to Foreign Exchange Rate Fluctuation.

2. Operating Results and Profits

Financial year 2013-14 was a very encouraging year for the Company. Domestic volumes increased by 21.9% from previous year as a result strong performance of the Company as compared to its competitors coupled with gradual recovery of the Korean economy. During the year under review, the Company's total revenue was at KRW 34,727 million (Rs. 194.51 crore) which was higher by 43.0% as compared to KRW 24,285 million (Rs. 118.41 crore) in FY 2012-13. Company reported Profit before Tax at KRW 1,443 million (Rs. 8.08 crore) as compared to Loss before tax of KRW -575 million (Rs. -2.80 crore) in FY 2012-13. After providing for tax, the profit for the year stood at KRW 1,087 million (Rs. 6.09 crore), against loss of KRW -454 million (Rs. -2.22 crore) in the previous year.

3. Vehicle Sales

Total market for **Heavy Commercial Vehicles** in Korea was almost stagnant during FY 2013-14 as compared to the previous year; however the Company achieved growth rate of 25.7% with sales of 2,995 units of HCV in FY 2013-14 as compared to 2,383 units in the previous year.

Medium Duty Trucks segment Industry witnessed 6% growth in FY13-14 mainly driven by gradual recovery of Korean economy. In this segment also Company outperformed Industry by achieving 19% volume growth with sales of 3,589 units in FY 2013-14 as compared to 3,017 units in the previous year.

The company was able to improve its market share in both, HCV as well as MCV segment.

4. Finance

During the current year, the Company's liquidity position was adequate from its operations and hence your company had not resorted to any borrowings.

5. Corporate Governance

As a member of the Tata Group, the Company continues to follow and strengthen its business processes in keeping with Tata Code of Conduct and best practices in Corporate Governance.

6. Audit

Under the Korean commercial law, the Company's External Auditors, Deloitte Anjin LLC, Seoul would hold office until the arrangement is changed. However, for the sake of good order, the shareholders' approval would be sought for their re-appointment for the financial year 2014-15.

7. Acknowledgements

The Directors wish to convey their appreciation to all of the Company's employees, Dealers & Sales Representatives for their personal efforts as well as collective contribution to the Company's performance. The Directors acknowledge with gratitude the managerial and operational support extended by Tata Daewoo Commercial Vehicle Co. Ltd. They are also grateful to the Customers, Capital Companies, Bankers and all other business associates for their valuable contribution.

On behalf of the Board of Directors

Kwan Kju Kim
Chairman

May 19, 2014

Independent Auditors' Report

English Translation of a Report Originally Issued in Korean

To the Board of Directors and the Shareholder of
Tata Daewoo Commercial Vehicle Sales & Distribution Co., Ltd.:

We have audited the accompanying statements of financial position of Tata Daewoo Commercial Vehicle Sales & Distribution Co., Ltd. (the "Company"), as of March 31, 2014 and 2013, and the statements of operations, statements of changes in shareholder's equity and statements of cash flows for the year ended March 31, 2014 and 2013. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the Republic of Korea. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2014 and 2013, and the results of its operations and its cash flows for the years then ended, in conformity with Accounting Standards for Non-Public Entities in the Republic of Korea ("KAS-NPEs").

Accounting principles and auditing standards and their application in practice vary among countries. The accompanying financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries other than the Republic of Korea. In addition, the procedures and practices utilized in the Republic of Korea to audit such financial statements may differ from those generally accepted and applied in other countries. Accordingly, this report and the accompanying financial statements are for use by those knowledgeable about Korean accounting principles and auditing standards and their application in practice.

May 13, 2014

Notice to Readers

This report is effective as of May 13, 2014, the auditors' report date. Certain subsequent events or circumstances may have occurred between the auditors' report date and the time the auditors' report is read. Such events or circumstances could significantly affect the accompanying financial statements and may result in modifications to the auditors' report.

TATA DAEWOO COMMERCIAL VEHICLE SALES & DISTRIBUTION CO., LTD.
STATEMENTS OF FINANCIAL POSITION
AS OF MARCH 31, 2014 AND 2013

ASSETS	March 31, 2014		March 31, 2013	
	(In Korean won and Indian Rupee)			
CURRENT ASSETS				
Cash and cash equivalents (Note 2 and 12)	₩3,409,258,554	Rs.190,958,504	₩840,622,476	Rs.40,986,181
Accounts receivable (Notes 2 and 7)				
- Trade, net of allowance for doubtful accounts of ₩45,890,919(Rs.2,570,430) as of March 31, 2014 and ₩31,648,280(Rs.1,543,073) as of March 31, 2013	4,543,200,962	254,472,591	3,133,179,763	152,764,263
Other receivables	41,832,570	2,343,115	14,600,260	711,865
Prepaid taxes	-	-	1,724,450	84,078
Deferred income tax assets (Notes 2 and 10)	64,637,474	3,620,457	137,954,430	6,726,236
Total Current Assets	8,058,929,560	451,394,667	4,128,081,379	201,272,623
NON-CURRENT ASSETS				
Property, plant and equipment, net (Notes 2 and 3)	395,852,540	22,172,390	530,335,766	25,857,550
Intangible assets (Notes 2 and 4)	65,718,791	3,681,024	92,912,774	4,530,143
Other non-current assets (Note 5)	419,963,853	23,522,906	328,986,119	16,040,357
Total Non-Current Assets	881,535,184	49,376,320	952,234,659	46,428,050
TOTAL ASSETS	₩8,940,464,744	Rs.500,770,987	₩5,080,316,038	Rs.247,700,673
LIABILITIES AND SHAREHOLDER'S EQUITY				
CURRENT LIABILITIES				
Accounts payable (Notes 7 and 15)	₩4,317,083,423	Rs.241,807,355	₩2,630,285,381	Rs.128,244,671
Accrued expenses	164,737,246	9,227,220	113,676,171	5,542,502
Withholdings	300,825,296	16,849,748	260,119,200	12,682,617
Advance receipts	-	-	563,000	27,450
Income tax payable (Notes 2 and 11)	212,542,894	11,904,897	-	-
Total Current Liabilities	4,995,188,859	279,789,220	3,004,643,752	146,497,240
NON-CURRENT LIABILITIES				
Accrued severance indemnities (Notes 2 and 6)	1,058,200,830	59,271,670	615,546,130	30,012,147
Long-term other payable(Note 15)	340,350,000	19,063,595	-	-
Total Liabilities	6,393,739,689	358,124,485	3,620,189,882	176,509,387
SHAREHOLDER'S EQUITY				
Common stock (Notes 1 and 8)	1,000,000,000	56,011,740	1,000,000,000	48,756,942
Retained earnings (Note 9):				
Earned surplus reserve	70,000,000	3,920,822	70,000,000	3,412,988
Unappropriated retained earnings	1,476,725,055	82,713,940	390,126,156	19,021,356
Total Shareholder's Equity	2,546,725,055	142,646,502	1,460,126,156	71,191,286
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	₩8,940,464,744	Rs.500,770,987	₩5,080,316,038	Rs.247,700,673

See accompanying notes to financial statements.

Deloitte Anjin LLC
Lee, Joo Hyun
Partner

Kim, Kwan Kju
Chairman

Chung, Nak Cho
Representative Director

Abhay Bawale
Director

TATA DAEWOO COMMERCIAL VEHICLE SALES & DISTRIBUTION CO., LTD.
STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

	2014		2013	
	(In Korean won and Indian Rupee)			
OPERATING REVENUE (Notes 2 and 7)				
Service fee	₩38,388,071,666	Rs.2,150,182,692	₩26,841,555,095	Rs.1,308,712,139
Sales incentive	(3,660,769,062)	(205,046,045)	(2,556,218,232)	(124,633,383)
Net	₩34,727,302,604	Rs.1,945,136,647	₩24,285,336,863	Rs.1,184,078,756
OPERATING EXPENSES (Notes 13 and 14)				
Salaries	(3,522,886,729)	(197,323,016)	(3,131,711,969)	(152,692,698)
Provision for severance indemnities	(289,886,062)	(16,237,023)	(257,178,426)	(12,539,234)
Other employee benefits	(805,231,311)	(45,102,407)	(679,750,057)	(33,142,534)
Utilities	(16,706,804)	(935,777)	(17,817,166)	(868,711)
Vehicle maintenance	(120,089,082)	(6,726,398)	(109,650,756)	(5,346,236)
Repairs	(322,818)	(18,082)	(4,130,000)	(201,366)
Rental	(399,062,197)	(22,352,168)	(397,892,668)	(19,400,030)
Insurance premium	(25,690,365)	(1,438,962)	-	-
Depreciation	(134,195,542)	(7,516,526)	(125,467,182)	(6,117,396)
Amortization	(27,193,983)	(1,523,182)	(27,193,982)	(1,325,895)
Supplies	(31,671,971)	(1,774,002)	(18,715,367)	(912,504)
Publication	(56,101,562)	(3,142,346)	-	-
Communication	(100,512,207)	(5,629,864)	(101,007,179)	(4,924,801)
Taxes and dues	(6,746,384)	(377,877)	(4,854,253)	(236,679)
Travel	(84,768,280)	(4,748,019)	(100,343,230)	(4,892,429)
Training	(63,345,872)	(3,548,113)	(64,684,927)	(3,153,839)
Fee and charges	(21,784,308,477)	(1,220,177,024)	(16,919,918,442)	(824,963,478)
Entertainment	(67,120,180)	(3,759,518)	(52,858,400)	(2,577,214)
Outsourcing	(2,067,897,540)	(115,826,539)	(2,045,467,993)	(99,730,764)
Sales promotion	(3,671,254,431)	(205,633,349)	(793,774,312)	(38,702,008)
Provision for doubtful accounts	(14,242,639)	(797,755)	(4,238,633)	(206,663)
Others	(71,875,551)	(4,025,874)	(42,033,223)	(2,049,411)
Operating expenses	(33,361,109,987)	(1,868,613,821)	(24,898,688,165)	(1,213,983,890)
OPERATING INCOME(LOSS)	1,366,192,617	76,522,826	(613,351,302)	(29,905,134)
OTHER INCOME (EXPENSES):				
Interest income	44,662,535	2,501,626	12,317,673	600,572
Others	32,339,143	1,811,372	26,211,326	1,277,984
Other income, net	77,001,678	4,312,998	38,528,999	1,878,556
INCOME(LOSS) BEFORE INCOME TAX EXPENSES(BENEFI	1,443,194,295	80,835,824	(574,822,303)	(28,026,578)
INCOME TAX EXPENSES(BENEFITS) (Notes 2 and 10)	(356,595,396)	(19,973,529)	120,460,037	5,873,263
NET INCOME(LOSS)	₩1,086,598,899	Rs.60,862,295	(₩454,362,266)	(Rs.22,153,315)
NET INCOME(LOSS) PER SHARE (Note 11)	₩5,433	Rs.304	(₩2,272)	(Rs.111)

See accompanying notes to financial statements.

Deloitte Anjin LLC
Lee, Joo Hyun
Partner

Kim, Kwan Kju
Chairman

Chung, Nak Cho
Representative Director

Abhay Bawale
Director

TATA DAEWOO COMMERCIAL VEHICLE SALES & DISTRIBUTION CO., LTD.
STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

	Common stock	Retained earnings	Total shareholder's equity
	(In Korean won and Indian Rupee)		
Balance at April 1, 2012	₩1,000,000,000	₩914,488,422	₩1,914,488,422
	Rs.48,756,942	Rs.44,587,659	Rs.93,344,601
Net loss	₩-	(₩454,362,266)	(₩454,362,266)
	Rs.-	(Rs.22,153,315)	(Rs.22,153,315)
Balance at March 31, 2013	₩1,000,000,000	₩460,126,156	₩1,460,126,156
	Rs.48,756,942	Rs.22,434,344	Rs.71,191,286
Balance at April 1, 2013	₩1,000,000,000	₩460,126,156	₩1,460,126,156
	Rs.56,011,740	Rs.25,772,467	Rs.81,784,207
Net Income	₩-	₩1,086,598,899	₩1,086,598,899
	Rs.-	Rs.60,862,295	Rs.60,862,295
Balance at March 31, 2014	₩1,000,000,000	₩1,546,725,055	₩2,546,725,055
	Rs.56,011,740	Rs.86,634,762	Rs.142,646,502

See accompanying notes to financial statements.

TATA DAEWOO COMMERCIAL VEHICLE SALES & DISTRIBUTION CO., LTD
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

	2013		2013	
	(In Korean won and Indian Rupee)			
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income(loss)	₩1,086,598,899	Rs.60,862,295	(₩454,362,266)	(₩22,153,315)
Expenses (income) not involving cash outflows (inflows):				
Depreciation	134,195,542	7,516,526	125,467,182	6,117,396
Amortization	27,193,983	1,523,182	27,193,982	1,325,895
Provision for severance indemnities	289,886,062	16,237,023	257,178,426	12,539,234
Provision for doubtful accounts	14,242,639	797,755	4,238,633	206,663
Loss on disposition of tangible assets	19,597,684	1,097,700	6,492,062	316,533
Subtotal	485,115,910	27,172,186	420,570,285	20,505,721
Changes in assets and liabilities related to operating activities:				
Accounts receivable	(1,424,263,838)	(79,775,494)	(423,863,351)	(20,666,281)
Other receivables	(27,232,310)	(1,525,329)	21,793,167	1,062,568
Current deferred tax assets	73,316,956	4,106,610	(68,000,855)	(3,315,514)
Non-current deferred tax assets	(91,052,734)	(5,100,022)	(51,275,629)	(2,500,043)
Other payables	1,686,798,042	94,480,493	135,751,531	6,618,829
Advance receipts	(563,000)	(31,535)	210,000	10,239
Withholdings	40,706,096	2,280,019	24,139,001	1,176,944
Accrued expenses	51,061,075	2,860,020	29,108,157	1,419,225
Prepaid taxes	1,724,450	96,589	44,749,867	2,181,864
Income tax payable	212,542,894	11,904,897	-	-
Payments of severance indemnities	(14,105,361)	(790,066)	(20,191,406)	(984,471)
Long-term other payable	340,350,000	19,063,596	-	-
Succession of provision for severance indemnities	166,873,999	9,346,903	43,581,750	2,124,913
Subtotal	1,016,156,269	56,916,681	(263,997,768)	(12,871,727)
Net cash used in operating activities	2,587,871,078	144,951,162	(297,789,749)	(14,519,318)
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of property, plant and equipment	(19,310,000)	(1,081,587)	(151,911,400)	(7,406,735)
Decrease(increasse) in Guarantee deposits	75,000	4,201	(30,000,000)	(1,462,708)
Net cash used in investing activities	(19,235,000)	(1,077,386)	(181,911,400)	(8,869,443)
CASH FLOWS FROM FINANCING ACTIVITIES	-	-	-	-
NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS	2,568,636,078	143,873,776	(479,701,149)	(23,388,761)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	840,622,476	47,084,728	1,320,323,625	64,374,942
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	₩3,409,258,554	Rs.190,958,504	₩840,622,476	Rs.40,986,181

See accompanying notes to financial statements.

TATA DAEWOO COMMERCIAL VEHICLE SALES & DISTRIBUTION CO., LTD.
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

1. GENERAL:

Tata Daewoo Commercial Vehicle Sales & Distribution Co., Ltd. (the "Company"), located in Seoul, Republic of Korea is engaged in sales agent service of commercial vehicles. The Company was incorporated on April 9, 2010.

As of March 31, 2014, the Company's capital stock amounts to ₩1,000,000,000 (Rs.56,011,740) and its common shares are wholly owned by Tata Daewoo Commercial Vehicle Co., Ltd.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Company has prepared the accompanying financial statements in accordance with Accounting Standards for Non-Public Entities in the Republic of Korea ("KAS-NPEs").

These financial statements are prepared in the Korean language (Hangul). Accordingly, these financial statements are intended for use by those who are informed about KAS-NPEs and Korean practices. In addition, these financial statements have been condensed, restructured and translated into English with certain expanded descriptions from the Korean language financial statements.

The financial statements will be approved at the annual shareholder's meeting to be held on May 19, 2014.

The significant accounting policies followed by the Company in the preparation of the financial statements are as follows:

a. Cash and Cash Equivalents

Cash and cash equivalents include cash, cash equivalent securities, including checks issued by others, checking accounts, ordinary deposits, and financial instruments with maturities (or date of redemption) of three months or less from the date of acquisition, which can be easily converted into cash and whose value changes due to changes in interest rates are not material.

b. Allowance for Doubtful Accounts

The Company provides an allowance for doubtful accounts to cover estimated losses that may arise from non-collection of its receivables. The estimate of losses is based on the review of the aging and current status of outstanding receivables.

c. Property, Plant and Equipment

Property, plant and equipment are stated at cost (acquisition cost or manufacturing cost, plus

expenditures directly related to preparing the asset ready for use in time and bringing asset to the required place, net of sales discount given). Assets acquired from investment in kind, by donation or free of charge are stated at fair value. When an asset is exchanged for a similar kind of asset, the asset received is stated at the carrying value of the asset given. When an asset is exchange for a different kind of asset, the asset received is stated at the fair value of the asset given. When there is uncertainty as to the fair value of the asset given, the asset received is recorded at its fair value.

If the costs incurred after acquisition or completion increase the future economic benefit of an asset, such costs are capitalized. If the costs incurred can be objectively measured to replace an existing asset, then the exiting asset is removed from the financial statements. Costs incurred to repair and maintain assets are expensed as incurred.

In accordance with the Company's policy, borrowing costs in relation to the manufacture, purchase, construction or development of assets are charged to current operations as incurred.

Property, plant and equipment are depreciated using the straight-line method over their economic useful lives, which are determined from the time when the assets are ready for use (ready for their intended use by the management in time and place). Depreciation expense is recognized as operating expense.

Depreciation is computed using the straight-line method over the following economic useful lives:

	Useful lives (in years)
Tools	6
Furniture and fixtures	6
Computers	6

d. Intangible Assets (excluding Goodwill)

Intangible assets are initially recognized at acquisition cost (purchase cost, plus expenditures directly related to preparing the asset ready for use) and subsequently presented at amortized cost. Development costs are amortized when the capitalized assets can be used or sold (over five to six years), and intangible assets other than development costs are amortized over the useful lives (10 years) of the related assets using the straight-line method. Amortization is included in the operating expense.

e. Impairment of Assets

At the end of each reporting period, the Company reviews the carrying values of assets, except for financial assets, inventories, assets generated from construction contracts, deferred tax assets, biological assets and non-current assets of discontinued operations to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying value of the asset is reduced to its recoverable amount, and an impairment loss is immediately recorded in profit or loss. If a tangible asset (an individual asset or cash-generating

unit) has an indication of impairment and cash flow from disposition of asset is less than its carrying amount, the carrying value of the asset is reduced to the net proceed on disposition, and an impairment loss is immediately recorded in profit or loss.

Also, in regard to impairment loss indicators, assets not in use and assets held for future use are estimated for recoverable amounts.

When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. If the recoverable amount of goodwill is estimated to be less than its carrying amount, an impairment loss is allocated to reduce the carrying value of the goodwill and then allocated to reduce the carrying value of individual assets (or cash-generating unit(s)). The allocated amounts to individual assets cannot be lower than the larger of estimated recovered amount, value in use amount or zero.

An impairment loss recognized for goodwill cannot be reversed subsequently; impairment loss recognized for assets other than goodwill is subjected to revaluation for a reversal of impairment loss that was recognized in prior years. When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of impairment loss is recognized immediately in profit or loss.

f. Accrued Severance Indemnities

In accordance with the Company's policy, all employees are entitled to receive lump-sum severance payments upon termination of their employment, based on their rate of pay at the time of termination and tenure of service. In accordance with the National Pension Law of Korea, a portion of the Company’s severance indemnities that was transferred, in cash, to the National Pension Fund through March 1999 is presented as a deduction of accrued severance indemnities.

g. Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of past events, it is probable that the Company will be required to settle the obligation and the amount can be reliably estimated.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset and a reimbursement, net of the provision-related expense.

h. Income Tax Expense

The Company recognizes deferred tax assets or liabilities for the temporary differences between the carrying amount of an asset and liability for the financial reporting purposes and the amounts used for income tax purposes. A deferred tax liability is generally recognized for all taxable temporary differences, with some exceptions, and a deferred tax asset is recognized to the extent when it is probable that taxable income will be available against which the deductible temporary difference can be utilized in the future. Deferred tax asset (liability) is classified as a current or non-current asset (liability) depending on the classification of related asset (liability) in the statements of financial position. Deferred tax asset (liability), which does not relate to a specific asset (liability) account in the statements of financial position, such as a deferred tax asset recognized for tax loss carryforwards, is classified as a current or non-current asset (liability) depending on the expected reversal period. Deferred tax assets and liabilities in the same tax jurisdiction and in the same current or non-current classification are presented on a net basis. Current and deferred tax expenses are included in income tax expense in the statements of income, and additional income tax or tax refunds for the prior periods are included in income tax expense for the current period when recognized.

i. Revenues

Revenues for the sales agent service of commercial vehicles are recognized when related revenue activities are completed, revenues are measurable and economic benefits are highly expected.

3. PROPERTY, PLANT AND EQUIPMENT:

(a) Property, plant and equipment and related accumulated depreciation as of March 31, 2014 and 2013 are summarized as follows (In Korean won and Indian Rupee):

	2014		2013	
Tools	₩67,914,000	Rs.3,803,981	₩67,914,000	Rs.3,311,279
Furniture and fixtures	592,761,270	33,201,591	599,654,100	29,237,300
Computers	150,426,800	8,425,667	150,426,800	7,334,351
Total cost	811,102,070	45,431,239	817,994,900	39,882,930
Less : Accumulated depreciation	(415,249,530)	(23,258,849)	(287,659,134)	(14,025,380)
Net	₩395,852,540	Rs.22,172,390	₩530,335,766	Rs.25,857,550

(b) Changes in property, plant and equipment for the years ended March 31, 2014 and 2013 are as follows (In Korean won and Indian Rupee):

	2014				
	April 1, 2013	Acquisition	Disposition	Depreciation	March 31, 2014
Tools	₩43,399,630	₩-	₩-	(₩11,318,992)	₩32,080,638
	Rs.2,430,889	Rs.-	Rs.-	(Rs.633,996)	Rs.1,796,893
Furniture and fixtures	395,826,274	19,310,000	(19,597,684)	(97,805,417)	297,733,173
	Rs.22,170,918	Rs.1,081,587	(Rs.1,097,700)	(Rs.5,478,252)	Rs.16.676.553
Computers	91,109,862	-	-	(25,071,133)	66,038,729
	Rs.5,103,322	Rs.-	Rs.-	(Rs.1,404,278)	Rs.3,698,944
Total	₩530,335,766	₩19,310,000	(₩19,597,684)	(₩134,195,542)	₩395,852,540
	Rs.29,705,029	Rs.2,079,817	(Rs.10,97,700)	(Rs.7,516,526)	Rs.22,172,390

	2013				
	April 1, 2012	Acquisition	Disposition	Depreciation	March 31, 2013
Tools	₩54,718,634	₩-	₩-	(₩11,319,004)	₩43,399,630
	Rs.2,667,913	Rs.-	Rs.-	(Rs.551,880)	Rs.2,116,033
Furniture and fixtures	358,156,935	134,089,600	(6,492,062)	(89,928,199)	395,826,274
	Rs.17,462,637	Rs.6,537,799	(Rs.316,533)	(Rs.4,384,624)	Rs.19,299,279
Computers	97,508,041	17,821,800	-	(24,219,979)	91,109,862
	Rs.4,754,194	Rs.868,936	Rs.-	(Rs.1,180,892)	Rs.4,442,238
Total	₩510,383,610	₩151,911,400	(₩6,492,062)	(₩125,467,182)	₩530,335,766
	Rs.24,884,744	Rs.7,406,735	(Rs.316,533)	(Rs.6,117,396)	Rs.25,857,550

4. INTANGIBLE ASSETS:

(a) Details of intangible assets as of March 31, 2014 and 2013 are as follows (In Korean won and Indian Rupee):

	March 31, 2014			March 31, 2013		
	Acquisition cost	Accumulated amortization	Book value	Acquisition cost	Accumulated amortization	Book value
Development costs	₩163,163,895	(₩97,445,104)	₩65,718,791	₩163,163,895	(₩70,251,121)	₩92,912,774
	Rs.9,139,094	(Rs.5,458,070)	Rs.3,681,024	Rs.7,955,373	(Rs.3,425,230)	Rs.4,530,143
Total	₩163,163,895	(₩97,445,104)	₩65,718,791	₩163,163,895	(₩70,251,121)	₩92,912,774
	Rs.9,139,094	(Rs.5,458,070)	Rs.3,681,024	Rs.7,955,373	(Rs.3,425,230)	Rs.4,530,143

(b) Changes in intangible assets, consisting of development costs, for the years ended March 31, 2014 and 2013, are as follows (In Korean won and Indian Rupee):

	2014		2013	
Beginning	₩92,912,774	Rs.5,204,206	₩120,106,756	Rs.5,856,038
Acquisition	-	-	-	-
Transfer	-	-	-	-
Amortization	(27,193,983)	(1,523,182)	(27,193,982)	(1,325,895)
Ending	₩65,718,791	Rs.3,681,024	₩92,912,774	Rs.4,530,143

(c) Major item of development costs as of March 31, 2014, is as follows (In Korean won and Indian Rupee):

Description	Book value	Remaining useful life
Enterprise resource planning system	₩65,718,791 Rs.3,681,024	2.42 years

5. OTHER NON-CURRENT ASSETS:

Details of other non-current assets as of March 31, 2014 and 2013, are as follows (In Korean won and Indian Rupee):

	2014		2013	
Guarantee deposits	₩220,575,000	Rs.12,354,789	₩220,650,000	Rs.10,758,219
Deferred tax assets	199,388,853	11,168,117	108,336,119	5,282,138
Total	₩419,963,853	Rs.23,522,906	₩328,986,119	Rs.16,040,357

6. ACCRUED SEVERANCE INDEMNITIES:

Changes of accrued severance indemnities for the years ended March 31, 2014 and 2013, are summarized as follows (In Korean won and Indian Rupee):

	2014		2013	
Beginning	₩615,546,130	Rs.34,477,810	₩334,977,360	Rs.16,332,472
Provision for severance indemnities	289,886,062	16,237,023	257,178,426	12,539,234
Succession of provision for severance indemnities	166,873,999	9,346,903	43,581,750	2,124,913
Payments	(14,105,361)	(790,066)	(20,191,406)	(984,472)
Ending	₩1,058,200,830	Rs.59,271,670	₩615,546,130	Rs.30,012,147

7. RELATED-PARTY TRANSACTIONS:

(a) Related parties

As of March 31, 2014, the related parties of the Company are summarized as follows:

Ultimate parent:	Tata Motors Limited
Parent:	Tata Daewoo Commercial Vehicle Co., Ltd.
Other:	Tata Motors Limited's subsidiaries and associates

(b) The Company's significant transactions with related parties for the years ended March 31, 2014 and 2013, are summarized as follows (In Korean won and Indian Rupee):

Transactions	2014		2013	
Sales agent service to:				
TDCV	₩37,712,870,850	Rs.2,112,363,519	₩26,320,542,673	Rs.1,283,309,166
Others to :				
TDCV	₩854,470,312	Rs.47,860,369	₩132,748,576	Rs.6,472,415
Others from :				
TDCV.	₩303,202,527	Rs.16,982,901	₩267,991,174	Rs.13,066,430

(c) Account balances due from or to related parties as of March 31, 2014 and 2013 are summarized as follows (in Korean won and Indian Rupee):

Account balance	March 31, 2014		March 31, 2013	
Accounts receivable - trade:				
TDCV	₩4,589,091,881	Rs.257,043,022	₩3,164,828,043	Rs.154,307,337
Accounts receivable - other:				
TDCV	-	Rs.-	7,301,250	Rs 355,987
	₩4,589,091,881	Rs.257,043,022	₩3,172,129,293	Rs.154,663,324
Accounts payable - other:				
TDCV	₩22,167,818	Rs.1,241,658	₩20,673,532	Rs.1,007,978

8. COMMON STOCK:

Common stock as of March 31, 2014 and 2013, is as follows (In Korean won and Indian Rupee, except for share data):

	March 31, 2014		March 31,2013	
Number of shares:				
Authorized	800,000		800,000	
Issued and outstanding	200,000		200,000	
Par value	₩5,000	Rs.280	₩5,000	Rs.244
Common stock	₩1,000,000,000	Rs.56,011,740	₩1,000,000,000	Rs.48,756,942

9. RETAINED EARNINGS:

(a) Earned Surplus Reserve

Under the Commercial Code of Republic of Korea, the Company is required to appropriate at least 10% of the cash dividends paid each year to earned surplus reserve, until such reserve equals 50% of the capital stock. This reserve should not be utilized for cash dividends, but may be used to offset against future deficit, if any, or may be transferred to capital stock.

