



TATA MOTORS LIMITED

Regd. Office : Bombay House, 24, Horni Mody Street, Mumbai 400 001.
CIN L28920MH1945PLC004520

(₹ in crores)

STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2020

Particulars	Quarter ended			Six months ended		Year ended
	September 30,	June 30,	September 30,	September 30		March 31,
	2020		2019	2020	2019	2020
	Unaudited			Audited		
Revenue from operations						
I (a) Revenue	52,839.02	31,481.86	64,763.39	84,320.88	125,593.55	258,594.36
(b) Other Operating Revenues	690.98	501.20	668.56	1,192.18	1,305.39	2,473.61
Total Revenue from Operations (a)+(b)	53,530.00	31,983.06	65,431.95	85,513.06	126,898.94	261,067.97
II Other income (includes Government incentives)	633.22	606.53	672.56	1,239.75	1,508.55	2,973.15
III Total Income (I + II)	54,163.22	32,589.59	66,104.51	86,752.81	128,407.49	264,041.12
IV Expenses						
(a) Cost of materials consumed						
(i) Cost of materials consumed	34,007.00	9,941.51	36,403.07	43,948.51	75,809.75	152,968.74
(ii) Basis adjustment on hedge accounted derivatives	(20.69)	(25.14)	(348.85)	(45.83)	(424.43)	(297.27)
(b) Purchase of products for sale	3,085.74	1,724.92	3,049.31	4,810.66	6,138.12	12,228.35
(c) Changes in inventories of finished goods, work-in-progress and products for sale	(3,604.72)	8,279.95	1,023.99	4,675.23	(1,620.46)	2,231.19
(d) Employee benefits expense (refer note 5)	6,408.99	5,694.26	7,283.01	12,103.25	15,002.58	30,438.60
(e) Finance costs	1,949.60	1,876.81	1,835.36	3,826.41	3,546.93	7,243.33
(f) Foreign exchange (gain)/loss (net)	(432.99)	(47.14)	115.98	(480.13)	253.51	1,738.74
(g) Depreciation and amortisation expense	5,601.47	5,599.37	5,299.57	11,200.84	10,411.29	21,425.43
(h) Product development/Engineering expenses	1,011.18	1,094.92	1,098.72	2,106.10	1,892.72	4,188.49
(i) Other expenses	10,186.52	7,442.73	14,140.18	17,629.25	28,429.59	57,087.46
(j) Amount transferred to capital and other account	(3,209.33)	(2,805.65)	(4,377.97)	(6,014.98)	(8,484.89)	(17,503.40)
Total expenses (IV)	54,982.77	38,776.54	65,522.37	93,759.31	130,954.71	271,749.66
V Profit/(loss) before exceptional items and tax (III - IV)	(819.55)	(6,186.95)	582.14	(7,006.50)	(2,547.22)	(7,708.54)
VI Exceptional Items						
(a) Employee separation cost	2.61	-	86.58	2.61	195.40	436.14
(b) Write off/(reversal) of provision/ impairment of capital work-in-progress and intangibles under development (net)	-	-	(83.11)	-	(83.11)	(73.04)
(c) Provision for impairment of Passenger Vehicle Business	-	-	-	-	-	1,418.64
(d) Provision for Onerous Contracts	-	-	-	-	-	777.00
(e) Reversal for cost of closure of operation of a subsidiary	(7.49)	(3.22)	(51.31)	(10.71)	(51.31)	(65.62)
