TATA MOTORS LTD/FI
Form 6-K
April 01, 2015

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 6-K

Report of Foreign Issuer

Pursuant to Rule 13a-16 or 15d-16 under

the Securities Exchange Act of 1934

For the Month of April 2015

Commission File Number: 001-32294

TATA MOTORS LIMITED

(Translation of registrant s name into English)

BOMBAY HOUSE

24, HOMI MODY STREET,

MUMBAI 400 001, MAHARASHTRA, INDIA

Telephone # 91 22 6665 8282 Fax # 91 22 6665 7799

(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F x Form 40-F ¨

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Yes ¨ No x

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Yes ¨ No x

Indicate by check mark whether by furnishing the information contained in this Form, the Registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934:

Yes ¨ No x

If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g 3-2(b): Not Applicable

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorised.

Tata Motors Limited
By: /s/ Hoshang K Sethna
Name: Hoshang K Sethna
Title: Company Secretary

Dated: April 1, 2015

Item 1

TATA MOTORS LIMITED Bombay House
24, Homi Mody Street,
Mumbai 400 001, Maharashtra, India

M&HCV, Passenger Cars and Exports drive growth for Tata Motors in March 2015

Mumbai, April 1, 2015: Tata Motors saw strong growth in certain key segments, as passenger cars (excluding UV's), M&HCV and Exports grew by 33%, 20% and 5%, respectively, year-on-year; with the total commercial and passenger vehicles sales (including exports) in March 2015 of 52,479 vehicles, a growth of 3% over 51,184 vehicles sold in March 2014. The company's domestic sales of Tata commercial and passenger vehicles for March 2015 were 47,044 nos., a growth of 2% over 45,996 vehicles, sold in March 2014.

Cumulative sales (including exports) for the company for FY 14-15 were 502,281 nos., lower by 11% over 566,695 vehicles, sold last year.

Passenger Vehicles

In March 2015, Tata Motors passenger vehicles recorded sales of 15,039 nos., a growth of 19%, compared to 12,640 nos., sold in March 2014.

The trend of growth in passenger vehicles continued - with the strong Zest and Bolt sales. While the sales of the passenger cars in March 2015 was 12,977 nos., higher by 33%, over March 2014, the UV sales declined by 28% at 2,062 nos., in March 2015.

Cumulative sales of all passenger vehicles in the domestic market for FY 14-15 were 134,080 nos., lower by 3%, over last year.

Commercial Vehicles

The company's sales of commercial vehicles in March 2015 in the domestic market were at 32,005 nos., lower by 4%, over March 2014. LCV sales were at 17,127 nos., a decline of 18% over March 2014, while M&HCV sales continued to show growth at 14,878 nos., higher by 20%, over March 2014.

Cumulative sales of commercial vehicles in the domestic market for FY 14-15 were 318,268 nos., lower by 16% over last year. Cumulative LCV sales was 191,210 nos., a decline of 29% over last year, while M&HCV sales were at 127,058 nos., higher by 15%, over last year.

Exports

The company's sales from exports were 5,435 nos., in March 2015, higher by 5% compared to 5,188 vehicles in March 2014. The cumulative sales from exports for FY14-15 were at 49,933 nos., remained flat, compared to last year.

About Tata Motors

Tata Motors Limited is India's largest automobile company, with consolidated revenues of INR 2,32,834 crores (USD 38.9 billion) in 2013-14. Through subsidiaries and associate companies, Tata Motors has operations in the UK, South Korea, Thailand, South Africa and Indonesia. Among them is Jaguar Land Rover, the business comprising the two iconic British brands. It also has an industrial joint venture with Fiat in India. With over 8 million Tata vehicles plying in India, Tata Motors is the country's market leader in commercial vehicles and among the top in passenger vehicles. Tata cars, buses and trucks are being marketed in several countries in Europe, Africa, the Middle East, South Asia, South East Asia, South America, CIS and Russia.

(www.tatamotors.com ; also follow us on Twitter: https://twitter.com/TataMotors)

Safe Harbor: Statements included herein may constitute "forward-looking statements". Forward-looking statements are based on expectations, forecasts and assumptions by management and involve risks, uncertainties, and other factors that may cause our actual results, performance or achievements to materially differ from those stated. We cannot be certain that any expectation, forecast or assumption made by management in preparing these forward-looking statements will prove accurate, or that any projection will be realized. More detailed information about these and other factors that could affect future results is contained in our annual reports and filings with the Securities and Exchange Commission. Our forward-looking statements pertain to the date of their initial issuance, and we do not undertake to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

; FONT-FAMILY: Times New Roman; FONT-SIZE: 10pt">The following table sets forth, for the periods indicated, the Group’s asset allocation for gratuity by asset category based on fair values.

