Annexure 31

BOARD'S REPORT

TO
THE MEMBERS OF
TATA MOTORS PASSENGER VEHICLES LIMITED

The Directors present their 2nd Annual Report of Tata Motors Passenger Vehicles Limited ('the Company') along with the Audited Financial Statements and other reports required to be attached to the Board's Report as governed by the provisions of the Companies Act, 2013 ('Act') for the financial year 2021-22.

1. FINANCIAL RESULTS

The summary of the financial results of the Company for the year ended March 31, 2022 is as follows:

(₹ in crores)

Particulars	FY 2021-22	FY 2020-21
Revenue from operations	32,572.24	16,714.84
Total expenditure	33,926.03	18,975.66
Profit/(loss) before tax	(1,159.67)	(2,094.89)
Tax expenses/(credit)(net)		-
Profit/(loss) after tax	(851.36)	(395.26)

2. DIVIDEND

During the year under review, the Board did not recommend any dividend.

3. TRANSFER TO RESERVES

The loss for the period ended March 31, 2022 was ₹(851.36) crores. After its appropriation, the balance of ₹ 851.36 was carried to Balance Sheet.

4. OPERATING RESULTS AND PROFITS

The Board of Directors at its meeting held on July 31, 2020 had approved Scheme of Arrangement between Tata Motors Limited ('Transferor Company') and the Company (erstwhile known as TML Business Analytics Services Limited) ('Transferee Company') and their respective shareholders under Section 230 to 232 of the Companies Act, 2013 ("Scheme") for purchase of Passenger Vehicle Undertaking of the Transferor Company as a going concern, on a slump sale basis as defined under Section 2(42C) of the Income Tax Act, 1961 for a lump sum consideration of ₹9,417 crores through issuance of equity shares. The Scheme was approved by Hon'ble National Company Law Tribunal, Mumbai Bench ('NCLT') vide its order CP(CAA)/58/MB-IV/2021 dated August 24, 2021 ('the Order'). The Company during the year issued equity shares to Tata Motors Limited as part of consideration mentioned under the Scheme, and also the Scheme was made effective January 01, 2022. During, Q4FY 2021-22, the Company had total income of ₹32,766 crores and total expenditure of ₹33,926 crores.

5. BUSINESS OPERATIONS

As per the Scheme, the Scheme would be effective on the last of the dates on which all the conditions and matters referred to in Clause 24 of the Scheme would be fulfilled or waived by the Board of Directors of Tata Motors Limited ('Transferee Company') and the Company, at their sole discretion and without any further approvals from any person or without any amendment to the Scheme. Accordingly, the Board of Directors of Tata Motors Limited and the Company at their meeting held on November 1, 2021 and January 1, 2022 respectively, granted their consent for waiver and made the Scheme effective from January 1, 2022 ('Appointed date'). Consequent to said effectiveness of the Scheme,

the Company was operational from January 1, 2022. The Company's main business activity is to design, develop, manufacture, produce, sell and provide all kind of services relating to Passenger Vehicles.

During the year Ministry of Corporate Affairs vide its certificate dated September 17, 2021 confirmed change of name the Company from TML Business Analytics Services Limited to Tata Motors Passenger Vehicles Limited.

6. SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES

As mentioned under the Scheme, upon effectiveness of the Scheme, the Design and Development subisdiaries of Tata Motors Limited *viz.* Tata Motors European Technical Centre PLC ('TMETC'), UK [UIN allotted by RBI: BYWAZ20050383] and Trilix S.r.l., Italy ('Trilix') [UIN allotted by RBI: BYJAZ20100725], were proposed to be transferred to the Company. Hence, TMETC and TRILIX were transferred to the Company on March 10, 2022 and April 21, 2022.

Further, pursuant to the share purchase agreement executed between the Company and Tata Passenger Electric Mobility Limited ('TPEML') (wholly owned subsidiary of Tata Motors Limited), the Company sold its 100% shareholding held in Trilix and TMETC to TPEML on March 28, 2022 and April 28, 2022 respectively.

7. MATERIAL CHANGES AND COMMITMENT AFFECTING THE FINANCIAL POSITION OF THE COMPANY

During the year under review, there were no material changes affecting the financial position of the Company subsequent to the close of FY 2021-22 till the date of this report.

8. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

There are no significant material orders passed by the Regulators or Courts or Tribunal which would impact the going concern status of the Company and its future operations.

9. INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENT

The Company's internal control systems are commensurate with the nature of its businesses, the size and complexity of its operations and such internal financial controls with reference to the Financial statements are adequate.

10. HUMAN RESOURCES

For the year ended March 31, 2022, there were 16,515 employees in the Company.

11. SHARE CAPITAL AND DEBT STRUCTURE

During the year, the Company increased its Authorised Share Capital from ₹15,00,000 Equity Shares of ₹10/- each to 20,000,000,000 Equity Shares of ₹ 10/- each.

As per the Scheme, the Company issued and allotted 9,417,000,000 Equity Shares of ₹10/- each fully paid up to Tata Motors Limited as consideration for transfer of Passenger Vehicle Undertaking from Tata Motors Limited to the Company. Consequent to said allotment, the Issued and paid up capital of the Company had increased from 150,000 Equity shares of ₹10 each to 9,417,150,000 Equity Shares of ₹10/- each.

12. CORPORATE SOCIAL RESPONSIBILITY

During the year, the provisions relating to Corporate Social Responsibility ('CSR') mentioned under Companies Act, 2013 were not applicable to the Company. Hence, the Company did not constitute CSR Committee nor did it frame CSR Policy.

13. DEPOSITS FROM PUBLIC

Your Company has not accepted any public deposits in terms of Sections 73 to 76 of the Companies Act, 2013 and the rules framed thereunder, during the year under review. Hence, no amount is outstanding under the head 'Public Deposits' as on March 31, 2022.

14. CONSERVATION OF ENERGY, ABSORPTION, FOREIGN EXCHANGES AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Act, read along with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed herewith as **Annexure - 1.**

15. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Appointment/Re-appointment

In accordance with provisions of the Act and the Articles of Association of the Company, Ms Smriti Goyal (DIN:08488684) is liable to retire by rotation and is eligible for re-appointment.

Mr Aasif Malbari was appointed as an Additional Non-Executive Director of the Company with effect from January 1, 2022, thereafter the Members ratified his appointment as a Non-Executive Director at the Extra-Ordinary General Meeting held on March 11, 2022.

Mr Vijay Somaiya and Mr Shyam Mani resigned as a Non-Executive Director of the Company with effect from December 31, 2022 and April 6, 2022, respectively.

Mr Shailesh Chandra was designated as the Managing Director ('MD') and Key Managerial Personnel ('KMP') of the Company by the Board with effect from January 3, 2022. Therafter, the Members ratified his appointment as MD and KMP at the Extra-Ordinary General Meeting held on March 11, 2022.

Key Managerial Personnel

Mr Anindya Paul and Ms Anjali Singh were appointed as Chief Finanical Officer and Company Secretary respectively, and KMP of the Company with effect from January 3, 2022.

Selection and procedure for nomination and appointment of Directors

The Board is responsible for developing competency requirements for the Board based on the industry and strategy of the Company. The Board composition analysis reflects in-depth understanding of the Company, including its strategies, environment, operations, and financial condition and compliance requirements.

16. REMUNERATION POLICY

Since there is no Nomination and Remuneration Committee, the Company is not required to formulate a Remuneration Policy.

17. RISK MANAGEMENT

The Board takes responsibility for the overall process of risk management throughout the organisation. Through an Enterprise Risk Management programme, our business units and corporate functions address risks through an

institutionalized approach aligned to our objectives. This is facilitated by corporate finance. The Business risk is managed through cross-functional.

18. BOARD AND COMMITTEE MEETINGS

The Board as on date of this Report comprises four Directors including one Woman Director. The Company functions through the Board of Directors, who have been delegated appropriate powers to perform their duties.

During the year under review, six Board meetings were convened i.e. on May 25, 2021, September 14, 2021, January 1, 2022, January 3, 2022, March 10, 2022 and March 29, 2022. The details of composition of the Board and attendance of the Directors at such Meetings and other relevant details are given below:

Name	Designation	Board Meetings attended
Mr Vijay Somaiya*	Non – Executive Director	2
Mr Shyam Mani**	Non-Executive Director	6
Mr Pathamadai Balachandran Balaji	Non-Executive Director	6
Mr Aasif Huseini Malbari***	Non-Executive Director	4
Mr Shailesh Chandra	Managing Director	6
Mr Smriti Goyal	Non-Executive Director	6

* Resigned w.e.f. December 31, 2021.
** Resigned w.e.f April 6, 2022.
*** Appointed w.e.f January 1, 2022.

During the year, the maximum time-gap between any 2 consecutive Board meetings did not exceed 120 days.

Committees of Board

There were no Committees constituted in the year under review.

19. BOARD EVALUATIO N

The Company has adopted the Tata Group Governance Guidelines in which a due process for evaluation of the Board has been set up and the Board of Directors has carried out an annual evaluation of its own performance and directors pursuant to Section 134(3)(p) of the Companies Act, 2013 read with Rule 8(4) of the Companies (Accounts) Rules, 2014.

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of criteria such as the Board composition and structure, effectiveness of Board processes, information and functioning, etc.

The Board reviewed the performance of individual Directors on the basis of criteria such as the contribution of the individual Director to the Board like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

20. VIGIL MECHANISM/WHISTLE BLOWER POLICY

As per Section 177(9) and (10) of the Companies Act, 2013 read with Rule 7 of Companies (Meeting of Board and its powers) Rules 2014, the Vigil Mechanism provisions were not applicable to the Company under the year under review.

21. PARTICULARS OF EMPLOYEES AND REMUNERATION

Statement containing particulars of top 10 employees and the employees drawing remuneration in excess of limits prescribed under Section 197 (12) of the Act read with Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided as the separate Annexure forming part of this Report. In terms of proviso to Section 136(1) of the Act, the Report and Accounts are being sent to the Shareholders, excluding the aforesaid Annexure. The said Statement is also open for inspection via electronic mode. Any member interested in obtaining a copy of the same may write to the Company Secretary. None of the employees listed in the said Annexure are related to any Director of the Company.

22. HUMAN RESOURCE

DIVERSITY AND INCLUSION

Diversity and Inclusion at workplace helps nurture innovation, by leveraging the variety of opinions and perspectives coming from employees with diverse age, gender and ethnicity. The Company has organized a series of sensitisation and awareness campaigns, to help create an open mind and culture to leverage on the differences. The network of Women@Work and the Diversity Council has widened to location councils as we move along the journey. Women development and mentoring programme have increased, with clear focus on nurturing their career journeys, to help the Company build a pipeline of women leaders in near future.

