

1. Please state the summarized income statement equation for the last two years from the latest given company annual report with all figures in Rs. Crores (or billions) ... Please comment within 100 words.

TATA MOTORS LIMITED		
<i>All figures are in Crores</i>		
INCOME STATEMENT	2018	2017
Revenue from Operations	₹ 2,95,409.34	₹ 2,74,492.12
Other Income	₹ 888.89	₹ 754.54
Operating Expenses	₹ 2,87,118.34	₹ 2,67,046.43
Gross Profit	₹ 9,179.89	₹ 8,200.23
Exceptional Items	-₹ 1,975.14	-₹ 1,114.56
Profit/ Loss before tax	₹ 11,155.03	₹ 9,314.79
Tax Expenses (Current + Deferred Tax)	₹ 4,341.93	₹ 3,251.23
Profit for the year from continuing operations	₹ 6,813.10	₹ 6,063.56
Share of profit for JV's and Associates (net)	₹ 2,278.26	₹ 1,493.00
Profit for the year	₹ 9,091.36	₹ 7,556.56
Other Comprehensive Income/ loss (net of tax)	₹ 29,562.51	-₹ 27,494.57
Total Comprehensive Income/ Loss (net of tax)	₹ 38,653.87	-₹ 19,938.01
EARNINGS PER EQUITY SHARE (EPS)		
Ordinary shares (face value of ₹2 each)		
Basic EPS	₹ 26.46	₹ 21.94
Diluted EPS	₹ 26.45	₹ 21.93
A' Ordinary shares (face value of ₹2 each)		
Basic EPS	₹ 26.56	₹ 22.04
Diluted EPS	₹ 26.55	₹ 22.03

Above Income statement provides yearly performance information and it show sales revenue from operations, net income and earnings per share.

In 2017, TML had reported loss in remeasurement and on defined benefit obligations, exchange differences in translating foreign operations and cash flow hedges under other comprehensive income/ loss item. Resulting in total comprehensive loss for the period. However, TML had reported huge gains under all the above mentioned items which had resulted in overall positive net comprehensive income in 2018.

2. Mention five biggest items as part of the “sales / revenue / income” and “expenses / dividends / deductions” (along with their proportions) as mentioned in the annual report (to the extent available) for last two years ... Please give your comments within 200 words

TATA MOTORS LIMITED					
All figures are in Crores	2018	2017	% Proportion		Comments
			2018	2017	
Revenue from Operations	₹ 2,95,409	₹ 2,74,492	99.70%	99.73%	Total revenue = ₹296298.23 (2018) & 275246.66 (2017) respectively. Revenue from operations share is consistent in 2018 & 2017.
Operating Expenses:					Total Operating Expenses = ₹287118.34 (2018) ₹267046.43 (2017)
Expenses - Cost of materials consumed	₹ 1,73,371	₹ 1,60,147	60.38%	59.97%	Respective proportions for all the mentioned items are consistent when compared between year 2018 & 2017.
Other Expenses	₹ 60,184	₹ 55,430	20.96%	20.76%	
Employee Benefit Expense	₹ 30,300	₹ 28,333	10.55%	10.61%	
Amount Capitalised	₹ 18,588	₹ 16,877	₹ 0.06	₹ 0.06	
Other Comprehensive Income/ loss (net of tax)					Total income/ loss = ₹29562.51 (2018, income) & ₹27494.57 (2017, loss)
Gains/ Losses in Cash Flow Hedges	₹ 18,070	₹ 15,566	61.12%	56.61%	Gains in 2018 and loss in 2017
Income/ Gains					
Expenses/ Loss					

3. Referring to the format given to you, mention one item that is missing and mention one item that you have found interesting in the income statement. Elaborate within 100 words.

Missing Item:

- TML's income statement is more elaborate than the ones presented in our class sessions. I could not find any missing item here.

Interesting Item:

- Gains / Losses in cash flow hedges: A hedge is a financial instrument that mitigates risk. Cash flow hedge protects against adverse changes in cash flows. A hedge is effective when it completely offsets the adverse cash flow.