

Notes:-

- 1) The above results were reviewed and recommended by the Audit Committee and approved by the Board of Directors at its meeting held on January 31, 2022.
- 2) COVID-19 pandemic has rapidly spread throughout the world, including India. Governments in India and across the world have taken significant measures to curb the spread of the virus including imposing mandatory lockdowns and restrictions in activities. Consequently, Company's manufacturing plants and offices had to be closed down / operate under restrictions for a considerable period of time. Lockdowns / restrictions have impacted the Company operationally including on commodity prices, supply chain matters (including semiconductor supplies), consumer demand and recoveries of loans under its vehicle financing business. More recently, the next wave of the pandemic has impacted India and other countries. The Company is monitoring the situation closely taking into account the increasing level of infections in India and across the world and directives from the various Governments. Management believes that it has taken into account all the possible impacts of known events arising from COVID-19 pandemic in the preparation of the financial results including but not limited to its assessment of Company's liquidity and going concern, recoverable values of its property, plant and equipment, intangible assets, intangible assets under development, allowances for losses for finance receivables and the net realisable values of other assets. However, given the effect of these lockdowns and restrictions on the overall economic activity and in particular on the automotive industry, the impact assessment of COVID-19 on the above mentioned financial statement captions is subject to significant estimation uncertainties due to its nature and duration and, accordingly, the actual impacts in future may be different from those estimated as at the date of approval of these financial results. The Company will continue to monitor any material changes to future economic conditions and consequential impact on its financial results.
- 3) During the year ended March 31, 2020, the Company had allotted 20,16,23,407 Ordinary Shares at a price of ₹150 per Ordinary Share aggregating to ₹3,024.35 crores and 23,13,33,871 Convertible Warrants ("Warrants"), each carrying a right to subscribe to one Ordinary Share per Warrant, at a price of ₹150 per Warrant ("Warrant Price"), aggregating to ₹3,470.00 crores on a preferential basis to Tata Sons Private Limited. An amount equivalent to 25% of the Warrant Price was paid at the time of subscription and the balance 75% of the Warrant Price was payable by the Warrant holder against each Warrant at the time of allotment of Ordinary Shares pursuant to exercise of the options attached to Warrant(s) to subscribe to Ordinary Share(s), by June 2021. The Company has fully utilized the amount of ₹3,891.85 crores towards repayment of debt, and other general corporate purposes of the Company and its subsidiaries. During the year ended March 31, 2021, on exercise of options by Tata Sons Private Ltd and on receipt of balance subscription money of ₹2,602.51 crores, the Company has fully converted 23,13,33,871 convertible warrants into Ordinary Shares. As at December 31, 2021 the Company has utilised amount of **₹2,302.50** crores towards repayment of debt, and other general corporate purposes of the Company.
- 4) During the nine months ended December 31, 2021, the Company has completed the sale of certain assets related to defence business to Tata Advanced Systems Limited (TASL) for sale consideration of **₹234.09 crores** against the Net Assets of **₹231.57 crores** resulting in a gain of **₹2.52 crores** recorded as an exceptional item in Statement of Profit and Loss.
- 5) Despite a loss during the nine months ended December 31, 2021, a tax charge of **₹3,221.85 crores** (₹314.53 million) was incurred at Jaguar Land Rover as a result of:
 - i) Inability to recognise UK deferred tax assets arising in the period due to current UK loss profile;
 - ii) Non-recognition of UK deferred tax assets relating to pension and hedging movements in other reserves amounting to **₹1,444.32 crores** (₹141 million), of which **₹932.15 crores** (₹91 million) arises in consequence of the recently announced increase in future UK Corporation Tax rate to 25% from April 01, 2023 (currently 19%).
- 6) During the nine months ended December 31, 2021, the JLRA plc Board approved a resolution to sell its share of the equity of Spark44 (JV) Limited subject to certain restructuring actions being completed by the Spark44 Group, which are also approved by Spark44 Board. Thus, Spark44's assets of **₹220.96 crores** (₹22.00 million) and liabilities of **₹120.32 crores** (₹11.98 million) has been classified as "held for sale" as at December 31, 2021. The sale of JLR's equity in Spark44 is deemed to be highly probable and the Spark44 business is available for immediate sale in its present condition. Also, other fixed assets amounting to **₹78.42 crores** has been classified as held for sale for JLR and TML Business Services Limited.
- 7) The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.
- 8) Employee benefits expense for the quarter and nine months ended December 31, 2021 and December 31, 2020 is net of Government grants received by certain subsidiary companies amounting to **₹Nil** (₹Nil) (₹38.21 crores (₹4.0 million)) and **₹148.31 crores** (₹14.45 million) (₹1,754.08 crores (₹182.9 million)) respectively.
- 9) Tata Motors Limited at its Board meeting held on October 12, 2021, approved the incorporation of a wholly owned subsidiary ("TML EV Co") to undertake its passenger electric mobility business and executed a Securities Subscription Agreement with India Markets Rio Pte Ltd, an entity affiliated with TPG Rise Climate (the climate investing strategy of TPG's global impact investing platform TPG Rise) for an aggregate investment of **₹7,500 crores** in TML EV Co over the period of 18 months from the date of completion of the first tranche. Accordingly, Tata Passenger Electric Mobility Limited (TPEML) is formed on December 21, 2021. The Proposed Transaction involves the primary investment of **₹7,500 crores** by TPG Rise Climate in TPEML in tranches; and issuance and allotment of compulsorily convertible preference shares, having face value of **₹1,000** each, by TPEML to TPG Rise Climate in lieu of such investment.
- 10) As part of slump sale, the investments in wholly owned subsidiaries of the Company engaged in designing services namely Tata Motors European Technical Centre PLC (TMETC) and Trilix S.r.l (Trilix) have been transferred to Tata Motors Passenger Vehicle Limited, a wholly owned subsidiary of the Company, w.e.f. January 1, 2022. These subsidiaries are being transferred to Tata Passenger Electric Mobility Ltd., a wholly owned subsidiary of the Company. Considering the business plans for these subsidiaries, the Company reassessed the recoverable value of assets belonging to its subsidiaries TMETC and Trilix and accordingly provision for impairment towards the assets is reversed amounting to **₹38.18 crores** (₹3.8 million) and **₹48.08 crores** (₹5.6 million) in TMETC and Trilix, respectively.