The Company employed 9.85% women employees in FY 2021-22.

PREVENTION OF SEXUAL HARASSMENT

The Company has zero tolerance for sexual harassment at workplace. During Q4 of FY 2021-22, the Company had not received any complaints on sexual harassment. The Company organized 39 awareness workshops across locations covering flexi & temp workforce, contractual staff, blue collar employees, new joiners, etc. In addition, an e-module for PoSH awareness was rolled out for all permanent white collar employees as a mandatory program, which achieved 99 % coverage.

23. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

As per the NCLT order and on effectiveness of the Scheme by the Board of Directors on January 1, 2022, the loan availed from Government of Gujarat by Tata Motors Limited i.e Transferror Company, having carrying amount of ₹193.84 crores as at March 31, 2022 was transferred to the Company. Apart from the said transfer of loan, there were no loans, guarantees or investments made during the year FY 2021-22.

24. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

There were certain material Related Party Transactions ('RPTs') undertaken by the Company during the year that required shareholders' approval under Section 188 of the Act. The information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with Rule 8(2)of the Companies (Accounts) Rules, 2014 are given in the **Annexure 2** in Form AOC -2 and the same forms part of this Report. All the Related Party Transactions entered by the Company in 2021-22 were in the ordinary course of business and at arm's length basis. All such transactions were reviewed and approved by the Board of Directors of the Company.

25. AUDITORS

Statutory Auditors

M/s. BSR & Co. LLP Chartered Accountants (ICAI Firm No. 101248W/W – 100022) were appointed as the Auditors for a tenure of 5 year, at the first Annual General Meeting ('AGM') of the Company till the conclusion of the 6th AGM of the Company to be held in the year 2026, at such remuneration as approved by the Members.

The report of the Statutory Auditors along with notes to Schedules is enclosed in this annual report. The observations made in the Auditors' Report are self-explanatory and therefore do not call for any further comments. The Auditor's Report does not contain any qualification, reservation or adverse remark.

Secretarial Audit

The provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 were not applicable to the Company.

Cost Audit

As per Section 148 of the Act, the Company is required to have the audit of its cost records conducted by a Cost Accountant. The Board of Directors of the Company approved the appointment of M/s Mani & Co., a firm of Cost Accountants in Practice (Registration No.000004) as the Cost Auditors of the Company to conduct cost audits for relevant products prescribed under the Companies (Cost Records and Audit) Rules, 2014 for the year ending March 31, 2023. The Board has approved the remuneration payable to the Cost Auditor, subject to ratification of their remuneration by the Members at the forthcoming AGM. The resolution approving the above proposal is being placed for approval of the Members in the Notice for this AGM.

M/s Mani & Co. have, under Section 139(1) of the Act and the Rules framed thereunder furnished a certificate of their eligibility and consent for appointment.

The cost accounts and records of the Company are duly prepared and maintained as required under Section 148(1) of Act.

26. SECRETARIAL STANDARDS

The Company has devised proper systems to ensure compliance with the provisions of all the applicable Secretarial Standards issued by the Institute of Company Secretaries in India and that such systems are adequate and operating effectively.

27. DIRECTORS' RESPONSIBILITY STATEMENT

The Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2021-22.

Accordingly, pursuant to Section 134(5) of the Act, the Board of Directors, to the best of their knowledge and ability, confirm that:

a) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
b) they have selected such accounting policies and have applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the

Company at the end of the financial year and of the loss of the Company for that period;

c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) they have prepared the annual accounts on a going concern basis;

e) they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively; and

f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

28. ACKNOWLEDGEMENT

The Directors wish to thank all its stakeholders for the continuous support given by them to the Company and their confidence in its management.

For and on behalf of the Board
Tata Motors Passenger Vehicles Limited

P B Balaji
Chairman
DIN: 02762983

Date: May 11, 2022
Place: Mumbai

ANNEXURE - 1

Particulars of Conservation of energy, Technology absorption and Foreign Exchange Earnings and Outgo

[Pursuant to Section 134 (3) (m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014

A. CONSERVATION OF ENERGY

The Company has always been conscious of the need to conserve energy in its Manufacturing Plants which leads to optimized consumption of non-renewable fossil fuels, energy productivity, climate change mitigation and reduction in operational costs.

The Company is also signatory to RE100 - a collaborative, global initiative of influential businesses committed to 100% renewable electricity, and is working to increase the amount of renewable energy generated in-house and procured from off-site sources.

(i) The steps taken or impact on conservation of energy:

Energy Conservation (ENCON) projects have been implemented at all Plants and Offices of the Company in a planned and budgeted manner. In FY 2022, all Plants achieved significant reduction in fixed energy consumption on non-working days by administrative and process controls. Some of the major ENCON Projects in FY 2022 include:

- Chikhali Plant: *LED migration projects, *Reduction in compressed air requirements, * Installation of HVLS fans.
- Sanand Plant: *Fuel saving in paint shop, *Optimization of non-working day consumption *LED migration projects, *VFD implementation, * Reduction in compressed air requirements

These ENCON efforts in FY 2022 have resulted into - *energy savings of 21,146 GJ (14,997 GJ from power + 6,149 GJ from fuel), *avoided emission of 3,679 tCO_2e and *cost savings of INR 345 lakhs.

(ii) The steps taken by the Company for utilizing alternate sources of energy:

The Company continued to add on-site Renewable Energy (solar) generation capacity in FY 2022, which brings the total installed capacity to:

- 9.7 MWp Roof-top Solar PV installation at Chikhali;
- 2 MWp Roof-top Solar PV installation at Sanand;

The Company also sources off-site renewable energy at its Chikhali and Sanand plant through Power Purchase Agreements (PPA) with third party wind & solar power generators and off-site captive wind farm. The Company plans to continue to source off-site renewable power in line with regulatory policies / frameworks and tariffs in the States where we operate. These efforts will continue to help offset greenhouse gas emissions in the coming years.

In FY 2022 the Company generated / sourced 35.46 million kWh of renewable electricity for its manufacturing operations which is 23.0% of the total power consumption. This contributed to avoidance of 28,017 tCO_2e and financial saving of Rs. 10.68 Cr.

(iii) The capital investment on energy conservation equipments:

In FY 2022, the Company has invested INR 180 lakhs in various energy conservation projects.

Awards / Recognition received during the year is as below,

1. Chikhali was recognized as "Excellent Energy Efficient Unit" award at the CII National Award for Excellence in Energy Management 2021.
2. Sanand was recognized as "Excellent Energy Efficient Unit" award at the CII National Award for Excellence in Energy Management 2021.

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

Technology & Product Development with Sustainability focus: In fiscal 2022. Company prioritized its efforts towards green mobility and today is one of the frontrunners in the industry.

In addition to the proactive measures in meeting the regulatory regime of the country, the company has also been actively pursuing enhancements in fuel efficiency; leading to reduction in carbon footprint through various powertrain as well as vehicle level technology interventions.

Tata Motors focused on BS VI Phase II (RDE) implementation to enhance and upgrade the entire product portfolio with technologies and features to delight our customers by setting new benchmarks for performance, operating efficiency, comfort and safety. The company continued its focus on extending BS VI engine offerings with CNG + Gasoline (Bi-fuel) and development efforts on Bio-diesel formulations and Battery electric vehicles. In addition several features driven by integration of engine hardware and software have been added aiming to improve fuel economy, lower cost of ownership and to lower the carbon footprint of conventional powertrains

Tata Motors in last fiscal launched the Tata 'PUNCH', "the no-compromise SUV" offering an exciting mix of tough utility with sporty dynamics. It is bold, young, modern yet robust, compact yet practical, tough yet playful and exudes true expression of confidence and individuality. Tata Punch, also is India's first sub-compact SUV has become the latest recipient of the 5-star rating for adult occupant protection and 4-star rating for child occupant protection from Global NCAP. Also launched the advanced iCNG technology through its popular brands – Tiago and Tigor.

The company also introduced the Tigor Electric Vehicle (EV) which is the only EV in the country with a GNCAP 4-star rating for both adult and child safety. In addition, the company launched - First electric sedan under XPRES brand – the XPRES-T EV, exclusively for fleet customers. The XPRES-T EV bears an optimal battery size, captive fast charging solution, to ensure outstandingly low cost of ownership, safety and passenger comfort, making it a comprehensive and attractive proposition for fleet owners and operators.

With a view to augment its successful Connected Vehicle Platform (CVP) through applications on PV ICE & PV EV platforms (iRA & Zconnect applications), the company has also been experimenting with 5G network to ensure launch of more applications while ensuring cyber security. The new features of related to CVP Phase 2 will address the needs of customers in multiple areas for varied types of use cases.

(i) Efforts made towards innovation, technology development, absorption and adaptation

- In order to foster innovation the company has robust programs in place to encourage innovation at work place. For over a decade, company has been running annual Imagineering & Innovista competitions internally to encourage individuals and teams to showcase their agility, prowess and innovative mind-set towards solving problems, enhancing efficiencies and delighting customers

- Continuous & Increased focus for various measures to reduce overall cost of ownership for the customer by introducing various features on powertrain which results in fuel efficiency improvements across engine platforms through parasitic loss reduction, electrification of accessories and light weighting of engine aggregates. Deployment of artificial intelligence in Real Driving Emission validation of vehicles to reduce development time through in-house TATA Neuron project.

- New Technology Conceptualization and Demonstration initiatives for encouraging practically implementable technologies leading to value addition and being classified as first-in-world and/or first-in-India categories. Encouraged innovation through development of proof of concept and evaluation projects through "Dare to Try" approach. Successful projects would be pursued through TCDS (Technology Creation and Development System).

- Initiative have been taken to bring real-time vehicle & environmental data to analyze, learn and evolve vehicle features just as apps on today's smartphones, reusing open frameworks. This will serve Tata Motors to own the software and also engage with technology players, Start-ups and semiconductor companies as eco-system partners

- To bring in situational awareness, the company is strengthening research skill sets that shall broaden the understanding of the competitive intelligence and technology landscape. Voice of customer, Voice of market / competition, Voice of quality and future brand needs are driven through business problem statements for technology solutions based on digital platform. Global and local trends are scanned using syndicated

reports, research papers and through benchmarking solutions, majorly focusing on the latest trends in HMI, Artificial Intelligence, passenger wellness, Next generation connectivity disruptions (5G) and safety.

IPR Generation

- On the IPR front, during Fiscal 2022, we filed 47 patent applications. With respect to applications filed in previous years, 11 patents were granted and 20 designs were registered. Filing include national jurisdiction and grant details include national and international jurisdictions. Success on this front was acknowledged by the following independent and credible acknowledgements.
  - TATA Motors bagged the "IP Excellence Award, 2021" from Questel, in recognition of TML's valuable contribution as an Innovation-Driven Organization.
  - Received a "Special Appreciation Award" at the 7th CII Industrial Intellectual Property Award Ceremony.