(f) Provision for impairment in subsidiaries	-	-	-	-	-	353.20
(g) Provision for loans given to a Joint venture	-	-	8.75	-	8.75	25.12
VII Profit/(loss) before tax (V - VI)	(814.67)	(6,183.73)	621.23	(6,998.40)	(2,616.95)	(10,579.98)
VIII Tax expense/(credit) (net)						
(a) Current tax	750.15	126.11	274.82	876.26	714.71	1,893.05
(b) Deferred tax (refer note 4)	(1,221.54)	2,074.38	170.65	852.84	(73.17)	(1,497.80)
Total tax expense/(credit) (net)	(471.39)	2,200.49	445.47	1,729.10	641.54	395.25
IX Profit/(Loss) for the period from continuing operations (VII - VIII)	(343.28)	(8,384.22)	175.76	(8,727.50)	(3,258.49)	(10,975.23)
X Share of profit/(loss) of joint ventures and associates (net)	36.02	(59.76)	(363.46)	(23.74)	(608.87)	(1,000.00)
XI Profit/(Loss) for the period (IX + X)	(307.26)	(8,443.98)	(187.70)	(8,751.24)	(3,867.36)	(11,975.23)
Attributable to:						
(a) Shareholders of the Company	(314.45)	(8,437.99)	(216.56)	(8,752.44)	(3,914.90)	(12,070.85)
(b) Non-controlling interests	7.19	(5.99)	28.86	1.20	47.54	95.62
XII Other comprehensive income/(loss)						
(A) (i) Items that will not be reclassified to profit or loss	(159.94)	(8,793.30)	(1,401.99)	(8,953.24)	(1,820.12)	8,667.82
(ii) Income tax(expense)/credit relating to items that will not be reclassified to profit or loss	32.58	1,677.85	226.67	1,710.43	299.04	(1,375.55)
(B) (i) Items that will be reclassified to profit or loss	4,501.63	(366.51)	(948.68)	4,135.12	(1,861.17)	4,622.77
(ii) Income tax (expense)/credit relating to items that will be reclassified to profit or loss	(669.00)	42.36	104.93	(626.64)	(35.03)	(410.57)
Total other comprehensive income/(loss)	3,705.27	(7,439.60)	(2,019.07)	(3,734.33)	(3,417.28)	11,504.47
XIII Total comprehensive income/(loss) for the period (net of tax) (XI + XII)	3,398.01	(15,883.58)	(2,206.77)	(12,485.57)	(7,284.64)	(470.76)
Attributable to:						
(a) Shareholders of the Company	3,388.93	(15,876.21)	(2,234.39)	(12,487.28)	(7,323.91)	(578.88)
(b) Non-controlling interests	9.08	(7.37)	27.62	1.71	39.27	108.12
XIV Paid-up equity share capital (face value of ₹2 each)	719.54	719.54	679.22	719.54	679.22	719.54
XV Reserves excluding revaluation reserves (as per Balance Sheet of previous accounting year)						62,358.99
XVI Earnings/(loss) per share (EPS)						
A. Ordinary shares (face value of ₹2 each)						
(a) Basic EPS	(0.87)	(23.46)	(0.64)	(24.33)	(11.53)	(34.88)
(b) Diluted EPS	(0.87)	(23.46)	(0.64)	(24.33)	(11.53)	(34.88)
B. 'A' Ordinary shares (face value of ₹2 each)						
(a) Basic EPS	(0.87)	(23.46)	(0.64)	(24.33)	(11.53)	(34.88)
(b) Diluted EPS	(0.87)	(23.46)	(0.64)	(24.33)	(11.53)	(34.88)
	Not annualised					