Rupees in million

	At March 31,	
	2011	2012
Assets category		
Investment in schemes of ICICI Prudential Life Insurance Company Limited		
Group balance fund1	357.9	317.1
Group debt fund2	294.3	248.4
Group growth fund3	822.7	840.0
Group short term fund4	177.5	132.3
Group return guarantee fund5	117.9	127.7
Group Suraksha Scheme6	2,000.0	2,087.7
Total investment in schemes of ICICI Prudential Life Insurance Company Limited	3,770.3	3,753.2
Investment in scheme of Life Insurance Corporation of India	519.1	557.8
Total assets managed by external entities	4,289.4	4,311.0
Special deposit with central government	368.8	290.7
Government debt securities	334.1	238.2
Corporate debt securities	279.5	300.6
Balance with banks and others	64.1	44.7
Total	5,335.9	5,185.2

1. Objective of the scheme is to provide a balance between long-term capital appreciation and current income through investment in equity as well as fixed income instruments in appropriate proportions. At March 31, 2012, investment primarily in equity, corporate bonds and fixed deposits was 15.2%, 56.0% and 18.6% respectively.
2. Objective of the scheme is to provide accumulation of income through investment primarily in various fixed income securities. The scheme provides capital appreciation while maintaining a suitable balance between return, safety and liquidity. The fund invests in debt and money market instruments. At March 31, 2012, investment primarily in corporate bonds and fixed deposits was 67.7% and 25.1% respectively.
3. Objective of the scheme is to provide long-term capital appreciation through investments primarily in equity and equity-related instruments with a maximum investment of 60% in equity and equity-related securities and balance in debt. At March 31, 2012, investment primarily in equity, corporate bonds and fixed deposit was 53.1%, 25.5%

and 12.0% respectively.

ICICI Bank Limited and subsidiaries

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4. Objective of the scheme is to provide suitable returns through investments primarily in low risk investments in debt and money market instruments while attempting to protect the capital deployed in the fund. The fund primarily invests in debt with a maturity of less than 5 years and money market instruments. At March 31, 2012, investment primarily in corporate bonds and fixed deposits was 56.4% and 23.5% respectively.
5. At March 31, 2012, investment primarily in corporate bonds and fixed deposits was 49.2% and 35.7% respectively.
6. At March 31, 2012, investment primarily in corporate bonds, government securities and fixed deposit was 50.8%, 29.9% and 18.0% respectively.

The following table sets forth, for the periods indicated, the Group's target asset allocation for gratuity by asset category.

Description	Target asset allocation at March 31, 2012		Target asset allocation at March 31, 2013	
Funds managed by external entities	80	%	84	%
Special deposit with central government	10	%	6	%
Debt securities	8	%	8	%
Balance with banks	2	%	2	%
Total	100	%	100	%

The plan assets primarily consist of investments made in funds managed by external entities, which are primarily in equity, money market instruments and debt instruments in different proportions depending on the objective of schemes. The value of the plan assets in funds managed by ICICI Prudential Life Insurance Company Limited has been arrived at based on the net asset value per unit of individual schemes, which are considered as Level 2 input. The value of plan assets in the form of investments in scheme of LIC and special deposit with the Central Government are derived using Level 1 inputs. The value of plan assets in the form of debt securities is derived using Level 2 input.

ICICI Prudential Life Insurance Company Limited administers the plan fund and it independently determines the target allocation by asset category. The investment strategy is to invest in a prudent manner for providing benefits to the participants of the scheme. The strategies are targeted to produce a return that, when combined with the Group's contribution to the funds will maintain the fund's ability to meet all required benefit obligations. ICICI Prudential Life Insurance Company Limited functions within the regulated investment norms.

LIC administers the plan fund and it independently determines the target allocation by asset category. The selection of investments and the asset category is determined by LIC. LIC's strategy is to invest in a prudent manner to produce a return that will enable the fund to meet the required benefit obligations. LIC, which is owned by Government of India, functions within regulated investment norms.

The plan assets are mainly invested in various gratuity schemes of the insurance companies to limit the impact of individual investment. The Group's entire investment of plan assets is in India and 72.4% investment is in various gratuity schemes of ICICI Prudential Life Insurance Company Limited. Insurers managing the plan assets of the

Group consider operational risk, performance risk, credit risk and equity risk in their investment policy as part of their risk management practices.

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The following table sets forth, the benefit expected to be paid in each of the next five fiscal years and thereafter.

Rupees in million

	Amount
Expected Group contributions to the fund during the year ending March 31, 2013	295.0
Expected benefit payments from the fund during year ending March 31,	
2013	905.9
2014	800.4
2015	824.9
2016	951.2
2017	963.0
Thereafter upto ten years	4,166.9

The expected benefits are based on the same assumptions as used to measure the Group's benefit obligation at March 31, 2012.