(b) Statements of Appropriations of Retained Earnings

	2014		2013	
RETAINED EARNINGS BEFORE APPROPRIATIONS:				
Beginning of the year	₩390,126,156	Rs.21,851,645	₩844,488,422	Rs.41,174,673
Net income(loss)	1,086,598,899	60,862,295	(454,362,266)	(22,153,315)
End of the year	1,476,725,055	82,713,940	390,126,156	19,021,358
APPROPRIATIONS:	-	-	-	-
UNAPPROPRIATED RETAINED EARNINGS TO BE CARRIED FORWARD TO SUBSEQUENT YEAR	₩1,476,725,055	Rs.82,713,940	₩390,126,156	Rs.19,021,358

10. INCOME TAX:

(a) The components of income tax expenses (benefits) for the years ended March 31, 2014 and 2013, are as follows (In Korean won and Indian Rupee):

	2014		2013	
Income tax currently payable at statutory income tax rate	₩374,331,174	Rs.20,966,941	(₩1,183,553)	(Rs.57,706)
Changes in deferred tax assets related to temporary differences (Note)	(17,735,778)	(993,412)	(119,276,484)	(5,815,557)
	₩356,595,396	(Rs.19,973,529)	(₩120,460,037)	(Rs.5,873,263)

(Note) Changes in deferred tax assets related to temporary differences for the years ended March 31, 2014 and 2013, are as follows (In Korean won and Indian Rupee):

	2014		2013	
Beginning of the period	₩246,290,549	Rs.13,795,162	₩127,014,065	Rs.6,192,817
End of the period	(264,026,327)	(14,788,574)	(246,290,549)	(12,008,374)
	(₩17,735,778)	(Rs.993,412)	(₩119,276,484)	(Rs.5,815,557)

(b) A reconciliation of income tax expenses and accounting income before income tax expenses for the years ended March 31, 2014 and 2013, are as follows (In Korean won):

	2014		2013	
Income(loss) before income tax expenses(benefits)	₩1,443,194,295	Rs.80,835,823	(₩574,822,303)	Rs.28,026,578
Tax rate	22%		22%	
Tax effect at the tax rate	317,502,745	17,783,881	(126,460,907)	(6,165,847)
Adjustments:				
Non-deductible expense	46,424,847	2,600,336	7,184,423	350,290
Others	(7,332,196)	(410,689)	(1,183,553))	(57,706)
Income tax expenses(benefits)	₩356,595,396	(Rs.19,973,529)	(₩120,460,037)	(Rs.5,873,263)
Effective tax rate(Note)	24.71%		-	

(Note) The effective tax rate is not calculated due to loss before income tax benefits for the year ended March 31, 2013.

(c) Changes in cumulative temporary differences and deferred income tax assets for the years ended March 31, 2014 and 2013, are as follows (In Korean won and Indian Rupee):

2014

Account	April 1, 2013	Decrease	Increase	March 31, 2014
Deferred tax assets (current):				
Accrued expenses	₩113,676,171	₩113,676,171	₩164,737,246	₩164,737,246
	Rs.6,367,200	Rs.6,367,200	Rs.9,227,220	Rs.9,227,220
Depreciation	181,236,117	181,236,117	129,069,453	129,069,453
	Rs.10,151,350	Rs.10,151,350	Rs.7,229,405	Rs.7,229,405
Loss carried forward	332,153,302	332,153,302	-	-
	Rs.18,604,484	Rs.18,604,484	Rs.-	Rs.-
Subtotal	627,065,590	₩627,065,590	₩293,806,699	293,806,699
	Rs.35,123,034	Rs.35,123,034	Rs.16,456,625	Rs.16,456,625
Tax rate (Note a)	22%			22%
Current deferred tax assets	137,954,430			64,637,474
(Note b)	Rs.7,727,068			Rs.3,620,457
Deferred tax assets (non-current):				
Accrued severance	492,436,904	₩-	₩289,886,062	782,322,966
indemnities	Rs.27,582,248	Rs.-	Rs.16,237,023	Rs.43,819,271
Long-term other payable	-	-	123,990,000	123,990,000
	Rs.-	Rs.-	Rs.6,944,896	Rs.6,944,896
Subtotal	492,436,904	₩-	₩413,876,062	906,312,966
	Rs.27,582,248		Rs.23,181,918	Rs.50,764,166
Tax rate (Note a)	22%			22%
Non-current deferred tax	108,336,119			199,388,853
Assets	Rs.246,290,549			Rs.11,168,117
Deferred tax assets	₩246,290,549			₩264,026,327
(Note b)	Rs.13,795,162			Rs.14,788,574

2013

Account	April 1, 2012	Decrease	Increase	March 31, 2013
Deferred tax assets (current):				
Accrued expenses	₩84,568,014	₩84,568,014	₩113,676,171	₩113,676,171
	Rs.4,123,278	Rs.4,123,278	Rs.5,542,502	Rs.5,542,502
Repair expenses	₩233,402,781	₩233,402,781	₩181,236,117	₩181,236,117
	Rs.11,380,006	Rs. 11,380,006	Rs.8,836,519	Rs.8,836,519
Loss carried forward	₩-	₩-	₩332,153,302	₩332,153,302
	Rs.-	Rs.-	Rs.16,194,779	Rs.16,194,779
Sub total	₩317,970,795	₩317,970,795	₩627,065,590	₩627,065,590
	Rs.15,503,284	Rs.15,503,284	Rs.30,573,800	Rs.30,573,800
Tax rate (Note a)	22%			22%
Current deferred tax assets	₩69,953,575			₩137,954,430
(Note b)	Rs.3,410,722			Rs.6,726,236
Deferred tax assets (non-current):				
	₩259,365,865	₩-	₩233,071,039	₩492,436,904
Accrued severance indemnities	Rs.12,645,886	Rs.-	Rs.11,363,831	Rs.24,009,717
Sub total	₩259,365,865	₩-	₩233,071,039	₩492,436,904
	Rs.12,645,886	Rs.-	Rs.11,363,831	Rs.24,009,717
Tax rate (Note a)	22%			22%
	₩57,060,490			₩108,336,119
Non-current deferred tax assets	Rs.2,782,095			Rs.5,282,138
Deferred tax assets (Note b)	₩127,014,065			₩246,290,549
	Rs.6,192,817			Rs.12,008,374

(Note a) Tax rate is the enacted tax rate that is expected to be applicable to future taxable income in the periods the deferred income tax asset is expected to be realized.

(Note b) Deductible temporary differences are recorded to the extent that the resultant deferred tax assets are certain to be realized as of March 31, 2014 and 2013.

(a) Prepaid income tax and income tax payable as of March 31, 2014 and 2013, are as follows (In Korean won and Indian Rupee):

	March 31, 2014		March 31, 2013	
Current income tax asset	₩161,788,280	Rs.9,062,043	₩1,724,450	Rs.84,078
Current income tax liability	(374,331,174)	(Rs.20,966,940)	₩-	Rs.-
Current income tax asset (liability), net	(₩212,542,894)	(Rs.11,904,897)	₩1,724,450	Rs.84,078

11. NET INCOME (LOSS) PER SHARE:

The Company's earnings per share for the years ended March 31, 2014 and 2013 are as follows (In Korean won and Indian Rupee, except for the share data in share):

	2014		2013	
Net income(loss) for common shareholder	₩1,086,598,899	Rs.60,862,295	(₩454,362,266)	(Rs.22,153,315)
Weighted-average number of common shares outstanding (Note)	200,000		200,000	
Net income(loss) per share	₩5,433	Rs.304	(₩2,272)	(Rs.111)

(Note) Weighted-average number of shares outstanding for the years ended March 31, 2014 and 2013, are the same as the issued number of shares as there was no change in outstanding shares of common stock during the period.

12. STATEMENTS OF CASH FLOWS:

The statements of cash flows are presented using the indirect method, and there were no significant transactions involving inflow or outflow of cash for the years ended March 31, 2014 and 2013. Cash in the statements of cash flows is the same as cash and cash equivalents in the statements of financial position, which were ₩3,409,258,554(Rs.190,958,504) and ₩840,622,476(Rs.40,986,181) as of March 31, 2014 and 2013, respectively.

13. VALUE-ADDED INFORMATION:

Details of value-added information included in operating expenses for the years ended March 31, 2014 and 2013, are as follows (In Korean won and Indian Rupee):

	2014		2013	
Salaries	₩3,522,886,729	Rs.197,323,016	₩3,131,711,969	Rs.152,692,698
Provision for severance indemnities	289,886,062	16,237,023	257,178,426	12,539,234
Employee welfare	805,231,311	45,102,407	679,750,057	33,142,534
Rent	399,062,197	22,352,168	397,892,668	19,400,030
Depreciation	134,195,542	7,516,526	125,467,182	6,117,396
Taxes and dues	6,746,384	377,877	4,854,253	236,679
Total	₩5,158,008,225	Rs.288,909,017	₩4,596,854,555	Rs.224,128,571

14. EMPLOYEE WELFARE:

In connection with the employee welfare, the Company maintains various employee welfare programs, including scholarship, medical insurance, workers' compensation, paid absence, subsidies to pension contributions and other. The related welfare expenses amounts to ₩805,231,311(Rs.45,102,407) and ₩679,750,057(Rs.33,142,534) for the years ended March 31, 2014 and 2013, respectively.

15. FINANCIAL INSTRUMENT:

The maturity analysis of financial liabilities as of March 31, 2014 and 2013 is as follows (In Korean won and Indian Rupee):

	March 31,2014			
Description	Less than 3 months	Three months–one year	1–5 years	Total
Accounts payable	₩4,317,083,423	₩-	₩-	₩4,317,083,423
	Rs.241,807,355	Rs.-	Rs.-	Rs.241,807,355
Accrued expenses	15,500,000	149,237,246	-	164,737,246
	Rs.868,182	Rs.8,359,038	Rs.-	Rs.9,227,220
Long-term other payable	-	-	340,350,000	340,350,000
	Rs.-	Rs.-	Rs.19,063,595	Rs.19,063,595
	₩4,332,583,423	₩149,237,246	₩340,350,000	₩4,822,170,669
	Rs.242,675,537	Rs.8,359,038	Rs.19,063,595	Rs.270,098,170

	March 31,2013			
Description	Less than 3 months	Three months–one year	1–5 years	Total
Accounts payable	₩2,630,285,381	₩-	₩-	₩2,630,285,381
	Rs. 128,244,671	Rs.-	Rs.-	Rs.128,244,671
Accrued expenses	8,000,000	105,676,171	-	113,676,171
	Rs.390,056	Rs.5,152,446	Rs.-	Rs.5,542,502
	₩2,638,285,381	₩105,676,171	₩-	₩2,743,961,552
	Rs.128,634,727	Rs.5,152,446	Rs.-	Rs.137,787,173

The Company has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

16. The financial statements are expressed in Korean Won only in the Audited Accounts solely for the convenience of the readers and to meet the conditions of section 212 of the companies act have been translated in Indian Rupees (Rs.) at the rate of Rs.1=KRW 17.8534 and KRW 20.5099 on March 31, 2014 and 2013 respectively. In case of any Korean Won amounts appearing in the audited financial statements prior to the above mentioned dates, the translation rate of March 31, 2014 has been applied. These translations should not be construed as a representation that any or all the amounts could be converted in Indian Rupees at this or any other rate.

TATA MOTORS (THAILAND) LTD.

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Deloitte.

บริษัท ดีลอยท์ ทูช โธมัทสุ ไชยยศ
สอบบัญชี จำกัด
อาคารรัจนาการ ชั้น 25
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REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS
TATA MOTORS (THAILAND) LTD.

We have audited the financial statements of Tata Motors (Thailand) Ltd., which comprise the statement of financial position as at March 31, 2014, and the statement of income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standard for Non-Publicly Accountable Entities, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Thai Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the aforementioned financial statements present fairly, in all material respects, the financial position of Tata Motors (Thailand) Ltd. as at March 31, 2014 and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standard for Non-Publicly Accountable Entities.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 to the financial statements, for the year ended March 31, 2014, the Company incurred net loss from operations of Baht 690 million and as at March 31, 2014, the Company had deficit of Baht 3,443 million and had capital deficiency of Baht 780 million. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Permsak Wongpatcharapakorn
Certified Public Accountant (Thailand)
Registration No. 3427
DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

BANGKOK
April 28, 2014

TATA MOTORS (THAILAND) LTD.

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2014

	Notes	Amt in Baht 2014	Amt in Rs. 2014	Amt in Baht 2013	Amt in Rs. 2013
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	4.1	202,035,551	379,584,393	133,400,843	244,750,527
Trade and other receivables	5	656,177,240	1,232,825,799	643,516,770	1,180,660,218
Inventories	6	1,336,015,684	2,510,106,267	1,493,616,893	2,740,338,914
Other current assets		102,972	193,464	95,481	175,179
Total Current Assets		2,194,331,447	4,122,709,923	2,270,629,987	4,165,924,837
NON-CURRENT ASSETS					
Equipment	7	886,166,658	1,664,929,917	939,053,811	1,722,882,027
Intangible asset	8	920,989	1,730,354	2,141,959	3,929,852
Other non-current assets	9	441,189,800	828,907,396	429,976,297	788,877,512
Total Non-current Assets		1,328,277,447	2,495,567,667	1,371,172,067	2,515,689,391
TOTAL ASSETS		3,522,608,894	6,618,277,590	3,641,802,054	6,681,614,228

Notes to the financial statements form an integral part of these statements

TATA MOTORS (THAILAND) LTD.

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT MARCH 31, 2014

	Notes	Amt in Baht 2014	Amt in Rs. 2014	Amt in Baht 2013	Amt in Rs. 2013
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Short-term borrowings from financial institutions	10	1,203,000,000	2,260,196,400	768,000,000	1,409,049,600
Current portion of long-term borrwings from financial institution	12	-	-	435,000,000	798,094,500
Current portion of long-term borrwings from parent company	13	438,000,000	822,914,400	-	-
Trade and other payables	11	1,583,293,028	2,974,690,941	2,038,014,464	3,739,145,137
Other current liabilities		2,003,960	3,765,040	1,818,759	3,336,877
Total Current Liabilities		3,226,296,988	6,061,566,781	3,242,833,223	5,949,626,114
NON-CURRENT LIABILITIES					
Long-term borrowings from parent company	13	1,070,000,000	2,010,316,000	1,508,000,000	2,766,727,600
Employee benefit obligations	14	6,277,000	11,793,228	6,684,000	12,263,135
Total Non-current Liabilities		1,076,277,000	2,022,109,228	1,514,684,000	2,778,990,735
TOTAL LIABILITIES		4,302,573,988	8,083,676,009	4,757,517,223	8,728,616,849
SHAREHOLDERS' EQUITY					
SHARE CAPITAL					
Authorized share capital					
16,372,900 ordinary shares of Baht 100 each	15	2,663,290,000	5,003,789,252	1,637,290,000	3,003,935,963
Paid-up share capital					
16,372,900 ordinary shares of Baht 100 each, fully paid		2,663,290,000	5,003,789,252	1,637,290,000	3,003,935,963
RETAINED EARNINGS (DEFICITS)					
Unappropriated (deficit)		(3,443,255,094)	(6,469,187,671)	(2,753,005,169)	(5,050,938,584)
TOTAL SHAREHOLDERS' EQUITY (CAPITAL DEFICIENCY)		(779,965,094)	(1,465,398,419)	(1,115,715,169)	(2,047,002,621)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		3,522,608,894	6,618,277,590	3,641,802,054	6,681,614,228

Notes to the financial statements form an integral part of these statements

TATA MOTORS (THAILAND) LTD.

STATEMENT OF INCOME

FOR THE YEAR ENDED MARCH 31, 2014

	Note	Amt in Baht 2014	Amt in Rs. 2014	Amt in Baht 2013	Amt in Rs. 2013
Revenue from sales	16	1,152,103,095	2,114,086,137	2,278,075,213	4,195,326,093
Cost of sales		(1,150,567,990)	(2,111,269,250)	(2,120,672,157)	(3,905,451,051)
Gross profit		1,535,105	2,816,887	157,403,056	289,875,042
Other income					
Gain on exchange rate - net		2,174,743	3,990,610	13,734,271	25,293,171
Others		3,475,235	6,376,987	5,055,530	9,310,315
Profit before expenses		7,185,083	13,184,484	176,192,857	324,478,527
Selling expenses		(244,754,973)	(449,120,480)	298,758,910	550,197,396
Administrative expenses		(336,186,031)	(616,894,643)	233,006,687	429,107,445
Loss on exchange rate - net		-	-	-	-
Reversal of accrued incentive expenses		-	-	-	-
Total Expenses		(580,941,004)	(1,066,015,124)	531,765,597	979,304,841
LOSS BEFORE FINANCE COSTS		(573,755,921)	(1,052,830,640)	(355,572,740)	(654,826,314)
Finance costs		(116,494,004)	(213,764,167)	(97,558,760)	(179,665,188)
NET LOSS		(690,249,925)	(1,266,594,807)	(453,131,500)	(834,491,502)

Notes to the financial statements form an integral part of these statements

TATA MOTORS (THAILAND) LTD.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED MARCH 31, 2014

	Note	Paid-up share capital		Retained earnings (deficits) Unappropriated (deficit)		Total shareholders' equity (Capital deficiency)	
		Amt in Baht	Amt in Rs.	Amt in Baht	Amt in Rs.	Amt in Baht	Amt in Rs.
Beginning balance as at April 1, 2012		1,637,290,000	3,076,140,452	(2,299,873,669)	(4,321,002,649)	(662,583,669)	(1,244,862,197)
Net loss		-	-	(453,131,500)	(851,343,462)	(453,131,500)	(851,343,462)
Ending balance as at March 31, 2013		1,637,290,000	3,076,140,452	(2,753,005,169)	(5,172,346,112)	(1,115,715,169)	(2,096,205,660)
Beginning balance as at April 1, 2013		1,637,290,000	3,076,140,452	(2,753,005,169)	(5,172,346,112)	(1,115,715,169)	(2,096,205,660)
Increase in share capital	15	1,026,000,000	1,927,648,800	-	-	1,026,000,000	1,927,648,800
Net loss		-	-	(690,249,925)	(1,296,841,559)	(690,249,925)	(1,296,841,559)
Ending balance as at March 31, 2014		2,663,290,000	5,003,789,252	(3,443,255,094)	(6,469,187,671)	(779,965,094)	(1,465,398,419)

Notes to the financial statements form an integral part of these statements

TATA MOTORS (THAILAND) LTD.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2014

	Amt in Baht	Amt in Rs.	Amt in Baht	Amt in Rs.
	2014	**2014**	**2013**	**2013**
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before income tax expense	(690,249,925)	(1,266,594,807)	(453,131,500)	(834,491,502)
Adjustments :				
Depreciation and amortization	78,884,995	144,752,388	87,752,964	161,606,736
Unrealized loss (gain) on foreign exchange rate	(1,013,424)	(1,859,613)	399,435	735,603
Finance costs	116,494,004	213,764,167	97,558,760	179,665,188
Loss on sale of equipment	710,495	1,303,744	3,730,295	6,869,749
Reversal of loss from diminution in valuation of inventories	6,176,151	11,333,114	(1,921,963)	(3,539,506)
Employee benefit obligations expense	(407,000)	(746,837)	2,263,000	4,167,563
	(489,404,704)	(898,047,844)	(263,349,009)	(484,986,168)
Operating assets (increase) decrease				
Trade and other receivables	(12,366,366)	(22,692,034)	63,523,793	116,986,052
Inventories	151,425,059	277,861,955	(749,043,501)	(1,379,446,002)
Other current assets	(7,491)	(13,746)	(51,180)	(94,254)
Other non-current assets	(11,213,503)	(20,576,554)	(54,214,953)	(99,842,800)
Operating liabilities increase (decrease)				
Trade and other payables	(434,489,515)	(797,279,570)	487,786,528	898,312,548
Other current liabilities	185,201	339,840	(71,706)	(132,054)
Cash paid from operations	(795,871,319)	(1,460,407,953)	(515,420,028)	(949,202,678)
Cash paid for interest expenses	(125,606,537)	(230,485,483)	(99,123,683)	(182,547,166)
Net cash used in operating activities	(921,477,856)	(1,690,893,436)	(614,543,711)	(1,131,749,844)

TATA MOTORS (THAILAND) LTD.

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED MARCH 31, 2014

	Amt in Baht	Amt in Rs.	Amt in Baht	Amt in Rs.
	2014	**2014**	**2013**	**2013**
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sales of equipment	992,441	1,821,109	70,823	130,428
Cash payment for purchases of equipment	(36,879,877)	(67,673,837)	(30,528,203)	(56,221,044)
Cash payment for purchases of intangible asset	-	-	(783,440)	(1,442,791)
Net cash used in investing activities	(35,887,436)	(65,852,727)	(31,240,820)	(57,533,407)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issuance of ordinary shares	1,026,000,000	1,882,689,480	-	-
Proceeds from long-term borrowings from parent company	-	-	570,000,000	1,049,717,700
Net cash provided by financing activities	1,026,000,000	1,882,689,480	570,000,000	1,049,717,700
Net increase (decrease) in cash and cash equivalents	68,634,708	125,943,316	(75,784,531)	(139,565,550)
Cash and cash equivalents as at April 1,	133,400,843	244,787,879	209,185,374	385,237,877
CASH AND CASH EQUIVALENTS AS AT MARCH 31,	202,035,551	370,731,195	133,400,843	245,672,326

Notes to the interim financial statements form an integral part of these statements

TATA MOTORS (THAILAND) LTD.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2014

1. GENERAL INFORMATION OF THE COMPANY

Tata Motors (Thailand) Ltd. was registered as a limited company under the Thai Civil and Commercial Code on February 28, 2007 to engage principally in manufacturing and assembling vehicles. The Company's registered office is located at 20th Floor, Column Tower, 199 Ratchadapisek Road, Klongtoey, Bangkok.

Tata Motors Limited, incorporated in India, is the major shareholder of the Company held 94% of the Company's shares as at March 31, 2014 and 91% of the Company's share as at March 31, 2013.

The Company has extensive and relationship with related parties. Accordingly, the financial statements may not necessarily be indicative of the conditions that would have existed or the results of operations would have occurred had the Company operated without such affiliation.

As shown in the financial statements for the years ended March 31, 2014 and 2013, the Company incurred net losses from operations of Rs. 1,267 million and Rs. 834 million, respectively, and as at March 31, 2014 and 2013, the Company had deficit of Rs. 6,469 million and Rs. 5,051 million, respectively, and had capital deficiency of Rs. 1,465 million and Rs. 2,047 million, respectively. However, going forward, the Company has been able to lay down a short term strategy on improving the operations in year 2014-15. Apart from adding more dealership networks in Thailand in order to take the total number of dealerships to around 70, the Company shall be introducing a refreshed version of its pickup truck with improved features and performance that shall be focusing on single and extended cab segment, primarily. The year ahead will see the start of exports to Malaysia from Thailand plant. Also, the heavy truck business is planned for a formal launch in the latter part of the year. All of the above steps will help the Company improve its performance in the year ahead. Additionally, the Company registered the share capital increment with the Ministry of Commerce of Rs. 1,928 million on February 4, 2014. In addition, Tata Motors Limited, the parent company, also accepts responsibility of providing and undertakes to provide sufficient financial assistance to the Company by issuance of letters of comfort to the financial institutions to secure the credit facilities granted to the Company as mentioned in Notes 10 and 12. The financial statements for the year ended March 31, 2014 as presented do not include any adjustment relating to the recoverability and classification of recorded asset amounts, or to the amounts or classification of liabilities that might be necessary should the Company not be able to continue as going concern.

2. BASIS FOR PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

The Company maintains its accounting records in Thai Baht and prepares its statutory financial statements in the Thai language in conformity with Thai Financial Reporting Standard for Non-Publicly Accountable Entities (TFRS for NPAEs) issued by the Federation of Accounting Professions and accounting practices generally accepted in Thailand.

TFRS for NPAEs does not require the Company to prepare the statement of cash flows. However, the Company adopts Thai Accounting Standard No. 7 (Revised 2009) "Statement of Cash Flows" in the preparation of the financial statements for the years ended March 31, 2014 and 2013.

The Federation of Accounting Professions has issued the Notifications regarding Thai Accounting Standard No. 7 (Revised 2012) "Statement of Cash Flows", which is effective for the financial statement for the periods beginning on or after January 1, 2014. The Company's management will adopt the above TAS relevant to the Company in the preparation of the Company's financial statements when it becomes effective. The Company's management has assessed the effects of this accounting standard and believes that it will not have any significant impact on the financial statement for the period in which it is initially applied.

These financial statements of the Company are prepared in compliance with the Notification of the Department of Business Development dated September 28, 2011 regarding "The Brief Particulars in the Financial Statements B.E. 2554".

3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention except as disclosed in the significant accounting policies as follows:

3.1 Cash and cash equivalents

Cash and cash equivalents are cash on hand and all types of deposits at financial institutions with original maturities of 3 months or less and excluding deposits at financial institutions used as collateral, if any.

3.2 Trade accounts receivable

Trade accounts receivable are carried at the original invoice amount and subsequently measured at the remaining amount less any allowance for doubtful accounts receivable based on a review of all outstanding amounts at the year end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written off in which they are identified and recognised as a part of administrative expenses in the statement of income.