Statement of Consolidated Assets and Liabilities

(₹ in crores)

	As at September 30,	As at March 31,
	2020	2020
	Unaudited	Audited
I. ASSETS		
(1) Non-current assets		
(a) Property, plant and equipment	76,265.85	77,882.83
(b) Capital work-in-progress	10,405.81	8,599.56
(c) Right of use assets	6,095.61	6,275.34
(d) Goodwill	777.70	777.06
(e) Other intangible assets	44,251.38	42,171.91
(f) Intangible assets under development	24,697.53	27,022.73
(g) Investment in equity accounted investees	4,438.32	4,418.89
(h) Financial assets:		
(i) Other investments	957.12	1,028.05
(ii) Finance receivables	20,213.66	16,833.77
(iii) Loans and advances	1,044.98	782.78
(iv) Other financial assets	5,218.23	4,749.57
(i) Deferred tax assets (net)	4,891.72	5,457.90
(j) Non-current tax assets (net)	1,061.52	1,152.05
(k) Other non-current assets	1,824.81	5,381.57
	202,144.24	202,534.01
(2) Current assets		
(a) Inventories	33,417.30	37,456.88
(b) Financial assets:		
(i) Other investments	15,067.74	10,861.54
(ii) Trade receivables	9,751.80	11,172.69
(iii) Cash and cash equivalents	20,671.30	18,467.80
(iv) Bank balances other than (iii) above	3,537.31	15,259.17
(v) Finance receivables	12,342.26	14,245.30
(vi) Loans and advances	1,252.32	935.25
(vii) Other financial assets	3,291.06	4,586.48
(c) Current tax assets (net)	318.70	142.80
(d) Assets classified as held-for-sale	199.97	194.43
(e) Other current assets	6,160.14	6,264.91
	106,009.90	119,587.25
TOTAL ASSETS	308,154.14	322,121.26
II. EQUITY AND LIABILITIES		
(1) Equity		
(a) Equity Share capital	719.54	719.54
(b) Other Equity	49,855.66	62,358.99
Equity attributable to owners of Tata Motors Ltd	50,575.20	63,078.53
Non-controlling interests	1,461.77	813.56
	52,036.97	63,892.09
Liabilities		
(2) Non-current liabilities		
(a) Financial liabilities:		
(i) Borrowings	85,333.37	83,315.62
(ii) Lease liabilities	5,139.63	5,162.94
(iii) Other financial liabilities	1,736.33	3,858.48
(b) Provisions	13,516.12	14,736.69
(c) Deferred tax liabilities (net)	1,108.75	1,941.87
(d) Other non-current liabilities	13,653.06	8,759.52
	120,487.26	117,775.12
(3) Current liabilities		
(a) Financial liabilities:		
(i) Borrowings	24,139.79	16,362.53
(ii) Lease liabilities	761.16	814.18
(iii) Trade payables		
(a) Total outstanding dues of micro and small enterprises	101.87	109.75
(b) Total outstanding dues of creditors other than micro and small enterprises	53,043.42	63,517.13
(iv) Acceptances	4,683.47	2,771.33
(v) Other financial liabilities	32,212.63	36,544.00
(b) Provisions	10,244.60	10,329.04
(c) Current tax liabilities (net)	1,047.88	1,040.14
(d) Other current liabilities	9,395.09	8,965.95
	135,629.91	140,454.05
TOTAL EQUITY & LIABILITIES	308,154.14	322,121.26