Pension

The Group provides for pension, a deferred retirement plan covering certain employees. The plan provides for a pension payment on a monthly basis to these employees on their retirement based on the respective employee's salary and years of employment with the Group. Employees covered by the pension plan are not eligible for benefits under the provident fund plan, a defined contribution plan. The pension plan pertained to the employees of erstwhile Bank of Madura, erstwhile Sangli Bank and erstwhile Bank of Rajasthan which were acquired with effect from March 2001, April 2007 and August 2010 respectively. Erstwhile Bank of Madura, erstwhile Sangli Bank and erstwhile Bank of Rajasthan have separate pension fund that are managed in-house and the liability is funded as per the valuation arrived by the actuary. The pension payments to retired employees of erstwhile Bank of Madura, erstwhile Sangli Bank and erstwhile Bank of Rajasthan employees are being administered by ICICI Prudential Life Insurance Company, from whom the Bank has purchased master annuity policies.

The following table sets forth, for the periods indicated, the funded status of the plan and the amounts recognized in the financial statements.

Rupees in million

	Year ended March 31,	
	2011	2012
Change in benefit obligations		
Projected benefit obligations at beginning of the year	1,536.4	7,735.5
Service cost	153.2	220.0
Interest cost	448.3	687.7
Acquisition/(divestitures)	5,896.8	..
Liability extinguished on settlement	(460.0)	(2,268.7)
Benefits paid	(160.4)	(260.7)

Curtailment and settlement (gain)/loss	..	..
Actuarial (gain)/loss on obligations	321.2	2,393.5
Projected benefit obligations at the end of the year	7,735.5	8,507.3
Change in plan assets		
Fair value of plan assets at beginning of the year	1,840.0	8,467.6
Actual return on plan assets	225.7	704.4
Acquisition/(divestitures)	978.8	..
Assets distributed on settlement	(511.1)	(2,413.5)
Employer contributions	6,094.6	2,881.7
Benefits paid	(160.4)	(260.7)

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	Year ended March 31,	
	2011	2012
Plan assets at the end of the year	8,467.6	9,379.5
Funded status	732.1	872.4
Net amount recognized	732.1	872.4
Accumulated benefit obligation at year end	6,215.6	6,894.2

The following table sets forth, for the periods indicated, the components of the net pension cost.

			Rupees in million
	Year ended March 31,		
	2010	2011	2012
Service cost	39.8	153.2	220.0
Interest cost	132.0	448.3	687.7
Expected return on assets	(169.8)	(156.5)	(652.9)
Curtailment and settlement (gain)/loss	34.9	51.1	144.8
Actuarial (gain)/loss	3.8	44.0	..
Net pension cost	40.7	540.1	399.6

The discount rate for the corresponding tenure of obligations for pension is selected by reference to government security yield with a premium added to reflect the additional risk corresponding to AAA rated corporate bonds.

The following table sets forth, for the periods indicated, the weighted average assumptions used to determine net periodic benefit cost.

	Year ended March 31,		
	2010	2011	2012
Discount rate	8.7 %	8.7 %	9.1 %
Rate of increase in the compensation levels			
On basic pay	7.0 %	7.0 %	1.5 %
On dearness relief	7.0 %	7.0 %	7.0 %
Rate of return on plan assets	8.0 %	8.0 %	8.0 %
Pension increases	3.0 %	3.0 %	3.0 %

The following table sets forth, for the periods indicated, the weighted average assumptions used to determine benefit obligations.

	Year ended March 31	
	2011	2012

Discount rate	9.1	%	9.3	%
Rate of increase in the compensation levels				
On basic pay	1.5	%	1.5	%
On dearness relief	7.0	%	7.0	%
Pension increases	3.0	%	3.0	%

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Plan Assets

The Group determines its assumptions for the expected rate of return on plan assets based on the expected average long-term rate of return over the next 7 to 8 years on the types of investments prescribed as per statutory pattern of investment.

The following table sets forth, for the periods indicated, the Group's asset allocation and target asset allocation for pension by asset category based on fair values.

Rupees in million

Asset category	Fair value at March 31, 2011	Fair value at March 31, 2012	Target asset allocation at March 31, 2011	Target asset allocation at March 31, 2012
Government debt securities	841.2	805.4	10 %	9 %
Corporate debt securities	915.9	882.0	10 %	9 %
Balance with banks and others	310.4	289.1	4 %	3 %
Group Suraksha Scheme of ICICI Prudential Life Insurance Company Limited1	6,400.0	7,403.0	76 %	79 %
Total	8,467.5	9,379.5	100 %	100 %

1. At March 31, 2012 investment primarily in government securities and corporate bonds was 47.7% and 52.3% respectively.

The inputs to valuation of the government and corporate securities are derived using Level 2 inputs. The value of the plan assets in funds managed by ICICI Prudential Life Insurance Company Limited has been arrived at based on the net asset value per unit of individual schemes, which are considered as Level 2 input.