3.3 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted average method. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

3.4 Equipment

Equipment is stated at cost less accumulated depreciation and allowance for devaluation, if any.

Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets as follows:

Machinery	20 years
Factory equipment	5 years
Furniture and fixtures	5 years
Office equipment	5 years
Motor vehicles	5 years

Expenditure for additions, renewals and betterment are capitalized. Repair and maintenance costs are recognized as expenses when incurred.

3.5 Intangible asset

Intangible asset represents the computer software which is stated at cost less accumulated amortization. The amortization is calculated based on the straight-line method over estimated useful lives of 5 years.

3.6 Operating Lease

Lease of assets under which all the risks and rewards of ownership are effectively retained by the lessors are classified as operating leases. Lease payment under an operating lease is recognized as an expense under the lease term.

3.7 Foreign currency transactions

Transactions denominated in foreign currencies are converted into Baht at the rates of exchange prevailing at the transaction dates. All balances of monetary assets and liabilities in foreign currencies at the statement of financial position date are converted into Baht at the reference exchange rates established by the Bank of Thailand at that date.

Gains or losses on foreign exchange arising on settlement and translation are recognized as revenue or expenses when incurred.

3.8 Product warranty reserve

The Company offers warranties on the sales of products for a period of three years or 100,000 kilometers - whichever is earlier. A provision for estimated future costs relating to warranty claims is recorded when products are delivered and revenue recognized.

3.9 Employee benefit obligations

Employee benefit obligations are obligations recognized under the Thai Labor Protection Act. The Company used the assumption based on actuarial assumptions at the reporting date, by an independent actuary. The Company has recognized employee benefit obligations under the Thai Labor Protection Act based on the actuarial assumptions such as employee salaries, turnover rate, ages of employees, mortality rate, years of services of employees and other factors.

3.10 Revenue recognition

The Company recognizes sales when transfer of risks and reward of ownership of goods have been transferred to the buyer. Other income is recognized on an accrual basis.

3.11 Income tax expense

Income tax expense, if any, is based on tax paid and accrued for the year.

3.12 Use of management's judgment

The preparation of financial statements in conformity with TFRS for NPAEs also requires the Company's management to exercise judgments in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the end of the reporting period and the reported amounts of revenue and expenses during the reporting period. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates.

4. SUPPLEMENTARY DISCLOSURES OF CASH FLOW INFORMATION

4.1 Cash and cash equivalents as at March 31, 2014 and 2013 consist of the followings:

	2014 **Rs.**	**2013** **Rs.**
Cash on hand	243,158	468,716
Deposit at banks in savings and current accounts	379,341,235	244,281,810
	379,584,393	244,750,527

4.2 Payables for purchases of equipment and intangible asset as at March 31, 2014 and 2013 consist of the followings:

	2014 Rs.	2013 Rs.
Payables brought forward as at April 1,	20,361,792	30,651,122
Add Purchases during the year	49,750,265	46,680,201
Less Payments of equipment during the year	(69,289,913)	(56,010,094)
Payments of intangible asset during the year	-	(1,437,377)
Payables carried forward as at March 31,	822,144	19,883,851

5. TRADE AND OTHER RECEIVABLES

Trade and other receivables as at March 31, 2014 and 2013 consist of the followings:

	2014 Rs.	2013 Rs.
Trade accounts receivable - other companies	399,956,302	381,932,778
Trade accounts receivable - related companies	83,346,401	54,536,476
Other receivables - related companies	730,320,002	691,101,946
Prepaid expenses	19,203,093	53,089,019
Trade and other receivables	1,232,825,799	1,180,660,218

6. INVENTORIES

Inventories as at March 31, 2014 and 2013 consist of the followings:

	2014 Rs.	2013 Rs.
Raw materials	756,019,933	900,236,410
Work in process	19,632,267	29,059,586
Finished goods	1,702,658,630	1,794,779,684
Goods in transit	63,199,212	35,598,501
	2,541,510,041	2,759,674,180
Less Allowance for diminution in valuation of inventories	(31,403,774)	(19,335,267)
Inventories	2,510,106,267	2,740,338,914

The amount of inventories recognized as cost of sales in the financial statements for the years ended March 31, 2014 and 2013, of Rs. 1,147.39 million and Rs. 2,122.59 million, respectively.

The amount of inventories recognized as cost of sales in the financial statements for the years ended March 31, 2014 and 2013, included loss (reversal) from diminution in valuation of inventories of Rs. 6.18 million Rs. (1.92) million, respectively.

7. EQUIPMENT

Equipment as at March 31, 2014 and 2013 consist of the followings:

As at March 31, 2014

	Balances as at April 1, 2013	Additions	Disposals	Transfer in (out)	Balance as at March 31, 2014
	Rs.	Rs.	Rs.	Rs.	Rs.
Cost					
Machinery	2,072,666,204	33,309,345	-	42,917,470	2,148,893,019
Factory equipment	81,813,609	1,468,216	-	-	83,281,825
Furniture and fixtures	53,592,167	532,343	-	-	54,124,510
Office equipment	31,430,817	708,334	(63,879)	79,911	32,155,183
Motor vehicles	129,987,189	13,375,483	(8,767,540)	-	134,595,132
Total	2,369,489,986	49,393,722	(8,831,420)	42,997,381	2,453,049,668
Accumulated Depreciation:					
Machinery	(480,258,508)	(105,881,023)	-	-	(586,139,532)
Factory equipment	(65,075,922)	(7,210,190)	-	-	(72,286,112)
Furniture and fixtures	(37,615,128)	(8,436,269)	-	-	(46,051,396)
Office equipment	(22,658,537)	(3,462,846)	27,972	-	(26,093,411)
Motor vehicles	(69,834,404)	(20,924,842)	5,603,970	-	(85,155,276)
Total	(675,442,499)	(145,915,170)	5,631,942	-	(815,725,728)
Machinery under installation	70,246,814	356,544	-	(42,997,381)	27,605,977
Equipment	1,764,294,300				1,664,929,917

As at March 31, 2013

	Balances as at April 1, 2012	Additions	Disposals	Transfer in (out)	Balance as at March 31, 2013
	Rs.	Rs.	Rs.	Rs.	Rs.
Cost					
Machinery	2,056,496,325	9,218,994	(6,866,975)	13,817,860	2,072,666,204
Factory equipment	77,549,373	4,264,235	-	-	81,813,609
Furniture and fixtures	52,279,912	445,152	-	867,104	53,592,167
Office equipment	29,333,086	2,130,916	(33,185)	-	31,430,817
Motor vehicles	106,663,143	25,471,369	(2,147,324)	-	129,987,189
Total	2,322,321,840	41,530,665	(9,047,484)	14,684,964	2,369,489,986
Accumulated Depreciation:					
Machinery	(378,378,132)	(103,534,398)	1,654,022	-	(480,258,508)
Factory equipment	(50,212,816)	(14,863,106)	-	-	(65,075,922)
Furniture and fixtures	(27,724,294)	(9,890,834)	-	-	(37,615,128)
Office equipment	(16,875,879)	(5,794,732)	12,075	-	(22,658,537)
Motor vehicles	(47,009,752)	(23,064,498)	239,846	-	(69,834,404)
Total	(520,200,874)	(157,147,568)	1,905,943	-	(675,442,499)
Machinery under installation	80,132,135	4,799,643	-	14,684,964	70,246,814
Equipment	1,882,253,101				1,764,294,300

Depreciation for the years ended March 31,		
2014	**Rs.**	142,511,933
2013	**Rs.**	154,036,903

8. INTANGIBLE ASSET

Intangible asset as at March 31, 2014 and 2013 consist of the followings:

As at March 31, 2014

	Balances as at April 1, 2013 Rs.	Additions Rs.	Disposals Rs.	Balance as at March 31, 2014 Rs.
Cost				
Computer software	40,736,006	-	-	40,736,006
Total	40,736,006	-	-	40,736,006
Accumulated amortization:				
Computer software	(36,711,694)	(2,293,958)	-	(39,005,652)
Total	(36,711,694)	(2,293,958)	-	(39,005,652)
Intangible asset	4,024,313			1,730,354

As at March 31, 2013

	Balances as at April 1, 2012 Rs.	Additions Rs.	Disposals Rs.	Balance as at March 31, 2013 Rs.
Cost				
Computer software	39,264,079	1,471,927	-	40,736,006
Total	39,264,079	1,471,927	-	40,736,006
Accumulated amortization:				
Computer software	(28,988,993)	(7,722,700)	-	(36,711,694)
Total	(28,988,993)	(7,722,700)	-	(36,711,694)
Intangible asset	10,275,086			4,024,313

Amortization for the years ended March 31,	
2014	2,293,958
2013	7,541,430

9. OTHER NON-CURRENT ASSETS

Other non-current assets as at March 31, 2014 and 2013 consist of the followings:

	2014 Rs.	2013 Rs.
Value-added-tax refundable	436,490,844	424,981,803
Deposits	4,698,956	4,994,494
Other non-current assets	441,189,800	429,976,297

10. SHORT-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS

As at March 31, 2014 and 2013, the Company has short-term borrowings from certain banks amounted to Rs. 2,260 million and Rs. 1,409 million, respectively. The Company has entered into the following loan facilities agreements with such banks as follow:

10.1 Revolving Loan Facility Agreement of Rs. 507 million

As at March 31, 2014 and 2013, the borrowing from a local branch of oversea bank carries the fixed interest rate at 4.35% per annum and 4.90% per annum, respectively. Borrowing repayment shall be in full of each amount on the maturity date as specified in each promissory note, but shall be in no case beyond one year from the date of the facility agreement.

10.2 Revolving Loan Facility Agreement of Rs. 376 million

As at March 31, 2014 and 2013, the borrowing from a local branch of oversea bank carries the fixed interest rate at 4.60% per annum and at 5.28% per annum, respectively. Borrowing repayment shall be in full of each amount on the maturity date as specified in each promissory note, but shall be in no case beyond one year from the date of the facility agreement.

10.3 Revolving Loan Facility Agreement of Rs. 817 million

As at March 31, 2014, the borrowing from a local branch of an oversea bank of Rs. 435 million carries the fixed interest rate at 4.50% per annum. Borrowing repayment shall be in full of each amount on the maturity date as specified in each promissory note, but shall be in no case beyond one year from the date of the facility agreement (see Note 12).

The above loan facilities (No. 10.1, 10.2 and 10.3) are secured by letters of comfort From Tata Motors Limited.

10.4 Revolving Loan Facility Agreement of Rs. 560 million

On September 2, 2011, the Company has borrowing from a local bank in amount of Rs. 560 million with interest at rate of 3.95% per annum. These borrow are due for repayment on September 2012. Such borrowing is secured by the letter of guarantee issued by a bank of Rs. 564 million. Subsequently, on September 5, 2012, there was another memorandum to extend the grace period for principle repayment for another 1 year. These borrowing are due for repayment on September 2013. On September 2, 2013, there was another memorandum to extend the grace period for principle repayment for another 1 year. These borrowing are due for repayment on September 2014. As at March 31, 2014 and 2013, the Company has borrowing from a local bank in amount of Rs. 560 million.

11. TRADE AND OTHER PAYABLES

Trade and other payables as at March 31, 2014 and 2013 consist of the followings:

	2014 Rs.	2013 Rs.
Trade accounts payable - other companies	124,757,945	209,665,872
Trade accounts payable - related companies	2,244,581,919	2,683,247,667
Other payables - other companies	247,781,499	246,822,576
Other payables - related companies	50,786,880	346,879,002
Accrued expenses	205,329,425	190,636,998
Product warranty reserve	72,890,921	91,230,586
Accrued interest - parent company	28,562,354	60,538,874
Total	2,974,690,941	3,829,021,575

12. LONG-TERM BORROWINGS FROM FINANCIAL INSTITUTION

As at March 31, 2013, the Company has current portion of long-term borrwings from a local branch of an overseas bank amounted to Rs. 817 million. The Company has entered into the following bank loan facilities agreements with a local branch of an overseas bank as follow:

Term Loan Facility Agreement of Rs. 1,090 million

On June 18, 2008, the loan carried interest, payable on semiannual, at the rate per annum determined at the time of such borrowing (ranging between 6% - 8% per annum). Loan repayments shall be in 8 equal installments of semi-annual, commencing one year after such drawdown date but shall be in no case the final repayment beyond five years from the date of the facility agreement.

On November 30, 2010, the Company amended its term loan facility agreement with the bank whereby the Company rescheduled its outstanding term loan of Rs. 817 million and agreed to repay the principal amount of the loan to the bank in one lump sum on August 21, 2013. The Company shall pay interest on the loan in quarterly basis, commencing on February 28, 2011, at a fixed rate at 4.45% per annum.

The amended term loan agreement places certain restrictions on the Company that:

a) the loan is first ranked in priority of payment of other obligations of the Company provided or given by the related companies ("Subordinated Loans"), for which those principal repayment shall be due and payable only after the loan has been paid in full;

b) the interest rate on the Subordinated Loans is to be lower than that of the term loan. The Company will promptly notify the bank in writing if the interest rate is higher than that of the amended term loan agreement.

Bank loan facilities are secured by a letter of comfort from Tata Motors Limited.

On September 4, 2013, the long-term borrowing of Rs. 817 million from a local branch of an overseas bank was rolled-over as short-term facilities for 1 year which is presented as short-term borrowing from financial institution under current liabilities in the statement of financial position (see Note 10.3).

13. LONG-TERM BORROWINGS FROM PARENT COMPANY

Long-term borrowings from parent company as at March 31, 2014 and 2013 consist of the followings:

	2014 Rs.	2013 Rs.
Long-term borrowings from parent company	2,833,230,400	2,833,230,400
Less Current portion of long-term borrowings from parent company	(822,914,400)	-
	2,010,316,000	2,833,230,400

Long-term borrowing from parent company are unsecured and carry interest at BIBOR plus a spread of 50 bps per annum. These borrowings are due for repayment on October 2014, February 2015, March 2016 and March 2018.

14. EMPLOYEE BENEFIT OBLIGATIONS

Employee benefit obligations for the years ended March 31, 2014 and 2013 consist of the followings:

	2014 Rs.	2013 Rs.
Balance brought forward	12,557,899	8,306,175
Add (Less) Increase (decrease) during the years	(764,672)	4,251,724
Balance carried forward	11,793,228	12,557,899

15. SHARE CAPITAL

At the Extraordinary General Meeting of the shareholders held on December 11, 2013, the shareholders passed a resolution to increase the Company's authorized share capital from Rs. 3,076.14 million to Rs. 5,003.79 million, through the issue of 10,260,000 additional ordinary shares, par value of Rs. 188 each, amounted to Rs. 1,928 million. Such additional share capital of Rs. 1,928 million was received in full on December 11, 2013. The Company registered the share capital increment with the Ministry of Commerce on February 4, 2014.

16. PROMOTIONAL PRIVILEGES

The Company received promotional privileges under the Investment Promotion Act B.E. 2520 in respect of the assembly of pick-up trucks. Subject to certain imposed conditions, the promotional privileges include:

16.1 50% exemption from import duty on imported machinery as approved .by the Board of Investment, except such machinery for which its import duty rate is less than 10%,

16.2 Exemption from import duty on imported materials and necessary parts used in assembly for export sales for a period of one year commencing the date of first import,

16.3 Exemption from import duty on items imported and re-exported within one year from the date of first import

As a promoted entity, the Company is required to comply with certain conditions stipulated in the promotional certificates, such as size of investment and operating location.

For the years ended March 31, 2014 and 2013, the Company had revenue from BOI promoted and non-promoted activities as follows:

	2014		
	Promoted activity Rs.	Non-promoted activity Rs.	Total Rs.
Revenue from:			
Domestic sales	-	2,106,684,472	2,106,684,472
Export sales	-	7,401,665	7,401,665
Total	-	2,114,086,137	2,114,086,137

	2013		
	Promoted activity Rs.	Non-promoted activity Rs.	Total Rs.
Revenue from:			
Domestic sales	-	4,156,687,100	4,156,687,100
Export sales	-	38,638,993	38,638,993
Total	-	4,195,326,093	4,195,326,093

17. COMMITMENTS

17.1 The Company has entered into lease agreements in respect of the lease of office building space and related services. Future minimum rentals payable under these leases as at March 31, 2014 and 2013, consist of the following:

	2014 Rs.	2013 Rs.
Not later than 1 year	5,899,800	15,370,807
Later than 1 year and not later than 5 years	4,982,938	6,219,226
Total	10,882,739	21,590,032

17.2 Commitment for assembly agreement with an assembler, a related company. Under the term of the agreement, the Company shall provide the assembler with the equipment required for the assembly and shall install at the assembly plant. The Company committed the minimum assembly vehicle units and the rate as stipulated in the agreement.

17.3 Commitment for engineering fee and service fee provided by a related company with monthly service charges as at March 31, 2014 and 2013 of Rs. 0.88 million and Rs. 0.83 million, respectively.

17.4 Commitment for technical service provided by a related company for which the technical service fees are based on certain amounts invoiced.

18. BANK GUARANTEE

As at March 31, 2014 and 2013, the Company has bank guarantees issued on behalf of the Company to the government agencies for temporary move out vehicles from free trade zone amounting to Rs. 9.81 million and Rs. 2.63 million, respectively.

19. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue by the authorized director on April 28, 2014.

20. CONVERSION TO INDIAN RUPEES

The financial information is expressed in Thailand and only in the Audited Accounts based on which the attached financial statements have been reformatted. Solely for the convenience of the reader and to meet the requirements of Section 212 of the Indian Companies Act, 1956, the amount appearing in Indian Rupees have been translated at a fixed exchange rate @ Baht = Rs. 1.8347 as on March 31, 2013 and Baht = Rs. 1.8788 as on March 31, 2014. These translations should not be constructed as a representative that any or all of the amounts could be converted to Indian Rupees at this or any other rate

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TATA MOTORS (SA) PROPRIETARY LIMITED
(Registration number: 2007/034689/07)

AUDITED ANNUAL FINANCIAL STATEMENTS

31 March 2014

TATA MOTORS (SA) PROPRIETARY LIMITED
(Registration number: 2007/034689/07)
ANNUAL FINANCIAL STATEMENTS
31 March 2014

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The annual financial statements have been prepared by Kaushik Roy, AICWA (India) (Chief Financial Officer) of Tata Motors (SA) Proprietary Limited.

TATA MOTORS (SA) PROPRIETARY LIMITED
DIRECTORS' RESPONSIBILITY STATEMENT
for the year ended 31 March 2014

Directors' responsibility statement and approval of annual financial statements

The directors are required by the South African Companies Act of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present that state of affairs to the company as at 31 March 2014 and the results of its operations and cash flows for the year then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are responsible for establishing internal controls, systems and procedures that provide reasonable assurance that all the assets are safeguarded, transactions properly executed and recorded and that the possibility of material loss or misstatement is minimised. To this end, proper delegation of responsibilities and an adequate approvals framework has been introduced to ensure an acceptable level of risk commensurate with the size of the operation. All employees are required to maintain the highest ethical standards in ensuring that appropriate infrastructure, controls systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The financial statements have been prepared on the going concern basis, since the directors have every reason to believe that the company has adequate resources in place to continue in operation for the foreseeable future.

The annual financial statements of Tata Motors (SA) Proprietary Limited as set out on pages 2 to 25, were approved by the board of directors on 22 May 2014 and were subsequently signed on its behalf by:

Director

Director

DIRECTORS REPORT

The directors have pleasure in presenting their report on the activities of the company for the year ended 31 March 2014.

BUSINESS ACTIVITIES

The company manufactures and assembles commercial vehicles from the CKD and SKD kits supplied by Tata Motors Limited and Tata Daewoo Commercial Vehicle Company Limited. A site at Rosslyn has been obtained on lease from Tata Africa Holdings (SA) (Pty) Ltd. The company sells its units to Tata Automobile Corporation (SA) (Pty) Ltd.

FINANCIAL STATEMENTS

The financial position of the company and the results of its operations for the year are set out in the attached annual financial statements on pages 5 to 25 and in the opinion of the directors require no further comment.

SHARE CAPITAL

The authorised share capital of the company is R42 000 000 (2013: R42 000 000).

The issued share capital is R19 837 000 (2013: R19 837 000).

DIVIDEND

No dividend was declared or paid during the year (2013: R nil).

DIRECTORS

The directors of the company and during the year under review and up to the date of this report are:

R. Dhawan *	(Resigned: 28 February 2014)
S. Pandya *	(Resigned: 28 February 2014)
C. Ramakrishnan *	
R Pisharody *	
R Wasan*	
X Gobille **	(Appointed: 28 February 2014)
T Mbele ***	(Appointed: 28 February 2014)

* Indian
** French
*** South African

HOLDING COMPANY

Tata Motors (SA) Proprietary Limited was a direct subsidiary of Tata Motors Limited, which held 60% of the company's ordinary shares. Tata Motors Limited is incorporated in India and remains the ultimate holding company

During the year, TML Holdings Pte Limited acquired the entire 60% of the ordinary shares from Tata Motors Limited. TML Holdings Pte Limited is incorporated in Singapore.

GOING CONCERN

The financial statements have been prepared under the going concern assumption. This basis presumes that funds will be available to finance the future operations and the realisation of assets and settlement of liabilities, contingent obligations and commitments in the ordinary course of business. The directors have no reason to believe the company is not a going concern.

POST BALANCE SHEET EVENTS

The directors are not aware of any events of a material nature that have occurred between the accounting date and the date of this report.

COMPANIES ACT REQUIREMENTS

The new Companies Act of South Africa came into effect on 1 May 2011. In terms of the Act a company is classified as a private company only where the company's Memorandum of Incorporation prohibits the offering of its securities to the public, and restricts the transferability of its securities. In the absence of these provisions in the Memorandum of Incorporation the company is classified as a public company. The company has not amended its Memorandum of Incorporation at 31 March 2014 to ensure the inclusion of these provisions and as a result the company is regarded as public company as defined in the Act. The Directors are in the process of taking the necessary steps to amend its Memorandum of Incorporation so to meet the definition of a private company.

SECRETARY

A secretary has not been appointed and this position remains vacant.

AUDITORS

Deloitte and Touche are the appointed auditors of Tata Motors (SA) Proprietary Limited.

REGISTERED OFFICE AND POSTAL ADDRESS

The registered and postal address of the company is:

Business address	Postal address
39 Ferguson Road Illovo 2196	P. O. Box 55738 Northlands 2116

Deloitte.

Private Bag X6
Gallo Manor 2052
South Africa

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF TATA MOTORS (SA) PROPRIETARY LIMITED

We have audited the annual financial statements of Tata Motors (SA) Proprietary Limited, set out on pages 5 to 25 which comprise the statement of financial position as at 31 March 2014, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Tata Motors (SA) Proprietary Limited as at 31 March 2014, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Other reports required by the Companies Act

As part of our audit of the financial statements for the year ended 31 March 2014, we have read the Report of the Directors for the purpose of identifying whether there are material inconsistencies between the report and the audited financial statements. The Report of the Directors is the responsibility of the preparer. Based on reading the report we have not identified material inconsistencies between the report and the audited financial statements. However, we have not audited the Report of the Directors and accordingly do not express an opinion on the report.

Deloitte & Touche

Deloitte & Touche
Per: C C Vaghela
Partner
22 May 2014

National Executive: LL Bam Chief Executive AE Swiegers Chief Operating Officer GM Pinnock Audit
DL Kennedy Risk Advisory NB Kader Tax TP Pillay Consulting K Black Clients & Industries
JK Mazzocco Talent & Transformation MJ Jarvis Finance M Jordan Strategy S Gwala Managed Services
TJ Brown Chairman of the Board MJ Comber Deputy Chairman of the Board

A full list of partners and directors is available on request

B-BBEE rating: Level 2 contributor in terms of the Chartered Accountancy Profession Sector Code

Member of Deloitte Touche Tohmatsu Limited

TATA MOTORS (SA) PROPRIETARY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 March 2014

	Notes	2014	2013	2014	2013
		R	R	₹	₹
Revenue	2	163 285 761	160 370 900	923 728 779	947 187 422
Cost of sales		(154 893 520)	(146 185 574)	(876 252 780)	(863 405 622)
Gross Profit		8 392 241	14 185 326	47 475 999	83 781 799
Other Income		776 598	155 931	4 393 313	920 966
Administrative and other expenses		(6 938 686)	(5 388 750)	(39 253 047)	(31 827 195)
Profit (Loss) from operations	3	2 230 153	8 952 507	12 616 265	52 875 570
Interest received		33 309	63 688	188 434	376 158
Finance costs	4	(2 061 657)	(2 035 924)	(11 663 060)	(12 024 634)
Profit (Loss) before taxation		201 805	6 980 271	1 141 639	41 227 095
Taxation	5	(667 683)	(2 280 232)	(3 777 170)	(13 467 575)
Total comprehensive profit (loss) for the year		(465 878)	4 700 039	(2 635 530)	27 759 520

TATA MOTORS (SA) PROPRIETARY LIMITED
STATEMENT OF FINANCIAL POSITION
at 31 March 2014

	Notes	2014	2013	2014	2013
		R	R	₹	₹
ASSETS					
Non-current assets					
Property, plant and equipment	6	19 604 752	19 918 432	110 906 629	117 642 843
Intangible assets	6	1 515 765	2 369 144	8 574 882	13 992 707
Total non-current assets		21 120 517	22 287 576	119 481 511	131 635 550
Current assets					
Inventory	7	31 594 802	32 976 503	178 735 900	194 766 812
Trade and other receivables	8	54 964 273	29 337 747	310 940 038	173 275 482
Tax Asset		1 844 318		10 433 547	-
Cash and bank balances	9	2 368 530	17 520 234	13 399 083	103 478 532
Total current assets		90 771 923	79 834 484	513 508 569	471 520 826
TOTAL ASSETS		111 892 440	102 122 060	632 990 080	603 156 376
EQUITY AND LIABILITIES					
Equity					
Share capital	10	19 837 000	19 837 000	112 220 488	117 161 885
Share application money					
Accumulated loss		(361 598)	104 280	(2 045 606)	615 900
Total shareholders' equity		19 475 402	19 941 280	110 174 882	117 777 785
Non-current liabilities					
Shareholders' loans	11	21 329 800	21 329 800	120 665 451	125 978 705
Deferred Income - Long Term	12	2 790 726		15 787 498	-
Deferred taxation	14	2 872 856	2 205 173	16 252 120	13 024 259
Total non-current liabilities		26 993 382	23 534 973	152 705 069	139 002 964
Current liabilities					
Trade and other payables	13	64 238 096	57 961 748	363 403 261	342 335 417
Provisions		1 021 400	609 000	5 778 193	3 596 894
Deferred income - Short Term	12	164 160		928 674	-
Taxation payable			75 059		443 316
Total current liabilities		65 423 656	58 645 807	370 110 128	346 375 627
TOTAL EQUITY AND LIABILITIES		111 892 440	102 122 060	632 990 079	603 156 376

TATA MOTORS (SA) PROPRIETARY LIMITED
STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2014

	Share capital	Accumulated loss	Total	Share capital	Accumulated loss	Total
	R	R	R	R	R	R
Balance at 31 March 2012	19 837 000	(4 595 759)	15 241 241	112 220 488	(25 998 810)	86 221 678
Issue of ordinary shares	-	-	-	-	-	-
Total comprehensive profit / (loss) for the year	-	4 700 039	4 700 039	-	26 588 734	26 588 734
Balance at 31 March 2013	19 837 000	104 280	19 941 280	112 220 488	589 925	112 810 412
Issue of ordinary shares	-	-	-	-	-	-
Total comprehensive profit / (loss) for the year	-	(465 878)	(465 878)	-	(2 635 530)	(2 635 530)
Balance at 31 March 2014	19 837 000	(361 598)	19 475 402	112 220 488	(2 045 606)	110 174 882

TATA MOTORS (SA) PROPRIETARY LIMITED
STATEMENT OF CASH FLOWS
for the year ended 31 March 2014

	Notes	2014	2013	2014	2013
		R	R	₹	₹
CASH FLOW FROM OPERATING ACTIVITIES					
Cash flow (utilised) generated from operations	15	(13 588 634)	6 961 213	(76 872 670)	41 114 525
Finance costs		(2 061 657)	(2 035 924)	(11 663 060)	(12 024 634)
Interest received		33 309	63 688	188 434	376 158
Taxation paid	16	(1 919 377)	-	(10 858 165)	-
Net Cash (outflow) inflow from operating activities		(17 536 359)	4 988 977	(99 205 461)	29 466 050
CASH FLOW FROM INVESTING ACTIVITIES					
Grant received	12	3 447 366		19 502 199	-
Decrease in advance to supplier for capital					
Acquisition of property, plant and equipment and intangible assets	6	(1 062 711)	(861 904)	(6 011 896)	(5 090 604)
Net Cash (outflow) inflow from investing activities		2 384 655	(861 904)	13 490 302	(5 090 604)
Net increase in cash and cash equivalents		(15 151 704)	4 127 073	(85 715 159)	24 375 446
Cash and cash equivalents at beginning of the period		17 520 234	13 393 161	99 114 242	79 103 088
Cash and cash equivalents at end of the period		2 368 530	17 520 234	13 399 083	103 478 533

1.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, 2008. The financial statements have been prepared on the historical cost basis except for the revaluation of certain non-current assets and financial instruments. The principle accounting policies are set out below.