Statement of Consolidated Cash Flows

	For six months ended September 30,		(₹ in crores)
	2020	2019	Year ended March 31, 2020
	Unaudited		Audited
Cash flows from operating activities:			
Profit/(Loss) for the year	(8,751.24)	(3,867.36)	(11,975.23)
Adjustments for:			
Depreciation and amortisation expense	11,200.84	10,411.29	21,425.43
Allowances for finance receivables	355.95	339.24	660.21
(Reversal)/provision for trade and other receivables	(23.54)	30.30	137.03
Inventory write-down	453.49	268.95	351.14
Employee separation cost	-	114.50	409.78
Accrual for share-based payments	4.26	5.29	4.70
Provision/(reversal) for impairment of capital work in progress and intangibles under development	-	(83.11)	-
Reversal of costs of closure of operations of a subsidiary company	(10.71)	(51.31)	(65.62)
Provision for impairment in subsidiaries	-	-	353.20
Provision for impairment of Passenger Vehicle Business	-	-	1,418.64
Provision for Onerous Contracts	-	-	777.00
Provision for loan given to a joint venture	-	8.75	25.12
(Gain) /Loss on marked-to-market investments measured at fair value through profit or loss	(75.25)	196.10	389.05
(Profit) /Loss on sale of assets (including assets scrapped/written off) (net)	315.02	415.72	316.19
Profit on sale of investments (net)	(76.61)	(74.71)	(187.34)
Share of (profit)/loss of joint ventures and associates (net)	23.74	608.87	1,000.00
Tax expense (net)	1,729.10	641.54	395.25
Finance costs	3,826.41	3,546.93	7,243.33
Interest income	(245.85)	(591.32)	(1,170.12)
Dividend income	(19.77)	(20.89)	(21.13)
Foreign exchange loss (net)	(601.76)	(645.70)	1,865.85
Cash flows from operating activities before changes in following assets and liabilities	8,104.08	11,253.08	23,352.48
Finance receivables	(1,839.22)	1,960.91	2,020.77
Trade receivables	1,595.27	3,556.40	7,928.93
Loans and advances and other financial assets	(697.39)	144.34	64.53
Other current and non-current assets	3,713.19	(593.44)	(2,830.89)
Inventories	4,045.21	(1,759.91)	2,325.50
Trade payables and acceptances	(9,440.13)	(7,798.27)	(8,084.81)
Other current and non-current liabilities	(3,911.12)	266.07	(6,450.14)
Other financial liabilities	(837.20)	680.37	272.74
Provisions	(1,594.08)	(1,412.12)	9,818.77
Cash generated from/(used in) operations	(861.39)	6,297.43	28,417.88
Income tax paid (net)	(903.01)	(702.42)	(1,784.94)
Net cash from/(used in) operating activities	(1,764.40)	5,595.01	26,632.94
Cash flows from investing activities:			
Payments for property, plant and equipment	(4,692.87)	(6,810.62)	(14,319.17)
Payments for other intangible assets	(4,418.45)	(7,719.28)	(15,382.86)
Proceeds from sale of property, plant and equipment	29.48	19.10	171.48
Investments in mutual fund (purchased)/sold (net)	(4,473.93)	2,882.08	(1,339.29)
Acquisition of subsidiary company	(0.02)	-	(27.04)
Investment in equity accounted investees	-	(1.70)	(606.40)
Investments - others	(1.95)	(45.66)	(99.41)
Proceeds from loans given to others	-	-	3.42
Loans given to joint venture	-	-	(1.70)
Proceeds from redemption/sale of investment in other companies	204.76	5.28	21.45
Interest received	232.65	561.71	1,104.48
Dividend received	19.77	19.75	21.14
Dividend received from equity accounted investees	1.51	14.26	622.44
Deposit with financial institution	-	(250.00)	(1,000.00)
Realisation of deposit with financial institution	750.00	250.00	750.00
Deposits/restricted deposits with banks	(15,474.70)	(12,626.20)	(40,676.65)
Realisation of deposits/restricted deposits with banks	27,555.76	13,657.67	36,602.33
(Increase) / decrease in short term Inter-corporate deposits	-	(6.67)	(14.44)
Net cash used in investing activities	(267.99)	(10,050.28)	(34,170.22)
Cash flows from financing activities:			
Proceeds from issue of shares and warrants (net of issue expenses)	-	-	3,888.77
Proceeds from long-term borrowings	10,103.34	7,264.48	28,986.21
Repayment of long-term borrowings	(9,424.38)	(3,247.22)	(17,000.52)
Proceeds from option settlement of long term borrowings (net)	82.93	143.71	190.90
Proceeds from short-term borrowings	14,673.00	6,228.35	10,707.30
Repayment of short-term borrowings	(6,358.11)	(16,339.85)	(12,852.93)
Net change in other short-term borrowings (with maturity up to three months)	(562.51)	11,582.12	(1,587.12)
Repayment of lease liability (including interest)	(735.46)	(653.09)	(1,345.61)
Dividend paid to non-controlling interests shareholders of subsidiaries (including dividend distribution tax)	-	(46.38)	(56.84)
Distribution to minority	(11.50)	-	-
Proceeds from Issuance of perpetual instrument classified as equity by a subsidiary	642.11	-	(22.15)
Interest paid [including discounting charges paid ₹600.59 crores (September 30, 2019 ₹641.61 crores, March 31, 2019 ₹968.85 crores)]	(4,222.30)	(3,614.88)	(7,518.40)
Net cash from financing activities	4,187.12	1,317.24	3,389.61
Net increase/(decrease) in cash and cash equivalents	2,154.73	(3,138.03)	(4,147.67)
Cash and cash equivalents as at April 01, (opening balance)	18,467.80	21,559.80	21,559.80
Effect of foreign exchange on cash and cash equivalents	48.77	(71.77)	1,055.67
Cash and cash equivalents as at September 30/March 31, (closing balance)	20,671.30	18,350.00	18,467.80
Non-cash transactions:			
Liability towards property, plant and equipment and intangible assets purchased on credit/deferred credit	6,033.30	6,398.71	6,626.78
Increase/(decrease) in liabilities arising from financing activities on account of non-cash transactions:			
Exchange differences	309.00	304.45	4,641.70
Amortisation of prepaid discounting charges	(96.87)	(60.28)	108.30