(ii) Benefits derived as a result of the above efforts

- The Company continued to strengthen its capabilities across the technology domains to meet the emerging and future market needs. By careful selection of advanced engineering and future technology portfolio, the company intends to capitalize and bookshelf the developed technologies for incorporation into the future products for making them more exciting and more attractive to the end customers.
- New Technology Planning & Development (TCDS) process has helped to advance the introduction of new technology integration into the identified products and ready for series implementation. This greatly reduces total development cycle timeline.
- Using digital technology, design and ergonomics, the company is poised to take vehicular safety to the next level. This has led to the emergence of cars with global NCAP 5 and 4-star safety ratings across all segments within India. The company has redefined the future of Indian transportation by progressively investing in research & development of safe, sustainable, smart, and connected mobility solutions.
- The company received a wide acclamation of its efforts across its range of technologies & products through multiple awards and accolades. Few of them are listed below:
  - Four wheelers readers' choice award to Tata Altroz
  - Tata Punch, received awards 'Compact SUV of the year'
  - Tigor EV – Received a total 8 awards as 'EV of the year'
  - NASSCOM Engineering Excellence awards for "Pioneers and Change makers" – Jointly recognized with Tata Elxsi for Next-gen Product of the Year: Connected Vehicle IoT platform

Major technology absorption projects undertaken during the last year includes:

Sr. No.	Technology	Status
1	Composite Material Structural Technology	POC Ready
2	Active Safety systems / ADAS Technologies	Developed
3	Voice assistance features - Multi lingual/self-diagnostics-others	Under development
4	Connected Vehicle features – Next Phase (V2X)	Developed
5	Smart climate control / HVAC system	Developed
6	Driving dynamics technologies	POC Ready
7	Pressure sensing plastics for interior application	Under development
8	NVH reduction and reliability technologies for engine mounts, exhaust	Developed
9	BSG Integration on passenger vehicles	Developed

Major technology imports includes:-

Sr. No.	Technology for	Year of Import	Status
1	Focus on simulation capabilities through various software & reduce development timelines	2019-20	Implemented
2	Technology for virtual validation of engines testing	2020-21	Developed
3	Battery technology which is high energy density	2020-21	Under development
4	Wireless Charging for EVs	2021-22	Developed

(iii) Specific areas in which R & D carried out by the Company

- The Company mainly focused on specific areas of R&D and Engineering by which it can meet its Mission & Vision. For passenger cars, the main focus areas have been in the domain of creating stunning design, pleasurable driving experience and connectivity. In addition to customer preferences captured from new car buyers survey (NCBS). Top identified preferences were exterior styling, price, fuel consumption, Interior design and roominess, comfortable ride.

- In commitment to wellness of society and environment, Tata Motors strives for light weighting of its passenger and electric vehicles through weight optimization of body and chassis structures. This involves adaptation of light weighting technologies such as Advanced high-strength steels (AHSS), hybrid or composite materials, nanomaterial science.

A. INITIATIVES TOWARDS DIGITAL PRODUCT DEVELOPMENT SYSTEMS :

DIGITAL EXCELLENCE THROUGH NEW TECHNOLOGY ADOPTIONS AND DIGITALIZATION: ENHANCED DIGITAL PRODUCT DEVELOPMENT SYSTEMS

Digitalization and integration of product development processes, adoption of new technologies & processes to ensure lower cost impacts due to changes and reduced Time to Market. Enhanced digital product development systems are contributing to design of safe, smart connected vehicles. Achievements through various initiatives are listed below:

- Business process digitization, automations, Knowledge Based Engineering (KBE) applications and use of BOTS contributed to two key goals of Productivity Improvement and Business Execution Excellence. Digitization of business processes using in-house developed business process modelling platform.

- Development and release of many platform features, end customer features facilitated Tata Motors to remain in the forefront in connected vehicle segment. Remotely upgrade of ECU firmware and certificate upgrade of the vehicles in the field increased competitive level of Tata Motors connected vehicle segment.

- Digitalization of Paint Shop and Heat Treatment Shop using in-house developed Connected Industry 4.0 Platform coupled with AI/ML to achieve manufacturing operations excellence and transition to sustainable operations (less energy and less emission intensive).

- Tata Motors embarked on journey of Model Based Systems Engineering (MBSE) to develop and deploy solution for managing increasing complexity of Electrical and Electronics features in the vehicles, establish end-to-end traceability (digital thread) in product development for adoption of quick changes in product, better control on project delivery and cost.

Enhanced and developed Product Lifecycle Management (PLM) driven processes related to engineering and manufacturing bill of material creation, release and change management.

B. COMPETENCY DEVELOPMENT

- Major focus on CESS (Connected, Electric, Shared and Safe) to build up competency in the field of connectivity and electric mobility. Periodic trainings are organized to help the workforce gain the required competency in CESS. The approach help the company to create a diverse portfolio of vehicles in ICE and EV segment which can demonstrate advanced level of safety and connectivity features in its respective class
- Critical competency areas such as Android & iOS App development, Battery Management System, Cybersecurity, Strategies for Alternate Fuels were addressed with focused interventions.

C. FUTURE AREAS OF FOCUS

- To meet future product portfolio needs, Company is focusing on areas like advanced telematics, AI/ML, and enhanced connected solutions entering into smart city era powered by 5G and other areas of digitalization.
- Tata Curvv concept was unveiled to begin the year, more launches are planned for the New forever range with feature upgrade and powertrain options.
- Enhancement in select areas of powertrain to continue to improve efficiency and contemporariness of IC engines. These areas include but not limited to only emerging alternate fuels such as ethanol, methanol, LNG and hydrogen but also adapting advanced substrates for precious metal reduction in exhaust after-treatment systems and use of advanced composition of oils for fuel efficiency and delaying intervals between oil changes.

D. FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange Earnings and Outgo in FY 2022	(₹ in crores)
Earning in Foreign Currency	2.69
Expenditure in Foreign Currency	512.11

By order of the Board
For **Tata Motors Passenger Vehicles Limited**

P B Balaji
DIN: 02762983

Mumbai
May 11, 2022

Annexure 2

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis - During the year under review, all the transactions with related parties were in ordinary course of business and at arms' length basis.

2. Details of Material contracts or arrangements or transactions at Arm's length basis.

Sl. No.	Particulars	Details	
a)	Name (s) of the related party & nature of relationship	Tata Passenger Electric Mobility Limited (TPEML) and Tata Motors Limited (TML)	Tata Passenger Electric Mobility Limited (TPEML)
b)	Nature of relationship	Fellow subsidiary/Holding Company	Fellow Subsidiary
c)	Nature of contracts/arrangements/transaction	(a) Contract manufacturing agreement with TPEML; (b) Amended and restated intellectual property license and royalty agreement with TPEML; (c) Amended patent license agreement with TPEML; (d) Trademark license agreement with TPEML; (e) Group shared services agreement with TPEML and TML; and (f) Group tolling agreement with TPEML and TML.	Share Purchase Agreements executed amongst the Company and TPEML, for the sale of 100% of the shareholding of the Company in (i) Trilix s.r.l, and (ii) Tata Motors European Technical Centre PLC
d)	Duration of the contracts/arrangements/transaction	Ongoing, subject to termination	One time
e)	Salient terms of the contracts or arrangements or transaction including the value, if any	Not Applicable	Sale of (a) 63,248,427 equity securities of TMETC for a consideration of the INR equivalent of

			GBP 1.01 per equity security aggregating to GBP 63,880,911; and (b) 1,620,000 equity securities of Trilix for a consideration of the INR equivalent of EUR 2.78 per equity security aggregating to EUR 4,503,600.
f)	Date of approval by the Board	January 3, 2022	March 10, 2022
g)	Amount paid as advances, if any	Nil	Nil

By order of the Board
For Tata Motors Passenger Vehicles Limited

P B Balaji
DIN: 02762983

Mumbai
May 11, 2022

Annexure to the Board's report as per Section 197(12) of the Companies Act, 2013 read with rules framed thereunder and the Companies (Particulars of Employees) Rules, 1975 as at March 31, 2022

A. Particulars of top 10 employees receiving remuneration as prescribed under Section 197(12)

Sr No	Pers. no	Name	Age Yrs	Designation / Nature of duties	Gross Renumeration	Net Renumeration	Qualifications	Exp Yrs	Date of Joining*	Last Employment Designation - Period
1	297170	Rajesh G Khatri	59	Vice President	76,69,744.16	52,81,400.55	BE (Production)	38	01.01.2022	Tal Manufacturing solutions Ltd/ABG Shipyard Ltd- 28 years
2	151436	Mohan Madhukar Savarkar	58	Vice President	66,50,222.92	53,12,663.28	BE (Mechanical), M.Tech (Mechanical)	38	01.01.2022	Profioforms,.Manuf/Prodn/Operations- 3 yrs
3	664923	Fernando Rodriguez Martin	58	Vice President	60,93,051.08	36,48,526.08	ME (Aeronautical)	34	01.01.2022	Renault Sas,.Manuf/Prodn/Operations- 27 yrs
4	508356	Ramesh Dorairajan	58	Senior General Manager	40,31,875.46	25,70,364.46	PGDM (Personnel), EMP (Business Management)	32	01.01.2022	JCB India Ltd,.Finance / Price Panel- 4 yrs
5	532854	Rajan Amba	54	Vice President	39,95,249.67	28,38,814.67	MMS Marketing	18	01.01.2022	Titan Company Limited,Other- 8 yrs
6	664889	Anil Kumar Chigullapalli	50	Senior General Manager	37,06,104.96	23,66,095.88	Master of Engineering	28	01.01.2022	Tata Technologies Ltd,- 16 yrs
7	829074	Neeraj Agarwal	53	Senior General Manager	35,80,253.79	25,92,398.79	B.Tech (Chemicals), PGDM (Operations Management)	32	01.01.2022	Renault Nissan Automotive India Pvt. Ltd.,.Manuf/Prodn/Operations- 8 yrs
8	181315	Ramakrishna Hosangadi Bhat	47	Senior General Manager	32,98,200.51	25,73,748.51	MSc	25	01.01.2022	-
9	149846	Rajesh Kumar Singh	59	Senior General Manager	30,98,819.29	21,71,377.38	Bachelor of Technology	37	01.01.2022	Videocon International Ltd.,- 3 yrs
10	149755	Hemant Ganpatrao Barge	51	Senior General Manager	30,98,250.60	22,18,073.34	Bachelor of Engineering	31	01.01.2022	FORCE , Pune,Production / Maintenance/- 1 yrs