1.2 Presentation of the annual financial statements

The annual financial statements are presented in South African Rands since that is the currency in which the majority of the company transactions are denominated. Conversion is at INR : ZAR 5.65713for 2014 (5.90623 for 2013)

This standard has an impact on disclosure but has no monetary impact. These disclosures are included in the annual financial statements, where appropriate.

1.3 Adoption of revised accounting standards

Standards and Interpretations effective in the current year

All the new revised standards and interpretations with effective dated annual periods beginning on or before April 2014 have been adopted in the current period but have not effect on the amounts reported.

At the date of authorisation of these financial statements, the following new and revised, Standards and Interpretations applicable to the entity were in issue but not yet effective:

IFRS 3:	Business Combinations	1 July 2014
IFRS 7:	Financial Instruments : Disclosures	1 January 2015
IFRS 8:	Operating Segments	1 July 2014
IFRS 10:	Consolidated Financial Statements	1 January 2014
IFRS 12:	Disclosure of Interest in Other Entities	1 January 2014
IFRS 13:	Fair Value Measurement	1 July 2014
IFRS 14:	Regulatory Deferral Accounts	1 January 2016
IAS 16:	Property, Plant and Equipment	1 July 2014
IAS 19:	Employee Benefits	1 July 2014
IAS 24:	Related Party Disclosures	1 July 2014
IAS 27:	Separate Financial Statements	1 January 2014
IAS 32:	Financial Statements: Presentation	1 January 2014
IAS 36:	Impairment of Assets	1 January 2014
IAS 38:	Intangible Assets	1 July 2014
IAS 39:	Financial Instruments: Recognition and Measurement	1 January 2014
IAS 40:	Investment Property	1 July 2014
IFRIC 21:	Levies	1 January 2014

The directors have not yet quantified the impact of the adoption of these standards and interpretations. The directors do not believe this will have material impact on the financial statements.

1.4 Summary of significant accounting policies

Plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged to income on the straight-line basis so as to write off the cost or valuation of the assets to their estimated residual values over their estimated useful lives. The estimated useful lives, residual values and depreciation method are reviewed at each year-end, with the effect of any changes in estimate accounted for on a prospective basis. The depreciation rates used are as follows:

Machinery	4 to 21 years
Furniture and fittings	4 to 21 years
Vehicles	9 years
Equipment	4 to 30 years
Leasehold improvements	5 to 30 years
Intangible assets	4 to 5 years
Data processing equipment	4 to 21 years

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting year, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets relate to software and pre-operating expenses and is amortised over 4 to 5 years.

Inventories

Inventories are carried at the lower of cost, or net realisable value. Cost is determined on the standard cost basis. Net realisable value presents the estimate selling price less all estimated cost of completion and cost to be incurrent in marketing, selling and distribution.

Impairment

At each statement of financial position date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (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.

1.4 Summary of significant accounting policies (continued)

Impairment

Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever 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 (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Summary of significant accounting policies (continued)

Foreign currency

Transactions in currencies other than the company's reporting currency (Rands) are initially recorded at the rates of exchange ruling on the dates of the transactions. Monetary assets and liabilities denominated in such currencies are retranslated at the rates ruling on the statement of financial position date. Exchange differences arising on the settlement of monetary items or on reporting an enterprise's monetary items at rates different from those at which they were initially recorded are recognised as income or expenses in the year in which they arise.

Lease rentals

Operating lease rentals are charged to income in a systematic manner related to the year of use of the assets concerned.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the statement of financial position liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the statement of financial position date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

1.4 Summary of significant accounting policies (continued)

Taxation (continued)

Current and deferred tax for the year

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity, or where they arise from the initial accounting for a business combination.

Retirement benefit cost

Contributions to defined contribution retirement benefits plans are recognised as an expense when employees have rendered services entitling them to the contributions.

Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation.

Government grants

Government grants are recognised when the right to receive such grants is established and are treated as deferred income. They are released to statement of comprehensive income on a systematic basis, either over the expected useful lives of the assets for which they are provided, or over the periods necessary to match them with the related costs which they are intended to compensate.

Financial instruments

Financial assets and financial liabilities are recognised on the company's statement of financial position when the company has become a party to the contractual provisions of the instrument.

Trade receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

1.4 Summary of significant accounting policies (continued)

Financial instruments (continued)

Financial liabilities and equity

Financial liabilities and equity instruments issued by the company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Trade payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Significant accounting judgements

In the process of applying the company's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Residual value and useful life

The company depreciates their assets over their estimated lives taking into account residual values, which, following the adoption of International Accounting Standards (IAS16), Property, Plant and Equipment (revised), are re-assessed on an annual basis. The actual lives and residual values of these assets can vary depending on a variety of factors.

Income taxes and deferred taxes

The company recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the company to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the company to realise the net deferred tax assets recorded at the reporting date could be impacted. Additionally, future changes in tax laws in the jurisdictions in which the company operates could limit the ability of the company to obtain tax deductions in future periods.

	2014	2013	2014	2013
	R	R	₹	₹
2 REVENUE				
Sale of vehicles	162 847 047	159 995 286	921 246 914	944 968 958
Sale of scrap	438 714	375 614	2 481 865	2 218 464
	163 285 761	160 370 900	923 728 779	947 187 422
3 PROFIT FROM OPERATIONS				
Profit from operations is arrived at after taking the following items, amongst others, into account:				
Audit fees				
- current year	600 000	500 000	3 394 278	2 953 115
- prior year under provision	2 827	114 245	15 993	674 757
	602 827	614 245	3 410 271	3 627 872
Depreciation and amortisation				
Machinery	232 171	249 281	1 313 424	1 472 313
Furniture and fittings	10 238	10 039	57 920	59 292
Vehicles	21 037	21 037	119 007	124 247
Equipment	703 975	797 180	3 982 478	4 708 330
Intangible assets	853 379	853 379	4 827 676	5 040 253
Leasehold improvements	382 608	378 054	2 164 461	2 232 873
	2 203 408	2 308 970	12 464 966	13 637 307
Consulting fees	1 458 513	1 047 964	8 250 997	6 189 519
Rental of:				
- premises	2 000 000	2 000 000	11 314 260	11 812 460
- vehicles	468 641	200 538	2 651 161	1 184 423
	2 468 641	2 200 538	13 965 421	12 996 883
Staff costs				
- Allocated to cost of sales	16 311 151	15 784 440	92 274 301	93 226 535
- Administrative staff cost	3 032 165	1 699 627	17 153 352	10 038 388
	19 343 316	17 484 067	109 427 653	103 264 923

	2014	2013	2014	2013
	R	R	₹	₹
4 FINANCE COSTS				
Interest on shareholders' loans				
Tata Motors Limited	1 226 977	1 253 822	6 941 166	7 405 359
Tata Africa Holdings (SA) Proprietary Limited	815 746	782 102	4 614 783	4 619 274
TML Holdings	18 934		107 111	
	2 061 657	2 035 924	11 663 060	12 024 634
5 TAXATION				
Income Tax for the year				
South African normal taxation				
- Current taxation		75 059		443 316
Deferred tax				
- Current taxation	667 683	2 205 173	3 777 170	13 024 259
	667 683	2 280 232	3 777 170	13 467 575
Reconciliation of South African Tax Rate	%	%		
SA normal tax rate	28.0 %	28.0 %		
Temporary differences	(66.8)%	(61.0)%		
Assessed loss not raised	369.7 %	66.0 %		
Effective Tax Rate	330.9 %	33.0 %		

6. Plant and equipment and intangible assets

	Assets under construction	Machinery	Furniture and fittings	Vehicles	Equipment	Leasehold improvements	Total Property, plant and equipment	Intangible assets	Total
	R	R	R	R	R	R	R	R	R
2014									
Cost									
Beginning of the year		4 676 141	159 586	186 000	8 933 222	9 205 930	23 160 878	4 083 582	27 244 460
Additions		259 899	18 463		277 346	507 003	1 062 711		1 062 711
Deletions					(29 781)		(29 781)	( )	(29 781)
Balance at end of year		4 936 040	178 049	186 000	9 180 787	9 712 933	24 193 808	4 083 582	28 277 390
Accumulated depreciation									
Depreciation till 2014		492 894	16 824	42 073	1 928 337	762 317	3 242 446	1 714 438	4 956 884
Depreciation for 2014		232 171	10 238	21 037	703 975	382 608	1 350 029	853 379	2 203 408
Depreciation on assets scrapped in 2014					(3 419)		(3 419)		(3 419)
	-	725 066	27 063	63 110	2 628 893	1 144 925	4 589 056	2 567 817	7 156 873
Carrying value									
Beginning of the year		4 183 246	142 762	143 927	7 004 885	8 443 613	19 918 432	2 369 144	22 287 576
End of the year		4 210 974	150 986	122 890	6 551 894	8 568 008	19 604 752	1 515 765	21 120 517

	Assets under construction	Machinery	Furniture and fittings	Vehicles	Equipment	Leasehold improvements	Total Property, plant and equipment	Intangible assets	Total
	₹	₹	₹	₹	₹	₹	₹	₹	₹
2014									
Cost									
Beginning of the year		26 453 535	902 800	1 052 226	50 536 396	52 079 141	131 024 098	23 101 354	154 125 453
Additions		1 470 285	104 446		1 568 984	2 868 182	6 011 896		6 011 896
Deletions					(168 475)		(168 475)	(3)	(168 478)
Balance at end of year		27 923 820	1 007 245	1 052 226	51 936 906	54 947 323	136 867 520	23 101 352	159 968 871
Accumulated depreciation									
Depreciation till 2014		2 788 367	95 177	238 014	10 908 853	4 312 526	18 342 936	9 698 799	28 041 735
Depreciation for 2014		1 313 424	57 920	119 007	3 982 478	2 164 461	7 637 290	4 827 676	12 464 966
Depreciation on assets scrapped in 2014					(19 340)		(19 340)		(19 340)
	-	4 101 791	153 097	357 020	14 871 990	6 476 987	25 960 885	14 526 475	40 487 360
Carrying value									
Beginning of the year		23 665 168	807 622	814 213	39 627 543	47 766 615	112 681 162	13 402 556	126 083 717
End of the year		23 822 029	854 148	695 206	37 064 916	48 470 336	110 906 634	8 574 877	119 481 511

6. Property, plant and equipment and intangible assets (continued)

	Assets under construction	Machinery	Furniture and fittings	Vehicles	Equipment	Leasehold improvements	Total Property, plant and equipment	Intangible assets	Total
	R	R	R	R	R	R	R	R	R
2013									
Cost									
Beginning of the year		4 487 727	148 097	186 000	8 650 487	8 826 663	22 298 974	4 083 582	26 382 556
Additions		188 414	11 489		282 735	379 267	861 904		861 904
Deletions									
Balance at end of year	-	4 676 141	159 586	186 000	8 933 222	9 205 930	23 160 878	4 083 582	27 244 460
Accumulated depreciation									
Depreciation till 2013		243 613	6 785	21 037	1 131 157	384 263	1 786 855	861 059	2 647 914
Depreciation for 2013		249 281	10 039	21 037	797 180	378 054	1 455 591	853 379	2 308 970
Depreciation on assets scrapped in 2013									
	-	492 894	16 824	42 073	1 928 337	762 317	3 242 446	1 714 438	4 956 884
Carrying value									
Beginning of the year		4 244 114	141 312	164 963	7 519 330	8 442 400	20 512 119	3 222 523	23 734 642
End of the year		4 183 246	142 762	143 927	7 004 885	8 443 613	19 918 432	2 369 144	22 287 576

	Assets under construction	Machinery	Furniture and fittings	Vehicles	Equipment	Leasehold improvements	Total Property, plant and equipment	Intangible assets	Total
	₹	₹	₹	₹	₹	₹	₹	₹	₹
2013									
Cost									
Beginning of the year		26 505 548	874 695	1 098 559	51 091 766	52 132 302	131 702 869	24 118 575	155 821 444
Additions		1 112 814	67 858		1 669 896	2 240 036	5 090 604		5 090 604
Deletions									
Balance at end of year		27 618 362	942 553	1 098 559	52 761 662	54 372 338	136 793 473	24 118 575	160 912 048
Accumulated depreciation									
Depreciation till 2013		1 438 834	40 077	124 247	6 680 872	2 269 546	10 553 575	5 085 612	15 639 188
Depreciation for 2013		1 472 313	59 292	124 247	4 708 330	2 232 873	8 597 054	5 040 253	13 637 307
Depreciation on assets scrapped in 2013									
	-	2 911 147	99 368	248 494	11 389 202	4 502 419	19 150 630	10 125 865	29 276 495
Carrying value									
Beginning of the year		25 066 713	834 621	974 309	44 410 892	49 862 756	121 149 293	19 032 962	140 182 255
End of the year		24 707 215	843 184	850 065	41 372 460	49 869 919	117 642 843	13 992 707	131 635 550

	2014	2013	2014	2013
	R	R	₹	₹
7 INVENTORY				
Raw materials (Kits)	6 832 387	4 231 008	38 651 699	24 989 307
Goods in transit	9 106 331	9 835 927	51 515 698	58 093 247
Finished goods	15 653 469	18 863 023	88 553 709	111 409 353
Inventory of Consumable Tools, Stores and Spares	2 615	46 545	14 794	274 904
	31 594 802	32 976 503	178 735 900	194 766 812
8 TRADE AND OTHER RECEIVABLES				
Trade accounts receivable	54 593 574	28 387 131	308 842 943	167 660 924
Other	370 700	950 616	2 097 095	5 614 558
	54 964 273	29 337 747	310 940 038	173 275 482

The directors consider that the carrying amount of trade and other receivables approximates their fair value.

Included in the company's total trade receivables are debtors with the following balances:

Tata Automobile Corporation SA Proprietary Limited	50 724 999	26 755 127	286 957 913	158 021 936
Tata Motors Limited	2 788 489	1 632 003	15 774 845	9 638 988
	53 513 488	28 387 130	302 732 757	167 660 924

9 CASH AND BANK BALANCES

Cash and Bank balances	2 368 530	17 520 234	13 399 083	103 478 532

Bank balances and cash comprise cash held by the company and short-term bank deposits with an original maturity of three months or less. The carrying amounts of these assets approximate their fair value.

	2014	2013	2014	2013
	R	R	₹	₹
10 SHARE CAPITAL				
Authorised				
42 000 000 ordinary shares of R1 each	42 000 000	42 000 000	237 599 460	248 061 660
Issued				
19 837 000 ordinary shares of R1 each	19 837 000	19 837 000	112 220 488	117 161 885
11 SHAREHOLDERS' LOANS				
Tata Motors Limited		12 797 800		75 586 750
TML Holdings Pte Limited	12 797 800		72 398 818	
Tata Africa Holdings (SA) Proprietary Limited	8 532 000	8 532 000	48 266 633	50 391 954
	21 329 800	21 329 800	120 665 451	125 978 705

The loans are Rand denominated, bears interest at a prime linked rate and is repayable in 2016.

12 DEFERRED INCOME

Government grants:

Current	164 160		928 674	
Non-current	2 790 726		15 787 498	
	2 954 886		16 716 173	

The government grants relates to EIP grants received for R3 447 366 capital expenditure. The income release to the statement of comprehensive income of R492 480 is reflected in other income.

13 TRADE AND OTHER PAYABLES

Trade payables	62 489 654	56 202 575	353 512 096	331 945 332
Accruals	418 496	915 507	2 367 486	5 407 197
South African Revenue Service (VAT)	1 329 946	843 667	7 523 679	4 982 888
	64 238 096	57 961 748	363 403 261	342 335 417

The directors consider that the carrying amount of trade and other payables approximates their fair value.

	2014	2013	2014	2013
	R	R	₹	₹
14 DEFERRED TAXATION				
Opening Balance	2 205 173		12 474 950	
Provision for the year	667 683	2 205 173	3 777 170	13 024 259
Closing Balance	2 872 856	2 205 173	16 252 120	13 024 259
The deferred taxation liability is attributable to temporary differences relating to				
- Plant and equipment	3 433 282	2 613 693	19 422 523	15 437 072
- Provisions	(560 426)	(408 520)	(3 170 403)	(2 412 813)
	2 872 856	2 205 173	16 252 120	13 024 259
15 CASH FLOW (UTILISED IN) GENERATED FROM OPERATIONS				
Profit before taxation	201 805	6 980 271	1 141 639	41 227 089
Adjustments for:				
Assets Scrapped	26 363		149 138	
Finance charges	2 061 657	2 035 924	11 663 060	12 024 634
Depreciation	2 203 408	2 308 970	12 464 965	13 637 307
Interest income	(33 309)	(63 688)	(188 434)	(376 158)
Grant income	(492 480)		(2 786 023)	
	3 967 443	11 261 477	22 444 345	66 512 872
Adjustments for working capital changes:				
Increase in trade and other receivables	(25 626 526)	(17 531 906)	(144 972 589)	(103 547 469)
Increase in trade and other payables	6 276 348	26 357 234	35 506 115	155 671 889
Increase in provisions	412 400	609 000	2 333 000	3 596 894
Increase in inventory	1 381 701	(13 734 592)	7 816 465	(81 119 660)
Cash flow (utilised) generated from operations	(13 588 634)	6 961 213	(76 872 664)	41 114 525

	2014	2013	2014	2013
	R	R	₹	₹
16 TAXATION PAID				
Amount payable at the beginning of the year	(75 059)		(424 619)	
Taxation for the year				
Amount receivable at the end of the year	1 844 318		10 433 547	
	(1 919 377)		(10 858 165)	

17. FINANCIAL INSTRUMENTS

Capital risk management

The company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balances. The company monitors capital on a basis of debt to equity. Debt comprises interest bearing debt from shareholders. Equity comprises share capital and reserves.

	2014	2013	2014	2013
	R	R	₹	₹
The gearing ratio at end year end is as follows:				
Debt	21 329 800	21 329 800	120 665 451	125 978 705
Cash and cash equivalents	(2 368 530)	(17 520 234)	(13 399 083)	(103 478 532)
Net debt	18 961 270	3 809 566	107 266 369	22 500 173
Accumulated loss	(361 598)	104 280	(2 045 606)	615 900

Tata Motors (SA) Proprietary Limited engages with the Board and shareholders to ensure the company is sufficiently funded.

Interest rate risk

Interest rate risk

The company manages liquidity risk through the compilation and monitoring of cashflow forecasts, as well as ensuring that adequate borrowing facilities and resources are maintained within the company.

Interest rate sensitivity analysis

The sensitivity of the entity to changes in the interest rate has been determined based on the exposure to interest rates for financial instruments at the statement of financial position date.

If interest rates had been 100 basis points higher/lower and all other variables were held constant the difference to the loss for the year ended 31 March 2014 would increase/decrease by R237 591; (₹ 1 344 083(2013: R274 244; ₹ 1 619 748).

17. FINANCIAL INSTRUMENTS (continued)

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The company's credit risk is limited to Tata Automobile Corporation (SA) Limited which is a related party to the company.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Liquidity risk management

The responsibility for liquidity risk management rests with Tata Motors (SA) Proprietary Limited management and ultimately the Board of Directors. The company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by monitoring actual cash flows. Tata Motors Proprietary Limited engages with the Board and shareholders to ensure that the company has adequate funds to cover its commitments over the next twelve months.

	<1 year	2to5years	<1 year	2to5years
2014	**R**	**R**	**₹**	**₹**
Trade and other payables	62 908 150		355 879 583	
Shareholders' loans		21 329 800		120 665 451

	<1 year	2 to 5 years		2 to 5 years
2013	**R**	**R**	**₹**	**₹**
Trade and other payables	57 118 081		337 352 524	
Shareholders' loans		21 329 800		125 978 705

	2014	2013	2014	2013
	R	**R**	**₹**	**₹**
Categories of financial instruments				
Loans and receivables				
Trade receivables	54 964 273	29 337 747	310 940 038	173 275 482
Cash and bank balances	2 368 530	17 520 234	13 399 083	103 478 532
Financial liabilities at amortised cost				
Trade and other payables	62 908 150	57 118 081	355 879 583	337 352 524
Shareholder's loans	21 329 800	21 329 800	120 665 451	125 978 705

18. GUARANTEES

	2014	2013	2014	2013
	R	R	₹	₹
The following bank guarantees exist:				
South African Revenue Service	1 420 000	1 420 000	8 033 125	8 386 847

19. RELATED PARTY TRANSACTIONS

	2014	2013	2014	2013
	R	R	₹	₹
Related Party Transactions				
During the year, the company entered into the following transactions with related parties				
Tata Automobile Corporation (SA) (Pty) Limited				
- Payment for expenses incurred for TMSA	1 157 204	1 093 593	6 546 453	6 459 014
- Revenue sale of vehicles	162 847 047	159 995 286	921 246 914	944 968 958
Tata Africa Holdings (SA) (Pty) Limited				
- Rental of premises	2 000 000	2 000 000	11 314 260	11 812 460
- Insurance premium paid on leased assets		84 275		497 748
- Interest on Loan	815 746	782 102	4 614 783	4 619 274
Tata Daewoo Commercial Vehicle Company Liimited				
- Supply of SKD kits	5 210 100		29 474 213	
- Supply of Capital items	27 179		153 753	
Tata Motors Limited				
- Services rendered	2 993 057	2 467 291	16 932 111	14 572 388
- Supply of SKD kits	114 835 159	124 370 151	649 637 423	734 558 717
- Interest on Loan	1 226 977	1 253 822	6 941 166	7 405 359
- Expenses incurred	1 406 676	1 632 003	7 957 750	9 638 988
Tata Technologies Limited				
- Services rendered	592 043	527 371	3 349 262	3 114 776
TML Holdings Pte Limited				
- Interest on Loan	18 934		107 112	

	2014	2013	2014	2013
	R	R	₹	₹
Trade Receivables				
- Tata Automobile Corporation (SA) (Pty) Limited	50 724 999	26 755 127	286 957 913	158 021 936
- Tata Motors Limited	2 788 489	1 632 003	15 774 845	9 638 988
	53 513 488	28 387 130	302 732 757	167 660 924
Trade Payables				
- Tata Africa Holdings (SA) (Pty) Limited	529 277	1 248 766	2 994 190	7 375 497
- Tata Motors Limited	53 293 947	50 377 035	301 490 784	297 538 354
- Tata Technologies Limited	167 637	194 366	948 344	1 147 971
- Tata Automobile Corporation (SA) (Pty) Limited	52 021	119 040	294 291	703 077
- Tata Daewoo Commercial Vehicle Company Liimited	27 179		153 755	
- Tata Communications		84 337		498 114
	54 070 061	52 023 544	305 881 364	307 263 012
Shareholders' Loan				
- TML Holdings Pte. Ltd.	12 797 800		72 398 818	
- Tata Motors Limited		12 797 800		75 586 750
- Tata Africa Holdings (SA) (Pty) Limited	8 532 000	8 532 000	48 266 633	50 391 954
	21 329 800	21 329 800	120 665 451	125 978 705

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TATA PRECISION INDUSTRIES PRIVATE LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number 197100574C)

STATEMENT OF ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2014
INR

TATA PRECISION INDUSTRIES PRIVATE LIMITED

(Incorporated in the Republic of Singapore)

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TATA PRECISION INDUSTRIES PRIVATE LIMITED

(Incorporated in the Republic of Singapore)

DIRECTORS' REPORT

The Directors submit their report together with the audited accounts of the Company for the year ended 31 March 2014.

1 DIRECTORS

The names of the Directors in office at the date of this report are:

SARJIT SINGH GILL
HOSHANG KEKI SETHNA

2 ARRANGEMENT FOR DIRECTORS TO ACQUIRE BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement, to which the Company is a party, whereby Directors might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

3 DIRECTORS' INTEREST IN SHARES

No Director of the Company who held office at the end of the financial year, had, according to the register required to be kept under Section 164 of the Companies Act, Cap. 50, an interest in shares of the Company at beginning of the year or at end of the year.

4 DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or has become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

5 SHARE OPTIONS

a) **Share Options Granted**

No options were granted during the year to take up unissued shares of the Company.

b) **Share Options Exercised**

During the year, there were no shares issued by virtue of the exercise of options to take up shares of the Company.

c) **Unissued Shares Under Option**

There were no unissued shares of the Company under option as at the end of the financial year.