The plan assets are maintained through a fund administered and managed by a Board of Trustees for existing employees and by ICICI Prudential Life Insurance Company for retired employees. The investment strategies for the plan assets are targeted towards investment in a prudent manner and to produce a return that, when combined with the Group's contribution to the funds will maintain the fund's ability to meet all required benefit obligations.

The plan assets of the Group are mainly invested in schemes of ICICI Prudential Life Insurance Company Limited, government and corporate securities. The Group's entire investment plan assets are in India and 78.9% is in the scheme ICICI Prudential Life Insurance Company Limited. Insurers managing the plan assets of the Group consider operational risk, performance risk, credit risk and equity risk in their investment policy as part of their risk management practices. Further, the risk is sought to be reduced by investing in government securities or relatively low risk securities.

The following table sets forth, the benefit expected to be paid in each of the next five fiscal years and thereafter.

Rupees in million

	Amount
Expected Group contributions to the fund during the year ending March 31, 2013	150.0
Expected benefit payments from the fund during year ending March 31,	

2013	698.6
2014	703.1
2015	754.4
2016	791.0
2017	856.3
Thereafter upto ten years	3,688.4

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The expected benefits are based on the same assumption as used to measure the Group's benefit obligation at March 31, 2012.

Superannuation

The permanent employees of the Group are entitled to receive retirement benefits under the superannuation scheme operated by the Group. Superannuation is a defined contribution plan under which the Group contributes annually a sum equivalent to 15.0% of the employee's eligible annual salary based on the option exercised by the employees, either to LIC or ICICI Prudential Life Insurance Company, the managers of the fund, who undertake to pay the lump sum and annuity payments pursuant to the scheme. The Group contributed Rs. 89.5 million, Rs. 106.3 million and Rs. 120.4 million to the employees superannuation plan for the year ended March 31, 2010, March 31, 2011 and March 31, 2012 respectively.

Provident fund

In accordance with Indian regulations, employees of the Group (excluding those covered under the pension scheme) are entitled to receive benefits under the provident fund. These contributions are made to a fund set up by the Group and administered by a Board of Trustees. The Group has contributed Rs. 872.2 million, Rs. 1,323.6 million and Rs. 1,261.2 million to the employees' provident fund for the year ended March 31, 2010, March 31, 2011 and March 31, 2012 respectively, which includes compulsory contribution made towards employee pension scheme under Employees Provident Fund and Miscellaneous Provisions Act, 1952.

h) Earnings per share

Basic earnings per share is net income per weighted average equity shares. Diluted earnings per share reflects the effect that existing options would have on the basic earnings per share if they were to be exercised, by increasing the number of equity shares.

The basic and diluted earnings per share under U.S. GAAP differs to the extent that income under U.S. GAAP differs.

The following table sets forth, for the periods indicated, the computation of earnings per share as per U.S. GAAP.

Rupees in million, except per share data

	Year Ended March 31,					
	2010		2011		2012	
	Basic	diluted	Basic	Diluted	Basic	Diluted
Earnings						
Net income (before dilutive impact)	45,250.2	45,250.2	54,026.8	54,026.8	69,981.9	69,981.9
Contingent issuances of subsidiaries/equity affiliates	..	(125.8)	..	(80.7)	..	(83.9)
	45,250.2	45,124.4	54,026.8	53,946.1	69,981.9	69,898.0
Common stock						
	1,113.7	1,113.7	1,138.0	1,138.0	1,152.3	1,152.3

Weighted-average common stock outstanding						
Dilutive effect of employee stock options	..	4.5	..	4.2	..	3.0
Total	1,113.7	1,118.2	1,138.0	1,142.2	1,152.3	1,155.3
Earnings per share						
Net income (Rs.)	40.63	40.35	47.48	47.23	60.73	60.50

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i) Income taxes

Components of deferred tax balances

The following table sets forth, for the periods indicated, components of the deferred tax balances.

	Rupees in million	
	At March 31,	
	2011	2012
Deferred tax assets		
Allowance for loan losses	35,400.0	32,449.9
Available for sale securities	5,900.5	7,777.4
Investments in trading securities	156.2	535.7
Unearned income	9,229.6	9,589.3
Business/capital loss carry forwards	253.0	326.9
Investments in subsidiaries and affiliates	4,790.5	5,472.0
Others	2,336.5	1,755.7
	58,066.4	57,906.9
Valuation allowance	(248.8)	(247.4)
Total deferred tax asset	57,817.6	57,659.5
Deferred tax liabilities		
Property and equipment	(5,987.5)	(5,697.3)
Investments in subsidiaries and affiliates	(735.5)	(1,909.7)
Intangibles	(1,421.9)	(839.8)
Long-term debt	(240.1)	(253.9)
Others	(1,551.4)	(1,796.1)
Total deferred tax liability	(9,936.4)	(10,496.8)
Net deferred tax asset	47,881.2	47,162.7

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of the deferred tax asset is dependent on the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, the projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable incomes over the periods in which the deferred tax assets are deductible, management believes that it is more likely than not that the Group will realize the benefits of those deductible differences, net of the existing valuation allowances at March 31, 2011

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and 2012. The amount of deferred tax assets considered realizable, however could be reduced in the near term if estimates of future taxable income are reduced.

