

TML Business Services Limited
Financial Statements for year ended March 31, 2023
Along with Independent Auditors Report

B S R & Co. LLP

Chartered Accountants

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Independent Auditor's Report

To the Members of TML Business Services Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of TML Business Services Limited (the "Company") which comprise the balance sheet as at 31 March 2023, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's directors' report, but does not include the financial statements and auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also

Independent Auditor's Report (Continued)

TML Business Services Limited

includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other

Independent Auditor's Report (*Continued*)

TML Business Services Limited

matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 A. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and 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 (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a. The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its financial statements - Refer Note 27 to the financial statements.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 32(IV) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 32(V) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Independent Auditor's Report (Continued)

TML Business Services Limited

- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The interim dividend declared and paid by the Company during the year and until the date of this audit report is in compliance accordance with Section 123 of the Act.
- As stated in Note 2(h) to the financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.
- f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.
- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:
- In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

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Kalpesh Khandelwal

Partner

Place: Pune

Date: 01 May 2023

Membership No.: 133124

ICAI UDIN:23133124BGYBBJ8805

Annexure A to the Independent Auditor's Report on the Financial Statements of TML Business Services Limited for the year ended 31 March 2023

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
 - (B) The Company does not have any intangible assets. Accordingly, clause 3(i)(a)(B) of the Order is not applicable to the Company.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has made investments and granted unsecured loans to companies in respect of which the requisite information is as below:
 - (a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided unsecured loans to any other entity as below:

Annexure A to the Independent Auditor's Report on the Financial Statements of TML Business Services Limited for the year ended 31 March 2023 (Continued)

Particulars	Loans (INR Crores)
Aggregate amount during the year	
Subsidiaries*	-
Others	10.00
Balance outstanding as at balance sheet date	
Subsidiaries*	-
Others*	76.30

**As per the Companies Act, 2013*

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion, the terms and conditions of the grant of loans during the year are, prima facie, not prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular except for the loan given to parent Company which is repayable on demand. As informed to us, the Company has received the demanded repayment of the loan during the year except for the outstanding balance of INR 76.30 crores which the Company has not demanded during the year. Thus, there has been no default on the part of the party to whom the money has been lent. Further, the Company has not given any advance in the nature of loan to any party during the year.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment except for the following loans or advances in the nature of loans to its Promoters and related parties as defined in Clause (76) of Section 2 of the Companies Act, 2013 ("the Act"):

	Related Parties
Aggregate of loans/advances in nature of loan	
- Repayable on demand (A)	76.30
- Agreement does not specify any terms or period of Repayment (B)	-

Annexure A to the Independent Auditor’s Report on the Financial Statements of TML Business Services Limited for the year ended 31 March 2023 (Continued)

	Related Parties
Total (A+B)	76.30
Percentage of loans/advances in nature of loan to the total loans	100%

- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made and loans, guarantees and security given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 (“the Act”) have been complied with.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Gross Demand (INR Crores)	Paid under Protest (INR Crores)	Period to which the amount relates	Forum where dispute is pending
Sales Tax Laws	Sales Tax Laws	0.37	0.17	FY 2002-03, 2003-04, 2007-08, 2008-09	High Court
		12.37	5.58	FY 2004-05, 2008-09, 2009-10, 2011-12, 2012-13, 2013-	Appellate Tribunal

Annexure A to the Independent Auditor's Report on the Financial Statements of TML Business Services Limited for the year ended 31 March 2023 (Continued)

Name of the statute	Nature of the dues	Gross Demand (INR Crores)	Paid under Protest (INR Crores)	Period to which the amount relates	Forum where dispute is pending
				14, 2014-15, 2015-16	
		0.25	0.13	FY 2014-15, 2015-16, 2016-17	Joint Commissioner
		26.21	3.52	FY 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17, 2017-18	Deputy Commissioner / Deputy Commissioner (Appeals)
Service Tax	Service Tax	11.86	0.44	FY 2008-09, 2009-10, 2010-11, 2011-12, 2012-13, 2014-15, 2015-16, 2016-17, 2017-18	Appellate Tribunal
Entry Tax	Entry Tax	1.03	0.55	FY 2008-09, 2009-10	High Court
		0.21	0.17	FY 2011-12, FY 2012-13	Assistant Commissioner

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

Annexure A to the Independent Auditor's Report on the Financial Statements of TML Business Services Limited for the year ended 31 March 2023 (Continued)

- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) Establishment of vigil mechanism is not mandated for the Company. We have taken into consideration the whistle blower complaints received under the vigil mechanism established voluntarily by the Company during the year and shared with us while determining the nature, timing and extent of our audit procedures.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

Annexure A to the Independent Auditor's Report on the Financial Statements of TML Business Services Limited for the year ended 31 March 2023 (Continued)

- (d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has six CICs as part of the Group
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

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Kalpesh Khandelwal

Partner

Place: Pune

Date: 01 May 2023

Membership No.: 133124

ICAI UDIN:23133124BGYBBJ8805

Annexure B to the Independent Auditor's Report on the financial statements of TML Business Services Limited for the year ended 31 March 2023

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of TML Business Services Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial

Annexure B to the Independent Auditor's Report on the financial statements of TML Business Services Limited for the year ended 31 March 2023 (Continued)

statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**

Chartered Accountants

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Kalpesh Khandelwal

Partner

Place: Pune

Date: 01 May 2023

Membership No.: 133124

ICAI UDIN:23133124BGYBBJ8805

TML Business Services Limited
Balance Sheet

(₹ in crores)

	Notes	As at March 31,	
		2023	2022
I. ASSETS			
(1) NON-CURRENT ASSETS			
(a) Property, plant and equipment	3	1.06	1.60
(b) Right of use assets	4	12.23	14.44
(c) Financial assets			
(i) Investments	5	0.35	0.15
(ii) Other financial assets	7	5.02	3.74
(d) Non-current tax assets (net)		33.24	24.43
(e) Deferred tax assets	19	38.79	-
(f) Other non-current assets	9	21.50	25.39
		112.19	69.75
(2) CURRENT ASSETS			
(a) Inventories	11	0.18	0.48
(b) Financial assets			
(i) Trade receivables	12	45.14	50.89
(ii) Cash and cash equivalents	14	16.62	22.54
(iii) Loans and advances	6	77.38	204.87
(iv) Other financial assets	8	0.58	0.18
(c) Other current assets	10	10.33	9.06
(d) Asset held for Sale		6.14	34.63
		156.37	322.65
		268.56	392.40
TOTAL ASSETS			
II. EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	15	53.06	53.06
(b) Other equity		126.36	92.05
		179.42	145.11
LIABILITIES			
(1) NON-CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings	16	24.35	24.35
(ii) Lease liabilities		7.29	9.96
(b) Provisions - Employee benefits obligations		8.56	5.98
(c) Other non-current liabilities		-	1.01
		40.20	41.30
(2) CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Lease liabilities		5.66	5.48
(ii) Trade payables	17		
(a) Total outstanding dues of micro and small enterprises		0.09	0.02
(b) Total outstanding dues of creditors other than micro and small enterprises		25.23	25.82
(iii) Other financial liabilities	18	-	23.04
(iv) Dues to Holding Company		0.01	131.83
(b) Provisions - Employee benefits obligations		0.25	0.27
(c) Advance received for Assets classified as held for sale		-	3.12
(d) Current tax liabilities (net)		0.83	10.77
(e) Other current liabilities	20	16.87	5.64
		48.94	205.99
		268.56	392.40
TOTAL EQUITY AND LIABILITIES			

See accompanying notes to financial statements

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

KALPESH
RAMESHCHANDRA
DRA
KHANDELWAL

Kalpesh Khandelwal
Partner
Membership No. 133124
UDIN No : 23133124BGYBJ8805

GODABANAL
PARAMESWARAPP
A RAVINDRA
KUMAR

Ravindra Kumar G P
Director
(DIN:07108426)
Place : Mumbai

NAGARAJ
IJARI

Mr Nagaraj Ijari
Director
(DIN: 09390579)
Place : Bengaluru

For and on behalf of the Board

RAVINDRA
VASANT
PETHE

Ravindra Pethe
Chief Executive Officer
Place : Pune

SUBBARAYAN
PRABHU
KRISHNAN

Subbarayan Prabhu Krishnan
Chief Financial Officer
Place : Pune

KAYNAZ KERSI
SARBHANWALA

Kaynaz Sarbhanwala
Company Secretary
(ACS 34947)
Place : Mumbai

Date: May 1, 2023
Place : Pune

Date: May 1, 2023

TML Business Services Limited
Statement of Profit and Loss

		(₹ in crores)	
		Year ended March 31,	
		2023	2022
	Notes		
Revenue from operations			
Revenue		188.82	153.49
Other operating revenue		7.78	1.50
I. Total revenue from operations	22	196.60	154.99
II. Other Income	23	8.70	41.17
III. Total Income (I+II)		205.30	196.16
IV. Expenses			
(a) Changes in inventories of stock in trade		0.30	0.77
(b) Employee benefits expense	24	93.04	83.61
(c) Finance costs	25	3.11	3.05
(d) Depreciation and amortisation expense		5.60	11.20
(e) Other expenses	26	83.85	53.69
Total Expenses (IV)		185.90	152.32
V. Profit before exceptional items and tax (III-IV)		19.40	43.84
VI. Exceptional items			
(a) Employee separation cost		0.09	0.09
(b) Profit on sale of assets	35(i)	(24.89)	-
VII. Profit before tax (V-VI)		44.20	43.75
VIII. Tax expense /(credit) (net)	19		
(a) Current tax (net of reversals)		(4.71)	-
(b) Deferred tax		(38.72)	2.91
Total tax expense		(43.43)	2.91
IX. Profit for the year (VII-VIII)		87.63	40.84
X. Other comprehensive income/(loss):			
(A) (i) Items that will not be reclassified to profit and loss:			
Remeasurement (losses)/gain on defined benefit obligations (net)		(0.54)	(1.80)
Remeasurement gain / (loss) on fair valuation of investment in equity shares		0.20	-
(ii) Income tax credit/(expense) relating to items that will not be reclassified to profit and loss		0.07	0.45
Total other comprehensive income/(loss), net of taxes		(0.27)	(1.35)
XI. Total comprehensive income for the year (IX+X)		87.36	39.49
XII. Earnings per share (EPS)	28		
(A) Ordinary shares (face value of ₹ 10 each) :			
(i) Basic		₹ 16.52	₹ 7.70
(ii) Diluted		₹ 16.52	₹ 7.70

