

1. Please state the summarized balance sheet equation for the last two years with all figures in Rs. Million or Crores ... Please comment within 50 words

Assets = Liabilities + Owner’s Equity

Year	Assets	Liabilities	OE's
2018	₹ 3,31,351	₹ 2,35,398	₹ 95,953
2017	₹ 2,73,754	₹ 2,15,239	₹ 58,515

All figures are in Crores

Assets:

- 21% increase in assets in 2018 vs 2017
- Improvement in both non-current (property/ plant, capital WIP, intangible, finance receivables) and current assets (inventories, trade receivables etc)
- However, inventory to total asset ratio is maintained at 12.8% in both the years

Liabilities:

- Positive sign as liabilities are only up by 9.4% for 21% increase in assets in 2018

Owner’s Equity:

- Enormous increase of 64% in OE in 2018 vs 2017

2. Mention the four biggest items as part of the “total assets” and the “total liabilities and equity side” (along with their proportions) as mentioned in the annual report (to the extent available) ... Please give your comments within 200 words

All the data provided below are for 2018.

Owner’s Equity:

- Equity attributable to owners (28.8%) - This is the biggest item observed in TML’s balancesheet. It has increased 64% in value over 2017 figure and this indicate massive growth in owner’s share capital, reserves and surplus.

Assets:

- Property, Plant & Equipment (22.3%) – Rank#2 in this Balance Sheet (BS) and these are also called as tangible fixed assets which are relatively long-lived items owned by TML. Observed an increase of ~24% in 2018 vs 2017.

Liabilities:

- Current, Trade payables (21.7%) – Rank #3 in this BS and this is the result of acquisition of goods, services on credit.
- Non-current, Financial borrowings (18.5%) – This is a long term borrowing by TML that will be paid after a year. This include both secured and unsecured loans.

3. Referring to the format shared with you in the class on Balance Sheet, mention one item that is probably missing and mention one item that you have found interesting in the balance sheet. Please give your comments within 50 words.

Missing Item:

- TML’s balance sheet is more elaborate than the ones presented in our class sessions. I could not find any missing item here.

Interesting Item:

- Goodwill under Non-current assets - Goodwill arises when a company acquires another entire business. The amount of goodwill is the cost to purchase the business minus the fair market value of the tangible assets, the intangible assets that can be identified, and the liabilities obtained in the purchase. Goodwill is an intangible asset and represents brand name and reputation.

TML Balance Sheet: Summary prepared from original TML's Balance Sheet

TATA MOTORS LIMITED					
<i>All figures are in Crores</i>	2018	2017	<i>All figures are in Crores</i>	2016	2017
ASSETS			LIABILITIES		
NON-CURRENT ASSETS			NON-CURRENT LIABILITIES		
Property, plant and equipment	₹ 73,868	₹ 59,595	Financial liabilities		
Capital work-in-progress	₹ 16,143	₹ 10,187	Borrowings	₹ 61,200	₹ 60,629
Goodwill	₹ 116	₹ 673	Other financial liabilities	₹ 2,739	₹ 11,410
Other Intangible assets	₹ 47,430	₹ 35,676	Provisions	₹ 10,948	₹ 9,004
Intangible assets under development	₹ 23,891	₹ 23,512	Deferred tax liabilities (net)	₹ 6,126	₹ 1,174
Investments in equity accounted investees	₹ 4,888	₹ 4,606	Other non-current liabilities	₹ 11,165	₹ 17,393
Financial assets				₹ 92,178	₹ 99,610
Other investments	₹ 764	₹ 691			
Finance receivables	₹ 15,480	₹ 10,753	CURRENT LIABILITIES		
Loans & advances	₹ 495	₹ 754	Financial liabilities		
Other financial assets	₹ 4,564	₹ 2,911	Borrowings	₹ 16,795	₹ 13,860
Deferred tax assets	₹ 4,159	₹ 4,457	Trade payables	₹ 72,038	₹ 57,698
Non-current assets	₹ 900	₹ 972	Acceptances	₹ 4,901	₹ 4,834
Other non-current assets	₹ 2,681	₹ 2,847	Other financial liabilities	₹ 31,267	₹ 25,635
	₹ 1,95,378	₹ 1,57,635	Provisions	₹ 7,954	₹ 5,808
			Current tax liabilities (net)	₹ 1,559	₹ 1,393
CURRENT ASSETS			Liabilities directly associated with Assets held-for-sale	₹ 1,070	₹ 0
Inventories	₹ 42,138	₹ 35,085	Other current liabilities	₹ 7,635	₹ 6,402
Investments in equity accounted investees (held for sale)	₹ 497	₹ 0		₹ 1,43,219	₹ 1,15,630
Financial assets				₹ 2,35,398	₹ 2,15,239
Other investments	₹ 14,664	₹ 15,041			
Trade receivables	₹ 19,893	₹ 14,076	EQUITY		
Cash & cash equivalents	₹ 14,717	₹ 13,987	Equity share capital	₹ 679	₹ 679
Bank balances other than cash (above)	₹ 19,897	₹ 22,091	Other equity (include other comprehensive income)	₹ 94,749	₹ 57,383
Finance receivables	₹ 8,402	₹ 6,810			
Loans & advances	₹ 2,280	₹ 710	Equity attributable to owners of TATA Motors Limited	₹ 95,428	₹ 58,062
Other financial assets	₹ 3,029	₹ 1,556	Non-controlling interests	₹ 525	₹ 453
Current tax assets (net)	₹ 209	₹ 223		₹ 95,953	₹ 58,515
Assets classified as held-for-sale	₹ 2,585	₹ 0			
Other current assets	₹ 7,662	₹ 6,540			
	₹ 1,35,973	₹ 1,16,120			
	₹ 3,31,351	₹ 2,73,754		₹ 3,31,351	₹ 2,73,754