11) Additional Information pursuant to requirement of Regulation 52(4) and Regulation 54(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation 2015 as amended and as at nine months ended December 31, 2021:

Sr No	Particulars	Quarter ended			Nine months ended		Year ended
		December 31	September 30	December 31	December 31		March 31
		2021	2021	2020	2021	2020	2021
		Unaudited		Unaudited		Audited	
a)	Debt Equity Ratio (number of times) [Total Debt ⁽ⁱ⁾ /Equity ⁽ⁱⁱ⁾]	3.33	3.17	2.48	3.33	2.48	2.46
b)	Debt Service Coverage Ratio (number of times) (not annualised) [[Profit/ (loss) before exceptional items and tax + Interest on borrowings]/(Interest on borrowings + Repayment of borrowings) ⁽ⁱⁱⁱ⁾]	0.21	(0.13)	1.55	(0.04)	0.29	0.50
c)	Interest Service Coverage Ratio (number of times) (not annualised) [[Profit/ (loss) before exceptional items and tax + Interest on borrowings]/Interest on borrowings]	0.66	(0.75)	3.61	(0.15)	0.52	1.49
d)	Capital redemption reserve (₹ In crores)	2.28	2.28	2.28	2.28	2.28	2.28
e)	Debenture redemption reserve (₹ In crores)	904.44	904.44	1,038.84	904.44	1,038.84	904.44
f)	Net worth ^(iv) (₹ In crores)	43,901.74	44,676.36	57,003.02	43,901.74	57,003.02	55,246.72
g)	Current ratio (number of times) [Current assets / Current liabilities]	0.98	0.97	0.87	0.98	0.87	0.93
h)	Long term debt to working capital (number of times) [Long Term Borrowings ^(v) / Working capital ^(vi)]	6.35	7.72	81.08	6.35	81.08	9.62
i)	Bad debts to Account receivable ratio (%) [Bad Debts ^(vii) / Average of trade and other receivables ^(viii)]	0.03%	0.07%	0.35%	0.79%	0.66%	0.63%
j)	Current liability ratio (number of times) [Current Liabilities (excluding current maturities of long term debt and interest accrued on borrowings) / (Total liabilities)]	0.43	0.41	0.44	0.43	0.44	0.47
k)	Total debts to total assets (number of times) [(Non current borrowings + Current borrowings) / Total assets]	0.45	0.45	0.41	0.45	0.41	0.40
l)	Debtors turnover (in times) (not annualised) [Revenue from operations (excluding finance revenue) / Average trade receivables]	6.72	6.29	7.90	16.27	15.59	20.61
m)	Inventory turnover (in times) (not annualised) [Raw material consumed ^(ix) / Average inventory ^(x)]	1.41	1.20	1.37	3.75	2.74	4.30
n)	Operating margin (%) [[Profit/ (loss) before exceptional items and tax + Finance costs (excluding finance costs pertaining to borrowings sourced by vehicle financing segment) + Foreign exchange (gain)/loss (net)+ Depreciation and amortisation expense - Other Income (excluding incentives)] / Revenue from operations]	9.15%	6.50%	15.00%	7.74%	10.57%	11.86%
o)	Net profit margin (%) [Profit/(loss) for the period / Revenue from operations]	(2.01%)	(7.19%)	3.89%	(5.16%)	(3.60%)	(5.36%)

- Notes:**
- Total debt includes non-current and current borrowings.
 - Equity = equity attributable to owners of Tata Motors Ltd
 - Repayment of borrowing 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).
 - Net worth has been computed on the basis as stated in Clause 2 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 i.e. Net worth as defined in sub-section (57) of section 2 of the Companies Act, 2013.
 - Long term borrowings (including current portion of long term borrowings)
 - Working capital = current assets - current liabilities (excluding current maturities of long term debt and interest accrued on borrowings)
 - Bad debts includes written off on trade and other receivables.
 - Average of trade and other receivables includes trade receivables, non-current and current loans and advances, non-current and current other assets.
 - Raw material consumed includes cost of materials consumed, purchase of products for sale and changes in inventories of finished goods, work-in-progress and products for sale.
 - 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.

12) Previous period figures have been re-grouped/ re-classified wherever necessary, to conform to current period's classification in order to comply with the requirements of the amended Schedule III to the Companies Act, 2013 effective from April 1, 2021.

13) The Statutory Auditors have carried out a limited review of the consolidated financial results for the quarter and nine months ended December 31, 2021.

Tata Motors Limited
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 GIRISH WAGH
 Executive Director