See accompanying notes to financial statements

In terms of our report attached

For and on behalf of the Board

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

KALPESH
RAMESHCHANDRA
RAMESHCHANDRA
KHANDDELWAL
KHANDDELWAL
Date: 2023.05.01
23:26:01 +05'30'

Kalpesh Khandelwal
Partner
Membership No. 133124
UDIN No : 231331248GYBBJ8805

Date: May 1, 2023
Place : Pune

GODABANAL
PARAMESWARAPPA
PA RAVINDRA
KUMAR
Digitally signed by
GODABANAL
PARAMESWARAPPA
RAVINDRA KUMAR
Date: 2023.05.01 22:17:37
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Ravindra Kumar G P
Director
(DIN:07108426)
Place : Mumbai

**NAGARAJ
IJARI**
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Date: 2023.05.01 22:20:16 +05'30'

Mr Nagaraj Ijari
Director
(DIN: 09390579)
Place : Bengaluru

RAVINDRA
VASANT
PETHE
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RAVINDRA
VASANT PETHE
Date: 2023.05.01
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Ravindra Pethe
Chief Executive Officer
Place : Pune

SUBBARAYAN
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KRISHNAN
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SUBBARAYAN
PRABHU KRISHNAN
Date: 2023.05.01
22:47:57 +0530

Subbarayan Prabhu Krishnan
Chief Financial Officer
Place : Pune

KAYNAZ KERSI
SARBHANWALA
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SARBHANWALA
Date: 2023.05.01 22:12:31 +05'30'

Kaynaz Sarbhanwala
Company Secretary
(ACS 34947)
Place : Mumbai

Date: May 1, 2023

TML Business Services Limited
Cash Flow Statement

	(₹ in crores)	
	Year ended March 31,	
	2023	2022
Cash flows from operating activities:		
Profit/(loss) for the year	87.63	40.84
Adjustments for:		
Tax expenses /(credit)	(43.43)	2.91
Depreciation and amortisation expense	5.60	11.20
Allowances made/(written back) for trade & other receivables (net)	(0.60)	(5.05)
Gain on closure / modification of right to use liability	-	(0.21)
(Profit)/Loss on sale of assets (net) (including assets scrapped/written off)	(24.86)	(0.04)
Finance costs	3.11	3.05
Interest income	(8.70)	(36.25)
Cash flows from operating activities before changes in following assets and liabilities	18.75	16.45
Trade receivables	6.35	0.33
Loans and advances and other financial assets	(3.56)	(0.03)
Other current and non-current assets	4.65	54.30
Inventories	0.30	0.77
Trade payables	(0.52)	2.55
Other current and non-current liabilities	10.22	(0.97)
Other financial liabilities	(5.87)	(6.84)
Provisions	2.01	0.83
Cash generated from operations	32.33	67.39
Income taxes paid (net)	(14.00)	(19.02)
Net cash from operating activities	18.33	48.37
Cash flows from investing activities:		
Proceeds from sale of property, plant and equipments	50.37	3.12
Payment for property , plant and equipments	(0.31)	-
(Decrease)/Increase in inter corporate deposit (net)	127.50	(78.00)
Interest received	8.54	37.38
Net cash from /(used in) investing activities	186.10	(37.50)
Cash flows from financing activities:		
Interest paid	(18.77)	(0.01)
Repayment of lease liabilities (including interest)	(6.69)	(12.21)
Dividend paid	(53.06)	-
Repayment to parent company against reduction in share capital	(131.83)	-
Net cash (used in) financing activities	(210.35)	(12.22)
Net increase/(decrease) in cash and cash equivalents	(5.92)	(1.35)
Cash and cash equivalents as at April 1, (opening balance)	22.54	23.89
Cash and cash equivalents as at March 31, (closing balance)	16.62	22.54

See accompanying notes to financial statements
As per our report of even date attached

For and on behalf of the Board

GODABANAL
PARAMESWARA
PPA RAVINDRA
KUMAR

Digitally signed by
GODABANAL
PARAMESWARAPPA
RAVINDRA KUMAR
Date: 2023.05.01
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Ravindra Kumar G P
Director
(DIN:07108426)
Place : Mumbai

NAGARAJ
IJARI

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NAGARAJ IJARI
Date: 2023.05.01 22:20:47
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Mr Nagaraj Ijari
Director
(DIN: 09390579)
Place : Bengaluru

KAYNAZ KERSI
SARBHANWAL
A

Digitally signed by
KAYNAZ KERSI
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Date: 2023.05.01
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Kaynaz Sarbhanwala
Company Secretary
(ACS 34947)
Place : Mumbai

**RAVINDRA
VASANT
PETHE**

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PETHE
Date: 2023.05.01
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Ravindra Pethe
Chief Executive Officer
Place : Pune

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

KALPESH
RAMESHCHANDRA
DRA
KHANDELWAL

Digitally signed by
KALPESH
RAMESHCHANDRA
KHANDELWAL
Date: 2023.05.01
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Kalpesh Khandelwal
Partner
Membership No. 133124
UDIN No : 23133124BGYBBJ8805

SUBBARAYAN
PRABHU
KRISHNAN

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by SUBBARAYAN
PRABHU
KRISHNAN
Date: 2023.05.01
22:48:14 +0530

Subbarayan Prabhu Krishnan
Chief Financial Officer
Place : Pune

Date: May 1, 2023
Place : Pune

Date: May 1, 2023

TML Business Services Limited
Statement of Changes in Equity

A. Equity Share Capital

	(₹ in crores)
Particulars	
Balance as at April 1, 2022	53.06
Add : Issue of share capital	-
Less : capital reduction	-
Balance as at March 31, 2023	53.06
Balance as at April 1, 2021	163.70
Add : Issue of share capital on merger	1,172.25
Less : capital reduction	(1,282.89)
Balance as at March 31, 2022	53.06

B. Other Equity

(₹ in crores)

Particulars	Reserves and surplus					Total
	Securities premium account	Merger Deficit adjustment account	Retained earnings			
			General reserve	Undistributable (Ind AS 101)	Distributable	
Balance as at April 1, 2021	18.97	(943.72)	9.43	24.16	(207.34)	(1,098.50)
Adjustment for capital reduction pursuant to scheme of arrangement (Refer note 15 (h))	-	943.72	-		207.34	1,151.06
Restated balance as at April 1, 2021	18.97	-	9.43	24.16	0.00	52.56
Profit for the period	-	-	-	-	40.84	40.84
Other comprehensive income	-	-	-	-	(1.35)	(1.35)
Restated Balance as at March 31, 2022	18.97	-	9.43	24.16	39.49	92.05
Restated balance as at April 1, 2022	18.97	-	9.43	24.16	39.49	92.05
Profit for the period					87.63	87.63
Other comprehensive income					(0.27)	(0.27)
Payment of Interim Dividend					(53.06)	(53.06)
Adjustment for undistributable reserves (Refer note 15 (i) (a))				(22.69)	22.69	-
Balance as at March 31, 2023	18.97	-	9.43	1.47	96.48	126.36

Significant accounting policies

2

The notes referred to above form an integral part of the financial statements

3-37

For **B S R & Co. LLP**

Chartered Accountants

ICAI Firm Registration No. 101248W/W-100022

KALPESH
RAMESHCHAN
DRA
KHANDELWAL
Date: 2023.05.01
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Kalpesh Khandelwal
Partner
Membership No. 133124
UDIN No : 23133124BGYBBJ8805

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PARAMESWARAPPA
RAVINDRA KUMAR
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Ravindra Kumar G P
Director
(DIN:07108426)
Place : Mumbai

**NAGAR
AJ IJARI**
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Date: 2023.05.01 22:21:19 +05'30'

Mr Nagaraj Ijari
Director
(DIN: 09390579)
Place : Bengaluru

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Date: 2023.05.01 22:48:35 +0530

Subbarayan Prabhu Krishnan
Chief Financial Officer

**RAVINDRA
VASANT
PETHE**
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Date: 2023.05.01 22:33:15 +0530

Ravindra Pethe
Chief Executive Officer
Place : Pune

Digitally signed by KAYNAZ KERSI
Date: 2023.05.01 22:13:31 +05'30'

Kaynaz Sarbhanwala
Company Secretary
(ACS 34947)
Place : Mumbai

Date: May 1, 2023
Place : Pune

Date: May 1, 2023

TML Business Services Limited
NOTES FORMING PART OF FINANCIAL STATEMENTS

1. Background and operations

TML Business Services Limited ('TMLBSL' or 'the Company') is engaged in the business of providing accounting, outbound logistics of vehicles and allied activities, business support services to Tata Motors Limited and its subsidiaries.