DIRECTORS' REPORT

6 **AUDITORS**

The auditors, Messrs. H. WEE & CO., Certified Public Accountants, Singapore, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE BOARD

SARJIT SINGH GILL
DIRECTOR

HOSHANG KEKI SETHNA
DIRECTOR

TATA PRECISION INDUSTRIES PRIVATE LIMITED

(Incorporated in the Republic of Singapore)

STATEMENT BY DIRECTORS

In the opinion of the Directors, the accompanying statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows together with the notes thereon are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 March 2014 and of the results of the business and changes in equity of the Company and cash flows for the year ended and, at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

ON BEHALF OF THE BOARD

SARJIT SINGH GILL
DIRECTOR

HOSHANG KEKI SETHNA
DIRECTOR

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

TATA PRECISION INDUSTRIES PRIVATE LIMITED

(Incorporated in the Republic of Singapore)

We have audited the accompanying financial statements of **TATA PRECISION INDUSTRIES PRIVATE LIMITED** set out on pages 5 to 16 which comprise the statement of financial position of the Company as at 31 March 2014, the statement of comprehensive income and statement of changes in equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair statement of comprehensive income and statement of financial position and to maintain accountability of assets.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at 31 March 2014 and the results, changes in equity and cash flows of the Company for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

H. WEE & CO.
PUBLIC ACCOUNTANTS AND
CERTIFIED PUBLIC ACCOUNTANTS

SINGAPORE

TATA PRECISION INDUSTRIES PRIVATE LIMITED

(Incorporated in the Republic of Singapore)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2014

	NOTE	2014 INR	2013 INR
Other revenues		-	450,946
Total revenues		-	450,946
COSTS AND EXPENSES			
Exchange rate fluctuation		(2,063)	17,255
Office expenses		-	328,454
Professional/Consultation fees paid		345,156	501,659
Staff costs		-	69,589
Other operating expenses		208,601	162,650
Total costs and expenses		551,694	1,079,607
OPERATING (LOSS) BEFORE TAXATION		(551,694)	(628,661)
Taxation	4	-	-
TOTAL COMPREHENSIVE (LOSS) FOR THE YEAR		(551,694)	(628,661)

THE ATTACHED NOTES TO THE ACCOUNTS FORM
AN INTEGRAL PART OF THE ACCOUNTS

TATA PRECISION INDUSTRIES PRIVATE LIMITED

(Incorporated in the Republic of Singapore)

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014

	NOTE	2014 INR	2013 INR
SHARE CAPITAL	5	1,009,159,690	920,547,778
ACCUMULATED (LOSSES)		(997,949,383)	(909,818,579)
		11,210,307	10,729,199
Represented by:-			
INVESTMENTS	6	48	44
CURRENT ASSETS			
Other debtors	7	23,237	31,444
Amount due from related parties	8	9,362,573	8,540,467
Bank and cash balances	9	2,703,943	2,470,195
		12,089,753	11,042,106
Less: **CURRENT LIABILITIES**			
Other creditors and accruals	10	879,494	312,951
		879,494	312,951
NET CURRENT ASSETS		11,210,259	10,729,155
		11,210,307	10,729,199

THE ATTACHED NOTES TO THE ACCOUNTS FORM
AN INTEGRAL PART OF THE ACCOUNTS

TATA PRECISION INDUSTRIES PRIVATE LIMITED

(Incorporated in the Republic of Singapore)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2014

	SHARE CAPITAL INR	ACCUMULATED (LOSSES) INR	TOTAL EQUITY INR
Balance at 1 April 2012	801,992,876	(792,097,764)	9,895,112
Total comprehensive (loss) for the year	-	(628,661)	(628,661)
Rate adjustment op balance	118,554,902	(117,092,154)	1,462,748
Balance at 31 March 2013	920,547,778	(909,818,579)	10,729,199
Total comprehensive (loss) for the year	-	(551,694)	(551,694)
Rate adjustment op balance	88,611,912	(87,579,110)	1,032,802
Balance at 31 March 2014	1,009,159,690	(997,949,383)	11,210,307

THE ATTACHED NOTES TO THE ACCOUNTS FORM
AN INTEGRAL PART OF THE ACCOUNTS

TATA PRECISION INDUSTRIES PRIVATE LIMITED

(Incorporated in the Republic of Singapore)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2014

	2014 INR	2013 INR
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) before taxation	(551,694)	(628,661)
Adjustments for:		
Operating (loss) before working capital changes	(551,694)	(628,661)
Decrease/(Increase) in :		
- Other debtors	11,253	55,925
- Amount due from related parties	536,394	(5,853,624)
(Decrease)/Increase in :		
- Other creditors and accruals	-	(53,998)
Net cash (used in) operating activities	(4,047)	(6,480,358)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(4,047)	(6,480,358)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	2,707,953	8,950,553
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 9)	2,703,906	2,470,195

THE ATTACHED NOTES TO THE ACCOUNTS
FORM AN INTEGRAL PART OF THE ACCOUNTS

TATA PRECISION INDUSTRIES PRIVATE LIMITED

(Incorporated in the Republic of Singapore)

NOTES TO THE ACCOUNTS - 31 MARCH 2014

1 SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Accounting

The accounts expressed in Singapore dollars which is the Company's functional currency, have been prepared under the historical cost convention (except as disclosed in the accounting policies below) and in accordance with Singapore Financial Reporting Standards (FRS) as required by the Companies Act.

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. There are no significant judgements made in the presentations of the financial statements.

In the current financial year, the Company has adopted all the new and revised FRS and Interpretations of FRS ("INT FRS") issued by the Accounting Standards Council that are relevant to its operations and effective for the current financial year

The adoption of these new/revised FRSs has no material effect on the financial statements.

b. New Standards and Interpretations Not Yet Adopted

New standards, amendments to standards and interpretations that are not yet effective for the year ended 31 March 2014 have not been applied in preparing these financial statements. None of these are expected to have a significant impact on the financial statements of the Company.

c. .Investments

Investments held by the Company are classified as being available-for-sale are stated at fair value, with any resultant gain or loss being recognised directly in equity. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss.

The fair value of these investments classified as available-for-sale is determined based on the quoted bid price in an active market at the statement of financial position date. If a quoted market price is not available, the fair value of the instrument is estimated using valuation technique, which includes recent arm's length prices, pricing models or discounted cash flow analysis.

d. Subsidiary Company

A subsidiary is a company in which the Company, directly or indirectly, holds more than 50% of the issued share capital, or controls more than half of the voting power, or controls the composition of the board of directors.

In the Company's separate financial statements, investments in subsidiary company are accounted for at cost less impairment losses.

1 **SIGNIFICANT ACCOUNTING POLICIES** – (Cont'd)

e. **Financial Assets**

(i) Classification

The Company classifies its financial assets according to the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date. The Company's financial assets are loans and receivables/financial assets at fair value through profit or loss and available-for-sale financial assets.

- Loans and receivables

  Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the statement of financial position date which are presented as non-current assets.

  Loans and receivables include 'bank and cash balances', 'fixed deposit' and 'trade and other debtors' excluding prepayment.

- Available-for-sale financial assets

  Available-for-sale financial assets are non-derivative financial assets that include equity investments. After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial asset are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

  The fair value of investments that are actively traded in organised financial markets is determined by reference to the relevant Exchange's quoted market bid prices at the close of business on the statement of financial position date. Investments on unquoted equity investments whose fair value cannot be reliably measured are measured at cost less impairment losses.

  The Company does not have any held-to maturity financial assets.

(i) Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date – the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the net sale proceeds and its carrying amount is recognised in profit or loss. Any amount in the fair value reserve relating to that asset is also transferred to profit or loss.

1 **SIGNIFICANT ACCOUNTING POLICIES** – (Cont'd)

e. **Financial Assets – (Cont'd)**

(ii) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit and loss are recognised as expenses.

(iii) Subsequent measurement

Loans and receivables are carried at amortised cost using the effective interest method.

Interest income on financial assets is recognised separately in profit or loss.

(v) Impairment of Assets

The carrying amounts of the Company's assets are reviewed at each statement of financial position date to determine whether there is any indication of any impairment. If any such indication exists, the asset's recoverable amount is estimated. All impairment losses are recognised in profit or loss whenever the carrying amount of an asset of its cash-operating unit exceeds its recoverable amount.

An impairment loss is only reversed to the extent the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. All reversals of impairment losses are recognised in profit or loss.

f. **Cash and Cash Equivalents**

Cash and cash equivalents consist of bank and cash balances less bank overdrafts but exclude secured bank overdrafts which are used for financing activities.

g. **Financial Liabilities**

Financial liabilities include trade payables, other amounts payable and interest-bearing loans. Financial liabilities are recognised on the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. Financial liabilities are initially recognised at fair value of consideration received less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process. The liabilities are derecognised when the obligation under the liability is discharged, cancelled or expired.

h. **Foreign Currencies Transactions**

Transactions in foreign currencies are measured in Singapore dollars and recorded at exchange rates approximately those ruling at the transaction dates. Foreign currency monetary assets and liabilities are measured using the exchange rates ruling at statement of financial position date. Non-monetary assets and liabilities are measured using the exchange rates ruling at the transaction dates or, in the case of items carried at fair value, the exchange rates that existed when the values were determined. All resultant exchange differences are recognised in profit or loss.

1 **SIGNIFICANT ACCOUNTING POLICIES** – (Cont'd)

i. **Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) **Sale of Goods**

Revenue from the sale of goods are recognised upon passage of title to the customer which generally coincides with their delivery and acceptance.

(ii) **Dividend income**

Dividend income is recognised when the Group's right to receive payment is established.

(iii) **Rental income**

Rental income from properties is recognised upon commencement of lease period.

j. **Income Tax**

Income tax expense is determined on the basis of tax effect accounting, using the liability method, and is applied to all temporary differences at the statement of financial position date between the carrying amounts of assets and liabilities and the amounts used for tax purposes.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

k. **Provision**

Provisions are recognised when the Group has a present obligation (legal or constructive) where, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

l. **Employee Benefits**

(i) Pension obligations

As required by law, the Company makes contributions to the contribution pension scheme, the Central Provident Fund (CPF). CPF contributions are recognised as compensation expense in the same period as the employment that gives rise to the contribution.

1 **SIGNIFICANT ACCOUNTING POLICIES** – (Cont'd)

l. **Employee Benefits-** (Cont'd)

(ii) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for leave as a result of services rendered by employees up to the statement of financial position date.

m. **Operating Lease**

Rental payable/receivable under operating leases is accounted for in profit or loss on a straight-line basis over the periods of the respective leases.

n. **Related Parties**

A party is considered to be related to the Company if:

i) The party, directly or indirectly through one or more intermediaries,
- controls, is controlled by, or is under common control with the Company;
- has an interest in the Company that gives it significant influence over the Company; or
- has joint control over the Company;

ii) The party is an associate;
iii) The party is a jointly-controlled entity;
iv) The party is a member of the key management personnel of the Company;
v) The party is a close member of the family of any individual referred to in (i) or (iv); or
vi) The party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v).

2 **GENERAL**

The Company is a limited liability company incorporated and domiciled in Singapore.

The principal activities of the Company are that of manufacturing high precision tools and plastic and metallic components. However, the Company has ceased its principal business operations since December 2010.

The registered office of the Company is located at 1 Robinson Road, #19-01, AIA Towers, Singapore 048542.

The company ceased business since December 2010 and the wholly-owned subsidiary was dormant and cleared off the assets and liabilities in 2011 financial year. The subsidiary was struck-off from ACRA's register with Nil net worth. The carrying value of S$1 was written off.

The Directors are of the opinion that consolidated accounts are of no value and will not waste shareholders' funds on the preparation of group accounts.

The financial statements of the Group and the Company have been authorised by the Board of Directors on ---- Jun 2014.

NOTES TO THE ACCOUNTS - 31 MARCH 2014

3 TURNOVER

Turnover represents invoiced trading sales after allowance for goods returned and trade discounts.

4 TAXATION

The reconciliation of the tax expense and the product of accounting (loss) multiplied by the applicable tax rates is as follows:

	2014 INR	2013 INR
(Loss) before tax	(551,694)	(628,661)
Tax at the applicable tax rate of 17%	(93,763)	(106,857)
Tax effect on:-		
- expenses not deductible	93,763	106,857
	-	-

5 SHARE CAPITAL

	2014 No. of shares	2013 No. of shares	2014 INR	2013 INR
Ordinary shares				
Issued and fully paid				
Balance at beginning of year	23,420,000	23,420,000	1,009,159,690	920,547,778
Balance at end of year	23,420,000	23,420,000	1,009,159,690	920,547,778

All issued shares are fully paid and have no par value. The Company has one class of ordinary shares which carries no right to fixed income. The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The Company is not subject to any externally imposed capital requirements.

6 INVESTMENTS - AVAILABLE-FOR-SALE FINANCIAL ASSETS

	2014 INR	2013 INR
Equity investment in corporations at cost, unquoted	35,527,030	32,407,486
Less:		
Impairment loss on diminution in value	35,526,982	32,407,442
	48	44
Total	48	44

7 OTHER DEBTORS

	2014 INR	2013 INR
Deposits	23,237	31,444

8 AMOUNTS DUE FROM RELATED PARTIES

	2014 INR	2013 INR
Trade amount due from related parties	9,362,573	8,540,467

9 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the consolidated statement of cash flow comprise the following statement of financial position amounts:

	2014 INR	2013 INR
Bank and cash balances	2,703,943	2,470,195

Bank and cash balances and bank overdrafts include balances denominated in the following foreign currency at statement of financial position date:

	2014 INR	2013 INR
United States Dollar	141,628	127,309

10 OTHER CREDITORS AND ACCRUALS

	2012 INR	2011 INR
Accrued operating expenses	879,494	312,951

11 FINANCIAL ASSETS AND LIABILITIES

Financial assets and liabilities can be categorised as follows:

	Loans and receivables INR	Available for sale financial assets INR	Financial liabilities at amortised cost INR	Total INR
2014				
Assets				
Long term investment	-	48	-	48
Amount due from related parties	9,362,573	-	-	9,362,573
Bank and cash balances	2,703,943	-	-	2,703,943
	12,066,516	48	-	12,066,564
Liabilities				
Other creditors and accruals	-	-	879,494	879,494
	-	-	879,494	879,494
2013				
Assets				
Long term investment	-	44	-	44
Amount due from related parties	8,540,467	-	-	8,540,467
Bank and cash balances	2,470,195	-	-	2,470,195
	11,010,662	44	-	11,010,706
Liabilities				
Other creditors and accruals	-	-	312,951	312,951
	-	-	312,951	312,951

12 FINANCIAL RISK MANAGEMENT

As the Company is dormant, there are no credit, foreign exchange, interest rate and liquidity risks.

13 FAIR VALUES OF FINANCIAL INSTRUMENTS

The following methods and assumptions are used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Bank and cash balances, trade and other debtors, trade and other creditors, amount due to and from related parties and bank overdraft

The carrying amounts of bank and cash balances, trade and other debtors, trade and other creditors, amount due to and from related parties and bank overdraft approximate their fair value due to their short-term nature.

14 CONVENIENCE TRANSLATION

The financial statements have been expressed in Singapore dollars ("SGD"), Tata Precision Industries Private Limited functional currency. For the convenience of the readers and to meet the conditions of Section 212 of the Companies Act have been translated in Indian Rupees (INR.) at the rate of SGD 1 = INR 48.0095 and INR 43.7939 on March 31, 2014 and 2013 respectively. In case of any SGD amounts appearing in the audited financial statements prior to the above mentioned dates, the translation rate of March 31, 2013 has been applied. These translations should not be construed as a representation that any or all the amounts could be converted in Indian Rupees at this or any other rate.

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TATA MARCOPOLO MOTORS LIMITED

Annual Report 2013 – 14

TATA MARCOPOLO MOTORS LIMITED
DIRECTORS' REPORT

TO THE MEMBERS OF TATA MARCOPOLO MOTORS LIMITED

The Directors present their Eighth Annual Report and the Audited Statement of Accounts for FY2013-14. As required under the Ministry of Corporate Affairs' General Circular 08/2014 No.1/19/2013-CL-V dated April 4, 2014, the Financial Statements and other reports required to be attached to the Annual Report for FY 2013-14 are governed by the relevant provisions, schedules, rules of the Companies Act, 1956.

1 FINANCIAL RESULTS

(*₹in lakhs*)

		2013-14	**2012-13**
i.	Turnover	47963.44	58,611.72
ii.	Total Expenditure	47580.61	54,631.66
iii.	Profit Before Interest & Depreciation	382.83	3,980.06
iv.	Interest	1222.15	960.11
v.	Depreciation	2499.33	2,463.83
vi.	Profit/(Loss) Before Tax	(3333.65)	556.10
vii.	Less: Provision for Taxation	0	0
viii.	Profit/(Loss) After Tax	(3333.65)	556.10
ix.	Balance brought forward from previous year	(2550.36)	(3,106.46)
x.	Amount Available for Appropriations	-	-
	APPROPRIATIONS		
	Balance carried to Balance Sheet	(5884.01)	(2,550.36)

2 DIVIDEND

In view of the accumulated losses, the Board of Directors has not recommended any dividend for the year under review (previous year – Nil).

3 YEAR UNDER REVIEW

In the current financial year, the Company produced 10483 buses for domestic market and 934 for international market, against 13400 for domestic market and 1028 for International market in the previous year. Major markets for International business were Sri Lanka, South Africa, Nepal, Tanzania etc. Despite shrinkage in the domestic market due to lower growth of GDP and lower IIP growth the Company was able to retain it's market share at 18% compared to 19% of previous year. The market share for MCV bus has increased to 4% in current year as compared to 2% of previous year. Lower demand and high inflation is the main reason for the dent profitability of the Company in the current financial year. Introduction of Y1 56 seater bus received a positive response in the market.

With a view to display Company's capability of for introduction of new product in the market the Company participated in the Tata Motors pavilion by exhibiting an articulated bus and a hybrid front engine bus in the Auto Expo held in February 2014 at Noida. This received a good response.

Through the Know your Customer (KYC) project around 13,000 customers were identified from TML CRM who own 40,000 Tata buses. Out of these 7,129 customers were contacted and 51% of them expressed their satisfication with the performance of the Company's products.

The Company improved capacity utilization at Lucknow plant by adding the capabilites for manufacturing of various type of buses in the Company's portfolio. Work on cost reduction programs were deployed in order to maintain the costs at previous year level.

Lower demand and unstable economic condition forced the Company to defer its expansion plan till signals for improved economic scenario and demand for buses would be perceived. However, the investment for Machine shop was completed out of internal generated funds.

4 HUMAN RESOURCES

The Company employed 1,980 permanent employees (previous year 1,985 employees) as of the year end. The Company enjoys cordial relationship with its employees and workers and their support in implementation of reforms that impact quality, cost erosion and improvements in productivity.

The Company, as part of gender balance in the workforce focused on hiring of female employee's in all functions (Shop floor & Administrative) of the Company. Currently number of women regularly working is 37,including 15 women working on the shop floor

The Company has continuously endeavoured to improve gender diversity and creating a safe, just and fair workplace for its employees. The "Sexual Harassment Redressal Policy (SHRC)" of the Company is in line with the Tata Code of Conduct. A Committee has been formed with set guidelines to address issues of sexual harassment at the work place towards any woman employees. All employees are treated with dignity with a view to maintain a work environment free of sexual harassment whether physical, verbal or psychological. During the year FY 2013-14, no complaints on sexual harassments were reported to the Committee.

The Company is pursuing a strong learning and development initiative for the employees along with a talent identification and retention program with an objective to enhance capabilities in line with the 5 year strategic plan, the initiative was classified into 5 programs viz. SMT (Operational Excellency); Q-Star (Technical Training); UDAAN (Operational and People Leadership), PRAGATHI (Strategic Leadership) and TISS (Talent identification and Selection Scheme).

The Company's plants are in full compliance of Safety, Health and Environmental norms. All employees have been covered under safety awareness programs with the objective of improving its safety standards. Job Safety Analysis, Hazardous study and Safety Audit has been conducted by third party in order to sustain the best practices and reduce the hazards in the plant. The Company celebrated in both locations, the 'National Safety Day', 'World Environment Day' and Women's Day'. To enhance the awareness on welfare, safety & environment of the employees, health check-up camps, special safety workshop with associates & trainee's along with Plant environment monitoring (Air, Water & Solid Waste) on daily or weekly, as applicable, are being conducted.

In recognition of good safety practices, Dharwad plant has received awards from the 'Greentech Safety Award by Greentech Foundation' and Unnatha Suraksha Puraskara – 2013 from National Safety Council (Karnataka chapter). In order to encourage safety, the plants are been introduced to many initiatives like introduction of 'Accident Prevention Suggestion Scheme', 'Zero Incident Rolling Trophy', 'Safety Alert Card', 'Work Permit System and 'Tool Box Talk' at the work place.

In this year the Company has taken up the initiative to obtain IMS certification towards systematic approach in manufacturing, environment and safety.

5 ENERGY, TECHNOLOGY & FOREIGN EXCHANGE

Details of energy conservation and research and development activities undertaken by the Company along with the information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are given as an Annexure to the Directors' Report.

6 CORPORATE GOVERNANCE STRUCTURE

a. The Company recognizes its role as a corporate citizen and endeavors to adopt the best practices and the highest standards of Corporate Governance though transparency in business ethics, accountability to its shareholders, customers, Government and others.

b. The Company functions through the Board of Directors and the Audit Committee of the Board, which has been delegated appropriate power to perform their duties.

c. The Board of Directors comprises M/s Ravindra Pisharody Satish B Borwankar, Jose Rubens De La Rosa, Ruben A Bisi, Carlos A Casiraghi, Mauro G Bellini, Lusuir Grochot, R Ramakrishnan, Asim Kumar Mukhopadhyay and Dr Timothy Leverton. During the year under review, 6 meetings were held on April 3, 2013, April 29, 2013, July 30, 2013, October 25, 2013, February 5, 2014 and March 19, 2014. The maximum time-gap between any 2 consecutive meetings did not exceed 4 months.

d. The Audit Committee comprises of M/s Satish B Borwankar, Jose Rubens De La Rosa, Asim Kumar Mukhopadhyay and Ruben A Bisi, Non - Executive Directors. During the year under review, 4 meetings were held on April 29, 2013, July 30, 2013, October 25, 2013, and February 5, 2014. The Audit Committee Meetings are usually attended by the Chief Executive Officer and Manager, the Chief Financial Officer, the Internal Auditor, the Statutory Auditor, Cost Auditor and the Asst. Company Secretary acts as the Secretary of the Audit Committee. The Chairman of the Audit Committee was also present at the Annual General Meeting of the Company.

e. The Company follows Accounting Standards issued by the Institute of Chartered Accountants of India. In the preparation of its financial statements, the Company has not adopted a treatment different from that prescribed in any Accounting Standard.

7 CONSTITUTION OF CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

As a part of the Corporate Social Responsibility (CSR), the Company continued to support through Tata Motors and direct initiatives, for various social welfare measures across locations. During the year, the employees of the Company actively participated in the Voluntary Blood Donation Camps.

The Company has arranged for regular health checkup for villagers staying in and around the factory premises and has undertaken special Health Checkup Camps. The Company also conducted Road Safety campaigns with the help of local police at Dharwad and pasted radium stickers on vehicles. The Company has provided 250 tree guards in the Dharwad city alongwith 1000 tree sapling distribution at schools & villages, improving the environment consciousness. Sports equipment's and public address systems were donated to schools. The employees of the Company have contributed to the malnutrition improvement project to a local charitable organization towards involvement in social responsibility towards needy people.

With the introduction of the New Companies Act, 2013, the Company is eligible to fulfill the requirements of the CSR Rules under section 135 of the Act, w.e.f. April 01, 2014. The CSR activities will be reported as per the guidelines specified by Section 135 of the Companies Act, 2013 from FY2014-15 onwards. The Board at its meeting held on April 30, 2014 constituted a Corporate Social Responsibility Committee consisting of Mr S B Borwankar, Mr Asim Mukhopadhyay, Mr Jose Rubens De La Rosa and Mr Lusuir Grochot.

8 DIRECTORS

In accordance with the requirements of the Companies Act, 1956 and the Articles of Association of the Company, Dr Timothy A Leverton and Mr Carlos A Casiraghi is liable to retire by rotation at this Annual General Meeting and are eligible for re-appointment.

Mr Vinay Pathak Manager and Chief Executive officer, who was deputed by Tata Motors Limited (TML) the Joint Venture partner was transferred by Tata Motors to another role in its organisation w.e.f. October 25, 2013 so ceased to be Manager. The Directors place on record their appreciation of the valuable contribution made by Mr Vinay Pathak during his tenure as Chief Executive Officer and Manager of the Company. Mr Rohit Srivastava has been deputed by TML in Mr Pathak's place and was appointed as Chief Executive Officer and also Manager under the Companies Act, 1956 and with effect from October 25, 2013 for a period of 5 years.

Attention of the Members is invited to the relevant item in the Notice of the Annual General Meeting and the Explanatory Statement thereto.

9 AUDITORS

The Auditors' Report on the Accounts of the Company which is a part of the Annual Report, does not contain any qualifications on the Accounts of the Company.

M/s Deloitte Haskins & Sells LLP (DHS LLP), Chartered Accountants (ICAI Firm Registration No.117366W/W-100018), who are the Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting. It is proposed to re-appoint them to examine and audit the accounts of the Company for three years to hold office from the conclusion of this AGM till the conclusion of the Eleventh AGM of the Company to be held in the year 2017 subject to ratification of their appointment at every AGM. DHS have, under Section 139(1) of the Companies Act, 2013 and the Rules framed

thereunder furnished a certificate of their eligibility and consent for re-appointment. DHS converted itself into a Limited Liability Partnership (LLP) under the provisions of the Limited Liability Partnership Act, 2008 and is now known as Deloitte Haskins & Sells LLP (DHS LLP) with effect from November 20, 2013. In terms of the Ministry of Corporate Affairs, Government of India, General Circular No. 9/2013 dated April 30, 2013, if a firm of CAs, being an auditor in a company under the Companies Act, 1956, is converted into a LLP, then such a LLP would be deemed to be the auditor of the said company. The Board of Directors of the Company has taken due note of this change. Accordingly, the audit of the Company for financial year 2013-14 was conducted by DHS LLP.

10 COST AUDIT

Pursuant to order No.52/26/CAB/2010 dated 24.01.2012 issued by the Government of India, Ministry of Corporate Affairs, Cost audit Branch and Section 233B of the Companies Act, 1956, Cost Audit was applicable in respect of products manufactured by the Company from the Financial Year 2012-13 onwards.

The Company had appointed M/s Mani and Co. Cost Accountants, Kolkata having Registration No.00004 with due approval of the Central Government to audit Cost Accounts of the Company for the financial year ending on March 31, 2014.

The Cost Audit Report for FY2013-14 is expected to be filed within the prescribed time.

11 PARTICULARS OF EMPLOYEES

There are no employees covered within the purview of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended.

12 DEPOSITS

The Company has not accepted any fixed deposits from the public during the period under review.

13 DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors, based on the representations received from the Operating management, confirm that:

i. in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;

ii. they have, in selection of the accounting policies, consulted the Statutory Auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;

iii. they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;

iv. they have prepared the annual accounts on a going concern basis.

14 ACKNOWLEDGEMENTS

The Directors wish to place on record their appreciation to employees of the Company and also those who have been deputed from Tata Motors Ltd and Marcopolo S. A. for their active contribution and dedicated service to the Company. The Directors would also like to thank the joint venture partners – Tata Motors Limited and Marcopolo S.A., customers, vendors, bankers, Government and all other business associates for the continuing support in contributing to the growth of the Company and their confidence in its management.