The Indian statutory tax rate was 30% for the years ended March 31, 2010, March 31, 2011 and March 31, 2012. The above rate is increased by applicable surcharge and education cess payable on tax and surcharge. The rate of surcharge was 10.0% for the years ended March 31, 2010 and 7.5% for the year ended March 31, 2011 and 5% for the year ended March 31, 2012, whereas rate of education cess was 2.0% for each of the years ended March 31, 2010, 2011 and 2012 and additional 1.0% as secondary and higher educational cess for each of the years ended March 31, 2010, March 31, 2011 and March 31, 2012 respectively. This resulted in a statutory tax rate of 33.99%, 33.22% and 32.45% for the years ended March 31, 2010, 2011 and 2012 respectively.

Reconciliation of tax rates

The following table sets forth, for the periods indicated, reconciliation of expected income taxes at statutory income tax rate to income tax expense/(benefit).

Rupees in million

	Year ended March 31,		
	2010	2011	2012
Income/(loss) before income taxes including non controlling interest 1	59,476.7	75,949.6	101,100.3
Net statutory tax rate	33.99 %	33.22 %	32.45 %
Income tax expense/(benefit) at the statutory tax rate	20,216.1	25,228.6	32,802.0
Increases/(reductions) in taxes on account of:			
Special tax deductions available to financial institutions	(923.0)	(1,726.0)	(1,998.5)
Exempt interest and dividend income	(2,221.1)	(1,824.7)	(1,029.9)
Income charged at rates other than statutory tax rate	(2,740.1)	(2,081.0)	(2,392.9)
Changes in the statutory tax rate	0.0	802.7	936.1
Expenses disallowed for tax purposes	161.0	886.8	1,743.7
Tax on undistributed earnings of subsidiaries	(624.8)	304.8	931.8
Change in valuation allowance	0.0	44.6	(1.4)
Tax adjustments in respect of prior year tax assessments	(210.7)	35.1	61.2
Others	(50.4)	(93.4)	(373.5)
Income tax expense/(benefit) reported2	13,607.0	21,577.5	30,678.6

1. Includes income/(loss) before income taxes of foreign subsidiaries of Rs. 572.4 million, Rs. 1,472.2 million and Rs. 5,450.1 million for years ended March 31, 2010, 2011 and 2012 respectively.
2. Includes current taxes of foreign subsidiaries of Rs. 1,422.3 million, Rs. 1,261.4 million and Rs. 1,333.8 million and deferred tax (expense)/benefit of foreign subsidiaries of Rs. 1,134 million, Rs. 822.1 million and Rs. (153.8) million for the years ended March 31, 2010, 2011 and 2012 respectively.

The net change in the total valuation allowance for the years ended March 31, 2010, March 31, 2011 and March 31, 2012 was a decrease of Rs. 657.5 million, an increase of Rs. 44.6 million and decrease of Rs.1.4 million respectively.

At March 31, 2012, total business loss carry forwards pertaining to the Group’s subsidiaries are Rs. 549.7 million with expiration dates as follows: March 31, 2026: Rs. 99.8 million, March 31, 2025: Rs. 42.6 million, March 31, 2024: Rs. 158.0 million, March 31, 2023: Rs. 210.0 million, March 31, 2022: Rs. 38.9 million, and March 31, 2018: Rs. 0.4

million.

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At March 31, 2012, total business loss carry forwards pertaining to the Bank were Rs. 367.6 million and these business loss carry forwards expire on March 31, 2020.

Accounting for uncertainty in income taxes

On April 1, 2007 the Company adopted the provisions of FASB ASC Topic 740 "Income Taxes" on accounting for uncertainty in income taxes. Since adoption, the Company's policy to include interest and penalties relating to gross unrecognized tax benefits within the income tax expense did not change. However, no interest is attributable in view of the adequate taxes paid by the Company in respect of unrecognized tax benefits. No penalties have been accrued as of March 31, 2012, as the Company believes that the tax positions taken have met the minimum statutory requirements to avoid payment of penalties.

The following table sets forth, for the periods indicated, a reconciliation of the beginning and ending amount of unrecognized tax benefits.

Rupees in million

	Year ended March 31,		
	2010	2011	2012
Beginning balance	9,026.8	9,565.7	10,027.3
Increases related to prior year tax positions	538.9	227.9	..
Increases related to current year tax positions	..	233.7	206.9
Decreases related to prior year tax positions	..	..	(31.9)
Decreases related to settlements with taxing authorities	..	..	..
Decreases related to lapsing of statute of limitations	..	..	..
Ending balance	9,565.7	10,027.3	10,202.3

The Company's total unrecognized tax benefits, at March 31, 2010, March 31, 2011 and March 31, 2012, if recognized, would reduce the tax provisions by Rs. 8,441.6 million, Rs. 8,903.2 million and Rs. 9,078.2 million at March 31, 2010, March 31, 2011 and March 31, 2012, respectively and thereby would affect the Company's effective tax rate.