The Company is a public limited Company incorporated and domiciled in India and has its registered office at Mumbai, India. As at March 31, 2023, the Company is a wholly owned subsidiary of Tata Motors Limited (TML).

During the year pursuant to order issued by NCLT dated March 11, 2022 with Appointed date of April 1, 2021, TML Distribution Co Ltd (Transferee company) has been merged with the Company.

The financial statements were authorised for issue by the Company's Board of Directors on May 1, 2023.

2. Significant accounting policies

a. Statement of compliance

These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 (the "Act").

b. Functional and Presentation Currency

The Financial Statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest Crores, unless otherwise indicated.

c. Basis of preparation

The financial statements have been prepared on historical cost basis except for certain financial instruments which are measured at fair value at the end of each reporting period. 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.

d. Going concern

The Company is providing services mainly to Tata Motors group of companies which it intends to carry on in the foreseeable future. The Company has a net current assets of ₹ 107.43 crores as at March 31, 2023, which includes cash balance of ₹ 16.62 and inter corporate deposit of ₹ 76.30 crores. Based on the business from group companies in foreseeable future, the financial statements have been prepared on a "Going concern" basis .

e. Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

- i) Property, plant and equipment
- iii) Recoverability / recognition of deferred tax assets

f. Cost recognition

Costs and expenses are recognised when incurred and are classified according to their nature.

g. Impairment

At each balance sheet date, the Company assesses whether there is any indication that any property, plant and equipment and intangible assets with finite lives may be impaired. If any such impairment exists the recoverable amount of an asset is estimated to determine the extent of impairment, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of profit and loss.

TML Business Services Limited
NOTES FORMING PART OF FINANCIAL STATEMENTS

h. Dividend

Any dividend declared by the Company is based on the profits available for distribution as reported in the statutory financial statements of the Company prepared in accordance with Generally Accepted Accounting Principles in India or Ind AS. Indian law permits the declaration and payment of dividend out of profits for the year or previous financial year(s) as stated in the statutory financial statements of the Company prepared in accordance with Generally Accepted Accounting Principles in India, or Ind AS after providing for depreciation in accordance with the provisions of Schedule II to the Companies Act.

However, in the absence or inadequacy of the said profit, it may declare dividend out of free reserves, subject to certain conditions as prescribed under the Companies (Declaration and Payment of Dividend) Rules, 2014. Accordingly, in certain years the net income reported in these financial statements may not be fully distributable.

For the year ended March 31, 2023, the Board of Directors has recommended a final dividend of ₹ 14 per share on Ordinary shares subject to approval from shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of ₹ 21.22 crores (March 31, 2022: Nil).

i. Segments

The Company is primarily engaged in the business of providing support services, outbound logistics and allied services to Tata Motors Ltd & its Subsidiaries. These in the context of Ind AS 108 - operating segments reporting was considered to constitute one reportable segment.

j. Provisions and Contingent Liabilities

The Company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

k. Non-current assets held for sale

Non current assets comprising assets and liabilities are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets are generally measured at lower of their carrying amount and fair value less cost to sell. Losses on initial classification as held for sale and subsequent gains and losses on remeasurement are recognised in Statement of Profit and Loss. Once classified as held for sale, property, plant and equipment and intangible assets are no longer depreciated. The Company measures a non-current asset that ceases to be classified as held for sale (or ceases to be included in a disposal group classified as held for sale) at the lower of:

- i) the carrying amount before the asset (or disposal group) was classified as held for sale, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset (or disposal group) not been classified as held for sale, and
- ii) its recoverable amount at the date of the subsequent decision not to sell.

3. Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

a. Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose the material accounting policies rather than significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements.

b. Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

c. Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

The Company is assessing the impact of these changes and will accordingly incorporate the same in the financial statements for the year ended March 31, 2024.

TML Business Services Limited
NOTES FORMING PART OF FINANCIAL STATEMENTS

3. **Property, plant and equipment**

(a) **Accounting policy**

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any.

Freehold land is measured at cost and is not depreciated.

Cost includes purchase price, non-recoverable taxes and duties, labour cost and direct overheads for self-constructed assets and other direct costs incurred up to the date the asset is ready for its intended use.

Depreciation is provided on the Straight Line

Estimated useful lives of assets are as follows:

<u>Type of Asset</u>	<u>Estimated useful life (years)</u>
Buildings	4 to 60 years
Plant and machinery	8 to 20 years
Office equipment	4 to 6 years
Vehicles	4 to 10 years
Furniture and fixtures	5 to 15 years

The useful lives is reviewed at each year end. Changes in expected useful lives are treated as change in accounting estimates.

Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use.

An item of property, plant and equipment is derecognized on disposal. Any gain or loss arising from derecognition of an item of property, plant and equipment is included in profit or loss.

Particulars	Land		Building		Plant and machinery		Office Equipment	Furniture and fixtures		Vehicles	Total
	Own use	Given on lease	Own use	Given on lease	Own use	Given on lease		Own use	Given on lease		
Gross Block											
At April 1, 2021	21.31	3.67	13.34	1.26	3.05	0.02	1.35	0.96	0.08	2.42	47.46
Additions	-	-	0.26	-	-	-	0.12	0.62	-	-	1.00
Disposals / Adjustment	-	-	-	-	(1.89)	(0.02)	(0.04)	0.40	-	(0.34)	(1.89)
Assets classified as held for sale	(21.31)	(3.67)	(13.14)	(1.26)	-	-	-	-	-	-	(39.39)
At March 31, 2022	-	-	0.46	-	1.16	-	1.43	1.98	0.08	2.08	7.19
Accumulated Depreciation											
At April 1, 2021	-	-	3.92	0.65	2.87	0.01	1.11	0.83	0.08	1.95	11.42
Depreciation for the period	-	-	0.22	0.03	0.03	-	0.14	0.13	-	0.21	0.76
Disposals / Adjustment	-	-	-	-	(1.74)	(0.01)	(0.01)	0.20	(0.00)	(0.27)	(1.83)
Assets classified as held for sale	-	-	(4.08)	(0.68)	-	-	-	-	-	-	(4.76)
At March 31, 2022	-	-	0.06	-	1.16	-	1.24	1.16	0.08	1.89	5.59
Gross Block											
At April 1, 2022	-	-	0.46	-	1.16	-	1.43	1.98	0.08	2.08	7.19
Additions	-	-	0.07	-	-	-	-	0.05	-	-	0.12
Disposals / Adjustment	-	-	-	-	(1.16)	-	(0.33)	(0.48)	(0.08)	(1.75)	(3.80)
At March 31, 2023	-	-	0.53	-	-	-	1.10	1.55	-	0.33	3.51
Accumulated Depreciation											
At April 1, 2022	-	-	0.06	-	1.16	-	1.24	1.16	0.08	1.89	5.59
Depreciation for the period	-	-	0.12	-	0.02	-	0.06	0.27	-	0.10	0.57
Disposals / Adjustment	-	-	0.05	-	(1.18)	-	(0.35)	(0.46)	(0.08)	(1.69)	(3.71)
At March 31, 2023	-	-	0.23	-	-	-	0.95	0.97	-	0.30	2.45
Net Block as at March 31, 2022	-	-	0.40	-	-	-	0.19	0.82	0.00	0.19	1.60
Net Block as at March 31, 2023	-	-	0.30	-	-	-	0.15	0.58	-	0.03	1.06

TML Business Services Limited
NOTES FORMING PART OF FINANCIAL STATEMENTS

3 b) Other intangible assets

Particulars	(₹ in crores)
	Software
<u>Gross Block</u>	
At April 1, 2021	1.77
Additions	-
At March 31,2022	1.77
<u>Accumulated amortisation</u>	
At April 1, 2021	1.77
Amortisation for the year	-
At March 31,2022	1.77
<u>Gross Block</u>	
At April 1, 2022	1.77
Additions	-
At March 31,2023	1.77
<u>Accumulated amortisation</u>	
At April 1, 2022	1.77
Amortisation for the year	-
At March 31,2023	1.77
Net Block as At March 31,2022	-
Net Block as at March 31, 2023	-

TML Business Services Limited
NOTES FORMING PART OF FINANCIAL STATEMENTS

4. Right of Use Assets

The following amounts are included in the Balance Sheet :

	(₹ in crores)	
	As at March 31,	
	<u>2023</u>	<u>2022</u>
Current lease liabilities	5.66	5.48
Non-current lease liabilities	7.29	7.29
Total lease liabilities	<u>12.95</u>	<u>12.77</u>

The following amounts are recognised in the statement of profit and loss :

	(₹ in crores)	
	For the year ended March 31,	
	<u>2023</u>	<u>2022</u>
Interest expense on lease liabilities	1.38	1.33
Expenses related to low-value assets, excluding short-term leases of low-value assets	1.44	0.64

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

Right of use assets is amortised over the period of lease.