			B. Particulars of employees in receipt of remunertaion in category (a) and (b) during FY 2021-22							
11	233752	Randeep Singh Khokar	52	Senior General Manager	28,77,848.78	16,90,210.47	Bachelor of Engineering (Electronics)	31	01.01.2022	Daimler Chrysler,.Log/Purch/MM/Vendor Dev- 9 yrs
12	532450	Sitaram Kandi	52	Vice President	28,66,533.32	17,36,884.58	Executive Management Program	24	01.01.2022	GE India Industrial Ltd. India,HR / Administration / ER- 8 yrs
13	801056	Shyam Kumar Singh	52	Senior General Manager	28,39,226.29	18,44,062.29	Bachelor of Engineering (Automobile)	28	01.01.2022	Skoda Auto India Pvt. Ltd.,.Manuf/Prodn/Operations- 6 yrs
14	654003	Vijay Sharad Mirashi	45	Senior General Manager	27,09,647.76	18,24,061.76	Bachelor of Engineering (Mechanical)	24	01.01.2022	TECH MAHINDRA,- 4 yrs
15	530736	Amit Anand Kamat	42	Senior General Manager	26,76,937.76	19,64,173.76	Master of Business Administration (Management)	20	01.01.2022	Maruti Suzuki,.Manuf/Prodn/Operations- 11 yrs
16	213797	Vivek Misra	50	Senior General Manager	26,68,815.36	18,55,244.09	Master of Business Administration(Business Management0	22	01.01.2022	Piaggio & C Spa,Other- 3 yrs
17	654445	Pankaj Jhunja	57	Senior General Manager	26,29,236.69	14,71,073.72	Master of Technology	29	01.01.2022	RENAULT NISSAN,- 2 yrs
18	181325	Santosh Bhausaheb Gore	47	Senior General Manager	26,04,381.35	18,02,274.23	Bachelor of Engineering (Mechanical)	26	01.01.2022	Bajaj Auto,Production / Maintenance/- 1 yrs
19	240367	Abhay Madhusudan Deshpande	58	Senior General Manager	26,00,581.38	19,47,978.01	Master of Business Administration (Finance)	34	01.01.2022	Fiat India Ltd,.Design- 18 yrs
20	664884	Piyush Balkrushna Kende	49	Senior General Manager	25,76,022.49	16,20,547.10	Master of Engineering	22	01.01.2022	TATA Technologies Ltd,- 15 yrs
21	509772	Sheel Sagar	48	Senior General Manager	25,00,684.63	17,71,295.63	Master of Business Administration (Marketing)	22	01.01.2022	Havells India Ltd,.After SS / Dealer Mgt- 0 yrs

22	530790	Nitin Mehta	48	Senior General Manager	24,82,719.59	17,38,458.99	PG Diploma in Management	23	01.01.2022	Mahindra & Mahindra Ltd,Sales & BD- 6 yrs
23	501941	V K Gangrade	58	General Manager	22,77,961.96	14,76,806.96	PG Diploma in Management (Marketing)	36	01.01.2022	-
24	372671	Anindya Kumar Paul	48	Senior General Manager	21,94,794.84	14,68,024.31	Chartered Accountancy (CA) Final	23	01.01.2022	-
25	590740	Ajai Kumar Bajpai	49	Senior General Manager	21,58,305.09	14,56,523.09	Phd	27	01.01.2022	Volkgen India,Production / Maintenance/- 1 yrs
26	532847	Dimple Mehta	52	Senior General Manager	20,08,199.25	13,65,177.25	Bachelor of Technology(Electronics and Power)	23	01.01.2022	MG Motor India Private Limited,Sales & BD- 1 yrs
27	111402	Deepak Machan Parantar	54	General Manager	18,68,699.07	12,14,092.77	Master of Management Science	32	01.01.2022	-
28	592711	Urvinder Singh Chadha	57	General Manager	17,93,611.82	11,74,475.63	Bachelor of Engineering (Mechanical)	34	01.01.2022	Mahindra Nissan Alliance Ltd.After SS / Dealer Mgt- 1 yrs
29	661896	Suyog M Panse	53	Senior General Manager	17,01,790.91	10,89,438.31	Master of Technology(Mechanical)	31	01.01.2022	TATA Technologies Ltd.,Manuf/Prodn/Operations- 16 yrs
30	805449	Nitin Satish Borsar	46	General Manager	16,54,502.08	11,34,422.08	Bachelor of Engineering(Production)	24	01.01.2022	Mahindra & Mahindra Ltd.,Log/Purch/MM/Vendor Dev- 15 yrs
31	821830	Ranjeet Mukund Gupta	55	General Manager	16,07,797.18	10,80,674.18	Certificate	32	01.01.2022	Mahindra & Mahindra Ltd.,Log/Purch/MM/Vendor Dev- 22 yrs
32	508797	Suraj Subbarao Murva	47	General Manager	15,54,605.22	10,40,373.22	Master of Business Administration (Marketing)	22	01.01.2022	Maruti Suzuki India Limited,Sales & BD- 4 yrs
33	432484	Ravi Misra	49	General Manager	14,55,177.12	9,84,025.12	Master's Equivalent (International Business)	25	01.01.2022	RELIANCE INFOCOM,- 1 yrs

34	124342	Novelle Fali Farciwala *	60	Deputy General Manager	14,12,138.59	7,98,134.04	PG Diploma in Management	42	15-Sep-79	-
35	740060	Praveen Gangadhar Patravali	54	Senior General Manager	8,94,095.84	7,86,120.84	Bachelor of Engineering	2	22-Feb-22	Cummins India Ltd,Other- 2 yrs
36	280111	Rakesh Puri*	52	Deputy General Manager	6,48,514.20	5,97,865.20	PG Diploma in Management (Finance)	27	23-Oct-07	Sona Group Comany,Engineering Design/R & D- 7 yrs
37	801146	Vishal Arya*	44	Deputy General Manager	4,24,909.78	4,05,385.78	Bachelor of Engineering(Industrial and Production)	21	01-Sep-08	JCB India Ltd.,Manuf/Procn/Operations- 1 yrs

Note: a. Remuneration includes basic salary, allowances, taxable value of perquisites and the Company's contribution to Provident Fund and Superannuation Funds, but excludes provision for retiring gratuity for which separate figures are not available (includes leave encashment on retirement whenever applicable).

b. Net remuneration is after tax and is exclusively of Company's contribution to Provident Funds and monetary value of non cash prequisites.

c. Nature of employment in all case is permanent

d. * are employees employed with the Company for the part of the year

e. None of the employees by themselves or along with their spouse or dependant children hold 2% or more of the paid up capital of the Company.

f. None of the employees are related to any of the Directors of the Company. The Company does not have a manager as defined under the Act.

g. The Hon'ble National Company Law Tribubol vide its order dated August 24, 2021 approved Scheme of Arrangement between Tata Motors Limited (Transferor Company and the Company (Transferee Company) and their respective shareholders, for transfer of Transferor Company's PV undertaking on slump sale basis. Hence In accordance to the order, the Employees of Transferor Company got transferred to Transferee Company on January 1, 2022. Hence the date mentioned under date of joining is the date when the Scheme was made effective and the Company started its independent operations.

On behalf of the Board of Directors

P B Balaji
Chairman

TATA MOTORS PASSENGER VEHICLES LIMITED

NOTICE

(Pursuant to Section 101 of the Companies Act, 2013)

Dear Member,

NOTICE is hereby given that the Second ANNUAL GENERAL MEETING OF TATA MOTORS PASSENGER VEHICLES LIMITED will be held on Friday, June 24, 2022 at 2.00. p.m IST through video conferencing / other audio visual means to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2022, together with the Reports of the Board of Directors and the Auditors thereon.

2. To appoint a Director in place of Ms Smriti Goyal (DIN: 08488684) who retires by rotation and being eligible seeks re-appointment.

SPECIAL BUSINESS

3. RATIFICATION OF COST AUDITOR'S REMUNERATION

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED that pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the remuneration of Rs.1,50,000 plus applicable taxes, travel and out-of-pocket expenses incurred in connection with the audit, as approved by the Board of Directors, payable to M/s Mani & Co., Cost Accountants (Firm Registration No. 000004) who are appointed as Cost Auditors to conduct the audit of the cost records maintained by the Company for the financial year ending March 31, 2023.

By Order of the Board of Directors

Anjali Singh
Company Secretary
A26664

Mumbai, May 11, 2022
Registered Office:
Floor 3, 4, Plot-18, Nanavati Mahalaya,
Mudhana Shetty Marg, BSE, Fort, Mumbai
Mumbai City, Maharashtra 400001
CIN: U72900MH2020PLC339230

NOTES:

1. In view of the COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its General Circular No. 20/2020 dated May 5, 2020 in relation to clarification on holding of annual general meeting ('AGM') through video conferencing ('VC') or other audio visual means ('OAVM') read with General Circulars No. 14/2020 dated April 8, 2020, No. 17/2020 dated April 13, 2020, No. 33/2020 dated September 28, 2020, No. 39/2020 dated December 31, 2020 and No. 10/2021 dated June 23, 2021 in relation to 'Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by COVID-19' and General Circular Nos.02/2021 and 21/2021 dated January 13, 2021 and December 14, 2021 (collectively referred to as 'MCA Circulars') permitted the holding of the Annual General Meeting ('AGM'/'the Meeting') through VC/ OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ('Act') and MCA Circulars, the 2nd AGM of the Company is being held through VC/OAVM on Friday, June 24, 2022 at 2.00 p.m (IST). The deemed venue for the AGM will be the Registered Office of the Company Floor 3, 4, Plot-18, Nanavati Mahalaya, Mudhana Shetty Marg, BSE, Fort, Mumbai, Maharashtra 400001.
2. As per the provisions of clause 3.A.II. of the General Circular No. 20/ 2020 dated May 5, 2020, issued by the MCA, the matters of Special Business as appearing at item no. 3 of the accompanying Notice, are considered to be unavoidable by the Board and hence, form part of this Notice.
3. The relative Explanatory Statement pursuant to Section 102 of the Act in respect of the business under Item no. 3 to set out above and the relevant details of the Director seeking appointment/re- appointment at this AGM as required under Secretarial Standard on General Meetings issued by The Institute of Company Secretaries of India ('Secretarial Standard') is annexed hereto. Requisite declaration have been received from the Director seeking appointment/re- appointment.
4. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the company. Since this AGM is being held pursuant to the MCA circulars through VC/OAVM, the requirement of physical attendance of members has been dispensed with. Accordingly, in terms of the MCA circulars, the facility for appointment of proxies by the members will not be available for this AGM and hence the proxy form, attendance slip and route map of AGM are not annexed to this notice.
5. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company, a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
6. In line with the General Circular No. 20/2020 dated May 5, 2020, issued by the MCA, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those members whose email addresses are registered with the Company.
7. Members attending the AGM through VC/OAVM shall be counted for reckoning the quorum under Section 103 of the Act.
8. Electronic copies of all the documents referred to in the accompanying Notice of the AGM and the Explanatory Statement shall be made available for inspection. During the 2nd AGM, members may access the scanned copy of Register of Directors and their shareholding maintained under Section 170 of the Act; the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act. Members desiring inspection of statutory registers and other relevant documents may send their request in writing to the Company at tmpvl@tatamotors.com.