The Company's major tax jurisdiction is India and the assessment is not yet completed for fiscal year 2009 and onwards. However, appeals filed by the Company are pending with various local tax authorities in India from fiscal years 1993 onwards.

Significant changes in the amount of unrecognized tax benefits within the next 12 months cannot be reasonably estimated as the changes would depend upon the progress of tax examinations with various tax authorities.

j) Other than temporary impairment

The Group has determined that certain unrealized losses on the Group's investments in equity and debt securities are temporary in nature. The Group conducts a review each year to identify and evaluate investments that have indications of possible impairment. An investment in an equity or debt security is impaired if its fair value falls below its cost and accounting recognition of that decline in value is required if that decline is considered other than temporary. Factors considered in determining whether a loss is temporary include the financial condition and near term prospects of the issuer. For equity securities, individual investments that have

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fair value of less than 80% of amortized cost are considered for evaluation for other than temporary impairment, after consideration of the length of time the investment has been in an unrealized loss position. Additionally, for equity securities, the impairment evaluation is based on the Group's intent and ability to hold the investments for a period sufficient to allow for any anticipated recovery, while for debt securities the Group considers whether the investments have been identified for sale or whether it is more likely than not that the Group will be required to sell the investment before recovery of its amortized cost basis less any current period credit loss.

The Group's review of impairment generally entails:

- identification and evaluation of investments that have indications of possible impairment;
- analysis of evidential matter, including an evaluation of factors or triggers that would or could cause individual investments to qualify as having other than temporary impairment and those that would not support other than temporary impairment; and
- documentation of the results of these analyses, as required under business policies.

The following table sets forth, the fair value of the investments in equity and debt securities and unrealized loss position, which are considered as temporary in nature at March 31, 2012.

Rupees in million

Description of securities	Less than 12 months		12 months or longer		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Corporate debt securities	33,550.4	(816.3)	73,518.9	(1,860.1)	107,069.3	(2,676.4)
Government securities	164,870.9	(2,002.2)	535,025.5	(19,410.1)	699,896.4	(21,412.3)
Other securities	2,226.6	(106.3)	15,432.1	(2,633.9)	17,658.7	(2,740.2)
Total debt securities	200,647.9	(2,924.8)	623,976.5	(23,904.1)	824,624.4	(26,828.9)
Marketable equity securities	36.1	(19.3)	14.1	(3.0)	50.2	(22.3)
Other securities	1,595.4	(152.9)	3,069.2	(303.1)	4,664.6	(456.0)
Total	202,279.4	(3,097.0)	627,059.8	(24,210.2)	829,339.2	(27,307.2)

The following table sets forth, the fair value of the investments in equity and debt securities and unrealized loss position, which are considered as temporary in nature at March 31, 2011.

Rupees in million

Description of securities	Less than 12 months		12 months or longer		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Corporate debt securities	55,507.2	(1,516.9)	33,813.9	(979.8)	89,321.1	(2,496.7)
Government securities	342,481.5	(2,165.7)	305,226.4	(13,938.9)	647,707.9	(16,104.6)
Other securities	24,542.3	(131.3)	14,262.2	(2,745.6)	38,804.5	(2,876.9)
Total debt securities	422,531.0	(3,813.9)	353,302.5	(17,664.3)	775,833.5	(21,478.2)

Marketable equity securities	3,004.4	(583.8)	1,403.3	(151.2)	4,407.7	(735.0)
Other securities	4,850.5	(357.4)	..	..	4,850.5	(357.4)
Total	430,385.9	(4,755.1)	354,705.8	(17,815.5)	785,091.7	(22,570.6)

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The following table sets forth, the total other than temporary impairment recognized on debt securities during the year ended March 31, 2012.

Rupees in million

	Impairment losses related to securities that the group does not intend to sell nor will likely be required to sell				
Description of securities	Total impairment losses recognized during the year	Portion of other than temporary impairment losses recognized in OCI (before taxes)	Net impairment losses recognized in earnings	Other than impairment losses recognized in earnings for securities that the group intends to sell or more likely than not will be required to sell	Total losses recognized in earnings
Corporate debt securities	530.5	..	530.5	6.0	536.5
Government securities	..	..	..	..	..
Other securities					
Preference shares	250.1	..	250.1	..	250.1
Others	..	..	..	..	..
Total other securities	250.1	..	250.1	..	250.1
Total	780.6	..	780.6	6.0	786.6

The following table sets forth, the total other than temporary impairment recognized on debt securities during year ended March 31, 2011.