Segment wise Revenue, Results, Assets and Liabilities

The Company primarily operates in the automotive segment. The automotive segment includes all activities relating to development, design, manufacture, assembly and sale of vehicles including financing thereof, as well as sale of related parts and accessories. The Company provides financing for vehicles sold by dealers in India. The vehicle financing is intended to drive sale of vehicles by providing financing to the dealers' customers and as such is an integral part of automotive business. The operating results for Vehicle Financing has been adjusted only for finance cost for the borrowings sourced by this segment.

Operating segments consist of :

- a) Automotive: The Automotive segment consists of four reportable sub-segments: Tata Commercial Vehicles, Tata Passenger Vehicles, Jaguar Land Rover and Vehicle Financing.
b) Others: Others consist of IT services and Insurance Broking services.

This segment information is provided to and reviewed by Chief Operating Decision Maker (CODM).

Particulars	(₹ in crores)					
	Quarter ended			Six months ended		Year ended
	September 30,	June 30,	September 30,	September 30		March 31,
	2020	2020	2019	2020	2019	2020
	Unaudited					Audited
A. Segment Revenue :						
Revenue from operations						
I. Automotive and related activity						
- Tata and other brands vehicles						
(a) Commercial Vehicle	6,245.39	2,136.75	8,712.65	8,382.14	19,792.07	36,329.44
(b) Passenger Vehicle	4,020.75	1,177.29	2,056.22	5,198.04	5,244.57	10,481.74
(c) Corporate/Unallocable	40.21	26.27	28.16	66.48	74.60	215.53
- Vehicle Financing	1,082.05	959.27	1,118.32	2,041.32	2,178.29	4,295.49
- Jaguar and Land Rover	41,767.68	27,374.32	53,065.86	69,142.00	98,726.84	208,040.02
Less: Intra segment eliminations	(27.89)	(20.28)	-	(48.17)	-	(70.59)
-Total	53,128.19	31,653.62	64,981.21	84,781.81	126,016.37	259,291.63
II. Others	652.14	528.62	761.84	1,180.76	1,522.51	3,047.07
Total Segment Revenue	53,780.33	32,182.24	65,743.05	85,962.57	127,538.88	262,338.70
Less: Inter segment revenue	(250.33)	(199.18)	(311.10)	(449.51)	(639.94)	(1,270.73)
Revenue from Operations	53,530.00	31,983.06	65,431.95	85,513.06	126,898.94	261,067.97
B. Segment results before other income (excluding Government Incentives), finance costs, foreign exchange gain/(loss) (net), exceptional items and tax:						
I. Automotive and related activity						
- Tata and other brands vehicles						
(a) Commercial Vehicle	(380.60)	(1,094.58)	48.91	(1,475.18)	504.67	(368.22)
(b) Passenger Vehicle	(433.43)	(661.51)	(940.53)	(1,094.94)	(1,258.10)	(2,867.58)
(c) Corporate/Unallocable	(24.32)	(53.07)	(93.01)	(77.39)	(161.35)	(255.86)
- Vehicle Financing (net of finance costs pertaining to borrowings sourced by the segment)	(40.51)	(38.69)	(71.83)	(79.20)	(177.45)	(224.60)
- Jaguar and Land Rover	576.94	(3,494.86)	2,512.74	(2,917.92)	122.13	594.05
-Total	(301.92)	(5,342.71)	1,456.28	(5,644.63)	(970.10)	(3,122.21)
II. Others	79.48	25.88	97.34	105.36	183.37	382.32
Total Segment results	(222.44)	(5,316.83)	1,553.62	(5,539.27)	(786.73)	(2,739.89)