By Order of the Board of Directors

Anjali Singh
Company Secretary

Mumbai, May 11, 2022

Registered Office:
Floor 3, 4, Plot-18, Nanavati Mahalaya,
Mudhana Shetty Marg, BSE, Fort, Mumbai
Mumbai City, Maharashtra 400001
CIN: U72900MH2020PLC339230

TATA MOTORS PASSENGER VEHICLES LIMITED

Explanatory Statement under Section 102 of the Companies Act, 2013

The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act"), given hereunder sets out all material facts relating to the special business mentioned at Item No. 3 of the accompanying Notice dated Mumbai, 24 June, 2022.

Item No. 3

RATIFICATION OF COST AUDITOR'S REMUNERATION

The Cost Audit became applicable to Tata Motors Limited ('the Holding Company') from 1970 and since then Tata Motors Limited had been following a policy of getting it's Cost Records audited on an uninterrupted basis, including on a voluntarily basis for certain years when the Cost Audit was not mandatory. This was done to keep the cost information duly validated for internal as well as external use.

During the year, pursuant to the Scheme of Arrangement being sanctioned by the Hon'ble NCLT, Mumbai, the Passenger Vehicle Undertaking of the Tata Motors Limited was transferred to the Company as a going concern, on a slump sale basis, w.e.f. January 1, 2022. Hence the Company in order to keep its cost information duly validated for internal as well as external purpose, continues to get its cost records audited.

The Ministry of Corporate Affairs had on December 31, 2014 notified Companies (Cost Records & Audit) Amendment Rules, 2014 ("Rules"), which specifies the applicability of Cost Audit from the Financial Year 2014-15 onwards. As per the said Rules, Cost Audit is applicable to the mandatory activities under sectors - iron and steel, other machinery and mechanical appliances, electricals or electronic machinery, rubber and allied products, cement and glass, armoured vehicles, etc. for the Financial Year 2022-23. However, Cost Audit of Motor Vehicles is not covered under the said Rules.

However, the Board had voluntarily, at its meeting held on April 26, 2022, approved the appointment of M/s Mani & Co. (Firm Registration No. 000004) as the Cost Auditors of the Company to conduct audit of cost records maintained by the Company, pertaining to the relevant products prescribed under the Companies (Cost Records and Audit) Rules, 2014, for FY 2022-23 at a remuneration of Rs.1,50,000 plus applicable taxes, out-of-pocket and other expenses.

In accordance with the provisions of Section 148 of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, ratification for the remuneration payable to the Cost Auditors to audit the cost records of the Company for the said financial year by way of an Ordinary Resolution is being sought from the Members as set out at Item No. 3 of the Notice.

M/s Mani & Co. have furnished a certificate dated 25th, April 2022 regarding their eligibility for appointment as Cost Auditors of the Company. They have vast experience in the field of cost audit and have conducted the audit of the cost records of the Company for previous years under the provisions of the Act.

The Board recommends the Ordinary Resolution set out at Item No. 3 of the Notice for approval by the Members.

None of the Directors, Key Managerial Personnel or their relatives are, in any way, concern or interested, financially or otherwise, in the said resolution.

By Order of the Board of Directors

Anjali Singh
Company Secretary

Mumbai, May 11, 2022
Registered Office:
Floor 3, 4, Plot-18, Nanavati Mahalaya,
Mudhana Shetty Marg, BSE, Fort, Mumbai
Mumbai City, Maharashtra 400001
CIN: U72900MH2020PLC339230

TATA MOTORS PASSENGER VEHICLES LIMITED

Details of Director seeking appointment/re-appointment at the Annual General Meeting

[Pursuant to Secretarial Standards – 2 on General Meetings]

Particulars	Ms Smriti Goyal
Director Identification No (DIN)	08488684
Date of Birth (Age)	August 29, 1977 (44 years)
Date of Appointment	April 4, 2020
Qualifications	Ms Goyal has completed her Middle Management Development Program from Indian Institute of Management - Ahmedabad in 2007. She holds a Bachelors' degree in Commerce with Honors from Patna University and is a Chartered Accountant (CA) from the Institute of Chartered Accountants India. She completed her CA in April 2001 and was the 41st rank holder in the Final examination.
Expertise in specific functional areas	Ms Goyal joined Tata Motors Limited in 2001 and has held several positions in Finance in Tata Motors Limited, before her current assignment as the Head of Accounting and Reporting. In this role, she is responsible for the finalization and audit of Financial Statements for the Tata Motors Group, along with Internal Controls over Financial Reporting. Ms Goyal is also responsible for finalization of Tata Motors' Standalone Financial Statements. She is also the Chairman of Tata Motors' Sexual Harassment Avoidance and Redressal Committee for the western region area. She is a special invitee to the Indian Accounting Standards Implementation Group of the Accounting Standards Board (ASB).
Directorship held in other companies (excluding foreign companies)	NIL
Memberships / Chairmanships of committees held in other listed Companies (excluding foreign companies)	NIL
No. of Shares held in the Company	NIL
Relationship with other Directors & Key Managerial Personnel	NIL

For other details, such as number of meetings of the Board attended during the year and remuneration drawn in respect of the above directors, please refer to the Board's Report.

B S R & Co. LLP
Chartered Accountants

14th Floor, Central B Wing and North C Wing,
Nesco IT Park 4, Nesco Center,
Western Express Highway,
Goregaon (East), Mumbai – 400063, India

Telephone: +91 (22) 6257 1000
Fax: +91 (22) 6257 1010

Independent Auditor's Report

To the Members of Tata Motors Passenger Vehicles Limited (formerly known as TML Business Analytics Services Limited)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Tata Motors Passenger Vehicles Limited (formerly known as TML Business Analytics Services Limited) (the "Company"), which comprise the balance sheet as at 31 March 2022, 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 2022, and its loss 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 obtained by us 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 annual report, but does not include the financial statements and our 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 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

Auditor's Responsibilities for the Audit of the Financial Statements ***(Continued)***

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 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 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   a) The Company does not have any pending litigations which would impact its financial position.

   b) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 41 (ii) to the financial statements.

   c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Report on Other Legal and Regulatory Requirements ***(Continued)***

d) (i) The management has represented that, to the best of its knowledge and belief, 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 persons or entities, 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 ("Ultimate Beneficiaries") by or on behalf of the Company or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, 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 ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) Based on such audit procedures as 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 (d) (i) and (d) (ii) contain any material mis-statement.

e) The Company has neither declared nor paid any dividend during the year.

(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

Rishabh Kumar
Partner
For B S R & Co. LLP
Membership No. 402877
UDIN: 22402877AIUXPW5368

Place: Mumbai
Date: 11 May 2022

Tata Motors Passenger Vehicles Limited (formerly known as TML Business Analytics Services Limited)

Independent Auditors' report on Financial Statements – 31 March 2022 *(Continued)*

Annexure A to the Independent Auditors' report on Financial Statements – 31 March 2022

(Referred to in 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 has maintained proper records showing full particulars of intangible assets.

(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 material 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 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, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for inward goods-in-transit subsequent evidence of receipts has been linked with inventory records. 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 been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company except for statement filed for quarter ended 31 December 2021 with State Bank of India, Bank of America, Citibank N.A., HDFC Bank Limited, ICICI Bank Limited, Standard Chartered Bank, Union Bank of India, Kotak Mahindra Bank Limited and Bank of Baroda where differences were noted between the amount as per books of account for December quarter and amount as reported in the quarterly statement. The difference was Rs. 995 crores (amount reported - Rs. 1,249 crores vs amount per books of account - Rs. 254 crores) for debtors. Further, these statements were subsequently rectified after year ended 31 March 2022 and submitted to the respective banks.

(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 not provided any guarantee or security or granted any secured loans or secured or unsecured advances in the nature of loans, to companies, firms, limited

liability partnerships or any other parties during the year. The Company has made investments in and granted unsecured loans to companies and other parties in respect of which the requisite information is as below. The Company has not made investments in or granted any unsecured loans to firms, limited liability partnerships or any other parties during the year.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans to subsidiaries and employees as below:

Particulars	Loans (Rs. Crores)
Aggregate amount during the year	
- Others – Companies	6,055.00
- Others – Employees	32.00
Balance outstanding as at balance sheet date	
- Others – Companies	1,770.00
- Others – Employees	23.68

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made and the terms and conditions of the loans granted during the year are, prima facie, not prejudicial to the interest of the Company. The Company has not provided any guarantee or security or granted any advances in the nature of loans during the year.

(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 receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party.

(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 advance in the nature of loan to any party.

(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, 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.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has not provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ('the Act'). In respect of investments made and loans given by the Company, in our opinion the provision 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.

Tata Motors Passenger Vehicles Limited (formerly known as TML Business Analytics Services Limited)

Independent Auditors' report on Financial Statements – 31 March 2022 *(Continued)*

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and services provided by it and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(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 Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have generally been regularly deposited with the appropriate authorities, except for Provident fund dues referred to in note xx to the financial statements.

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 Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 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.

(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 has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(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) In our opinion and according to the information and explanations given to us by the management, no term loans have been obtained by the company till 31 March 2022.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, as at 31 March 2022 we report that the funds raised on short term basis of Rs 3,404.75 crores have been used for long term investment.

(e) According to the information and explanations given to us and on an overall examination of the standalone 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 as defined under the Act. The Company does not hold any investment in any associate or joint venture (as defined under the Act) during the year ended 31 March 2022.

(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

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subsidiaries, (as defined under the Act). The Company does not hold any investment in any associate or joint venture (as defined under the Act) during the year ended 31 March 2022.

(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) Based on the information and explanations provided to us, the Company does not have a vigil mechanism and is not required to have a vigil mechanism as per the Act or SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

(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, and based on our examination of the records of the Company, the transactions with related parties are in compliance with Section 188 of the Act, where applicable. The details of the related party transactions have been disclosed in the financial statements as required under Ind AS 24 – Related Party disclosures, specified under the section 133 of the Act, read with relevant rules issued thereunder. The Company does not fall under the definition of the listed company or other class of companies which required to constitute an audit committee under section 177(4)(iv) of the Act and hence the said section is not applicable to the Company.