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

	(₹ in crores)				
	Furniture and fixtures	IT Assets	Leasehold Premises	Vehicles	Total
Cost as at April 1, 2021	4.31	1.08	35.65	-	41.04
Additions	-	-	2.35	2.52	4.87
Cost as at March 31, 2022	4.31	1.08	38.00	2.52	45.91
Accumulated amortisation as at April 1, 2021	(4.09)	(1.08)	(16.85)	-	(22.02)
Additions	-	-	0.98	-	0.98
Amortisation for the year	(0.21)	-	(10.06)	(0.16)	(10.43)
Accumulated amortisation as at March 31, 2022	(4.30)	(1.08)	(25.93)	(0.16)	(31.47)
Net carrying amount as at March 31, 2022	-	-	12.08	2.35	14.44
Cost as at April 1, 2022	4.31	1.08	38.00	2.52	45.91
Additions	-	-	1.42	3.44	4.86
Disposals/adjustments	(4.31)	(1.08)	(1.11)	(1.02)	(7.52)
Cost as at March 31, 2023	-	-	38.31	4.94	43.25
Accumulated amortisation as at April 1, 2022	(4.30)	(1.08)	(25.93)	(0.16)	(31.47)
Amortisation for the year	-	-	(5.03)	-	(5.03)
Amortisation - considered as employee cost	-	-	-	(1.13)	(1.13)
Disposal/adjustments	4.30	1.08	1.02	0.21	6.61
Accumulated amortisation as at March 31, 2023	-	-	(29.94)	(1.08)	(31.02)
Net carrying amount as at March 31, 2023	-	-	8.37	3.86	12.23

TML Business Services Limited
NOTES FORMING PART OF FINANCIAL STATEMENTS

		(₹ in crores)	
		As at March 31,	
		<u>2023</u>	<u>2022</u>
5. Other investments - non-current			
Investment in Equity shares measured at fair value through other comprehensive Income Unquoted			
Tata Motors Passenger Vehicles Limited		0.35	0.15
-150,000 shares of Rs. 10 each (As on March 31, 2022-150,000 shares of Rs. 10 each)			
Total		<u>0.35</u>	<u>0.15</u>
6. Loans and advances- current			
As at March 31,			
<u>2023</u> <u>2022</u>			
Unsecured :			
(a) Advances and other receivables			
i) Considered good		1.08	1.07
ii) Credit Impaired		-	0.60
(b) Intercompany deposits		76.30	203.80
		<u>77.38</u>	<u>205.47</u>
Less: Allowances for Credit Impaired balances		-	(0.60)
Total		<u>77.38</u>	<u>204.87</u>
As at March 31, 2022, out of total Inter corporate deposits of ₹ 200 crores with Tata Motors Limited, redemption request for ₹ 137.5 crores was placed.			
7. Other financial assets - non-current			
As at March 31,			
<u>2023</u> <u>2022</u>			
(a) Lease deposits for commercial premises			
i) Unsecured, considered good		1.70	1.63
ii) Credit Impaired		1.32	1.34
(b) Other deposits			
i) Considered good		1.70	0.28
ii) Credit Impaired		-	0.55
(c) Restricted Deposits with banks		1.62	1.83
		<u>6.34</u>	<u>5.63</u>
Less: Allowances for credit Impaired balances		(1.32)	(1.89)
Total		<u>5.02</u>	<u>3.74</u>
8. Other financial assets - current			
As at March 31,			
<u>2023</u> <u>2022</u>			
(a) Restricted Deposits with banks		0.23	-
(b) Interest accrued on loans and deposits		0.35	0.18
		<u>0.58</u>	<u>0.18</u>
9. Other non-current assets			
As at March 31,			
<u>2023</u> <u>2022</u>			
Taxes recoverable, statutory deposits and dues from government		21.50	25.39
Total		<u>21.50</u>	<u>25.39</u>
10. Other current assets			
As at March 31,			
<u>2023</u> <u>2022</u>			
(a) Statutory deposits & dues from Government			
i) Considered good		6.83	7.03
ii) Credit impaired		-	0.30
(b) Prepaid expenses		3.34	1.66
(c) Advance to suppliers including imprest advances			
i) Considered good		0.16	0.37
ii) Credit impaired		-	2.08
		<u>10.33</u>	<u>11.44</u>
Less: Allowances for credit Impaired balances		-	(2.38)
Total		<u>10.33</u>	<u>9.06</u>

TML Business Services Limited
NOTES FORMING PART OF FINANCIAL STATEMENTS

11. Inventories

(₹ in crores)

	As at March 31,	
	<u>2023</u>	<u>2022</u>
(a) Stock-in-trade -Automobiles, Spare Parts and Accessories for automobiles	0.18	0.48
Total	0.18	0.48

During the year ended March 31, 2023 and 2022, no amount is recorded as inventory write down.

12. Trade receivables (unsecured)

	As at March 31,	
	<u>2023</u>	<u>2022</u>
Receivables considered good	45.14	50.89
Credit impaired receivables	64.55	92.29
	109.69	143.18
Less : Allowance for credit impaired receivables	(64.55)	(92.29)
Total	45.14	50.89

13. Allowance for trade receivables, loans and other receivables

	For the year ended March 31,	
	<u>2023</u>	<u>2022</u>
Balance at the beginning	97.15	101.33
Allowance reversed during the period	(0.81)	(4.00)
Written off	(30.47)	(0.18)
Balance at the end	65.87	97.15

14. Cash and cash equivalents

	As at March 31,	
	<u>2023</u>	<u>2022</u>
Balances with banks	16.62	22.54
Total	16.62	22.54

TML Business Services Limited
NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

15. Equity Share Capital

(a) Authorised:

1,37,50,00,000 equity shares of ₹ 10 each
(as at March 31, 2022: 136,09,47,194 equity shares of ₹ 10 each)
Total

As at March 31,	
2023	2022
1,375.00	1,360.95
1,375.00	1,360.95

(b) Issued, Subscribed and Paid - up:

5,30,59,549 equity shares of ₹ 10 each
(as at March 31, 2022: 5,30,59,549 equity shares of ₹ 10 each)
Total

53.06	53.06
53.06	53.06

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

	Year ended March 31, 2023		Year ended March 31, 2022	
	(No. of shares)	(₹ in crores)	(No. of shares)	(₹ in crores)
(i) Ordinary shares				
Balance as at April 1	5,30,59,549	53.06	16,36,97,694	163.70
Add : Issue of share capital	-	-	1,17,22,50,000	1,172.25
Less : Cancellation and extinguishment equity shares (Refer note h below)	-	-	(1,28,28,88,145)	(1,282.89)
Balance as at March 31	5,30,59,549	53.06	5,30,59,549	53.06

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

	Year ended March 31, 2023		Year ended March 31, 2022	
	(No. of shares)	(₹ in crores)	(No. of shares)	(₹ in crores)
Ordinary shares :				
(a) Tata Motors Limited (including 60 shares jointly held with others)	5,30,59,549	53.06	5,30,59,549	53.06

(e) Disclosure of Shareholding of Promoters

	Period ended March 31, 2023		Period ended March 31, 2022	
	(No. of shares)	% of Issued Share Capital	(No. of shares)	% of Issued Share Capital
Promoter name				
(a) Tata Motors Limited (including 60 shares jointly held with others)	5,30,59,549	100%	5,30,59,549	100%

(f) Rights, preferences and restrictions attached to shares:

Equity shares:

In respect of every equity share, voting rights shall be in the same proportion as the capital paid up on such equity share bears to the total paid up share capital of the Company.

In the event of liquidation, the shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholdings.

(g) Information regarding issue of shares in the last five years :

- (a) The Company has not issued any shares without payment being received in cash.
(b) The Company has not issued any bonus shares.
(c) The Company has not undertaken any buy-back of shares.

(h) Pursuant to the Scheme of Arrangement between TML Distribution Company Limited and TML Business Services and their respective shareholders, the Company has done the reduction of its share capital by cancellation and extinguishment of ₹ 1,282.89 crores and paid ₹ 131.83 crores to its parent company, Tata Motors Ltd. The differential ₹ 1,151.06 crores is adjusted to the capital reserve. The capital reserve is then adjusted against the debit balance of amalgamation deficit account by ₹ 943.72 crores and retained earnings (distributable) by ₹ 207.34 crores. This treatment is given as on 1 April 2021 and hence previous comparative periods have been restated to that effect. Accordingly, EPS for March 31, 2022 has been restated.

(i) Notes to reserves

(a) The Company has opted to fair value the fixed assets at the time of adoption of Ind AS as per Ind AS 101. The same has been recorded in equity as part of undistributable reserves. The property has been disposed off during the period and the corresponding amount is transferred from undistributable to distributable reserves.

(b) **Retained earnings** - Retained earnings are the profits that the Company has earned till date.

(c) **Merger Deficit adjustment account** - The merger deficit adjustment account represents the excess of the identifiable assets and liabilities, acquired pursuant to business combination transaction, over the consideration paid.

(d) **Securities premium** - The amount received in excess of face value of the equity shares is recognised in Securities Premium.

TML Business Services Limited
NOTES FORMING PART OF FINANCIAL STATEMENTS

16. Long-term borrowings

(₹ in crores)

	As at March 31,	
	<u>2023</u>	<u>2022</u>
	Redeemable cumulative preference shares	24.35
	24.35	24.35

Redeemable cumulative preference shares

7% Cumulative Redeemable Preference Shares of ₹ 100 each, fully paid-up, allotted on October 21, 2004 was due for redemption on October 20, 2014. It has been rolled over for further 10 years and shall be redeemable on or before October 20, 2024.

These shares are redeemable at par at the end of 10 years from the date of rollover, with an option to the Company to redeem it at anytime from the date of rollover, if mutually agreed upon between the Preference Shareholders and the Company, on the original terms of the preference share issue.