Less: Inter segment eliminations	14.49	14.48	(13.72)	28.97	(51.09)	(55.43)
Net Segment results	(207.95)	(5,302.35)	1,539.90	(5,510.30)	(837.82)	(2,795.32)
Add/(Less) : Other income (excluding Govt. Incentives)	189.01	228.47	198.73	417.48	490.82	989.54
Add/(Less) : Finance costs (excluding pertaining to borrowings sourced by the vehicle finance segment)	(1,233.60)	(1,160.21)	(1,040.51)	(2,393.81)	(1,946.71)	(4,164.02)
Add/(Less) : Foreign exchange gain/(loss) (net)	432.99	47.14	(115.98)	480.13	(253.51)	(1,738.74)
Add/(Less) : Exceptional items						
- Tata and other brands vehicles						
(a) Commercial Vehicle	4.88	3.22	151.31	8.10	151.31	(10.41)
(b) Passenger Vehicle	-	-	(17.08)	-	(17.13)	(2,576.04)
(c) Corporate/Unallocable	-	-	(8.75)	-	(8.84)	(15.91)
- Vehicle Financing	-	-	-	-	-	(9.30)
- Jaguar and Land Rover	-	-	(86.39)	-	(195.07)	(259.78)
Total Profit/(loss) before tax	(814.67)	(6,183.73)	621.23	(6,998.40)	(2,616.95)	(10,579.98)
C. Segment Assets		As at June 30,			As at September 30,	As at March 31,
		2020			2020	2020
I. Automotive and related activity		Unaudited			Unaudited	Audited
- Tata and other brands vehicles						
(a) Commercial Vehicle		25,873.73		25,826.68	27,904.83	26,016.50
(b) Passenger Vehicle		16,002.60		15,842.54	18,329.87	16,150.81
(c) Corporate/Unallocable		1,712.53		1,749.92	2,388.10	3,614.16
- Tata and other brands vehicles - Assets held for sale		193.38		199.97	176.80	194.43
- Vehicle Financing		34,029.17		35,867.56	35,641.42	33,587.64
- Jaguar and Land Rover		172,470.77		178,897.55	178,574.46	187,333.67
-Total		250,282.18		258,384.22	263,015.48	266,897.21
II. (a) Others		2,393.60		2,460.98	2,241.13	2,440.21
Total Segment Assets		252,675.78		260,845.20	265,256.61	269,337.42
Less: Inter segment eliminations		(1,324.66)		(1,361.72)	(1,404.13)	(1,394.69)
Net Segment Assets		251,351.12		259,483.48	263,852.48	267,942.73
Investment in equity accounted investees						
Tata and other brands vehicles - Corporate/Unallocable		428.02		424.40	417.50	468.96
- Vehicle Financing		-		-	1.94	-
- Jaguar and Land Rover		3,385.91		3,462.49	3,562.22	3,384.36
- Others		545.19		551.43	582.16	565.57
Add : Unallocable assets		42,434.19		44,232.34	31,811.50	49,759.64
Total Assets		298,144.43		308,154.14	300,227.80	322,121.26
D. Segment Liabilities						
I. Automotive and related activity						
- Tata and other brands vehicles						
(a) Commercial Vehicle		10,329.12		12,671.09	12,736.97	13,101.11
(b) Passenger Vehicle		4,039.77		5,312.72	3,101.90	4,962.39
(c) Corporate/Unallocable		1,469.94		1,231.33	1,216.19	1,456.84
- Vehicle Financing		500.70		684.33	730.60	528.49
- Jaguar and Land Rover		90,834.30		101,097.46	106,486.08	107,123.37
-Total		107,173.83		120,996.93	124,271.74	127,172.20
II. (a) Others		799.85		831.48	731.59	787.93
Total Segment Liabilities		107,973.68		121,828.41	125,003.33	127,960.13
Less: Inter segment eliminations		(275.52)		(330.20)	(360.31)	(330.98)
Net Segment Liabilities		107,698.16		121,498.21	124,643.02	127,629.15
Add : Unallocable liabilities		142,460.47		134,618.96	122,708.61	130,600.02
Total Liabilities		250,158.63		256,117.17	247,351.63	258,229.17