(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.

(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.

Tata Motors Passenger Vehicles Limited (formerly known as TML Business Analytics Services Limited)

Independent Auditors' report on Financial Statements – 31 March 2022 *(Continued)*

(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) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. 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

Rishabh Kumar
Partner
Membership No. 402877
UDIN: 22402877AIUXPW5368

Place: Mumbai
Date: 11 May 2022

Tata Motors Passenger Vehicles Limited (formerly known as TML Business Analytics Services Limited)

Independent Auditors' report on Financial Statements – 31 March 2022 (Continued)

Annexure B to the Independent Auditors' report on the financial statements of Tata Motors Passenger Vehicles Limited (Formerly known as TML Business Analytics Services Limited) for the year ended 31 March 2022.

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 Companies Act, 2013

(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 Tata Motors Passenger Vehicles Limited (formerly known as TML Business Analytics Services Limited) ("the Company") as of 31 March 2022 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 2022, 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 Responsibility 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 Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' 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 whether 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

Tata Motors Passenger Vehicles Limited (formerly known as TML Business Analytics Services Limited)

Independent Auditors' report on Financial Statements – 31 March 2022 (Continued)

Auditors' Responsibility ***(Continued)***

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 such internal financial controls, 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 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
Firm's Registration No. 101248W/W-100022

Rishabh Kumar
Partner
For B S R & Co. LLP
Membership No. 402877
UDIN: 22402877AIUXPW5368

Place: Mumbai
Date: 11 May 2022

Tata Motors Passenger Vehicles Limited (Formerly known as "TML Business Analytics Services Limited")

Balance Sheet

(₹ in crores)

	Notes	As at March 31, 2022	2021
I. ASSETS			
(1) NON-CURRENT ASSETS			
(a) Property, plant and equipment	4(a)	5,797.00	5,612.79
(b) Capital work-in-progress	4(c)	498.75	394.46
(c) Right of use assets	5 (c)	756.91	808.08
(d) Other intangible assets	6 (b)	3,789.20	3,359.49
(e) Intangible assets under development	6 (c)	299.09	302.51
(f) Financial assets			
(i) Loans and advances	7	37.11	19.41
(ii) Other financial assets	8	80.68	87.20
(g) Non-current tax assets (net)		4.13	-
(h) Other non-current assets	11	31.99	30.70
		11,093.45	11,092.51
(2) CURRENT ASSETS			
(a) Inventories	13(c)	1,592.47	1,022.74
(b) Financial assets			
(i) Trade receivables	14	184.80	83.39
(ii) Cash and cash equivalents	16(b)	422.90	0.15
(iii) Loans and advances	6	1,825.57	44.64
(iv) Other financial assets	10	55.20	26.18
(c) Other current assets	12	337.06	132.09
(d) Asset held for Sale - Investments in subsidiary		33.45	-
		4,451.54	1,319.20
TOTAL ASSETS		15,544.99	12,411.71
II. EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	17	9,417.55	9.33
(b) Equity share capital to be issued on purchase of Business	1	-	9,417.08
(c) Other equity		(2,894.56)	(1,460.59)
		6,523.99	7,965.82
LIABILITIES			
(1) NON-CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings	18	193.84	176.67
(ii) Lease liabilities		688.24	593.26
(iii) Other financial liabilities	21	2.88	0.12
(b) Provisions	23	189.08	185.92
(c) Other non-current liabilities	25	179.91	88.05
		1,355.11	964.02
(2) CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings	19	2.28	-
(ii) Lease liabilities		99.01	92.25
(iii) Trade payables	20		
(a) Total outstanding dues of micro and small enterprises		89.89	18.55
(b) Total outstanding dues of creditors other than micro and small enterprises		4,297.51	1,308.08
		2,636.34	1,456.25
(iv) Acceptances			
(v) Other financial liabilities	22	777.53	195.28
(b) Provisions	23(c)	341.22	306.42
(c) Other current liabilities	26	989.11	177.13
		7,656.09	4,355.78
TOTAL EQUITY AND LIABILITIES		15,544.99	12,411.71

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

DEVANG KUMAR
Partner
Membership No.402077
UDIN: 22402877ATUXPW5368
Place: Mumbai

Date: May 11, 2022

YASIR MALLAH (DIN: 07240077)
Director

MAHESH CHANDRA (DIN: 07552005)
MD & Chief Executive Officer

ANKITA PAUL
Chief Financial Officer

ANJALI SINGH (ACS: A20644)
Company Secretary

Place: Mumbai

Date: May 11, 2022

Tata Motors Passenger Vehicles Limited (Formerly known as "TML Business Analytics Services Limited")

Statement of Profit and Loss

(₹ in crores)

		Notes	Year ended March 31, 2022	Year ended March 31, 2021
	Revenue from operations			
	Revenue		32,489.86	16,650.25
	Other operating revenue		82.38	64.59
I.	Total revenue from operations	27 (b)	32,572.24	16,714.84
II.	Other income	28 (b)	194.12	165.93
III.	**Total income (I+II)**		32,766.36	16,880.77
IV.	**Expenses**			
(a)	Cost of materials consumed		19,225.90	9,430.84
(b)	Purchases of products for sale		8,823.56	4,361.25
(c)	Changes in inventories of finished goods, work-in-progress and products for sale		(406.52)	501.95
(d)	Employee benefits expense	29	976.77	761.44
(e)	Finance costs	30	215.85	189.06
(f)	Foreign exchange loss (net)		11.39	(0.52)
(g)	Depreciation and amortisation expense		2,041.54	1,670.32
(h)	Product development/Engineering expenses		655.26	558.73
(i)	Other expenses	31	2,419.26	1,525.19
(j)	Amount transferred to capital and other accounts	32	(36.99)	(22.60)
	Total Expenses (IV)		33,926.02	18,975.66
V.	**Profit/(loss) before exceptional items and tax (III-IV)**		(1,159.66)	(2,094.89)
VI.	**Exceptional Items**			
(a)	Employee separation cost		-	31.78
(b)	Cost of Purchase of PV Undertaking		251.34	-
(c)	Impairment losses/(reversal) in passenger vehicle business		-	(1,182.41)
(d)	Provision/(reversal) for Onerous Contracts and related supplier claims		-	(549.00)
(e)	Provision/(reversal) for impairment of investments in subsidiary companies		(559.91)	-
VII.	**Profit/(loss) before tax (V-VI)**		(851.09)	(395.26)
VIII.	**Tax expense (net)**			
(a)	Current tax		-	-
(b)	Deferred tax		0.26	-
	Total tax expense		0.26	-
IX.	**Profit/(loss) for the year (VII-VIII)**		(851.35)	(395.26)
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)		(14.90)	13.85
(ii)	Income tax credit/(expense) relating to items that will not be reclassified to profit and loss		3.75	(3.49)
	Total other comprehensive income/(loss), net of taxes		(11.15)	10.36
XI.	**Total comprehensive income/(loss) for the year (IX+X)**		(862.50)	(384.90)
XII.	**Earnings/(loss) per share (EPS)**	34		
(A)	Ordinary shares (face value of ₹ 10 each) :			
(i)	Basic	₹	(0.90)	(0.42)
(ii)	Diluted	₹	(0.90)	(0.42)

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

RISHABH KUMAR
Partner
Membership No.402877
UDIN: 22402877AIUXPW5368
Place: Mumbai

AASIF MALBARI *(DIN: 07345077)*
Director

SHAILESH CHANDRA *(DIN: 07593905)*
MD & Chief Executive Officer

ANINDYA PAUL
Chief Financial Officer

ANJALI SINGH *(ACS: A26664)*
Company Secretary

Date: May 11, 2022

Place: Mumbai

Date: May 11, 2022

Tata Motors Passenger Vehicles Limited (Formerly known as "TML Business Analytics Services Limited")

Cash Flow Statement

(₹ in crores)

	Year ended March 31,	
	2022	2021
Cash flows from operating activities:		
Profit/(loss) for the year	(851.35)	(395.26)
Adjustments for:		
Depreciation and amortisation expense	2,041.54	1,670.32
Allowances for trade and other receivables	3.68	7.69
Inventory write down/ (write back)	9.16	(6.64)
Provision/(reversal) for loan given to/investment and cost of closure in subsidiary companies	-	56.59
Impairment losses/(reversal) in passenger vehicle business	-	(1,182.41)
Write off/provision (reversal) for tangible/intangible assets (including under development)	-	228.00
Provision/(reversal) for Onerous Contracts and related supplier claims	-	(777.00)
Finance costs	215.85	189.06
Interest income	(55.64)	(34.72)
	2,214.59	150.89
Cash flows from operating activities before changes in following assets and liabilities	1,363.24	(244.37)
Trade receivables	(99.47)	186.60
Loans and advances and other financial assets	(1,802.49)	(24.08)
Other current and non-current assets	(193.13)	171.50
Inventories	(578.89)	308.82
Trade payables and acceptances	2,903.09	260.50
Other current and non-current liabilities	623.65	223.49
Other financial liabilities	(31.52)	22.46
Provisions	67.96	(35.91)
Cash generated from/(used in) operations	2,252.44	869.01
Income taxes paid (net)	(4.31)	-
Net cash from/(used in) operating activities	2,248.13	869.01
Cash flows from investing activities:		
Payments for property, plant and equipments	(610.91)	(659.88)
Payments for other intangible assets	(390.98)	(251.86)
Proceeds from sale of property, plant and equipments	1.90	5.84
Loans to subsidiary company	-	(56.59)
Redemption of investments in subsidiary company	643.15	-
Proceeds towards assembled workforce	10.06	-
Increase in short term inter corporate deposit (net)	(1,770.00)	-
Interest received	55.64	34.72
Net cash used in investing activities	(2,061.14)	(927.77)

Tata Motors Passenger Vehicles Limited (Formerly known as "TML Business Analytics Services Limited")
Statement of Changes in Equity for the year ended March 31, 2022

A. Equity Share Capital (₹ in crores)

Particulars	
Balance as at April 1, 2021	0.15
Issuance of shares on purchase of PV undertaking	3,417.00
Balance as at March 31, 2022	3,417.15

B. Other Equity (₹ in crores)

Particulars	Capital Reserve	Merger Deficit adjustment account (refer note 3)	Retained earnings (Refer note below)	Total other equity
Balance as at April 1, 2021	-	(1,464.44)	0.88	(1,463.56)
Profit/ (Loss) for the year	-	(578.60)	(372.75)	(951.35)
Capital Reserve	85.99	-	-	85.99
Other comprehensive income/(loss) for the year	-		(11.15)	(11.15)
Total comprehensive loss for the year	85.99	(1,043.04)	(383.03)	(2,240.07)
Opening balance sheet adjustment pursuant to common control transaction (Refer note 3)	-	(653.50)	-	(653.50)
Balance as at March 31, 2022	85.99	(2,696.54)	(383.03)	(2,893.56)

Note:
Retained earnings are the profits that the Company has earned till date.