Rupees in million

	Impairment losses related to securities that the group does not intend to sell nor will likely be required to sell				
Description of securities	Total impairment losses recognized during the year	Portion of other than temporary impairment losses	Net impairment losses recognized in earnings	Other than impairment losses recognized in earnings for securities	Total losses

		recognized in OCI (before taxes)		that the group intends to sell or more likely than not will be required to sell	recognized in earnings
Corporate debt securities	180.9	..	180.9	180.6	361.5
Government securities	..	..	..	115.6	115.6
Other securities					
Preference shares	1,868.6	..	1,868.6	..	1,868.6
Others	320.7	..	320.7	..	320.7
Total other securities	2,189.3	..	2,189.3	..	2,189.3
Total	2,370.2	..	2,370.2	296.2	2,666.4

The following table sets forth, a 12 month roll forward of cumulative other than temporary impairment credit loss recognized in earnings for AFS debt securities held at March 31, 2012.

Rupees in million

	Balance at March 31, 2011	Credit impairments in earnings on securities not previously impaired	Credit impairments recognized in earnings on securities that have been previously impaired	Reduction due to sales or maturity of credit impaired securities	Reduction of credit losses earlier recognized in earnings which the group intends to sell	Balance at March 31, 2012
Corporate debt securities	180.9	299.3	231.2	..	..	711.4
Other securities	313.8	..	..	313.8	..	..
Preference shares	3,693.3	134.8	115.3	1,240.4	..	2,703.0
Total	4,188.0	434.1	346.5	1,554.2	..	3,414.4

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The following table sets forth, a 12 month roll forward of cumulative other than temporary impairment credit loss recognized in earnings for AFS debt securities held at March 31, 2011.

Rupees in million

	Balance at March 31, 2010	Credit impairments in earnings on securities not previously impaired	Credit impairments recognized in earnings on securities that have been previously impaired	Reduction due to sales or maturity of credit impaired securities	Reduction of credit losses earlier recognized in earnings which the group intends to sell	Balance at March 31, 2011
Corporate debt securities	11.3	180.9	..	11.3	..	180.9
Other Securities	..	320.7	..	6.9	..	313.8
Preference shares	1,904.4	752.5	1,116.0	79.6	..	3,693.3
Total	1,915.7	1,254.1	1,116.0	97.8	..	4,188.0

The reasons for not classifying certain investments in debt and equity securities with unrealized losses as other than temporarily impaired are as follows.

- For the debt securities, the Group has assessed that the securities in an unrealized loss position have not been identified for sale and it is not more likely than not that the Group will be required to sell the securities before recovery of its amortized cost basis less any current period credit loss.

- The diminution in the value of marketable equity securities and other securities is not considered as other than temporarily impaired at March 31, 2012 after considering the factors like projects under implementation, strategic nature of investments and the entity's proposed capacity expansion for improving the marketability of the product, increasing sale trend, cash flows etc. Based on the evaluation and the company's ability and intent to hold those investments for a reasonable period of time sufficient for a forecasted recovery of fair value, the Group does not consider these to be other than temporarily impaired at March 31, 2012.

The Group also holds certain debt investments with other than temporary impairment, which have not been identified for sale and it is not more likely than not that the Group will be required to sell the securities before an anticipated recovery in value other than credit losses, where the amount representing the credit losses has been recognized in earnings and the amount of loss related to other factors has been recognized in other comprehensive income. The credit losses have been determined based on the difference of present value of expected future cash flows of the securities and the amortized cost basis of such securities. The Group bases its estimates of future cash flows on evaluation of the issuer's overall financial condition, resources and payment record and the realizable value of any collateral, third party guarantees or other credit enhancements.

At March 31, 2012, the Group holds cost method investments amounting Rs. 55,494.3 million. The fair value for such securities has not been estimated in the absence of changes in circumstances that have a significant adverse effect on the fair value of the investments.

k) Comprehensive income

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The following table sets forth, for the periods indicated, details of comprehensive income.

Rupees in million

	Year ended March 31,		
	2010	2011	2012
Net income/(loss) (net of tax) excluding non-controlling interest	45,250.2	54,026.8	69,981.9
Other Comprehensive Income:			
Net unrealized gain/(loss) on securities, net of realization & others (net of tax)1	9,490.3	(2,259.2)	(8,198.1)
Translation adjustments2	(3,834.9)	1,267.7	3,593.4
Employee accounting for deferred benefit pensions and other post retirement benefits (net of tax)3	(160.4)	(95.3)	(1,320.5)
Comprehensive income attributable to ICICI Bank stockholders	50,745.2	52,940.0	64,056.7
Comprehensive income attributable to non-controlling interests	604.1	351.0	438.8
Total comprehensive income	51,349.3	53,291.0	64,495.5