On behalf of the Board of Directors

Ravindra Pisharody
Chairman

Jose Ruben De La Rosa
Director

Mumbai, April 30, 2014

(Additional information given in terms of notification 1029 of 31-12-1988 issued by the Department of Company Affairs)

A Conservation of Energy

	2013-14	2012-13
Electrical Energy (KWH in lakhs)	**113.82**	**122.26**

B Technology Absorption

The technology collaboration agreement is with Marcopolo S.A. of Brazil, the Joint Venture partner. The Company has spent ₹47.95 Crores towards technology absorption project for Bus Body manufacturing in India.

C Foreign Exchange Earnings and Outgo

	(₹ in Crores) 2013-14	(₹ in Crores) 2012-13
Earnings in Foreign Currency	**0**	**0**
Expenditure in Foreign Currency	**20.79**	**26.50**

(Additional information given in terms of notification 1029 of 31-12-1988 issued by the Department of Company Affairs)

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	2013-14	2012-13
Electrical Energy (KWH in lakhs)	**113.82**	**122.26**

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Earnings in Foreign Currency	**0**	**0**
Expenditure in Foreign Currency	**20.79**	**26.50**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TATA MARCOPOLO MOTORS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **TATA MARCOPOLO MOTORS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

1. Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

2. Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal controls relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

3. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so

required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;

(b) in the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date and

(c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

4. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by Section 227(3) of the Act, we report that:

   (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
   (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs)..
   (e) On the basis of the written representations received from the directors as on 31st March, 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

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

Rupen K. Bhatt
Partner
Membership No.: 46930

MUMBAI, 30th April, 2014

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 4 (1) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) Having regard to the nature of the Company's business/activities, clauses (xiii) and (xiv) of Paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable.

(ii) In respect of its fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.

(b) Some of the fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.

(iii) In respect of its inventories:

(a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.

(b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories. The discrepancies noticed on verification between the physical stocks and the book records were not material having regard to the size of the operations of the Company.

(iv) According to the information and explanations given to us, the Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.

(v) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any continuing failure, to correct major weakness in such internal control system.

(vi) In our opinion and according to the information and explanations given to us, there are no contracts or arrangements referred to in Section 301 of the Companies Act, 1956 particulars of which need to be entered in the Register maintained under that section.

Consequently, the question of commenting on reasonableness of prices in respect of the transactions exceeding Rs. 500,000/- in respect of each party does not arise.

(vii) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year and hence directives issued by the Reserve Bank of India and provisions of sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Rules framed there under are not applicable to the Company.

(viii) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(ix) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that *prima facie* the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(x) According to the information and explanations given to us in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employee State Insurance, Income-tax, Sales Tax, Value Added Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable on account of above dues, in arrears as at 31st March, 2014 for a period of more than six months from the date they became payable.

(c) Details of dues of Income Tax ,Service Tax , Value Added Tax and Excise Duty and Cess which have not been deposited as on 31 st March, 2014 on account of disputes are given below:

Statute	Nature of the dues	Forum where dispute is pending	Period to which the Amount relates	Amount (Rupees in lakhs)
Income Tax Act, 1961	Tax deduction at source for 2009-10	Commissioner of Income Tax (Appeals)	2010-11	0.09
Uttar Pradesh Value Added Tax, 2008	Sales Tax on motor parts	Additional Commissioner Appeals	2008-09 2009-10	58.52
Central Excise Act, 1944	Excise Duty and Penalty	Pending filing of appeal with Commissioner (Appeals)	2008-09 to 2012-13	1,705.48

(xi) The accumulated losses of the Company at the end of the financial year are not more than fifty per cent of its net worth and the Company has incurred cash losses during the current year but has not incurred any cash loss during the preceding financial year.

(xii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks and financial institutions.

(xiii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities

(xiv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

(xv) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained.

(xvi) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short term basis have been applied for long term investment during the year to the extent of Rs. 6,365 lakhs for enhancing existing production capacity.

(xvii) According to the information and explanations given to us, the Company has not made preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.

(xviii) There are no debentures issued and outstanding as at the end of the year and hence the question of creating security or charge in respect thereof does not arise

(xix) During the year, the Company has not raised any money by public issue.

(xx) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

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

Rupen K. Bhatt

Partner

Membership No.: 46930

MUMBAI, 30th April, 2014

TATA MARCOPOLO MOTORS LIMITED

BALANCE SHEET AS AT MARCH 31,2014

	Note No.	As at March 31,2014		As at March 31,2013
		₹ in Lakhs	**₹ in Lakhs**	₹ in Lakhs
I EQUITY AND LIABILITIES				
1 **Shareholder's Funds**				
a) Share capital	2	**17,000.00**		17,000.00
b) Reserves and surplus	3	**(5,884.01)**		(2,550.36)
			11,115.99	14,449.64
2 **Non-current Liabilities**				
a) Long term borrowings	4	**7,044.24**		1,906.71
b) Deferred tax liabilities (net)	5	**-**		**-**
c) Other long term liabilities	6	**5.73**		3.93
d) Long term provisions	7	**384.07**		399.94
			7,434.04	2,310.58
3 **Current Liabilities**				
a) Short- term borrowings	8	**4,100.86**		2,250.82
b) Trade payables	9	**16,842.66**		19,811.41
c) Other Current Liabilities	10	**4,414.80**		1,283.18
d) Short-term provisions	11	**204.78**		169.71
			25,563.10	23,515.12
TOTAL			**44,113.13**	40,275.34
II ASSETS				
1 **Non-Current Assets**				
a) Fixed Assets				
(i) Tangible assets	12	**21,611.95**		20,765.12
(ii) Intangible assets	12	**2,337.92**		2,944.86
(iii) Capital work-in-progress		**1,849.26**		2,077.15
(iv) Intangible assets under development		**1,069.03**		768.77
			26,868.16	26,555.90
b) Long-term loans and advances	13		**1,186.87**	1,375.93
2 **Current Assets**				
(a) Current investments	14	-		0.10
(b) Inventories	15	**4,549.35**		3,600.74
(c) Trade receivables	16	**6,492.51**		3,897.63
(d) Cash and bank balances	17	**58.50**		28.20
(e) Short-term loans and advances	18	**4,922.89**		4,816.84
(f) Other Current Assets	19	**34.85**		-
			16,058.10	12,343.51
TOTAL			**44,113.13**	40,275.34

III See accompanying notes forming part of the financial statements

in terms of our report attached **For and on behalf of the Board**

For Deloitte Haskins & Sells LLP
Chartered Accountants

Rupen K. Bhatt
Partner
Mumbai
30th April 2014

R Pisharody **Chairman**
J R De La Rosa
S B Borwankar
Lusuir Grochot
R Ramakrishnan
Asim Kumar Mukhopadhyay

Director **Director**

Rohit Srivastava **Manager & Chief Executive Officer**
S L Gangopadhyay **Chief Financial Officer**
A B Koyari **Asst.Company Secretary**

TATA MARCOPOLO MOTORS LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31,2014

		NOTE NO.	Year ended March 31,2014		Year ended March 31,2013
			₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
I.	Revenue from operations (gross)	**20**	**54,237.73**		65,769.76
	Less: Excise duty		**(6,387.84)**		(7,177.04)
	Revenue from operations (net)			**47,849.89**	58,592.72
II.	Other Income	**21**		**113.55**	19.00
III.	**Total Revenue (I + II)**			**47,963.44**	58,611.72
IV.	Expenses :				
	(a) Cost of materials consumed		**30,467.59**		37,361.51
	(b) Changes in Inventories of finished goods and work in progress	**22**	**(623.39)**		(139.39)
	(c) Employee benefits expense	**23**	**6,554.36**		6,425.70
	(d) Finance costs	**24**	**1,222.15**		960.11
	(e) Depreciation and amortisation expense	**12**	**2,494.33**		2,463.85
	(f) Other expenses	**25**	**11,538.38**		11,576.48
	(g) Expenditure transferred to capital and other accounts		**(356.33)**		(592.64)
	Total Expenses			**51,297.09**	58,055.62
V.	**(Loss) / Profit Before Tax (III - IV)**			**(3,333.65)**	556.10
VI.	Tax Expense :				
	(a) Current tax expense			-	111.35
	(b) Less: Mat Credit			-	(111.35)
			-	-	-
VII.	**(Loss) / Profit from continuing operations (V-VI)**			**(3,333.65)**	556.10
VIII.	**Earnings Per Share (of ₹ 10/- each)**				
	(i) Basic and diluted	**35**		(1.96)	0.33

IX. **See accompanying notes forming part of the financial statements**

For and on behalf of the Board

In terms of our report attached

R Pisharody

For Deloitte Haskins & Sells LLP **Chairman** J R De La Rosa

Chartered Accountants

S B Borwankar Lusuir Grochot

R Ramakrishnan

Rupen K. Bhatt

Partner Asim Kumar Mukhopadhyay

Mumbai

30th April 2014

Director **Director**

Rohit Srivastava S L Gangopadhyay A B Koyari

Manager & Chief Executive Officer **Chief Financial Officer** **Asst.Company Secretary**

TATA MARCOPOLO MOTORS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31,2014

		Year ended March 31,2014		Year ended March 31,2013
		₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
(A)	**Cash flow from operating activities:**			
	(Loss) / Profit before Tax		**(3,333.65)**	556.10
	Adjustments for:			
	i) Depreciation and amortisation	**2,494.33**		2,463.85
	ii) Loss on sale /write off of assets	**15.40**		-
	iii) Interest income	**(91.25)**		(3.76)
	iv) Interest expenses	**1,222.15**		960.11
	v) Exchange fluctuation loss on translation	**166.39**		181.26
			3,807.02	3,601.46
	Operating profit before working capital changes		**473.37**	4,157.56
	Adjustments for (increase) / decrease in operating assets:			
	Inventories	**(948.61)**		403.24
	Trade receivables	**(2,594.88)**		1,238.38
	Short term loans and advances	**(106.05)**		(384.14)
	Long term Loans and advances	**(10.04)**		(18.11)
			(3,659.58)	1,239.37
	Adjustments for increase/ (decrease) in operating liabilities:			
	Trade payables	**(3,135.14)**		3,564.52
	Other current Liabilities	**(224.17)**		(301.94)
	Provisions	**19.20**		(157.50)
			(3,340.11)	3,105.08
	Cash generated from operations		**(6,526.32)**	8,502.01
	Net income tax (paid) / refunds		**10.45**	(350.33)
	Net cash (used in) /from operating activities		**(6,515.87)**	8,151.68
(B)	**Cash flow from investing activities:**			
	Purchase of fixed assets (including capital work in progress and excluding outstanding Finance Lease)		**(2,518.20)**	(4,388.35)
	Short -term Investment realised		**0.10**	-
	Interest received		**56.40**	3.76
	Net cash used in investing activities		**(2,461.70)**	(4,384.59)
(C)	**Cash flow from financing activities:**			
	Term loan received		**9,300.00**	-
	Term loan repaid		**(1,033.33)**	(3,750.00)
	Increase /(Decrease) in short term loan (Net)		**584.69**	(834.18)
	Inter-corporate deposits received		**1,600.00**	1,500.00
	Inter-corporate deposits repaid		**(1,400.00)**	(500.00)
	Credit facility from SIDBI (Net)		**1,065.35**	726.68
	Repayment of finance lease		**(27.19)**	(25.37)
	Interest paid		**(1,081.65)**	(982.74)
	Net cash from /(used in) financing activities		**9,007.87**	(3,865.61)
	Net increase /(decrease) in cash and cash equivalent		**30.30**	(98.52)
	Cash and cash equivalents as at the beginning of the year		**28.20**	126.72
	Cash and cash equivalents as at the end of the year(Refer note 17)		**58.50**	28.20

For and on behalf of the Board

In terms of our report attached.

For Deloitte Haskins & Sells LLP
Chartered Accountants

R Pisharody
Chairman

J R De La Rosa

S B Borwankar

Lusuir Grochot

Rupen K. Bhatt
Partner
Mumbai
30th April 2014

R Ramakrishnan

Asim Kumar Mukhopadhyay

Director

Director

Rohit Srivastava
Manager & Chief Executive Officer

S L Gangopadhyay
Chief Financial Officer

A B Koyari
Asst.Company Secretary

TATA MARCOPOLO MOTORS LIMITED
Notes forming part of the financial statements

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation of financials Statements

The Financial statements have been prepared on an accrual basis under the historical cost convention, in accordance with the accounting principles generally accepted in India and comply with mandatory Accounting standards (AS) notified under section 211 (3C) of the Companies Act,1956 "the 1956 Act" (in terms of General Circular 15/2013 dated 13th September 2013 of the Ministery of Corporate Affairs) and the relevant provisions of the 1956 Act/ 2013 Act , as applicable.

i) Use of Estimates

The preparation of financial statements requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of these financials 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 on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised and future years affected

ii) Fixed Assets and Depreciation/Amortisation

Fixed assets are stated at cost of acquisition or construction less accumulated depreciation / amortization. All costs relating to the acquisition and installation of Fixed Assets are capitalised

Depreciation is provided on the Straight Line basis (SLM) at the rates and manner prescribed in Schedule XIV to the Companies Act,1956 ,excepting in case of :
Laptops- at 23.75% (SLM)
Hand Tools- at 25.00% (SLM)
Motor Cars- at 23.75% (SLM)
Software is amortised over a period of forty eight months or on the basis of estimated useful life whichever is lower

Product Development costs incurred on new vehicle platforms, variants of existing platforms and new vehicle are recognised as Intangible Assets (Included under Fixed Assets) and amortised over a period limited to 120 months on the basis of actual production to Planned Production volumes or planned production to planned production volumes, whichever is higher

iii) Borrowing Costs

Borrowing costs that are attributable to the acquisition , construction or production of a qualifying asset are capitalised as part of cost of such asset till such time as the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as expenses in the period in which they are incurred.

iv) Impairment of Assets

At each balance sheet date, an assessment is made of whether there is any indication of impairment of its fixed assets. An impairment loss is recognised whenever the carrying amount of the assets exceeds their recoverable amount. Where it is not possible to estimate the recoverable amount of individual assets, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

v) Leases

Assets acquired under finance leases are recognised at the lower of the fair value of the leased assets at inception and the present value of minimum lease payments. Lease payments are apportioned between the finance charge and the outstanding liability. The finance charge is allocated to periods during the lease term at a constant periodic rate of interest on the remaining balance of the liability
Operating lease payment are recognised as expenditure in the Statement of Profit and Loss account on a straight line basis, representative of the time pattern of benefits received from the use of the assets taken on lease.

vi) Transactions in Foreign Currencies and Accounting of Derivatives

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities are translated at the period end exchange rates. Exchange differences arising on settlement of transactions and translation of monetary items are recognised as income or expenses in the period in which they arise.

vii) Revenue Recognition

The company recognises revenues on sale of services upon completion of jobs executed for the customer at contracted rates. Sales are inclusive of excise duty.

The company recognises revenues on sale of products when risks and rewards of ownership pass to customer which is when the products are delivered to the customer

viii) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost of raw materials and consumables are ascertained on a moving weighted average . Cost, including variable and fixed overheads, are allocated to work-in-progress and stock-in-trade determined on full absorption cost basis. Net realisable value is estimated selling price in the ordinary course of business less estimated cost of completion and selling expenses

ix) Employee Benefits

a. Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company makes annual contributions to gratuity fund established as trust. The Company accounts for net present value of its obligations for gratuity benefits based on an independent external actuarial valuation determined on the basis of the projected unit credit method (PUCM) carried out annually and recognises the actuarial gain/(loss) on an annual basis.

b. Bhavishya Kalyan Yojana

Bhavishya Kalyan Yojana is an unfunded defined benefit plan. The benefits of the plan include pension in certain case, payable upto the date of normal superannuation had the employee been in service, to an eligible employee at the time of death or permanent disablement, while in service, either as a result of an injury or as certified by the Company's Medical Board. The monthly payment to dependents of the deceased / disabled employee under the plan equals 50% of the salary drawn at the time of death or accident or a specified amount, whichever is higher. The Company accounts for net present value of its obligations for BKY benefits based on an independent external actuarial valuation determined on the basis of the projected unit credit method (PUCM) carried out annually and recognises the actuarial gain/(loss) on an annual basis.

c. Post Retirement Medicare Scheme

Under this scheme, employees get medical benefits subject to certain limits of amount, periods after retirement and types of benefits, depending on their grade and location at the time of retirement. Employees separated from the Company as part of Early Separation Scheme, on medical grounds or due to permanent disablement are also covered under the scheme. The Company accounts for net present value of its obligations for BKY benefits based on an independent external actuarial valuation determined on the basis of the projected unit credit method (PUCM) carried out annually and recognises the actuarial gain/(loss) on an annual basis.

d. Provident Fund

The eligible employees of the Company are entitled to receive benefits under the 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).

e. Compensated Absences

The Company has a scheme of compensated absences for employees. The liability for which is determined on the number of days of unutilised leave on the basis of an actuarial valuation carried out annually and recognises the actuarial gain/(loss) on an annual basis

x) Investment

Long term investment are stated at cost less other than temporary diminution in value if any. Current investments are statement at lower of cost and fair value

xi) Taxes on Income

Income tax expenses comprises current and deferred taxes.

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax is net of credit for entitlement for Minimum Alternative tax.

Deferred tax is recognised, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised if there is virtual certainty that there will be sufficient future taxable income available to realise such losses.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantially enacted by the balance sheet date.

xii) Product Warranty Expenses

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures

xiii) Provisions and Contingencies

A provision is recognised when the company has a present obligations as a result of past events and it is probable that an outflow of resources will be required to settle the obligation , in respect of which a reliable estimate can be made. Provisions (other than for employee benefits) are not discounted to present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognized in the books of accounts

2 Share capital	**As at March 31, 2014**		As at March 31, 2013	
		₹ in Lakhs		₹ in Lakhs
Authorised :				
170,000,000 Equity shares of ₹ 10 each (as at March 31, 2013:170,000,000 shares)		17,000.00		17,000.00
Issued, Subscribed and Fully Paid Share Capital				
170,000,000 Equity shares of ₹ 10 each (as at March 31, 2013:170,000,000 shares)		**17,000.00**		17,000.00
Notes:				
(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:	**No.in Lakhs**	**₹ in Lakhs**	No.in Lakhs	₹ in Lakhs
Equity shares at the beginning of the year and at the end of the year	1,700	17,000	1,700	17,000
(ii) Shares in the Company held by each shareholder holding more than 5 percent shares				
Equity shares of ₹ 10 each Fully Paid	**No.in Lakhs**	**% of holding**	No.in Lakhs	% of holding
(a) Tata Motors Limited, (Holding Company)	867.00	51.00	867.00	51.00
(b) Marcopolo S.A. Brazil (Non Resident Shareholder)	833.00	49.00	833.00	49.00
	1,700.00	100.00	1,700.00	100.00

(iii) Detail of the rights, preferences and restrictions attached to each class of shares

a The Company has issued only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by board of directors is subject to the approval of shareholders in the ensuing annual general meeting,except in case of interim dividend. In the event of liquidation of the Company the holder of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. Distribution will be in proportion of equity shares held by the shareholders.

b The above shares cannot be transferred to parties other than Affiliates of Tata Motors Limited and Marcopolo S.A. for a period of 10 years from March 21, 2006 (Date of joint venture agreement) in accordance with joint venture agreement between Tata Motors limited and Marcopolo S.A. Brazil

3 Reserves and surplus	**As at March 31, 2014**		As at March 31, 2013	
		₹ in Lakhs		₹ in Lakhs
(Deficit) in the Statement of Profit and Loss				
Opening Balance		**(2,550.36)**		(3,106.46)
Add : (Loss) / Profit for the year		**(3,333.65)**		556.10
(Deficit) in the Statement of Profit and Loss		**(5,884.01)**		(2,550.36)

4 Long term borrowings	**As at March 31, 2014**		As at March 31, 2013	
		₹ in Lakhs		₹ in Lakhs
Secured				
Term loan from HDFC Bank (Refer note (i) a below)		**5,166.67**		**-**
Long term maturities of finance lease obligations (Refer note (i) b below and note 32)		**79.57**		108.71
Unsecured				
Karnataka Vat Loan (Refer note (ii) a below)		**1,798.00**		1,798.00
		7,044.24		1,906.71

(i) **Details of security provided in respect of secured long term borrowings:**

a) Repayment terms - Term Loan of Rs. 93 Crs is for a total tenure of 3.5 years with 0.5 year moratorium period and is repayable in 36 equal monthly installments with rate of interest being Base rate + 100 Basis points. The term loan is secured as Pari Passu first charge on fixed assets upto asset cover of 1.25 times.

b) Finance lease obligation is secured against plant and machinery taken on lease.

(ii) **Details of terms of repayment for Karnataka VAT Loan:**

a) Based on the Incentive scheme 2008,declared by the Government of Karnataka, the government in January 2011,partially disbursed an adhoc amount of Rs.1,798 Lakhs as soft loan towards VAT paid by the Company, for the period October to August 2010. The said loan was disbursed as the Company in compliance with the requirements of the incentive scheme had set up a manufacturing facility and generated employment at Belur industrial area, Dharwad, in the state of Karnataka.The said loan was for a period of 18 years from the date of starting production with a moratorium of 10 years.

Further the Government of Karnataka, vide an order dated 5th June 2012, amended the existing incentive scheme 2008 and offered a revised incentive scheme 2012. As per the revised incentive scheme the Company on compliance of certain conditions would be eligible for a soft loan on gross VAT, at 0.1% rate of Interest and terms of repayment of the soft loan have been revised.The VAT loan is for the period of 18 years from the date of commencement of commercial production to be repaid with a moratorium period of 15 years. The Company has submitted its claim under the new scheme from the date of commencement of commercial production till 4th June 2012.

5 Deferred tax liabilities (net)	**As at March 31, 2014**		As at March 31, 2013	
		₹ in Lakhs		₹ in Lakhs
Major componenets of deferred tax arising on account of timing differences are:				
Liabilities :				
Depreciation		**(2,346.90)**		(2,523.14)
Product Development cost		**(330.33)**		(261.31)
		(2,677.23)		(2,784.45)
Assets :				
Employee benefit / expenses allowable on payment basis		**55.01**		76.79
Others		**33.59**		46.19
Unabsorbed depreciation and business loss		**2,588.63**		2,661.47
		2,677.23		2,784.45
Net deferred tax liability		**-**		**-**

*

The unabsorbed business loss, depreciation and other items has given rise to deferred tax asset amounting to ₹ 4,243.32 Lakhs as ast 31st March 2014 (₹3,391.73 Lakhs as on 31st March 2013) however, in the absence of virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realized, the said deferred tax asset has been restricted to the extent of the net deferred tax liability amounting to ₹ 2,627.23 Lakhs (as at March 31,2013 ₹ 2,784.45) already created in the books resulting in ₹ Nil deferred tax asset/liability as at 31st March 2014 (March 31,2013- ₹ . Nil Lakhs)

6 **Other long term liabilities**	**As at March 31, 2014**	As at March 31, 2013
	₹ in Lakhs	₹ in Lakhs
(a) Interest accrued but not due on borrowings	**5.73**	3.93
Total	**5.73**	3.93

7 **Long term provisions**	**As at March 31, 2014**	As at March 31, 2013
	₹ in Lakhs	₹ in Lakhs
(a) Provision for employee benefits		
(i) Provision for compensated absences	**109.46**	118.25
(ii) Provision for post retirement medicare scheme	**35.85**	22.33
(iii) Provision for Bhavishya Kalyan Yojana	**88.41**	78.20
(b) Provision for product warranty (Refer note 37)	**150.35**	181.16
Total	**384.07**	399.94

8 **Short term borrowings**	**As at March 31, 2014**	As at March 31, 2013
	₹ in Lakhs	₹ in Lakhs
(A) Secured		
(a) Loans repayable on demand from banks		
Cash credit account	**608.83**	24.14
(B) Unsecured		
(a) Credit facility from SIDBI	**1,792.03**	726.68
(b) Loans and advances from related parties		
Intercorporate deposit from Fellow Subsidiary	**1,700.00**	1,500.00
Total	**4,100.86**	2,250.82

(i) **Details of security for short-term borrowings:**

a. The Cash credit facility is secured by hypothecation of book debts, inventories,stores and spares both present and future.