These redeemable cumulative preference shares do not contain any equity component and are classified as financial liabilities in their entirety.

The following rights are 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% 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.

17. Trade payables

(₹ in crores)

	As at March 31, 2023					Total
	Not due	Overdue				
	Up to 1 year	1-2 years	2-3 years	More than 3 years		
Outstanding dues of micro and small enterprises						
Undisputed dues	0.09	-	-	0.00	-	0.09
Total	0.09	-	-	0.00	-	0.09
Outstanding dues of creditors other than micro and small enterprises						
Undisputed dues	24.87	0.08	-	0.28	-	25.23
Total	24.87	0.08	-	0.28	-	25.23
Balance as at March 31, 2023	24.96	0.08	-	0.28	-	25.32

(₹ in crores)

	As at March 31, 2022					Total
	Not due	Overdue				
	Up to 1 year	1-2 years	2-3 years	More than 3 years		
Outstanding dues of micro and small enterprises						
Undisputed dues	0.02	-	-	-	-	0.02
Total	0.02	-	-	-	-	0.02
Outstanding dues of creditors other than micro and small enterprises						
Undisputed dues	21.39	1.81	-	-	2.62	25.82
Total	21.39	1.81	-	-	2.62	25.82
Balance as at March 31, 2022	21.41	1.81	-	-	2.62	25.84

18. Other financial liabilities – current

	As at March 31,	
	<u>2023</u>	<u>2022</u>
(a) Interest accrued but not due	-	17.04
(b) Liability for capital expenditure	-	0.12
(c) Liability towards "C" Forms	-	5.88
	-	23.04

TML Business Services Limited
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19. Income taxes

(a) Accounting policy

Income tax expense comprises current tax and deferred tax. Income tax expense is recognised in the statement of Profit and Loss except when they relate to items that are recognised outside of profit and loss (whether in other comprehensive income or directly in equity), in which case tax is also recognised outside profit and loss. Current income taxes are determined based on respective taxable income of each taxable entity.

Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilised business loss and depreciation carry-forwards and tax credits. Such deferred tax assets and liabilities are computed separately for each taxable entity. Deferred tax assets are recognised to the extent it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilised. The carrying amount of deferred tax assets is reviewed at each reporting 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 based on the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Current and deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(b) The reconciliation of income tax expense calculated as per tax rates applicable to individual entities with income tax expense is as follows:

	(₹ in crores)	
	Year ended March 31,	
	2023	2022
Profit/(loss) before tax	44.20	43.74
Income tax expense at tax rates applicable to individual entities	11.13	11.01
Deferred tax assets not recognized as realisation is not probable	(11.06)	1.02
Utilisation/credit of unrecognised tax losses	(38.79)	(12.03)
Reversal of Deferred tax asset created earlier	-	2.91
Income tax provision for current year	5.00	-
Reversal of excess provision for earlier years	(9.71)	-
Income tax expense reported in statement of profit and loss	(43.43)	2.91

(c) Significant components of deferred tax assets and liabilities for the year ended March 31, 2023 are as follows:

	Opening balance	Recognised in profit and loss	Recognised in/reclassified from OCI	Effect on account of Tax rate	(₹ in crores)
					Closing balance
Deferred tax assets:					
Unabsorbed depreciation		19.41	-	-	19.41
Property, plant and equipment	16.77	(15.19)	-	-	1.58
Provisions, allowances for doubtful receivables and others	1.50	15.15			16.65
Compensated absences and retirement benefits		0.83	0.07	-	0.90
Operating / Finance Lease under IndAS 116		-	-	-	-
Derivative financial instruments		-	-	-	-
Others		0.24	-	-	0.24
Total deferred tax assets	18.27	20.45	0.07	-	38.79
Deferred tax liabilities:					
Property, plant and equipment	3.54	(3.54)	-	-	-
Others	14.73	(14.73)	-	-	-
Total deferred tax liabilities	18.27	(18.27)	-	-	-
Net Deferred tax assets / (liabilities)	-	38.72	0.07	-	38.79

TML Business Services Limited
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19. Income taxes (Continued)

Significant components of deferred tax assets and liabilities for the year ended March 31, 2022 are as follows:

(₹ in crores)

	Opening balance	Recognised in profit and loss	Recognised in/reclassified from OCI	Effect on account of Tax rate change	Closing balance
Deferred tax assets:					
Expenses deductible in future years	3.52	(1.03)	-	(0.99)	1.50
Property, Plant and Equipment	19.23	3.05	-	(5.51)	16.77
Compensated absences and retirement benefits	-	(0.45)	0.45	-	-
Addition on account of Merger of TML Distribution Co. Ltd.	2.46	(2.46)	-	-	-
Total deferred tax assets	25.22	(0.89)	0.45	(6.50)	18.28
Deferred tax liabilities:					
Property, plant and equipment	4.92	-	-	(1.38)	3.54
Intangible assets	-	-	-	-	-
Undistributed earnings in joint operations	-	-	-	-	-
Others	17.84	2.02	-	(5.12)	14.74
Total deferred tax liabilities	22.76	2.02	-	(6.50)	18.28
Net Deferred tax assets / (liabilities)	2.46	(2.91)	0.45	-	-

As at March 31, 2023 unrecognised deferred tax assets expire unutilised based on the year of

Particulars	As at March 31, 2023
FY 2016-17	2.94
FY 2017-18	15.40
FY 2018-19	11.58
Total Unabsorbed Business Loss	29.91

20 Other current liabilities

	Year ended March 31,	
	2023	2022
(a) Advance from customers (Refer note 1 below)	1.38	2.50
(b) Statutory dues payable	15.49	3.14
Total	16.87	5.64

Significant changes in the contract liabilities balances during the year ended 31 March 2023 as follows:

Particulars	Year ended March 31,	
	2023	2022
Contract liabilities:		
Contract liabilities at the beginning of the reporting period	2.50	2.98
Other changes /write back	(1.12)	(0.48)
Contract liabilities at the end of the reporting period	1.38	2.50
	As at March 31,	
	2023	2022
Advances received from customers	1.38	2.50
Current	1.38	2.50

TML Business Services Limited
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21. Revenue recognition

(a) Accounting policy

Revenue is measured at fair value of consideration received or receivable.

(i) Sale of services

The Company is interalia engaged in the business of providing outsourcing services for all process, sub-process, transactional activities, and knowledge based services including consulting to Tata Motors Limited ("TML") & its subsidiaries. Revenues are recognised on monthly basis when services are rendered to customers and related costs are incurred. The Company is also engaged in providing outbound logistics support services and revenue is recognized based on the total vehicles managed monthly.

	Year ended March 31,	
	2023	2022
22. (a) Revenue From Operations		
(a) Sale of products	0.04	0.20
(b) Sale of services	188.78	153.29
Revenue	188.82	153.49
(c) Other operating revenues	7.78	1.50
	196.60	154.99

23. Other income

(a) Accounting policy

(ii) Interest Income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest Income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

(b) Other income

	Year ended March 31,	
	2023	2022
(a) Interest income	8.70	10.78
(b) Interest on VAT refund	-	25.47
(c) Amount no longer required written back	-	4.92
	8.70	41.17

24. Employee benefits expense

	Year ended March 31,	
	2023	2022
(a) Salaries, wages and bonus	80.88	75.50
(b) Contribution to provident fund and other funds	4.44	4.60
(c) Staff welfare expenses	7.72	3.51
	93.04	83.61

Employee benefits

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund, compensated absences, Bhavishya Kalyan Yojana and Post retirement medicare scheme.

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.

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 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. Annual contributions to Liability for gratuity are funded with Trusts established by Tata Motors Ltd. The Company's obligation in respect of gratuity plan, which is a defined benefit plan, is provided for based on actuarial valuation using the projected unit credit method.

Remeasurement comprising actuarial gains and losses, the effect of the asset ceiling and the return on assets (excluding interest) relating to retirement benefit plans, are recognized directly in other comprehensive income in the period in which they arise. Remeasurement recorded in other comprehensive income is not reclassified to statement of profit and loss.