See accompanying notes to financial statements

In terms of our report attached

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

RISHABH KUMAR
Partner
Membership No. 403877
UDIN 22402877AIUXPW5368
Place: Mumbai

Date: May 11, 2022

For and on behalf of the Board

ANSE MALBARI (DIN 07345077)
Director

SURESH CHANDRA (DIN 07559905)
MD & Chief Executive Officer

ANINDYA PAUL
Chief Financial Officer

ANJALI SINGH (ACS 43664)
Company Secretary
Date: May 11, 2022

Place: Mumbai

Tata Motors Passenger Vehicles Limited (Formerly known as "TML Business Analytics Services Limited")
Cash Flow Statement

(₹ in crores)

	Year ended March 31,	
	2022	2021
Cash flows from financing activities		
Repayment of lease liabilities (including interest)	-	(144.59)
Interest paid	(109.24)	(159.34)
Net cash from/(used in) financing activities	(109.24)	(303.93)
Net increase in cash and cash equivalents	(11.34)	(303.93)
Cash and cash equivalents as at April 1, (opening balance)	0.15	-
Cash inflow on PSI undertaking purchased from TML	1,200.00	
Opening balance (bank adjustment pursuant to common control transaction (Refer note 1)	(765.88)	312.44
Effect of foreign exchange on cash and cash equivalents	-	-
Cash and cash equivalents as at March 31, (closing balance)	422.90	0.15

Non-cash transactions:
Liability towards property, plant and equipment and other intangible assets purchased on credit/deferred credit

In terms of our report attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

RIJHAB KUMAR
Partner
Membership No. 402877
UDIN: 22402877AIUXPW5368
Place: Mumbai

Date: May 11, 2022

For and on behalf of the Board

GIRISH WAGHRAI (DIN: 07345077)
Director

SHAILESH CHANDRA (DIN: 07531085)
Whole-time Director & Chief Executive Officer

AMRITHA PAUL
Chief Financial Officer

ANJALI SINGH ACS (ACS: A26868)
Company Secretary

Place: Mumbai

Date: May 11, 2022

Tata Motors Passenger Vehicles Limited (Formerly known as "TML Business Analytics Services Limited")
Statement of Changes in Equity for the year ended March 31, 2021

A. Equity Share Capital

(₹ in crores)

Particulars	
Balance as at April 1, 2020	-
Proceeds from issue of shares	0.15
Balance as at March 31, 2021	0.15

B. Other Equity

(₹ in crores)

Particulars	Merger Deficit adjustment account	Retained earnings	Total other equity
Balance as at April 1, 2020	-	-	-
Opening balance sheet adjustment pursuant to common control transaction	(1,307.85)	-	(1,307.85)
Balance as at April 1, 2020 (Restated)	(1,307.85)	-	(1,307.85)
Profit/ (Loss) for the year	(395.76)	(0.48)	(395.26)
Other comprehensive income/(loss) for the year		10.36	10.36
Total comprehensive income/(loss) for the year	(1,693.61)	0.88	(1,692.75)
Opening balance sheet adjustment pursuant to common control transaction	229.15	-	229.15
Balance as at March 31, 2021	(1,464.44)	0.88	(1,463.60)

Note :

1. Common control merger adjustment represents the movement between opening and closing net identified assets / liabilities of PV undertaking adjusted for loss for the period and purchase consideration.
2. Retained earnings are the profits that the Company has earned till date.
3. Merger deficits are the deficits created because of purchase of PV undertaking from Tata Motors Limited.

See accompanying notes to financial statements

In terms of our report attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

RISHABH KUMAR
Partner
Membership No. 408877
UDIN : 22402877AIUXPW5368
Place: Mumbai

Date: May 11, 2022

For and on behalf of the Board

AASIF MALBARI (DIN: 07596077)
Director

SHAILESH CHANDRA (DIN: 07532905)
MD & Chief Executive Officer

ANINDYA PAUL
Chief Financial Officer

ANJALI SINGH ACS: A39664
Company Secretary

Place: Mumbai

Date: May 11, 2022

1. **Background and operations**

Tata Motors Passenger Vehicles Limited (Formerly known as TML Business Analytics Services Limited) referred to as ("the Company"), designs, manufactures and sells a wide range of automotive vehicles.
The Company is a public limited Company incorporated and domiciled in India and has its registered office at Mumbai, India. As at March 31, 2022, TMPVL is a wholly owned subsidiary of Tata Motors Limited (TML). Tata Motors Limited (TML) directly or indirectly, holds 100% equity interest in TMPVL. These standalone financial statements were approved by the Board of Directors and authorised for issue on May 11, 2022.

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. **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.

c. **Going concern**

The Company's financial statements have been prepared on a going concern basis.
The Company has performed an assessment of its financial position as at March 31, 2022 and forecasts of the Company for a period of eighteen months from the date of these financial statements (the 'Going Concern Assessment Period' and the 'Foreseeable Future').
In developing these forecasts, the Company has modelled a base case, which has been further sensitised using severe but plausible downside scenarios. The base case covers the Going Concern Assessment Period and considers the estimated on-going impact of the COVID-19 global pandemic and a cautious view of the impact of near-term supply chain challenges related to global semi-conductor shortages. It also accounts for other end-market and operational factors throughout the Going Concern Assessment Period. The base case assumes continued recovery in industry volumes based upon external industry forecasts. This has been further sensitized using more severe but plausible scenarios considering external market commentaries and other factors impacting the global economy and automotive industry. Management do not consider more extreme scenarios than the ones assessed to be plausible.
In evaluating the forecasts, the Company has taken into consideration both the sufficiency of liquidity to meet obligations as they fall due as well as potential impact on compliance with financial covenants during the forecast period. These forecasts indicate that, based on cash generated from operations, the existing funding facilities, the Company will have sufficient liquidity to operate and discharge its liabilities as they become due, without breaching any relevant covenants and the need for any mitigating actions.
Based on the evaluation described above, management believes that the Company has sufficient financial resources available to it at the date of approval of these financial statements and that it will be able to continue as a 'going concern' in the foreseeable future and for a period of at least September 30, 2023.

d. **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 and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the period 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 in 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) Note 4, Note 5 and Note 6 - Property, plant and equipment and intangible assets- useful life and impairment
ii) Note 24 - Recoverability/recognition of deferred tax assets
iii) Note 23 - Provision for product warranty
iv) Note 36- Assets and obligations relating to employee benefits
v) Estimation of uncertainties relating to the global health pandemic from COVID-19.

The World Health Organisation in February 2020 declared COVID-19 as a pandemic. 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 operate under restrictions for a considerable period of time during the year. Lockdowns/restrictions have impacted the Company operationally including on commodity prices, supply chain matters (including semiconductor supplies) and consumer demand. More recently, the next wave of the pandemic has impacted India and 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 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 aforementioned financial statement captures 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 statements. The Company will continue to monitor any material changes to future economic conditions and consequential impact on its financial statements.

e. **Cost recognition**

Costs and expenses are recognised when incurred and are classified according to their nature. Expenditure are capitalized where appropriate, in accordance with the policy for internally generated intangible assets and represents employee costs, stores and other manufacturing supplies, and other expenses incurred for construction and product development undertaken by the Company.
Material and other cost of sales as reported in the statement of profit and loss is presented net of the impact of realised foreign exchange relating to derivatives hedging cost exposures.

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f. 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.

Intangible assets not yet available for use, are tested for impairment annually at each balance sheet date, or earlier, if there is an indication that the asset may be impaired.

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.

g. Foreign currency

These financial statements are presented in Indian rupees, which is the functional currency of Tata Motors Passenger Vehicles Limited. Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Foreign currency denominated monetary assets and liabilities are re-measured into the functional currency at the exchange rate prevailing on the balance sheet date.

Exchange differences arising on settlement of transactions and translation of monetary items are recognized in the statement of Profit or Loss except to the extent, exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings, are capitalized as part of borrowing costs.

h. Segments

The Company primarily operates in the automotive segment.

i. 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 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

i. Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103.

ii. Ind AS 16 – Proceeds before Intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss.

iii. Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts.

iv. Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability.

v. Ind AS 116 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration.

The Company is assessing the impact of these changes and will accordingly incorporate the same for the financial statements for the year ended March 2023.

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3. **Business Combination**

Pursuant to the schemes of Arrangement between Tata Motors Limited (TML, parent company) and the company, the Passenger Vehicle (PV) undertaking of TML has been transferred as a going concern and on a slump sale basis effective January 1, 2022. As PV undertaking is transferred from parent company, the merger has been accounted in accordance with "Pooling of Interest Method" laid down by Appendix C of Indian Accounting Standard 103 (Ind AS 103): (Business combinations of entities under common control), notified under the Companies Act, 2013. Accordingly, all assets, liabilities of PV undertaking have been recorded in the books of account of the Company at their exhiting carrying amounts and in the same form. The difference, between the equity shares issued and all assets and liabilities of PV undertaking, has been debited to Merger Deficit adjustment account. Comparative accounting period presented in the financial statements of the Company has been restated for the accounting impact of the transfer, as stated above, as if the purchase has occurred from the beginning of the comparative period in the financial statements i.e. April 1, 2020.