9 Trade Payables	**As at March 31, 2014**	As at March 31, 2013
	₹ in Lakhs	₹ in Lakhs
(a) Trade Payables	**16,842.66**	19,811.41
Total	**16,842.66**	19,811.41

10 Other Current Liabilities	**As at March 31, 2014**	As at March 31, 2013
	₹ in Lakhs	₹ in Lakhs
(a) Current maturities of long term debt	**3,100.00**	-
(b) Current maturities of finance lease obligations (Refer note 32)	**29.14**	27.19
(c) Interest accrued but not due on borrowings	**78.87**	-
(d) Other payables		
(i) Advances from customers	**52.32**	30.59
(ii) Payable on purchase of fixed assets	**718.12**	602.98
(iii) Statutory dues	**275.27**	521.17
(iv) interest payable	**161.08**	101.25
Total	**4,414.80**	1,283.18

11 Short term provisions	**As at March 31, 2014**	As at March 31, 2013
	₹ in Lakhs	₹ in Lakhs
(a) Provision for employee benefits		
(i) Provision for compensated absences	**19.93**	33.64
(ii) Provision for Bhavishya Kalyan Yojana	**3.49**	2.86
(b) Provision for product warranty (Refer note 37)	**181.36**	133.21
Total	**204.78**	169.71

TATA MARCOPOLO MOTORS LIMITED
Notes forming part of the financial statements

(₹` in Lakhs)

12		Fixed Assets	Cost as at April 1, 2013	Additions	Deductions	Adjustments	Cost as at March 31, 2014	Accumulated depreciation / amortisation up to March 31, 2013	Depreciation / Amortisation for the year ended March 31, 2014	Deductions	Adjustments	Accumulated depreciation / amortisation up to March 31, 2014	Net Book Value as at March 31, 2014
		Tangible Assets											
	(a)	**Buildings**	**11,824.76**	**1,546.24**	**-**	**-**	**13,371.00**	**1,398.35**	**367.66**	**-**	**-**	**1,766.01**	**11,604.99**
			10,950.93	873.83	-	-	11,824.76	1,044.69	353.66	-	-	1,398.35	10,426.41
	(b)	**Plant & Machinery**											
		Owned	**14,468.67**	**1,061.39**	**24.83**	**-**	**15,505.23**	**4,938.73**	**1,271.92**	**9.45**	**-**	**6,201.20**	**9,304.03**
			12,553.11	1,915.56	-	-	14,468.67	3,633.20	1,305.53	-	-	4,938.73	9,529.94
		Taken under finance Lease	**218.99**	**-**	**-**	**-**	**218.99**	**87.60**	**21.90**	**-**	**-**	**109.50**	**109.49**
			218.99	-	-	-	218.99	65.70	21.90	-	-	87.60	131.39
	(c)	**Furniture, Fixtures and Office Appliances**	**200.01**	**17.68**	**-**	**-**	**217.69**	**47.81**	**12.27**	**-**	**-**	**60.08**	**157.61**
			184.91	15.10	-	-	200.01	36.03	11.78	-	-	47.81	152.20
	(d)	**Vehicles**	**34.79**	**-**	**-**	**-**	**34.79**	**20.39**	**5.79**	**-**	**-**	**26.18**	**8.61**
			21.44	13.35	-	-	34.79	13.16	7.23	-	-	20.39	14.40
	(e)	**Office Equipment**	**126.75**	**-**	**-**	**(4.90)**	**121.85**	**13.19**	**5.79**	**-**	**(0.10)**	**18.88**	**102.97**
			110.75	16.00	-	-	126.75	7.47	5.72	-	-	13.19	113.56
	(f)	**Computers**											
		Owned	**675.25**	**36.88**	**0.07**	**4.90**	**716.96**	**278.03**	**114.63**	**0.05**	**0.10**	**392.71**	**324.25**
			525.70	149.55	-	-	675.25	178.37	99.66	-	-	278.03	397.22
		Taken under finance Lease	**12.18**	**-**	**12.18**	**-**	**-**	**12.18**	**-**	**12.18**	**-**	**-**	**-**
			12.18	-	-	-	12.18	12.18	-	-	-	12.18	-
		Total	**27,561.40**	**2,662.19**	**37.08**	**-**	**30,186.51**	**6,796.28**	**1,799.96**	**21.68**	**-**	**8,574.56**	**21,611.95**
		Previous year	24,578.01	2,983.39	-	-	27,561.40	4,990.80	1,805.48	-	-	6,796.28	20,765.12
		Intangible Assets											
	(a)	**Computer Software**	**903.08**	**87.43**	**-**	**-**	**990.51**	**777.44**	**67.88**	**-**	**-**	**845.32**	**145.19**
			836.90	66.18	-	-	903.08	693.99	83.45	-	-	777.44	125.64
	(b)	**Product Development Cost**	**4,794.86**	**-**	**-**	**-**	**4,794.86**	**1,975.64**	**626.49**	**-**	**-**	**2,602.13**	**2,192.73**
			4,794.86	-	-	-	4,794.86	1,400.72	574.92	-	-	1,975.64	2,819.22
		Total	**5,697.94**	**87.43**	**-**	**-**	**5,785.37**	**2,753.08**	**694.37**	**-**	**-**	**3,447.45**	**2,337.92**
		Previous year	5,631.76	66.18	-	-	5,697.94	2,094.71	658.37	-	-	2,753.08	2,944.86
		Total	**33,259.34**	**2,749.62**	**37.08**	**-**	**35,971.88**	**9,549.36**	**2,494.33**	**21.68**	**-**	**12,022.01**	**23,949.87**
		Previous year	30,209.77	3,049.57	-	-	33,259.34	7,085.51	2,463.85	-	-	9,549.36	23,709.98

13 Long term Loans and Advances (Unsecured, Considered good)	**As at March 31, 2014**	As at March 31, 2013
	₹ in Lakhs	₹ in Lakhs
(a) Security Deposits	**74.46**	74.46
(b) Capital Advances	**93.74**	282.39
(c) Advance tax (Includes Mat Credit entitlement ₹.431.37 Lakhs (March 31,2013 ₹ 431.37 Lakhs)	**962.68**	973.13
(d) Deposit (paid under protest)	**55.99**	45.95
Total	**1,186.87**	1,375.93

14 Current Investments (Unquoted, at cost)	**As at March 31, 2014**	As at March 31, 2013
	₹ in Lakhs	₹ in Lakhs
Other investment		
Investment in Government or trust securities		
a) National Savings Certificates	**-**	0.10
Total	**-**	0.10

15 Inventories (at lower of cost and net realisable value)	**As at March 31, 2014**	As at March 31, 2013
	₹ in Lakhs	₹ in Lakhs
(a) Raw materials	**2,460.01**	2,208.98
(b) Work-in-progress	**1,172.13**	799.09
(c) Finished goods	**286.60**	36.25
(d) Stores and spare parts	**525.79**	471.64
(e) Consumable tools	**85.86**	70.91
(f) Goods-in-transit - Raw materials	**18.96**	13.87
Total	**4,549.35**	3,600.74

16 Trade receivables (Unsecured, considered good)	**As at March 31, 2014**	As at March 31, 2013
	₹ in Lakhs	₹ in Lakhs
(a) Due over six months	**81.95**	114.50
(b) Others :	**6,410.56**	3,783.13
Total	**6,492.51**	3,897.63

17 Cash and bank balances	**As at March 31, 2014**	As at March 31, 2013
	₹ in Lakhs	₹ in Lakhs
Cash and cash equivalents		
(a) Cash on hand	**0.93**	0.06
(b) Balances with banks		
(i) in current accounts	**57.57**	28.14
Total	**58.50**	28.20

18 Short -term loans and advances (unsecured, Considered good)	**As at March 31, 2014**	As at March 31, 2013
	₹ in Lakhs	₹ in Lakhs
(a) Advance to employees and others	**8.29**	6.57
(b) Freight recoverable	**0.10**	-
(c) Advances to suppliers and contractors	**193.04**	230.73
(d) Balances with government authorities		
(i) CENVAT credit receivable	**3,888.66**	3,956.70
(ii) Service tax credit receivable	**732.00**	585.45
(iii) Other	**9.72**	6.54
(e) Prepaid expenses	**91.08**	30.85
Total	**4,922.89**	4,816.84

19 Other Current Assets	**As at March 31, 2014**	As at March 31, 2013
	₹ in Lakhs	₹ in Lakhs
(a) Interest accrued -others	**34.85**	-
Total	**34.85**	**-**

20 Revenue from Operations	**Year ended March 31,2014**	Year ended March 31,2013
	₹ in Lakhs	₹ in Lakhs
(a) Sale of products	**45,144.38**	56,276.85
(b) Sale of services	**6,710.54**	5,048.04
(c) Sale of spare parts	**1,794.47**	3,844.56
(d) Other operating revenues		
i) Sale of scrap	**588.34**	600.31
Revenue from operations (Gross)	**54,237.73**	65,769.76

21 Other Income	**Year ended March 31,2014**	Year ended March 31,2013
	₹ in Lakhs	₹ in Lakhs
Interest income		
(i) On bank deposits	**25.14**	-
(ii) On Excise refunds etc.	**40.80**	3.76
(iii) On Income tax refund	**25.31**	
	91.25	3.76
Misc Income	**22.30**	15.24
Total	**113.55**	19.00

22 Changes in Inventories of finished goods and work-in-progress	**Year ended March 31,2014**	Year ended March 31,2013
	₹ in Lakhs	₹ in Lakhs
Inventories at the end of the year		
Finished goods	**286.60**	36.25
Work in progress	**1,172.13**	799.09
	1,458.73	835.34
Inventories at the beginning of the year		
Finished goods	**36.25**	71.04
Work in progress	**799.09**	624.91
	835.34	695.95
Total	**(623.39)**	(139.39)

23 Employee Benefits Expense	**Year ended March 31,2014**	Year ended March 31,2013
	₹ in Lakhs	₹ in Lakhs
(a) Salaries, wages and bonus	**5,028.96**	4,968.78
(b) Contribution to provident and other funds (Refer note 36 a)	**325.03**	353.82
(c) Workmen and staff welfare expenses	**1,200.37**	1,103.10
Total	**6,554.36**	6,425.70

TATA MARCOPOLO MOTORS LIMITED
Notes forming part of the financial statements

24 Finance Cost	Year ended March 31,2014	Year ended March 31,2013
	₹ in Lakhs	₹ in Lakhs
Interest expenses		
(i) On loans	**851.09**	154.60
(ii) Others	**365.37**	141.32
	1216.46	295.92
(iii) Discounting charges	**5.69**	664.19
Total	**1,222.15**	960.11

25 Other Expenses	Year ended March 31,2014	Year ended March 31,2013
	₹ in Lakhs	₹ in Lakhs
(a) Consumption of stores and spare parts	**2,066.27**	2,380.58
(b) Power and fuel	**796.59**	718.01
(c) Rent including lease rental (Refer note 31 a)	**540.48**	479.36
(d) Repairs to buildings	**48.79**	86.51
(e) Repairs to plant, machinery, etc.	**23.06**	57.25
(f) Insurance	**24.74**	22.19
(g) Rates and taxes	**0.51**	1.26
(h) Technical know how	**699.05**	875.43
(i) Contract labour charges	**1,795.70**	1,748.99
(j) Warranty and product liability(net) (Refer note 37)	**25.91**	(176.26)
(k) Auditors remuneration		
- Audit fees	**20.00**	18.00
- Tax audit fees	**1.50**	1.50
- Other services	**4.25**	2.65
- Out of pocket expenses	**9.63**	1.30
(l) Cost Auditors remuneration		
- Cost Audit fees	**2.00**	2.15
- Out of pocket expenses	**-**	0.30
(m) Freight, transportation, port charges, etc.	**87.10**	53.27
(n) Consulting Engineers Service Fee	**1,379.63**	1,685.57
(o) Cost of Deputed Employees	**761.93**	735.44
(p) Traveling & Conveyance	**833.07**	1,056.79
(q) Loss/(Gain) on exchange rate fluctuation (net)	**333.88**	101.17
(r) IT Services	**539.62**	507.04
(s) Excise duty on Closing Stock	**18.23**	(4.32)
(t) Works operation and other expenses	**1,526.44**	1,222.30
Total	**11,538.38**	11,576.48

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SHEBA PROPERTIES LIMITED

Annual Report 2013 – 14

SHEBA PROPERTIES LIMITED

DIRECTORS' REPORT

TO THE MEMBERS
OF SHEBA PROPERTIES LIMITED

The Directors hereby present their Twenty-Fifth Annual Report and the Audited Statement of Accounts for FY2013-14. As required under the Ministry of Corporate Affairs' General Circular 08/2014 No. 1/19/2013-CL-V dated April 4, 2014, the Financial Statements and other reports required to be attached to the Annual Report for FY2013-14 are governed by the relevant provisions, schedules, rules of the Companies Act, 1956.

1 FINANCIAL RESULTS

(₹ in lakhs)

	2013-14	2012-13
Income	1046.96	900.74
Profit for the period after providing ₹ 77.83 lacs for taxes (2012-13: ₹ 96.58 lacs); Provision for Doubtful loans ₹ Nil; (2012-13: ₹ Nil) Provision for diminution in value of investment ₹ Nil (2012-13: ₹ Nil)	802.62	639.70
Balance brought forward from previous year	2072.11	1560.35
Amount available for Appropriations	2874.73	2200.05
APPROPRIATIONS:		
(i) Special Reserve	160.52	127.94
Balance carried to Balance Sheet	2714.21	2072.11

2 DIVIDEND

Taking into consideration the Company's performance and the Company's current business plans, the Directors recommend that the profits be carried forward and no dividend be recommended on equity shares (Previous Year- ₹Nil).

3 REGISTRATION WITH RBI

The Company is registered with the Reserve Bank of India ('RBI'), under Section 45-IA of the RBI Act, 1934, as a Systemically Important, Non-Deposit taking Non-Banking Finance Company' (NBFC).

4 OPERATIONS

The Dividend income was higher at ₹4.99 crores in the financial year 2013-14 (Previous year ₹3.18 crores), mainly due to better Corporate performance in equity investments. Whilst the interest income improved to ₹2.50 crores (Previous year ₹1.97 crores) due to higher placement in Inter-corporate Deposits (ICDs) income from investment in Mutual Funds reduced to ₹0.77crores (Previous year ₹1.57 crores). The Company's investment in SBI Macquarie Infrastructure Trust increased to ₹11.69 crores in the financial year 2013-14 (Previous year ₹7.81 crores).

5 CAPITAL ADEQUACY

The Company closed the year with a capital adequacy of 97.86% well above the Reserve Bank of India's mandated level of 15%.

6 COMPLIANCE

The Company has complied with all the applicable laws and regulations including those of the Reserve Bank of India.

7 ACCOUNTS AND ACCOUNTING STANDARDS

The Company adheres to the prudential guidelines prescribed by the Reserve Bank of India(RBI) and to the Accounting Standards issued by the Institute of Chartered Accountants of India in preparation of its financial statements.

The particulars of related party exposure and non-performing assets in hire purchase and leasing activities required to be disclosed in the format prescribed by the RBI are contained in a Schedule forming part of the accounts.

8 AUDIT COMMITTEE

The Audit Committee held four meetings during the period under review. The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company.

9 CONSTITUTION OF CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

With the introduction of the New Companies Act, 2013, the Company is eligible to fulfill the requirements of the CSR Rules under section 135 of the Act, w.e.f. April 01, 2014. The CSR activities will be reported as per the guidelines specified by Section 135 of the Companies Act, 2013 from financial year 2013-14 onwards. The Board at its meeting held on May 2, 2014 constituted a Corporate Social Responsibility Committee consisting of Mr P D Karkaria, Mr S R Rajadhyaksha and Mr H K Sethna Non-executive directors.

10 RISKS AND CONCERNS

An Asset Liability Supervisory Committee of Directors closely monitors mismatches of Assets and Liabilities and a Risk Management Committee of Directors oversees the management of the integrated risks of the Company. All the investments made by the Company are made from funds generated through internal accruals and are reviewed by a Committee consisting of two Directors of the Company. Four meetings each of the Asset Liability Committee and the Risk Management Committee were held during the year.

11 DIRECTORS

In accordance with the requirements of the Act and the Articles of Association of the Company, Mr H K Sethna retires by rotation and is eligible for re-appointment.

12 AUDITORS

M/s Deloitte Haskins & Sells LLP (DHSLLP), Chartered Accountants (ICAI Firm Registration No.117366W/W-100018), who are the Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting. It is proposed to re-appoint them to examine and audit the accounts of the Company for three years to hold office from the conclusion of this AGM till the conclusion of the Twenty-Eighth AGM of the Company to be held in the year 2017, subject to ratification of their appointment at every AGM. DHS have, under Section 139(1) of the Companies Act, 2013 and the Rules framed thereunder furnished a certificate of their eligibility and consent for re-appointment. DHS converted itself into a Limited Liability Partnership (LLP) under the provisions of the Limited Liability Partnership Act, 2008 and is now known as Deloitte Haskins & Sells LLP (DHS LLP) with effect from November 20, 2013. In terms of the Ministry of Corporate Affairs,

Government of India, General Circular No. 9/2013 dated April 30, 2013, if a firm of CAs, being an auditor in a company under the Companies Act, 1956, is converted into an LLP, then such an LLP would be deemed to be the auditor of the said company. The Board of Directors of the Company has taken due note of this change. Accordingly, the audit of the Company for financial year 2013-14 was conducted by DHS LLP.

13 OTHER INFORMATION

The Company has not accepted any Fixed Deposits from the public during the year under review. The Company had no employees of the category mentioned in Section 217(2A) of the Companies Act, 1956. Provisions of the Companies Amendment Act, 1988, regarding reporting on conservation of energy and technology absorption are not applicable to the Company. There are no foreign exchange earnings or outgo during the year under review.

14 DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors, based on the representations received from the Operating Management, confirm that:

(i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;

(ii) they have, in the selection of accounting policies, consulted the Statutory Auditors and have applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

(iii) they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;

(iv) they have prepared the annual accounts on a "going concern basis".

15 ACKNOWLEDGEMENTS

The Directors would like to place on record their gratitude for the valuable guidance and support received from Reserve Bank of India and other Government and regulatory agencies and to convey their appreciation to Tata Motors Limited and other business associates for the continuous support given by them to the Company.

On behalf of the Board of Directors

C Ramakrishnan
Director

P D Karkaria
Director

Mumbai,
May 2, 2014

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
SHEBA PROPERTIES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **SHEBA PROPERTIES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Profit and Loss Statement and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

(b) in the case of Profit and Loss Statement, of the profit of the Company for the year ended on that date and

(c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by Section 227(3) of the Act, we report that:
   (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Profit and Loss Statement, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
   (d) In our opinion, the Balance Sheet, the Profit and Loss Statement, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs).
   (e) On the basis of the written representations received from the directors as on March 31, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

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

Rupen K. Bhatt
Partner
(Membership No. 46930)

Mumbai, May 02, 2014

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT
(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) Having regard to the nature of the Company's business/activities/results during the year, clauses 4(ii), 4(vi), 4(viii), 4(xiii) and 4(xiv) of paragraph 4 the Order are not applicable to the Company.

(ii) In respect of its fixed assets:

(a) The Company does not consider it necessary to maintain a fixed assets register having regard to the nature of its fixed assets, which in quantitative terms substantially comprise assets given on lease and fully depreciated except for leased building where the Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) Except for the leased building, other fixed assets have not been physically verified by the management, but having regard to the position stated in paragraph (ii)(a) above, the discrepancies, if any, as explained to us, is unlikely to be material.

(c) No fixed assets were disposed-off during the year.

(iii) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.

(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and sale of services. During the course of our audit, we have not observed any major weakness in internal control system.

(v) To the best of our knowledge and according to the information and explanations given to us, there are no contracts or arrangements which needed to be entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956.

(vi) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(vii) According to the information and explanations given to us in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including, Income Tax, Service Tax, Cess and other material statutory dues with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Income Tax, Service Tax Cess and other material statutory dues in arrears as at March 31, 2014 for a period of more than six months from the date they became payable.

(c) Details of dues of Income Tax which have not been deposited as on March 31, 2014 on account of disputes are given below:

Statue	**Nature of Dues**	**Financial years to which the amount relates**	**Forum Where Dispute is pending**	**Amount (₹)**
Income-Tax	Income tax	2006-2007	ITAT	2,047,123
Income-Tax	Income tax	2007-2008	ITAT	393,724

(viii) The Company does not have any accumulated losses at the end of the financial year. Also, the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

(ix) The Company has not taken loans from banks and financial institutions nor has it issued any debentures.

(x) In our opinion and according to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xi) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

(xii) The Company has not obtained any term loans.

(xiii) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have, *prima facie*, not been used during the year for long- term investment.

(xiv) The Company has not made any preferential allotment of shares to parties covered in the Register maintained under Section 301 of the Companies Act, 1956.

(xv) The Company has not issued any debentures.

(xvi) The Company has not raised any money by public issues.

(xvii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

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

Rupen K. Bhatt
Partner
(Membership No. 46930)

Mumbai, April 29, 2014

SHEBA PROPERTIES LIMITED

Balance Sheet as at March 31, 2014

		Note	Page	As at March 31, 2014 (₹)	As at March 31, 2013 (₹)
I	**EQUITY AND LIABILITIES**				
1	**SHAREHOLDERS' FUNDS**				
	(a) Share capital	2	5	**75,00,00,000**	75,00,00,000
	(b) Reserves and surplus	3	5	**99,38,65,835**	91,36,03,429
2	**NON CURRENT LIABILITIES**				
	- Other long term liabilities	4	6	**2,35,00,000**	2,35,00,000
3	**CURRENT LIABILITIES**				
	(a) Trade payables	5	6	**-**	4,20,985
	(b) Other current liabilities	6	6	**18,06,629**	24,53,121
	(c) Short term provisions	7	6	**65,19,975**	64,69,975
	TOTAL			**177,56,92,439**	169,64,47,510
II	**ASSETS**				
1	**NON CURRENT ASSETS**				
	(a) Fixed assets				
	- Tangible assets	8	7	**5,22,11,654**	5,59,76,973
	(b) Non current investments	9	8	**129,51,04,677**	126,12,88,463
	(c) Deferred tax assets (net)	10	9	**38,45,113**	39,38,113
	(d) Long term loans and advances	11	9	**2,28,13,147**	2,24,19,822
2	**CURRENT ASSETS**				
	(a) Current investments	12	9	**12,24,11,459**	9,42,01,885
	(b) Cash and bank balances	13	10	**5,25,513**	54,15,795
	(c) Short term loans and advances	14	10	**27,30,54,126**	25,32,05,501
	(d) Other current assets	15	10	**57,26,750**	958
	TOTAL			**177,56,92,439**	169,64,47,510
III	**NOTES FORMING PART OF FINANCIAL STATEMENTS**				

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Rupen K Bhatt
Partner

Mumbai May 2, 2014

V B Somaiya
Manager

Mahesh B Sathe
Company Secretary

For and on behalf of the Board of Directors

C Ramakrishnan

P D Karkaria

S H Rajadhyaksha

H K Sethna
Directors

Mumbai May 2, 2014

SHEBA PROPERTIES LIMITED

Profit and Loss Statement for Year Ended March 31, 2014

		Note	Page	2013-14	2012-13
				(₹)	(₹)
I.	**REVENUE FROM OPERATIONS**	16	11	**10,26,96,435**	8,73,82,790
II.	**OTHER INCOME**	17	11	**19,99,583**	26,91,169
III.	**TOTAL REVENUE (I + II)**			**10,46,96,018**	9,00,73,959
IV.	**EXPENSES :**				
	(a) Finance Costs	18	11	**-**	11,794
	(b) Depreciation and amortisation expense	8	7	**37,65,317**	37,65,317
	(b) Other expenses	19	11	**1,28,85,295**	1,26,68,520
	TOTAL EXPENSES			**1,66,50,612**	1,64,45,631
V.	**PROFIT BEFORE TAX (III - IV)**			**8,80,45,406**	7,36,28,328
VI.	**TAX EXPENSE :**				
	(a) Current tax	20	12	**76,90,000**	96,00,000
	(b) Deferred tax			**93,000**	58,023
				77,83,000	96,58,023
VII.	**PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS (V- VI)**			**8,02,62,406**	6,39,70,305
VIII.	**EARNINGS PER SHARE (BASIC AND DILUTED)**	21	12	**10.70**	8.53
IX.	**NOTES FORMING PART OF FINANCIAL STATEMENTS**				

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Rupen K Bhatt
Partner

Mumbai May 2, 2014

For and on behalf of the Board of Directors

C Ramakrishnan

P D Karkaria

S H Rajadhyaksha

H K Sethna
Directors

V B Somaiya
Manager

Mahesh B Sathe
Company Secretary

Mumbai May 2, 2014

SHEBA PROPERTIES LIMITED

Cash Flow Statement For Year Ended March 31, 2014

	2013-14	2012-13
	(₹)	(₹)
A. Cash flow from operating activities		
Profit after tax	**8,02,62,406**	6,39,70,305
Adjustments for :		
Income tax	**76,90,000**	96,00,000
Deferred tax	**93,000**	58,023
Depreciation	**37,65,317**	37,65,317
Profit on sale of investments	**(76,92,888)**	(1,57,38,426)
Reversal of provision for doubtful loans (net)	**(3,37,187)**	(4,28,836)
Liabilities written back	**(10,61,040)**	(17,05,192)
Loans and advances written off	**40,215**	2,97,681
Contingent provision against standard assets	**50,000**	2,50,000
Operating profit before working capital changes	**8,28,09,823**	6,00,68,872
Adjustments for :		
Other current and non Current assets	**(2,03,35,968)**	(9,98,71,777)
Trade payables	**-**	10,099
Other current and non current liabilities	**52,086**	(2,66,173)
Cash from operations	**6,25,25,941**	(4,00,58,979)
Direct taxes paid (net)	**(80,83,325)**	(85,30,365)
Net Cash from / (used in) operating activities (A)	**5,44,42,616**	(4,85,89,344)
B Cash flow from investing activities		
Purchase of long term investment	**(3,88,16,214)**	(4,65,99,045)
Purchase of mutual fund (net)	**(2,05,16,684)**	9,72,69,604
Net cash (used in) / from investing activities (B)	**(5,93,32,898)**	5,06,70,559
C. Cash flow from financing activities		
Net cash (used in) financing activities (C)	**-**	-
Net (decrease) / Increase in cash and cash equivalents [(A)+(B)+(C)]	**(48,90,282)**	20,81,215
Cash and cash equivalents as at March 31, (opening balance)	**54,15,795**	33,34,580
Cash and cash equivalents as at March 31, (closing balance)	**5,25,513**	54,15,795

Notes :
1. Previous year figures have been regrouped wherever necessary.
2. Interest and Dividend income and interest paid has been considered as arising from operating activities in view of the nature of the company's business.

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Rupen K Bhatt
Partner

Mumbai May 2, 2014

For and on behalf of the Board of Directors

C Ramakrishnan

P D Karkaria

V B Somaiya
Manager

S H Rajadhyaksha

H K Sethna
Directors

Mahesh B Sathe
Company Secretary

Mumbai May 2, 2014

SHEBA PROPERTIES LIMITED

Notes to Financial Statements

Note 1

Significant Accounting Policies

a) Basis for preparation of accounts

The financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting and in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under section 211(3C) of the Companies Act, 1956 ("The 1956 Act")(which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("The 2013 Act") in terms of Genaeral Circular 15/2013 dated 13th September 2013 of ministry of corporate affairs) and the Act 2013 as applicable. Further, the Company follows the directions issued by the Reserve Bank of India (RBI) for Non-Banking Financial Companies (NBFCs).

b) Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent liabilities as at the date of these financial statements and reported amounts of revenue and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in the current and future years.

c) Fixed Assets and Leased Assets

Fixed assets are valued at cost less depreciation. Finance lease, if any, entered into after April 01, 2001 shall be treated as loans in accordance with Accounting Standard 19 – leases.

d) Depreciation

Depreciation on assets other than those given on lease is provided on the basis of straight-line method at the rates prescribed in schedule XIV to the Companies Act, 1956. Depreciation on assets leased prior to April 01, 2001 is provided over primary period of the lease on straight-line basis.

e) Investments

Long Term Investments are stated at cost less provision to recognize a decline, other than temporary, in the value of such investments. Current investments are stated at lower of cost and fair value.

f) Income

Dividend income is recognized as revenue once the right to receive the same is established. Interest income is recognized on time proportion basis.

g) Interest Income on Loan Transactions

(i) Interest income on loan contracts is accounted on accrual basis except that no interest income is recognized on Non-Performing Assets as per the Prudential Norms for income recognition issued by the RBI for NBFCs. Interest income on such assets is recognized when received.

(ii) The Company being a Non-Banking Financial Company follows the Prudential norms issued by the RBI for provisioning on Non Performing Assets. In addition to the provisioning as per RBI norms, the Company also fully provides for total receivables, where any instalments are due for a period exceeding 11 months less estimated value of repossessed vehicles.

h) Tax on Income

(i) Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of Income-tax Act, 1961.

(ii) Deferred tax is recognized, on timing differences, being difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

i) Liabilities and contingent liabilities

The company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

SHEBA PROPERTIES LIMITED

Notes to Financial Statements

2. Share capital

	As at March 31, 2014	As at March 31, 2013
	(₹)	(₹)
a. Authorised:		
75,00,000 (As at March 31, 2013 : 75,00,000) Equity Shares of ₹ 100 each.	**75,00,00,000**	75,00,00,000
	75,00,00,000	75,00,00,000
b. Issued, subscribed and fully paid:		
75,00,000 (as at March 31, 2013 : 75,00,000) Equity Shares of ₹ 100 each.	**75,00,00,000**	75,00,00,000
	75,00,00,000	75,00,00,000

c. Terms / rights attached to the equity shares :
The Company has only one class of equity shares having a par value of ₹ 100 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees as proposed by the Board of Directors.
In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

d. Shares in the company held by each shareholder holding more than 5 % shares
All shares are held by Tata Motors Limited, the Holding Company, and its nominees.