TML Business Services Limited
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b) Provident Fund

In accordance with Indian law, eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary). The contributions, as specified under the law, are made to the provident fund and pension fund. These amounts are charged to statement of profit and loss in the period in which the employee renders services.

c) Compensated Absence

The Company provides for the encashment of 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.

d) Bhavishya Kalyan Yojana

Bhavishya Kalyan Yojana is an unfunded defined benefit plan for employees transferred from Tata Motors Limited. The benefits of the plan include pension in certain cases, payable up to the date of normal superannuation had the employee been in service, to an eligible employee at the time of death or permanent disablement, while in service, either as a result of an injury or as certified by the appropriate authority. The monthly payment to dependents of the deceased/disabled employee under the plan equals 50% of the basic salary or 30% of total fixed pay, whichever is higher, drawn at the time of death or accident or a specified amount, whichever is greater. We account for the liability for BKY benefits payable in the future based on an actuarial valuation.

e) Post Retirement Medicare Scheme

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

Defined Benefit Plan

Pension and post retirement medical plans

The following table sets out the funded and unfunded status and the amounts recognized in the financial statements for the pension and the post retirement medical plans

	(₹ in crores)			
	Pension benefits*		Post retirement medical Benefits	
	Year ended March 31,			
	2023	2022	2023	2022
Change in defined benefit obligations :				
Defined benefit obligation, beginning of the year	11.85	10.49	1.30	0.30
Current service cost	1.35	0.98	0.18	0.04
Interest cost	0.80	0.65	0.12	0.04
Remeasurements (gains) / losses				
Actuarial (gains) / losses arising from changes in demographic assumptions	-	0.16	-	0.10
Actuarial (gains) / losses arising from changes in financial	0.57	0.51	0.24	0.31
Actuarial (gains) / losses arising from changes in experience	0.01	0.86	0.08	0.19
Benefits paid from plan assets	(1.81)	(1.78)		
Benefits paid directly by employer	(0.05)	(0.04)	(0.04)	(0.03)
Past service cost - Plan amendment	-	0.47	0.86	0.35
Transfer in of liability	0.75	(0.45)	0.17	-
Defined benefit obligation, end of the year	13.47	11.85	2.90	1.30
Change in plan assets:				
Fair value of plan assets, beginning of the year	9.15	10.07	-	-
Interest income	0.71	0.64	-	-
Return on plan assets, (excluding amount included in net Interest cost)	0.36	0.02	-	-
Employer's contributions	3.00	0.64	-	-
Benefits paid	(1.81)	(1.78)	-	-
Transfer in of liability	0.69	(0.45)	-	-
Fair value of plan assets, end of the year	12.11	9.15	-	-
Amount recognized in the balance sheet consists of:				
			As at March 31,	
	2023	2022	2023	2022
Present value of defined benefit obligation	13.47	11.85	2.90	1.30
Fair value of plan assets	12.11	9.15	-	-
Net liability	(1.36)	(2.70)	(2.90)	(1.30)
Amounts in the balance sheet:				
Non-current assets	0.84	-	-	-
Non-current liabilities	(2.20)	(2.70)	(2.90)	(1.30)
Net liability	(1.36)	(2.70)	(2.90)	(1.30)

* Pension benefit includes Gratuity, Bhavishya Kalyan Yojna

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

	Pension Benefits	
	As at March 31,	
	2023	2022
Defined benefit obligation	-	10.11
Fair value of plan assets	-	9.15

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

	As at March 31,	
	Pension Benefits	
	2023	2022
Defined benefit obligation	11.23	-
Fair value of plan assets	12.11	-

Information for unfunded plans:

	Pension Benefits		Post retirement medical Benefits	
	As at March 31,			
	2023	2022	2023	2022
Defined benefit obligation	2.20	1.73	2.90	1.30

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

	Pension Benefits		Post retirement medical Benefits	
	Year ended March 31,			
	2023	2022	2023	2022
Service cost	1.35	0.98	0.18	0.04
Net interest cost / (income)	0.09	-	0.12	0.04
Past service cost - Plan amendment	-	0.47	0.86	0.35
Net periodic cost	1.44	1.46	1.15	0.43

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

	(₹ in crores)			
	Pension Benefits		Post retirement medical Benefits	
	Year ended March 31,			
	2023	2022	2023	2022
Remeasurements				
Return on plan assets, (excluding amount included in net Interest expense)	(0.36)	(0.02)	-	-
Actuarial (gains)/losses arising from changes in demographic assumptions	-	0.16	-	0.10
Actuarial (gains)/losses arising from changes in financial assumptions	0.57	0.51	0.24	0.31
Actuarial (gains)/losses arising from changes in experience adjustments on plan	0.01	0.86	0.08	0.19
Total recognized in other comprehensive income	0.22	1.52	0.32	0.60
Total recognized in statement of operations and other comprehensive income	1.66	2.97	1.47	1.03

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The assumptions used in accounting for the pension and post retirement medical plans are set out below:

	Pension Benefits		Post retirement medical Benefits	
	As at March 31,			
	2023	2022	2023	2022
Discount rate	7.20%	6.50% - 7.10%	7.30%	7.20%
Rate of increase in compensation level of covered employees	6.00% - 12.00%	6% - 10%	NA	NA
Increase in health care cost	NA	NA	6.00%	6.00%

Plan Assets

The fair value of Company's pension plan asset as of March 31, 2023 and 2022 by category are as follows:

Asset category:	Pension benefits	
	Plan assets as of March 31	
	2023	2022
Cash and cash equivalents	15.4%	1.9%
Debt instruments (quoted)	62.5%	69.5%
Debt instruments (unquoted)	0.0%	0.0%
Equity instruments (quoted)	8.2%	8.4%
Deposits with Insurance companies	13.9%	20.2%
	100.0%	100.0%

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

The weighted average duration of the defined benefit obligation as at March 31, 2023 is **10.30 years** (2021 : 11.69 years)

The Company expects to contribute ₹ **0.93 crores** to the funded pension plans in Fiscal 2024.

The table below outlines the effect on the service cost, the interest cost and the defined benefit obligation in the event of a decrease/increase of 1% in the assumed rate of discount rate, salary escalation and health care cost:

Assumption	Change in assumption	Impact on defined benefit obligation	Impact on defined benefit obligation
Discount rate	Increase by 1%	Decrease by ₹ 1.29 crores	Decrease by ₹0.43 crores
	Decrease by 1%	Increase by ₹1.50 crores	Increase by ₹0.49 crores
Salary escalation rate	Increase by 1%	Increase by ₹0.80 crores	Increase by ₹0.34 crores
	Decrease by 1%	Decrease by ₹0.73 crores	Decrease by ₹0.30 crores
Health care cost	Increase by 1%	Increase by ₹0.55 crores	Increase by ₹0.14 crores
	Decrease by 1%	Decrease by ₹ 0.45 crores	Decrease by ₹0.11 crores

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(₹ in crores)

25. Finance costs

	Year ended March 31,	
	2023	2022
(a) Interest on borrowing	1.73	1.72
(b) Interest on lease liability	1.38	1.33
	3.11	3.05

26. Other expenses

	Year ended March 31,	
	2023	2022
(a) IT related Expenses	4.84	5.71
(b) Rent, Rates & taxes	13.78	8.79
(c) Security Expenses	2.96	2.69
(d) Miscellaneous contract jobs/outsourcing	34.78	15.44
(e) Yard management expenses	19.23	13.80
(f) Bad debts written off, (Reversal) / Provision and write off of trade and other receivables	0.60	(0.13)
(g) Corporate social responsibility expenses (Refer note c)	0.16	0.65
(h) Works operation and other expenses (Refer note a)	7.50	6.73
Total	83.85	53.69

Note:

Works operation and other expenses include:

	Year ended March 31,	
	2023	2022
(a) Auditors' Remuneration (excluding GST)		
(i) Audit Fees	0.20	0.20
(ii) Tax Audit / Transfer Pricing Audit	0.04	0.02
(iii) Reimbursement of travelling and out-of-pocket expenses	0.01	
(c) The Company has spent an amount of Rs. 0.16 crores towards various schemes of Corporate Social Responsibility (CSR) as prescribed under Section 135 of the Companies Act, 2013. No amount has been spent on construction / acquisition of an asset of the Company. The prescribed CSR expenditure required to be spent in the year 2022-23 as per Companies Act, 2013 is Rs. Nil, in view of average net loss of the Company being ₹ 50.83 crores (under section 198 of the Act) for last three financial years.		

27. Commitments and contingencies

	Year ended March 31,	
	2023	2022
(a) Claims against the Company not acknowledged as debts -		
(i) Sales Tax	34.08	48.07
(ii) Service Tax	11.55	11.87
(iii) Entry Tax	1.24	1.24
(iv) The claims / liabilities in respect of other matters (Payment of Bonus Act).	0.02	0.02

(b) Provident fund contribution

The Hon. Supreme Court of India (SC) by their order dated February 28, 2019 set out the principle based on which allowances paid to the employees should be identified for inclusion in basic wage for the purpose of computation of Provident Fund contribution. There are interpretative challenges and considerable uncertainty, including estimating the amount retrospectively. Pending the directions from the EPFO, the impact for past periods, if any, is not ascertainable reliably and consequently no financial effect has been provided for in the financial statements. The Company has complied with this on prospective basis, from the date of SC order.

28. Earnings per Share ("EPS")

(a) Accounting policy

Basic earnings per share has been computed by dividing net income by the weighted average number of shares outstanding during the year. Partly paid up shares are included as fully paid equivalents according to the fraction paid up. Diluted earnings per share has been computed using the weighted average number of shares and dilutive potential shares, except where the result would be antidilutive.

(b) EPS

		Year ended March 31,	
		2023	2022
(a) Profit after tax	₹ crores	87.63	40.84
(b) The weighted average number of Ordinary shares for Basic EPS (Refer Note below)	Nos.	5,30,59,050	5,30,59,050
(c) The nominal value per share	₹	10	10
(d) Earnings per share (Basic) (Refer note 15(h))	₹	16.52	7.70
(e) Share of Profit for Equity Shares for Diluted EPS	₹ crores	87.63	40.84
(f) The weighted average number of Equity Shares for Diluted EPS	Nos.	5,30,59,050	5,30,59,050
(g) Earnings per share (Diluted) (Refer note 15(h))	₹	16.52	7.70

TML Business Services Limited
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29 Financial instruments

(a) Accounting policy

(i) Recognition:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial instruments are recognised on the balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Initial measurement

Financial instruments are initially recognised at its fair value. Transaction costs directly attributable to the acquisition or issue of financial instruments are recognised in determining the carrying amount, if it is not classified as at fair value through profit or loss. However, trade receivables that do not contain a significant financing component are measured at transaction price. Transaction costs of financial instruments carried at fair value through profit or loss are expensed in the statement of profit and loss.