1. Net of tax effect of Rs. (1,067.8) million, Rs. 1,146.8 million and Rs. 3,567.1 million for the year ended March 31, 2010, March 31, 2011, and March 31, 2012 respectively.
2. Net of tax effect of Rs. (3.0) million, Rs. (24.6) million and Rs. (242.4) million for the year ended March 31, 2010, March 31, 2011, and March 31, 2012 respectively.
3. Net of tax effect of Rs. 46.5 million, Rs. 44.7 million, and Rs. 649.5 million for the year ended March 31, 2010, March 31, 2011 and March 31, 2012 respectively.

l) Guarantees

As a part of its project-financing and commercial banking activities, the Group has issued guarantees to enhance the credit standing of its customers. These generally represent irrevocable assurances that the Group will make payments in the event that the customer fails to fulfill its financial or performance obligations. Financial guarantees are obligations to pay a third party beneficiary where a customer fails to make payment towards a specified financial obligation. Performance guarantees are obligations to pay a third party beneficiary where a customer fails to perform a non-financial contractual obligation. The guarantees are generally for a period not exceeding 10 years.

The credit risks associated with these products, as well as the operating risks, are similar to those relating to other types of financial instruments. The current carrying amount of the liability for the Group's obligations under the guarantees at March 31, 2012 amounted to Rs. 4,159.5 million (March 31, 2011: Rs. 4,208.9 million).

The following table sets forth, the details of guarantees outstanding at March 31, 2012.

Rupees in million

Nature of guarantee	Maximum potential amount of future payments under guarantee				
	Less than 1 year	1 - 3 years	3 - 5 years	Over 5 years	Total
Financial guarantees	270,188.8	48,041.7	17,447.3	2,529.6	338,207.4
Performance guarantees	303,977.4	224,380.2	102,184.1	28,578.9	659,120.6

Total guarantees	574,166.2	272,421.9	119,631.4	31,108.5	997,328.0

The Group has collateral available to reimburse potential losses on its guarantees. At March 31, 2012, margins in the form of cash and fixed deposit available to the Group to reimburse losses realized under

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guarantees amounted to Rs. 32,553.5 million (March 31, 2011: Rs. 25,318.8 million). Other property or security may also be available to the Group to cover losses under these guarantees.

Performance risk

For each corporate borrower, a credit rating is assigned at the time the exposure is approved and the rating is reviewed periodically thereafter. At the time of assigning a credit rating, the possibility of non-performance or non-payment is evaluated. Additionally, an assessment of the borrower's capacity to repay obligations, in the event of invocation is also evaluated. Thus, a comprehensive risk assessment of guarantee exposures is undertaken at the time of sanctioning such exposures.

22. Regulatory matters

Statutory liquidity requirement

In accordance with the Banking Regulation Act, 1949, the Bank is required to maintain a specified percentage of its net demand and time liabilities by way of liquid unencumbered assets like cash, gold and approved securities. The amount of securities required to be maintained at March 31, 2012 was Rs. 702,614.7 million (March 31, 2011: Rs. 614,292.0 million), and the Bank complied with the requirement throughout the year.

Capital Adequacy

The Bank is subject to the capital adequacy norms stipulated by the Reserve Bank of India guidelines based on Basel II which became applicable to the Bank with effect from March 31, 2008. The Reserve Bank of India guidelines on Basel II require the Bank to maintain a minimum ratio of total capital to risk weighted assets of 9.0%, with a minimum ratio of Tier-1 capital to risk weighted assets of 6.0%.

Under Pillar 1 of the Reserve Bank of India guidelines on Basel II, the Bank follows the standardized approach for credit and market risk and the basic indicator approach (BIA) for operational risk.

The Reserve Bank of India has stipulated that the minimum capital maintained by banks on adoption of the Basel II framework shall be subject to a prudential floor, which shall be higher of the minimum capital required as per Basel II or a specified percentage of the minimum capital required as per Basel I (80% at March 31, 2012). The computation under Reserve Bank of India guidelines on Basel II results in a higher minimum capital requirement as compared to Basel I and hence the capital adequacy at March 31, 2012 has been maintained and reported by the Bank as per Reserve Bank of India guidelines on Basel II.

The total capital adequacy ratio of the Bank calculated in accordance with the Reserve Bank of India guidelines on Basel II at March 31, 2012 is 18.52% (March 31, 2011: 19.54%) while the total capital adequacy ratio as per the Basel I framework is 16.26% on that date (March 31, 2011: 17.63%). These are based on unconsolidated financial statements as per Indian GAAP.

23. Comparative figures

Figures of the previous year have been regrouped to conform to the current year presentation.

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For and on behalf of Board of Directors

/s/ Chanda Kochhar Chanda Kochhar Managing Director & CEO	/s/ N. S. Kannan N. S. Kannan Executive Director & CFO
/s/ Rakesh Jha Rakesh Jha Deputy Chief Financial Officer	/s/ Sandeep Batra Sandeep Batra Group Compliance Officer & Company Secretary

Place: Mumbai
Date: July 31, 2012