3. Reserves and surplus

	As at March 31, 2013	Additions	Deductions	As at March 31, 2014
	(₹)	**(₹)**	**(₹)**	**(₹)**
(a) Capital redemption reserve	**1,800**	-	-	**1,800**
	1,800	-	-	1,800
(b) Special reserve (see note (i) below)	**52,78,31,772**	**1,60,52,481**	-	**54,38,84,253**
	51,50,37,711	1,27,94,061	-	52,78,31,772
(c) General reserve	**17,85,58,875**	**-**	-	**17,85,58,875**
	17,85,58,875	-	-	17,85,58,875
(d) Surplus in profit and loss statement (see note (ii) below)	**20,72,10,982**	**8,02,62,406**	**1,60,52,481**	**27,14,20,907**
	15,60,34,738	6,39,70,305	1,27,94,061	20,72,10,982
	91,36,03,429	**9,63,14,887**	**1,60,52,481**	**99,38,65,835**
	84,96,33,124	7,67,64,366	1,27,94,061	91,36,03,429

Note (i)
Special reserve of ₹ 54,38,84,253 (as at March 31,2013 ₹ 52,78,31,772) represents reserve created pursuant to the Reserve Bank of India (Amendment) Ordinance, 1997, under Section 45-IC of the Reserve Bank of India Act, 1934. The amount transferred to the special reserve is equivalent to 20% of profit after tax for the year.

Note (ii)
Changes in surplus in pofit and loss statement

	2013-14		2012-13	
	(₹)		(₹)	
	Additions	**Deductions**	**Additions**	**Deductions**
Profit for the year	8,02,62,406		6,39,70,305	
Transfer to special reserve		1,60,52,481		1,27,94,061

4. Other long term liabilities

	As at March 31, 2014	As at March 31, 2013
	(₹)	(₹)
Others		
Security deposit [See Note 24(b)]	**2,35,00,000**	2,35,00,000
	2,35,00,000	2,35,00,000

5. Trade payable

	As at March 31, 2014	As at March 31, 2013
	(₹)	(₹)
Trade payables	**-**	4,20,985
	-	4,20,985

Note : Based on the information available with the Management, the Company does not owe any sum to micro, small and medium enterprises. This has been relied upon by the Auditors.

6. Other current liabilities

	As at March 31, 2014	As at March 31, 2013
	(₹)	(₹)
Statutory dues	**21,911**	3,424
Provision for interest on service tax	**15,00,000**	15,00,000
Others	**2,84,718**	9,49,697
	18,06,629	24,53,121

7. Short term provisions

	As at March 31, 2014	As at March 31, 2013
	(₹)	(₹)
Provision for taxation (net of advance tax)	**58,37,475**	58,37,475
Contingent provision against standard assets (see note below)	**6,82,500**	6,32,500
	65,19,975	64,69,975

Note : Contingent provision against standard assets

The Reserve Bank of India issued Notification No. RBI/2010-11/370 DNBS.PD.CC.No.207/03.02.002/2010-11 dated January 17, 2011 requiring all NBFCs to make a general provision at 0.25 per cent of the outstanding standard assets. The contingent provision against standard assets for the Company as at March 31, 2014 is ₹ 6,82,500 (as at March 31,2013 ₹ 6,32,500).

SHEBA PROPERTIES LIMITED

Notes to Financial Statements

8. Fixed assets

I. Tangible assets

Particulars	Gross Block				Accumulated Depreciation				Net Block
	Opening Balance as at April 01, 2013	Additions	Disposals	Closing Balance as at March 31, 2014	Opening Balance as at April 01, 2013	Depreciation for the year	Disposals	Closing Balance as at March 31, 2014	**As at March 31, 2014**
	(₹)	**(₹)**	**(₹)**	**(₹)**	**(₹)**	**(₹)**	**(₹)**	**(₹)**	**(₹)**
Assets given on lease									
1. Building	**7,53,06,340**	**-**	**-**	**7,53,06,340**	**1,93,29,369**	**37,65,317**	**-**	**2,30,94,686**	**5,22,11,654**
(see note 1 below)	7,53,06,340	-	-	7,53,06,340	1,55,64,052	37,65,317	-	1,93,29,369	5,59,76,971
2. Plant and equipments	**3,15,06,100**	**-**	**-**	**3,15,06,100**	**3,15,06,100**	**-**	**-**	**3,15,06,100**	**-**
	3,15,06,100	-	-	3,15,06,100	3,15,06,098	-	-	3,15,06,098	*2*
Total	**10,68,12,440**	**-**	**-**	**10,68,12,440**	**5,08,35,469**	**37,65,317**	**-**	**5,46,00,786**	**5,22,11,654**
	10,68,12,440	-	-	10,68,12,440	4,70,70,150	37,65,317	-	5,08,35,467	5,59,76,973

Note :

1. Building includes :
   (a) ₹ 500 (as at March 31, 2013: ₹ 500) being value of investment in 10 shares of ₹ 50 each in the Pallonji Mansion Co-operative Housing Society Limited.
   (b) Residential Flat of ₹ 6,69,97,700 (as at March 31, 2013 ₹ 6,69,97,700).

9. Non current investments

Number	Face Value per unit (₹)		Description	Market Value as at March 31, 2014 (₹)	Market Value as at March 31, 2013 (₹)	Cost as at March 31, 2014 (₹)	Cost as at March 31, 2013 (₹)
		(1)	**Trade Investments (at Cost)**				
			Fully paid Ordinary / Equity shares (unquoted)				
42,00,000	10		Taj Air Limited			**4,20,00,000**	4,20,00,000
			Total (1)			**4,20,00,000**	4,20,00,000
		(2)	**Other investments (at Cost)**				
		(A)	**Investment in Equity instruments**				
		(a)	**Fully Paid Ordinary / Equity shares (quoted)**				
			Others				
4,91,542	10		Tata Steel Limited	**19,35,93,817**	15,35,08,567	**16,61,53,157**	16,61,53,157
10,060	10		Tata Chemicals Limited	**28,85,711**	32,43,344	**24,11,627**	24,11,627
8,000	1		Tata Power Limited	**6,78,400**	7,71,200	**91,600**	91,600
95,460	10		ICICI Bank Limited	**11,88,90,657**	9,97,89,111	**5,01,16,500**	5,01,16,500
1,15,233	10		Bank of Baroda	**8,31,23,325**	7,81,04,927	**2,55,81,726**	2,55,81,726
6,24,995	10		Cairn India Limited	**20,79,98,336**	17,00,92,389	**9,99,99,200**	9,99,99,200
12,208	10		Power Finance Corporation Limited	**23,61,027**	22,15,752	**10,37,680**	10,37,680
24,379	10		Central Bank of India	**12,18,950**	16,30,955	**24,95,800**	24,95,800
63,243	10		Power Grid Corporation of India Limited	**66,43,677**	67,00,596	**47,61,782**	47,61,782
3,715	2		Adani Ports And Special Economic Zone Limited	**6,96,563**	5,15,456	**3,26,920**	3,26,920
50,736	10		NHPC Limited	**9,69,058**	10,09,646	**18,26,495**	18,26,495
2,48,752	10		NTPC Limited	**2,98,37,802**	3,53,22,784	**4,99,99,152**	4,99,99,152
2,28,369	1		NMDC Limited	**3,18,46,057**	3,14,12,156	**6,16,80,120**	6,16,80,120
40,358	10		Coal India Limited	**1,16,19,068**	1,24,76,676	**1,23,12,992**	1,23,12,992
1,892	10		MOIL Limited	**4,74,797**	4,19,929	**7,09,500**	7,09,500
8,805	2		L&T Limited (2935 bonus shares received in the ratio of 1:2 on 5870 share)	**1,12,05,683**	80,11,963	**90,30,450**	90,30,450
48,315	10		Automobile Corporation of Goa Limited	**1,23,83,135**	1,09,16,774	**1,40,81,231**	1,40,81,231
1,71,000	5		Oil and Natural Gas Corporation Limited	**5,44,97,700**	5,32,75,050	**4,97,06,686**	4,97,06,686
			Sub Total (a)	**77,09,23,763**	66,94,17,275	**55,23,22,618**	55,23,22,618
		(b)	**Fully paid Ordinary / Equity shares (unquoted)**				
			Fellow subsidiaries				
8,11,992	10		Tata Technologies Limited			**19,12,97,472**	19,12,97,472
			Others				
19,350	1000		Tata International Limited			**15,55,60,000**	15,55,60,000
9,93,753	100		Tata Industries Limited			**20,49,99,980**	20,49,99,980
2,50,000	10		Tata Hitachi Construction Machinery Company Limited (Formally known as Telco Construction Equipments Company Limited name changed w.e.f November 23, 2012)			**70,00,000**	70,00,000
			Sub Total (b)			**55,88,57,452**	55,88,57,452
			Total (A)			**111,11,80,070**	111,11,80,070
		(B)	**Investment in Preference shares**				
			Fully Paid Non - Cumulative Redeemable Preference shares (unquoted)				
			Others				
2,00,000	100		6% Tata Precision Industries (India) Limited			**2,00,00,000**	2,00,00,000
			Fully Paid Cumulative Redeemable Non Participating Preference shares (unquoted)				
			Others				
6,665	1000		12.5% Tata Capital Limited			**99,97,500**	99,97,500
			Total (B)			**2,99,97,500**	2,99,97,500
		(C)	**Investment in trusts securities (Partly paid)**				
			Others				
1,50,00,000	10		SBI Macquarie Infrastructure Trust (Partly paid upto ₹ 7.7951 per unit) (Refer Note 22(B))			**11,69,27,107**	7,81,10,893
			Total (C)			**11,69,27,107**	7,81,10,893
		(D)	**Investments in Debentures and Bonds**				
			Fully Paid Secured Redeemable Non - Convertible Debentures (unquoted)				
			Others				
			9% Tata Precision Industries (India) Limited			-	3,50,00,000
			Total (D)			**-**	3,50,00,000
			Total (2) = (A+B+C+D)			**125,81,04,677**	125,42,88,463
			Less : Provision for diminution in value of long term investments			**3,50,00,000**	3,50,00,000
		(E)	**Advance towards Investments**				
			Tata Precision Industries (India) Limited (non convertible debentures)			**3,00,00,000**	-
			Total			**129,51,04,677**	126,12,88,463

	2013-14 (₹)	2012-13 (₹)
Book Value of Quoted Investments	**55,23,22,618**	55,23,22,618
Market Value of Quoted Investments	**77,09,23,763**	66,94,17,275
Book Value of Un-Quoted Investments	**74,27,82,059**	70,89,65,845

10. Deferred tax assets (net)

	As at March 31, 2014	As at March 31, 2013
	(₹)	(₹)
Provision for doubtful loans	**36,23,676**	37,32,898
Provision for standard assets	**2,21,437**	2,05,215
	38,45,113	39,38,113

11. Long term loans and advances

	As at March 31, 2014	As at March 31, 2013
	(₹)	(₹)
Advance payment against taxes (net of provisions)	**2,28,13,147**	2,24,19,822
	2,28,13,147	2,24,19,822

12. Current investments

Number	Face value per unit	Description	Cost as at March 31, 2014	Cost as at March 31, 2013
	(₹)		**(₹)**	(₹)
		Investments in mutual funds - Unquoted (At cost or fair Value whichever is lower)		
		Birla Sun Life Mutual Fund :		
1,03,121.914	100	Birla Sunlife Savings Fund Instl.- Growth	**2,18,02,089**	2,18,02,089
40,026.4240	100	Birla Sunlife Cash Plus-Growth	**82,12,985**	-
		Kotak Mutual Fund :		
-	-	Kotak Floater Short Term - Growth	-	43,00,000
		Tata Mutual Fund :		
1,503.810	1000	Tata Money Market Fund Plan A- Growth	**30,08,191**	-
		UTI Mutual Fund :		
-	-	UTI Money Market Fund -Instl. Growth	-	18,73,431
10,709.494	1000	UTI Floting Rate Fund - Short Term Plan -Growth	**2,00,26,365**	2,00,26,365
		Franklin Tempelton Mutual Fund :		
12,27,739.881	10	Tempelton India Ultra Short Bond Fund Super Institutional Plan - Growth	**1,80,00,000**	1,80,00,000
		J.P. Morgan Asset Management :		
3,66,642.8349	10	Jpmorgan India Liquid Fund Super Institutional Growth	**60,00,000**	82,00,000
		HDFC Mutual Fund :		
-	-	HDFC Floating Rate Income Fund- Short Term Plan- Direct Plan-Wholesale Option- Growth	-	2,00,00,000
16,90,037.959	10	HDFC Liquid Fund Growth	**4,13,61,829**	-
		SBI Mutual Fund :		
2,028.913	1000	SBI Premier Liquid fund - Regular Plan - Growth	**40,00,000**	-
			12,24,11,459	9,42,01,885

13. Cash and bank balances

	As at March 31, 2014	As at March 31, 2013
	(₹)	(₹)
Cash and cash equivalents		
(a) Current accounts with banks	**5,25,513**	4,15,795
(b) Fixed deposit with bank upto three months maturity	**-**	50,00,000
	5,25,513	54,15,795

14. Short term loans and advances

	As at March 31, 2014	As at March 31, 2013
	(₹)	(₹)
(a) Fellow subsidiaries		
Unsecured - considered good		
Inter Corporate Deposits	**27,00,00,000**	25,00,00,000
Total (a)	**27,00,00,000**	25,00,00,000
(b) Others		
(1) Secured		
Vehicle loans		
Considered good	**-**	**-**
Considered doubtful	**1,11,68,124**	1,15,05,311
	1,11,68,124	1,15,05,311
Less: Provision for doubtful loans	**1,11,68,124**	1,15,05,311
	-	-
Note : Vehicle loans are secured against hypothecation of the underlying vehicle.		
(2) Unsecured - considered good		
Inter Corporate Deposits	**30,00,000**	30,00,000
Deposits with government, public bodies and others	**54,126**	2,05,501
Total (b)	**30,54,126**	32,05,501
Total (a+b)	**27,30,54,126**	25,32,05,501

15. Other current assets

	As at March 31, 2014	As at March 31, 2013
	(₹)	(₹)
Interest accrued on :		
Bank deposits	**-**	958
Dividend receivable	**7,26,750**	-
Receivable on redemption of redemable non convertiable debentures	**50,00,000**	**-**
	57,26,750	958

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16. Revenue from operations

	2013-14	2012-13
	(₹)	(₹)
Interest and other operational income		
(a) Income from loan transactions (See Note (i) below)	**90,881**	2,77,321
(b) Dividend income(See Note (ii) below)	**4,99,14,883**	3,17,66,575
(c) Profit on sale of investments (See Note (iii) below)	**76,96,884**	1,57,38,426
(d) Interest income (See note (iv) below)	**2,49,78,590**	1,94,93,622
(e) Income from Flying Hours	**1,96,78,010**	1,96,78,010
(f) Provision for doubtful loans written back	**3,37,187**	4,28,836
	10,26,96,435	8,73,82,790

Notes :

	2013-14	2012-13
	(₹)	(₹)
(i) Income from loan transactions include :		
(a) Interest income from loan contracts	**12,551**	3,839
(b) Late payment charges income from loan contracts	**77,743**	2,72,467
(ii) Dividend income from :		
(a) Long term investments	**4,99,14,883**	3,17,66,575
(iii) Profit on sale of investments include :		
(a) Profit on sale of current Investments	**76,96,884**	1,57,38,426
(iv) Interest income includes :		
(a) Interest income from Inter Corporate Deposits	**2,18,28,591**	1,63,43,622
(b) Interest Income on Long Term Investments	**31,49,999**	31,50,000
	8,26,80,651	6,72,74,929

17. Other income

	2013-14	2012-13
	(₹)	(₹)
(a) Rent income	**8,71,800**	8,64,958
(b) Interest income on fixed deposit / Application Money	**60,833**	28,140
(c) Liabilities written back	**10,61,040**	17,05,192
(d) Miscellaneous Income	**5,910**	14,242
(e) Interest income on refund of Income tax	**-**	78,637
	19,99,583	26,91,169

18. Finance costs

	2013-14	2012-13
	(₹)	(₹)
Interest expense on Inter Corporate Deposit	**-**	11,794
	-	11,794

19. Other expenses

	2013-14	2012-13
	(₹)	(₹)
(a) Expenses on flying hours	**1,13,78,580**	1,13,78,580
(b) Payment to auditors (see note below)	**5,31,500**	4,63,374
(c) Professional fees	**2,250**	-
(c) Provision against standard assets	**50,000**	2,50,000
(d) Loans and advances written off	**40,215**	2,97,681
(e) Reversal of service tax credit	**7,68,690**	30,616
(f) Miscellaneous expenses	**1,14,060**	2,48,269
	1,28,85,295	1,26,68,520

Note :

Payment to auditors for

	2013-14	2012-13
	(₹)	(₹)
- Audit	**3,75,000**	3,00,000
- Tax audit	**75,000**	75,000
- Other services	**81,500**	81,500
- Out of pocket expenses	**-**	6,874
	5,31,500	4,63,374

20. Current tax

	2013-14 (₹)	2012-13 (₹)
Current tax	**1,36,08,000**	1,66,74,467
Less : MAT credit entitlement	**(59,18,000)**	(70,74,467)
Current tax (net of credit for Minimum Alternate Tax)	**76,90,000**	96,00,000

21. Earnings per share

		2013-14 (₹)	2012-13 (₹)
(a)	Profit after tax…… ₹	**8,02,62,406**	6,39,70,305
(b)	The weighted average number of shares for Basic and Diluted EPS …… Nos.	**75,00,000**	75,00,000
(c)	The nominal value per share …… ₹	**100**	100
(d)	Earnings per share (Basic and Diluted) …… ₹	**10.70**	8.53

	2013-14 (₹)	2012-13 (₹)
22. (A) Contingent liabilities and commitments (to the extent not provided for) :		
(i) Income tax in respect of matters :		
(a) Decided in the Company's favour by the Appellate authority in respect of which the Department is in further appeal.		-
(a) Pending before the Appellate authority in respect of which the Company is in appeal.	**52,87,016**	20,18,814

(ii) Income-tax on long term capital gains arising on sale of equity shares during the year ended March 31, 2008 in Tata Steel Limited to the Holding company, Tata Motors Limited, estimated at ₹ 1,05,25,000 as the corresponding income had been claimed as exempt under section 47(v) read with section 47A of the Income-tax Act, 1956; but would be taxable if the holding company does not continue to hold its shareholding in the company for at least a further period of eight years from the date of sale (now two years), as stipulated in the said section.

	2013-14 (₹)	2012-13 (₹)
(B) Commitment to invest in SBI Macquarie Infrastructure Trust	**3,30,72,893**	7,18,89,107

23. The Company is a non-deposit taking Non-Banking Financial Company engaged mainly in Investment activities operating primarily in India. This in the context of Accounting Standard 17 on segment reporting, as specified in the Companies (Accounting Standards) Rules, 2006 is considered to constitute one single primary segment. Further there is no reportable secondary segment i.e Geographical Segment.

24. Related Party disclosures:

(a) Related parties and their relationship

(i) Holding Company
- Tata Motors Limited

(ii) Fellow Subsidiaries, with whom there are transactions
- Concord Motors India Limited
- Tata Marcoplo Motors Limited
- Tata Technologies Limited
- Tata Motors Insurance Broking and Advisory Limitec

(b) Transactions with related parties

(₹)
2013-14

Nature of Relationship	**Holding Company**	**Fellow Subsidiaries**			
	Tata Motors Limited	**Concord Motors India Limited**	**Tata Marcoplo Motors Limited**	**Tata Motors Insurance Broking and Advisory Limited**	**Tata Technologies Limited**
Particulars					
Income from aircraft transactions	**1,96,78,010**	**-**	**-**	**-**	**-**
	1,96,78,010	-	-	-	-
Interest income on Inter Corporate Deposit given	**-**	**1,05,05,480**	**1,09,88,628**	**-**	**-**
	-	*1,13,37,124*	*38,83,562*	*7,92,936*	-
Interest expense on Inter Corporate Deposit taken	**-**	**-**	**-**	**-**	**-**
	11,794	-	-	-	-
Inter Corporate Deposits given	**-**	**-**	**16,00,00,000**	**-**	**-**
	-	*5,00,00,000*	*15,00,00,000*	*5,15,00,000*	-
Inter Corporate Deposits recovered	**-**	**-**	**14,00,00,000**	**-**	**-**
	-	*10,00,00,000*	-	*5,15,00,000*	-
Inter Corporate Deposits taken	**-**	**-**	**-**	**-**	**-**
	1,10,00,000	-	-	-	-
Inter Corporate Deposits refunded	**-**	**-**	**-**	**-**	**-**
	1,10,00,000	-	-	-	-
Rent income	**8,71,800**	**-**	**-**	**-**	**-**
	8,64,958	-	-	-	-
Dividend Income	**-**	**-**	**-**	**-**	**2,27,35,776**
	-	-	-	-	*1,29,91,872*
Payables :					
Security Deposit towards Residential Flat	**2,35,00,000**	**-**	**-**	**-**	**-**
	2,35,00,000	-	-	-	-
Receivables :					
Inter Corporate Deposits	-	**10,00,00,000**	**17,00,00,000**	-	-
	-	*10,00,00,000*	*15,00,00,000*	-	-

Note: Figures in *Italics* pertains to previous year

25. Capital Risk Adequacy Ratio (CRAR)	**As At March 31, 2014**	As At March 31, 2013
(i) CRAR %	**97.86**	96.59
(ii) CRAR - Tier I Capital (%)	**97.81**	96.54
(iii) CRAR - Tier II Capital (%)	**0.05**	0.05

26. Exposure to real estate sector

The Company does not have any exposure to the real estate sector.

27. Maturity pattern of certain items of assets and liabilities

(₹)

	1 day to 30/31 days (one month)	**Over one month to two months**	**Over two months to three months**	**Over three months to six months**	**Over six months to one year**	**Over one year to three years**	**Over three years to five years**	**Over five years**	**Total**
Liabilities									
Borrowings from Bank	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Market Borrowings	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Assets									
Advances	**28,41,68,124**	**-**	**-**	**-**	**54,126**	**2,28,13,147**	**-**	**-**	**30,70,35,397**
	25,30,00,000	-	*1,15,05,311*	-	*2,05,501*	*2,24,19,822*	-	-	*28,71,30,634*
Investments	**12,24,11,459**	**-**	**-**	**-**	**-**	**3,00,00,000**	**-**	**126,51,04,677**	**141,75,16,136**
	9,42,01,885	-	-	-	*3,50,00,000*	-	-	*122,62,88,463*	*135,54,90,348*

Note:

1. Advances are reported gross of provision for non performing assets.
2. Figures in *Italics* pertains to previous year.

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

C Ramakrishnan

P D Karkaria

S H Rajadhyaksha

H K Sethna
Directors

Mahesh B Sathe
Company Secretary

V B Somaiya
Manager

SHEBA PROPERTIES LIMITED

Schedule to the Balance Sheet of Non Deposit taking Financial Company

(as required in items of paragraph 13 of Non Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007)

₹ in Lakh

Particulars				
Liabilities Side :			**Amount Outstanding**	**Amount Overdue**
(1)		**Loans ans advances availed by the non - banking financial company inclusive of interest accrued thereon but not paid :**		
	(a)	Debentures : Secured	-	-
		Unsecured	-	-
		(other than falling within the meaning of public deposits)		
	(b)	Deferred Credits	-	-
	(c)	Term Loans	-	-
	(d)	Inter Corporate Loans and borrowing	-	-
	(e)	Commercial Paper	-	-
	(f)	Other Loans (specify nature)	-	-

Asset Side :	**Amount Outstanding**
(2) Break up of Loans and Advances including bills receivables [other than those included in (4) below]	
(a) Secured	-
(b) Unsecured	2,958.67
(3) Break up of Leased Assets and Stock on hire and other assets counting towards AFC activities	
(i) Lease assets including lease rentals under sundry debtors	
(a) Financial Lease	-
(b) Operating Lease	-
(ii) Stock on hire including hire charges under sundry debtors :	
(a) Assets on hire	-
(b) Repossessed Assets	-
(iii) Other Loans counting towards AFC activities	
(a) Loans where assets have been repossessed	-
(b) Loans other than (a) above	-
(4) Break - up of Investments	
Current Investments	
1. Quoted :	
(i) shares : (a) Equity	-
(b) Prefrence	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (please specify)	-
2. Unquoted	
(i) shares : (a) Equity	-
(b) Prefrence	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	1,224.11
(iv) Government Securities	-
(v) Others (please specify)	-
Long Term Investments (See Note 1)	
1. Quoted :	
(i) shares : (a) Equity	5,523.23
(b) Prefrence	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (please specify)	-
2. Unquoted	
(i) shares : (a) Equity	6,008.57
(b) Prefrence	299.98
(ii) Debentures and Bonds (see note 2)	300.00
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others - Investment in Trust Securities (Investment in SBI Macquire Infrastructure Trust)	1,169.27

(5) Borrower group-wise classification of assets financed as in (2) and (3) above :

	Category	Amounts net of provisiopns		
		Secured	Unsecured	Total
1.	Related Parties			
(a)	Subsidiaries	-	-	-
(b)	Companies in the same group	-	2,700.00	2,700.00
(c)	Other related parties	-	-	-
2.	Other than related parties	-	258.67	258.67
	Total	-	2,958.67	2,958.67

(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :

	Category	Market Value / Break up of fair value or NAV	Book Value (net of Provisions)
1.	Related Parties		
(a)	Subsidiaries	-	-
(b)	Companies in the same group	1,912.97	1,912.97
(c)	Other related parties	-	-
2.	Other than related parties (In case of unquoted investments in shares the break up / fair value / NAV is the Book Value.)	14,598.63	12,262.19
	Total	16,511.60	14,175.16

(7) Other Information

	Particulars	Amount
(i)	Gross Non Performing Assets	
(a)	Related Parties	-
(b)	Other than Related parties	111.68
(ii)	Net Non Performing Assets (see note 3)	-
(a)	Related Parties	-
(b)	Other than Related parties	-
(iii)	Assets acquired in satisfaction of debt	-

Notes :

1. Gross value of Long Term Investments are considered. Provision for Diminution in value of Long Term Investments of Rs. 350 Lakh is not considerec in point (4).
2. Amount disclosed under long term investments - unquoted debentures and bonds pertains to advance towards investments in non convertible debentures of Tata Precision Industries (India) Limited.
3. Net non performing assets are Nil in point (7) as non performing asstes are fully provided.

For and on behalf of the Board of Directors

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

C Ramakrishnan

Rupen K Bhatt
Partner

P D Karkaria

V B Somaiya
Manager

S H Rajadhyaksha

Mahesh B Sathe
Company Secretary

H K Sethna

Mumbai May 2, 2014

Mumbai May 2, 2014

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