Subsequently, financial instruments are measured according to the category in which they are classified.

Classification and measurement – financial assets

Classification of financial assets is based on the business model in which the instruments are held as well as the characteristics of their contractual cash flows. The business model is based on management's intentions and past pattern of transactions. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest. The Company reclassifies financial assets when and only when its business model for managing those assets changes.

Financial assets are classified into three categories

Financial assets at amortised cost: Financial assets having contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding and that are held within a business model whose objective is to hold such assets in order to collect such contractual cash flows are classified in this category. Subsequently, these are measured at amortised cost using the effective interest method less any impairment losses.

Equity investments at fair value through other comprehensive income (Equity instruments): These include financial assets that are equity instruments and are designated as such upon initial recognition irrevocably. Subsequently, these are measured at fair value and changes therein are recognised directly in other comprehensive income, net of applicable income taxes.

Dividends from these equity investments are recognised in the statement of Profit and Loss when the right to receive payment has been established.

When the equity investment is derecognised, the cumulative gain or loss in equity is transferred to retained earnings.

Financial assets at fair value through other comprehensive income (Debt instruments): Financial assets having contractual terms that give rise on specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding and that are held within a business model whose objective is to hold such assets in order to collect such contractual cash flows as well as to sell the financial asset, are classified in this category. Subsequently, these are measured at fair value, with unrealised gains or losses being recognised in other comprehensive income apart from any expected credit losses or foreign exchange gains or losses, which are recognised in profit or loss.

Financial assets at fair value through profit and loss: Financial assets are measured at fair value through profit and loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit and loss are immediately recognised in profit and loss.

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29 Financial instruments (continued)

Classification and measurement – financial liabilities:

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Financial guarantee contracts: These are initially measured at their fair values and, are subsequently measured at the higher of the amount of loss allowance determined or the amount initially recognised less, the cumulative amount of income recognised.

Other financial liabilities: These are measured at amortised cost using the effective interest method.

Equity instruments: Equity instruments: An equity instrument is any contract that evidences residual interests in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(ii) Determination of fair value:

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.

The fair value of a financial instrument on initial recognition is normally the transaction price (fair value of the consideration given or received).

In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Subsequent to initial recognition, the Company determines the fair value of financial instruments that are quoted in active markets using the quoted bid prices (financial assets held) or quoted ask prices (financial liabilities held) and using valuation techniques for other instruments. Valuation techniques include discounted cash flow method and other valuation methods.

(iii) Derecognition of financial assets and financial liabilities:

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company 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. Any gain or loss arising on derecognition is recognised in profit or loss. When a financial instrument is derecognised, the cumulative gain or loss in equity is transferred to the statement of profit and loss unless it was an equity instrument electively held at fair value through other comprehensive income. In this case, any cumulative gain or loss in equity is transferred to retained earnings. Financial assets are written off when there is no reasonable expectation of recovery. The Company reviews the facts and circumstances around each asset before making a determination. Financial assets that are written off could still be subject to enforcement activities

Financial liabilities are derecognised when these are extinguished, that is when the obligation is discharged, cancelled or has expired.

(iv) Impairment of financial assets:

The Company recognises a loss allowance for expected credit losses on a financial asset that is at amortised cost or at fair value through other comprehensive income. Expected credit losses are forward looking and are measured in a way that is unbiased and represents a probability-weighted amount, takes into account the time value of money (values are discounted using the applicable effective interest rate) and uses reasonable and supportable information.

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29. Financial instruments (Continued)

(a) Capital management

The Company manage its capital through its parent company, to ensure that Company will be able to meet its funding requirements and will be able to continue as going concern.

The Company is not subject to any externally imposed capital requirements.

(b) Financial assets and liabilities

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities

(₹ in Crores)

PARTICULARS	Carrying Amount		Fair Value	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Financial assets				
Investment	0.35	0.15	0.35	0.15
Loans and advances	77.38	204.87	77.38	204.87
Other financial assets	5.60	3.92	5.60	3.92
Trade receivables	45.14	50.88	45.14	50.88
Cash and cash equivalents	16.62	22.54	16.62	22.54
Total	145.09	282.36	145.09	282.36
Financial liability				
<u>Measured at amortised cost</u>				
Borrowings	24.35	24.35	24.35	24.35
Lease Liability	12.95	15.45	12.95	15.45
Other finance liabilities	-	23.04	-	23.04
Trade payables	25.32	25.84	25.32	25.84
Dues to Holding Company	0.01	131.83	0.01	131.83
Total	62.63	220.51	62.63	220.51

The Management assessed that the fair value of cash , trade receivable , loans and advances, trade payables , borrowings and other current financial assets and liabilities approximate their carrying amounts largely due to the short term maturity of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in the current transactions between willing parties , other than in a forced or liquidation sale.

(c) Financial Risk Management Objectives

The Company seeks to minimize and manage the financial risks relating to the operations of the Company. These risks may include market risk, interest rate risk, credit risk and Liquidity Risk.

Market Risk:

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

Interest Rate Risk:

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Company's cash flows as well as costs.

Although not very significant, the Company is subject to variable interest rates on some of its interest bearing liabilities.

Credit Risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks.

Financial instruments that are subject to concentrations of credit risk, principally consist of investments classified as trade receivable, loans and advances and other financial assets. None of the financial instruments of the Company result in material concentrations of credit risks.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 145.09 crores as of March 31, 2023 and ₹ 2.82 crores as of March 31, 2022 being the total of the carrying amount of balances with banks, trade receivables, loans and other financial assets.

Financial assets that are neither past due nor impaired.Regarding trade receivables, loans and advances and other financial assets, that are neither impaired nor past due, there were no indications as of March 31, 2023, that defaults in payment obligations will occur.None of the Company's cash equivalents are past due or impaired.

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29. Financial instruments (Continued)

The ageing of trade receivables as of balance sheet date is given below. The age analysis has been considered from the due date.

(₹ in Crores)

		As at March 31, 2023							
		Not due	Up to 3 months	3 months to 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
	Undisputed								
(a)	Considered good	37.34	5.72	0.10	0.45	0.27	-	1.27	45.14
(b)	risk	-	-	-	-	-	-	-	-
(c)	Credit impaired	-	-	-	-	-	-	66.17	66.17
	Disputed								
(a)	Considered good	-	-	-	-	-	-	-	-
(b)	risk	-	-	-	-	-	-	-	-
(c)	Credit impaired	-	-	-	-	-	-	-	-
	Less:								
	Allowances for credit impaired receivables	-	-	-	-	-	-	(66.17)	(66.17)
	Total	37.34		0.10	0.45	0.27	-	1.27	45.14

(₹ in Crores)

		As at March 31, 2022							
		Not due	Up to 3 months	3 months to 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
	Undisputed								
(a)	Considered good	28.54	-	13.43	5.86	0.47	2.59	0.00	50.89
(b)	risk	-	-	-	-	-	-	-	-
(c)	Credit impaired	-	-	-	-	-	1.46	36.20	37.66
	Disputed								
(a)	Considered good	-	-	-	-	-	-	-	-
(b)	risk	-	-	-	-	-	-	-	-
(c)	Credit impaired	-	-	-	-	-	-	54.66	54.66
	Less:								
	Allowances for credit impaired receivables	-	-	-	-	-	(1.46)	(90.86)	(92.32)
	Total	28.54	-	13.43	5.86	0.47	2.59	0.00	50.89

Liquidity Risk

Liquidity Risk is the risk that entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets. The Company manages the liquidity risk by maintaining funding lines through banking facilities by continuously monitoring forecast, actual cash flows and support of its parent company.

Foreign currency exchange rate risk:

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit & loss, statement of comprehensive income, balance sheet, statement of changes in equity and statement of cash flows, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the respective entities. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in GBP against the functional currency of TML Business Services Limited

The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

The following table sets forth information relating to foreign currency exposure as of March 31, 2023:

		Rs in Crores		
		GBP	SGD	Total
(a)	Financial assets	5.75	0.02	5.77
(b)	Financial liabilities	-	-	-

The following table sets forth information relating to foreign currency exposure as of March 31, 2022:

		Rs in Crores		
		GBP	SGD	Total
(a)	Financial assets	6.55	-	6.55
(b)	Financial liabilities	-	-	-

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NOTES FORMING PART OF FINANCIAL STATEMENTS

30. Related-party transactions

The Company's related parties principally includes holding company Tata Motors Limited and its subsidiaries, joint operations. The Company routinely enters into transactions with these related parties in the ordinary course of business.