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 October 27, 2020.
- 2) During the year ended March 31, 2020, the Company has allotted Ordinary Shares and Convertible Warrants ('Warrants') on a Preferential basis to Tata Sons Pvt Ltd. Of the total amount of ₹6,494.36 crores, an amount of ₹3,891.85 crores has been received and is being utilized for repayment of debt, meeting future funding requirements and other general corporate purposes of the Company and its subsidiaries. The Company has fully utilised amount of ₹3,891.85 crores as at September 30, 2020.
- 3) The COVID-19 pandemic has rapidly spread throughout the world, including India and other countries where the Group has its operations. Governments around the world have been taking significant measures to curb the spread of the virus including imposing mandatory lockdowns and restrictions in activities. Consequently, Group's manufacturing plants and offices had to be closed down for a considerable period of time, during the six month ended September 30, 2020. As a result of the lockdown, the revenue for the six month ended September 30, 2020 has been impacted. Lockdowns has impacted the Company operationally including on supply chain matters. The Company is monitoring the situation closely taking into account directives from the Governments. Further, the Reserve Bank of India (RBI) has announced moratorium on loan repayments for specific borrower segments which impacts Group's vehicle financing business in India. 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 Group's liquidity and going concern, recoverable values of its property, plant and equipment, intangible assets, intangible assets under development, allowance for losses for finance receivables and the net realisable values of other assets. However, given the effect of these pandemic on the overall economic activity globally and in particular the countries where the Group operates and in particular on the global automotive industry, the impact assessment of COVID-19 on the abovementioned financial statement captions is subject to significant estimation uncertainties given 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.
- 4) The deferred tax expenses for the six months ended September 30, 2020 is ₹852.84 crores. Movement in pension valuation in Jaguar Land Rover, on account of changes in financial assumptions has resulted in a deferred tax credit of ₹1,694.11 crores, whereas movement in cash flow hedges has resulted in a deferred tax charge of ₹585.80 crores during the six months ended September 30, 2020. This net amount of ₹1,108.31 crores has been recognized in the Other Comprehensive Income. Deferred tax asset arising from the pension valuation, certain other temporary differences and losses have been written down since the Company has restricted recognition of net deferred tax asset based on its assessment of recoverability, resulting in a deferred tax charge in the statement of profit and loss account.
- 5) Employee benefits expense for the quarter and six months ended September 30, 2020, is net of Government grants received by certain subsidiary companies amounting to ₹533.62 crores (GBP 54.91 million) and ₹1,701.89 crores (GBP 178.91 million), respectively.
- 6) The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Indian Parliament approval and Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
- 7) The Company has been presenting, gains and losses on effective cash flow hedges of inventory in the Statement of Other Comprehensive Income as "will not be reclassified to profit or loss". With wider industry practice emerging, clearer guidance now being available and with the present economic situation due to COVID-19, the Company has changed the presentation of these effective cash flow hedges of inventory presentation as "will be reclassified to profit or loss", from quarter ended September 30, 2020 and accordingly reclassified the comparative amounts for the prior periods. The change in presentation is within the statement of other comprehensive income and does not affect Profit / (loss) for the period and earnings per share.
- 8) Subsequent to September 30, 2020, Jaguar Land Rover has issued \$700 million (₹5,163.47 crores) bond with a coupon rate of 7.75% due 2025.
- 9) The Statutory Auditors have carried out a limited review of the consolidated financial results for the quarter and six months ended September 30, 2020.

Tata Motors Limited



Guenter Butschek
CEO & Managing Director

Austria, October 27, 2020