All transactions with related parties are conducted at arm's length price under normal terms of business and all amounts outstanding are unsecured and will be settled in cash

(a) The following table summarises related-party transactions and balances for the year ended / as at March 31, 2023:

	Parent Company	Fellow Subsidiaries	(₹ in Crores) Total
(A) Transactions			
Services received	1.19	3.20	4.39
Services rendered	101.43	87.39	188.82
Interest expense	0.95		0.95
Interest Income	8.05		8.05
Dividend	53.06		53.06
Finance given (including loans and equity)	222.00		222.00
Finance given, taken back (including loans and equity)	349.50		349.50
(B) Balances			
Amounts receivable in respect of loans and interest thereon	72.50		72.50
Trade and other receivables	29.57	14.08	43.65
Trade payables	0.72	1.14	1.86
Interest outstanding on Preference Shares	-	-	-
Preference Shares	13.54		13.54

(b) The following table summarises related-party transactions and balances for the year ended / as at March 31, 2022:

	Parent Company	Subsidiaries	(₹ in Crores) Total
(A) Transactions			
Services received	4.74	3.07	7.81
Services rendered	119.33	34.83	154.16
Interest expense	0.95		0.95
Interest Income	10.01		10.01
Finance given (including loans and equity)	101.74		101.74
Finance given, taken back (including loans and equity)	169.24		169.24
(B) Balances			
Amounts receivable in respect of loans and interest thereon	200.00		200.00
Trade and other receivables	23.88	24.07	47.95
Trade payables	0.14	2.02	2.16
Interest outstanding on Preference Shares	9.48		9.48
Preference Shares	13.54		13.54

(c) The following table summarizes material related-party transactions included in the financial statements for the year ended March 31, 2023 and 2022 :

Name of the related party	Transactions	(₹ in crores)	
		March 31, 2023	March 31, 2022
Tata Motors Limited	Interim Dividend	53.06	-
Tata Motors Limited	Services rendered	101.43	119.33
Tata Motors Passenger Vechiles Limited	Services rendered	43.98	10.59
Jaguar Land Rover Ltd Uk	Services rendered	36.73	20.72
Tata Motors Limited	Finance given	222.00	101.74
Tata Motors Limited	Finance given, taken back	349.50	169.24

(₹ in crores)

Compensation of key management personnel:	Nature of Relationship	Year ended ,	
		March 31, 2023	March 31, 2022
Mr. Ravindra Pethe	Chief Executive Officer & Manager	0.96	0.14
Ms Arti Desai (Upto January 23, 2022)	Chief Executive Officer & Manager	-	0.82
Mr. Prabhu Krishnan (With effect from January 21, 2023)	Chief Financial Officer	0.13	-
Total		1.09	0.96

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31. Ratio

Sr No	Particulars	Year ended March 31,		Change	Reason for Change
		2023	2022		
a)	Debt Equity Ratio (number of times) [Total Debt ⁽ⁱ⁾ / Shareholders' Equity ⁽ⁱⁱ⁾]	0.14	0.09	54%	Increase on account of capial reduction in the current year as per the scheme of arrangement with TMLD
b)	Debt Service Coverage Ratio (number of times) [(Profit/(loss) before exceptional items and tax+Interest on Borrowings)/(Interest on Borrowings + Repayment of Borrowings ⁽ⁱⁱⁱ⁾)]	15.45	33.06	-53%	Decrease is mainly on account of increase in outsoruce cost and employee cost.
c)	Current ratio (number of times) [Current assets (excluding Assets classified as held for sale) / Current liabilities (excluding Liabilities directly associated with Assets Classified as Held For Sale)]	3.07	4.05	-24%	-
d)	Trade receivable turnover (number of times) [Revenue from operations / Average Trade receivables]	4.09	3.04	35%	Driven by increase in revenue & continues focus on debtors' collection
e)	Inventory turnover (number of times) [Raw material consumed ^(iv) / average inventory ^(vii)]	Not Applicable	Not Applicable		
f)	Trade payable turnover (number of times) [Cost of material consumed / Average Trade payables]	Not Applicable	Not Applicable		
g)	Net capital turnover (number of times) [Revenue from operations / Working capital ^(vi)]	1.94	0.72	168%	Increase on account of capial reduction in the current year as per the scheme of arrangement with TMLD
h)	Net profit margin (%) [Net profit after tax / Revenue from operations]	44.57%	26.35%	69%	Increase is due to profit on sale of Land & Building and tax credit during the year
i)	Return on equity (number of times) [Net profit after tax / Average shareholders' equity]	0.54	0.15	266%	Increase is due to profit on sale of Land & Building and tax credit during the year
j)	Return on capital employed (number of times) [Profit before interest and tax / Capital employed ^(viii)]	0.13	0.17	-23%	-
k)	Return on investments (number of times) [Net profit after tax / Average investments]	0.55	0.17	233%	Increase in net profit

Notes:

- i Total debts includes non current and current borrowings.
- ii Equity = Equity share capital + Other equity
- iii Repayment of borrowings includes repayment of long-term borrowings, proceeds from short-term borrowings, repayment of short-term borrowings and net change in other short-term borrowings (with maturity up to three months).
- iv Working capital = Current assets (excluding Assets classified as held for sale) - Current liabilities (excluding current maturities of long term debt, interest accrued on borrowings and liabilities directly associated with assets classified as held for sale).
- v Cost of goods sold includes Cost of materials consumed, Purchases of products for sale and Changes in inventories of finished goods, work-in-progress and products for sale.
- vi Inventory includes Raw materials and components, Work-in-progress, Finished goods, Stores and spare parts, Consumable tools and Goods-in-transit - Raw materials and components.
- vii Capital employed includes Shareholders' Equity, non current and current borrowings

32. Other statutory information :

- (I) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (II) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (III) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (IV) The Company have not advanced or loaned or invested funds to any other person(s) or entity(is), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (V) The Company have not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (VI) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (VII) The Company is not declared as wilful defaulter by any bank or financial institution (as defined under the companies act,2013) or constorium thereof or other lender in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
- (VIII) The Company has complied with the number of layers for its holding in downstream companies prescribed under clause (87) of section 2 of the companies Act,2013 read with the Companies(Restriction on number of layers) Rules, 2017
- (IX) The Company does not have any transaction which are not recorded in the books of accounts that have been surrendered or disclosed as income during the year in the tax assessment under the Income tax Act,1961
- (X) The Company has not revalued any of its Property,Plants and Equipments (including Right-of-use Assets) during the year.
- (XI) There are no transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 for the year ended Mar 31, 2023 and 2022 respectively.

TML Business Services Limited
NOTES FORMING PART OF FINANCIAL STATEMENTS

33. Revenue from contracts with customers

a) Revenue from operations

The Company generates revenue primarily from the sale of vehicles and sale of services as per details provided in Note 19 to the financial statements.

b) Disaggregation of revenue

Considering the nature, amount, timing and uncertainty of revenue and cash flows, the Company determines that its revenue from operations would fall in single category as per the requirements of Ind AS 115.

The contract liabilities primarily relate to the advance consideration received from customers. Revenue is recognized from the contract liability amounts as and when goods are supplied or services are delivered and related performance obligations satisfied. The unused credit or balance is deferred until used by the customer or expired.

c) Performance obligations

The Company satisfies its performance obligations pertaining to the sale of services as and when services are rendered to the customer and are recognized net of performance obligations. No significant judgment is involved in evaluating when a customer obtains control of promised goods. The contract is a fixed price contract and do not contain any financing component. The payment is generally due within 7-60 days. There are no other significant obligations attached in the contract with customer.

d) Significant judgements in the application of this Standard

There are no significant judgements involved in ascertaining the timing of satisfaction of performance obligations, in evaluating when services are rendered to the customer, in determining the transaction price and allocation of transaction price to the performance obligations.

e) Cost to obtain contract or fulfil a contract

There are no costs incurred for obtaining or fulfilling a contract and there are no closing assets recognised from the costs incurred to obtain or fulfil a contract with a customer.

34 The Company alongwith its parent company Tata Motors Limited (TML), announced a voluntary retirement scheme for its employees in December 2020.

As per the scheme, employees need to apply for voluntary retirement and the Company reserves the right to reject any application without providing reasons for such rejection. Compensation in respect of applications which were approved aggregating to Rs. 0.09 crore is shown as an exceptional item.

TML Business Services Limited
NOTES FORMING PART OF FINANCIAL STATEMENTS

35 Other notes:

- i) During the year ended March 31, 2023, the Company earned profit of ₹ 24.89 crores on sale of properties in Hyderabad.
- ii) The Company has certain Land and Building, which is held for sale as on March 31, 2023.
- iii) **Micro, Small and Medium Enterprises Development Act, 2006**
The information as required to be disclosed under the 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. The amount of principal and interest outstanding during the year is given below :

Particulars	(₹ in crores)	
	As at March 31,	
	2023	2022
(a) Principal amount remaining unpaid to any supplier as at the year end and interest due thereon	0.09	0.02
(b) Amount of interest paid by the Company in terms of Section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	-	-
(c) Amounts paid after appointed date during the year	-	-
(d) Amount of interest accrued and unpaid as at March 31,	-	-
(e) Amount of estimated interest due and payable for the period from April 1, 2023 to actual date of payment or May 1, 2023 (whichever is earlier)	-	-

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

KALPESH
RAMESHCHANDR
A KHANDELWAL

Kalpesh Khandelwal
Partner
Membership No. 133124
UDIN No : 23133124BGYBBJ8805

Date : May 1, 2023
Place : Pune

GODABANAL
PARAMESWARA
PPA RAVINDRA
KUMAR

Ravindra Kumar G P
Director
(DIN:07108426)
Place : Mumbai

NAGARAJ
IJARI

Mr Nagaraj Ijari
Director
(DIN: 093905)
Place : Bengaluru

For and on behalf of the Board

RAVINDRA
VASANT
PETHE

Ravindra Pethe
Chief Executive Officer
Place: Pune

SUBBARAYAN
PRABHU
KRISHNAN

Subbarayan Prabhu Krishnan
Chief Financial Officer
Place: Pune

KAYNAZ KERSI
SARBHANWALA

Kaynaz Sarbhanwala
Company Secretary
(ACS 34947)
Place: Mumbai

Date : May 1, 2023