Following are the assets and liabilities taken over by the Company on January 1, 2022

(₹ in crores)

Particulars	As at January 1, 2022
Non Current Assets	
Property, Plant and Equipment	5,559.61
Capital work-in-progress	733.65
Right to use assets	725.56
Other intangible assets	3,899.35
Intangible assets under development	190.58
Financial assets	
(i) Investments	600.67
(ii) Loans and advances	23.71
(iii) Other financial assets	88.05
Other non-current assets	40.02
Total Non current Assets	**11,861.20**
Current Assets	
Inventories	1,615.44
Financial assets	
(i) Trade receivables	92.89
(ii) Cash and cash equivalents	1,200.00
(iii) Loans and advances	22.28
(iv) Other financial assets	27.50
Other current assets	149.95
Total Current Assets	**3,108.06**
Total Assets	**14,969.26**
Non-Current Liabilities	
Financial liabilities	
(i) Borrowings	189.55
(ii) Lease liabilities	640.13
(iii) Other financial liabilities	4.24
Provisions	102.85
Other non-current liabilities	137.66
Total Non current Liabilities	**1,074.43**
Current Liabilities	
Financial liabilities	
(i) Lease liabilities	87.58
(ii) Trade payables	3,822.96
(iii) Acceptances	2,190.76
(iv) Other financial liabilities	204.28
Provisions	338.09
Other current liabilities	530.70
Total Current Liabilities	**7,174.37**
Total Liability	**8,248.80**
Net Assets	**6,720.46**
Less: Consideration paid for purchase of PV undertaking from TML	**9,417.00**
Merger Deficit adjustment account	**(2,696.54)**

3. Business Combination (Continued..)

Re-stated Balance sheet as on March 31,2021

(₹ in crores)

Particulars	Year Ended March 31, 2021		
	Before effect of bussiness combination	Effect of PV undertaking purchased from TML	Revised balance post effect of business combination
Non Current Assets			
Property, Plant and Equipment	-	5,612.79	5,612.79
Capital work-in-progress	5.84	785.51	791.35
Right to use assets	-	708.08	708.08
Other intangible assets	-	3,956.64	3,956.64
Intangible assets under development	1.15	781.36	782.51
Financial assets			
(i) Loans and advances	-	22.61	22.61
(ii) Other financial assets	-	87.39	87.39
Other non-current assets	-	30.74	30.74
Total Non current Assets	**6.99**	**11,985.12**	**11,992.11**
Current Assets			
Inventories		1,022.74	1,022.74
Financial assets			
(i) Trade receivables	-	89.10	89.10
(ii) Cash and cash equivalents	0.15	-	0.15
(iii) Loans and advances	-	49.06	49.06
(iv) Other financial assets	-	26.18	26.18
Other current assets	-	132.05	132.05
Total Current Assets	**0.15**	**1,319.13**	**1,319.28**
Total Assets	**7.14**	**13,304.25**	**13,311.39**
Non-Current Liabilities			
Financial liabilities			
(i) Borrowings	-	176.67	176.67
(ii) Lease liabilities	-	593.26	593.26
(iii) Other financial liabilities	-	0.12	0.12
Provisions	-	105.92	105.92
Other non-current liabilities	-	88.05	88.05
Total Non current Liabilities	**-**	**964.02**	**964.02**
Current Liabilities			
Financial liabilities			
(i) Lease liabilities	-	92.25	92.25
(ii) Trade payables	-	1,986.53	1,986.53
(iii) Acceptances	-	1,436.25	1,436.25
(iv) Other financial liabilities	16.48	178.72	195.20
Provisions	-	306.42	306.42
Other current liabilities	-	377.13	377.13
Total Current Liabilities	**16.48**	**4,377.30**	**4,393.78**
Total Liability	**16.48**	**5,341.32**	**5,357.80**
Net Assets	**(9.34)**	**7,962.93**	**7,953.59**

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3. Business Combination (Continued..)

Re-stated Statement of Profit and loss for the year ended March 31, 2021

(₹ in crores)

		Year Ended March 31, 2021		
		Before effect of business combination	Effect of PV undertaking purchased from TML	Revised balance post effect of business combination
	Revenue from operations			
	Revenue	-	16,650.25	16,650.25
	Other operating revenue	-	64.59	64.59
I.	Total revenue from operations	-	16,714.84	16,714.84
II.	Other Income	-	165.93	165.93
III.	**Total Income (I+II)**	-	**16,880.77**	**16,880.77**
IV.	**Expenses**			
	(a) Cost of materials consumed	-	9430.84	9,430.84
	(b) Purchases of products for sale	-	4361.25	4,361.25
	(c) Changes in inventories of finished goods, work-in-progress and products for sale	-	501.95	501.95
	(d) Employee benefits expense	-	761.44	761.44
	(e) Finance costs	-	189.06	189.06
	(f) Foreign exchange loss (net)	-	(0.52)	(0.52)
	(g) Depreciation and amortisation expense	-	1670.32	1,670.32
	(h) Product development/Engineering expenses	-	558.73	558.73
	(i) Other expenses	9.48	1515.71	1,525.19
	(j) Amount transferred to capital and other accounts	-	(22.60)	(22.60)
	Total Expenses (IV)	**9.48**	**18,966.18**	**18,975.66**
V.	**Profit/(loss) before exceptional items and tax (III-IV)**	**(9.48)**	**(2,085.41)**	**(2,094.89)**
VI.	**Exceptional items**			
	(a) Employee separation cost	-	31.78	31.78
	(b) Impairment losses/(reversal) in passenger vehicle business	-	(1,182.41)	(1,182.41)
	(c) Provision/(reversal) for Onerous Contracts and related supplier claims	-	(549.00)	(549.00)
VII.	**Profit/(loss) before tax (V-VI)**	**(9.48)**	**(385.78)**	**(395.26)**
VIII.	**Tax expense (net)**			
	(a) Current tax	-	-	-
	(b) Deferred tax	-	-	-
	Total tax expense	-	-	-
IX.	**Profit/(loss) for the year (VII-VIII)**	**(9.48)**	**(385.78)**	**(395.26)**
X.	**Other comprehensive income/(loss):**			
	(i) Remeasurement (losses)/gain on defined benefit obligations (net)	-	13.85	13.85
	(ii) Income tax credit/(expense) relating to items that will not be reclassified to profit and loss	-	(3.49)	(3.49)
	Total other comprehensive income/(loss), net of taxes	-	**10.36**	**10.36**
XI.	**Total comprehensive income/(loss) for the year (IX+X)**	**(9.48)**	**(375.42)**	**(384.90)**

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3. Business Combination (Continued..)

Details of profit and loss for nine months ended December 31, 2021 of PV undertaking, which has been included in the statement of profit and loss for the year ended March 31, 2022 of the Company, applying

(₹ in crores)

		9 Month of PV undertaking	Profit & Loss for the year ended March 31,2022 without common control adjustment
	Revenue from operations		
	Revenue	21,313.29	11,176.57
	Other operating revenue	58.36	24.02
I.	Total revenue from operations	21,371.65	11,200.59
II.	Other income	164.64	29.48
III.	**Total Income (I+II)**	**21,536.29**	**11,230.07**
IV.	**Expenses**		
	(a) Cost of materials consumed	12,495.72	6,730.18
	(b) Purchases of products for sale	5,576.49	3,247.07
	(c) Changes in inventories of finished goods, work-in-progress and products for sale	44.77	(451.29)
	(d) Employee benefits expense	704.99	271.78
	(e) Finance costs	147.51	68.34
	(f) Foreign exchange loss (net)	8.12	3.27
	(g) Depreciation and amortisation expense	1,508.67	532.87
	(h) Product development/Engineering expenses	407.75	347.51
	(i) Other expenses	1,787.56	631.70
	(j) Amount transferred to capital and other accounts	(6.78)	(30.21)
	Total Expenses (IV)	**22,674.80**	**11,251.22**
V.	**Profit/(loss) before exceptional items and tax (III-IV)**	**(1,138.51)**	**(21.15)**
VI.	**Exceptional items**		
	(a) Provision for impairment of investments in subsidiary companies	(559.91)	-
	(b) Cost of Purchase of PV Undertaking	-	251.34
VII.	**Profit/(loss) before tax (V-VI)**	**(578.60)**	**(272.49)**
VIII.	**Tax expense (net)**		
	(a) Current tax	-	-
	(b) Deferred tax	-	-
	Total tax expense	-	-
IX.	**Profit/(loss) for the period (VII-VIII)**	**(578.60)**	**(272.49)**

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4. 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.

Interest cost incurred for constructed assets is capitalised up to the date the asset is ready for its intended use, based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings, if no specific borrowings have been incurred for the asset.

Depreciation is provided on the Straight Line Method (SLM) over the estimated useful lives of the assets considering the nature, estimated usage, operating conditions, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support. Taking into account these factors, the Company has decided to retain the useful life hitherto adopted for various categories of property, plant and equipments, which are different from those prescribed in Schedule II of the Act.

Estimated useful lives of assets are as follows:

Type of Asset	Estimated useful life (years)
Buildings, Roads, Bridge and culverts	4 to 60 years
Plant, machinery and equipment	8 to 20 years
Computers and other IT assets	4 to 6 years
Vehicles	4 to 10 years
Furniture, fixtures and office appliances	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.

(b) Property, plant and equipment

(₹ in crores)

	Owned assets						
	Land	Buildings	Plant, machinery and equipments	Furniture and fixtures	Vehicles	Computers & other IT assets	Total
Cost as at April 1, 2021	786.74	774.63	12,368.56	44.89	48.61	53.59	14,077.02
Additions	-	21.00	874.61	0.38	3.60	8.26	907.85
Disposals/adjustments	-	28.08	(232.92)	22.06	(29.60)	22.49	(180.89)
Cost as at March 31, 2022	786.74	823.71	13,010.25	67.33	22.61	84.34	14,794.98
Accumulated depreciation as at April 1, 2021	-	(305.28)	(8,062.42)	(22.00)	(31.13)	(43.40)	(8,464.23)
Depreciation for the year	-	(32.93)	(752.72)	(3.08)	(6.37)	(4.19)	(799.29)
Disposal/adjustments	-	(21.07)	231.70	(12.88)	23.95	(16.16)	205.54
Accumulated depreciation as at March 31, 2022	-	(359.28)	(8,583.44)	(37.96)	(13.55)	(63.75)	(9,057.98)
Net carrying amount as at March 31, 2022	786.74	464.43	4,426.81	29.37	9.06	20.59	5,737.00
Assets taken on purchase of PV undertaking	(315.87)	(40.46)	-	-	1.74	-	(354.59)
Cost as at April 1, 2020	1,102.61	802.27	11,927.51	61.30	53.74	52.93	14,500.36
Restated cost as at April 1, 2020	786.74	761.81	11,927.51	61.30	55.48	52.93	13,645.77
Additions	-	12.82	542.81	0.56	2.97	0.78	559.94
Disposals/adjustments	-		(101.76)	(16.97)	(9.84)	(0.12)	(128.69)
Cost as at March 31, 2021	786.74	774.63	12,368.56	44.89	48.61	53.59	14,077.02
Assets taken on purchase of PV undertaking	-	16.33	-	-	(0.61)	-	15.72
Accumulated depreciation as at April 1, 2021	-	(355.31)	(7,839.69)	(29.05)	(30.99)	(43.88)	(8,298.92)
Restated accumulated depreciation as at April 1, 2020	-	(338.98)	(7,839.69)	(29.05)	(31.60)	(43.88)	(8,283.20)
Depreciation for the year	-	(20.58)	(672.23)	(3.01)	(8.55)	(2.13)	(706.70)
Reversal of impairment loss	-	56.88	468.83	0.63	1.65	2.77	530.76
Disposal/adjustments	-	(2.60)	(19.33)	9.43	7.37	0.04	(5.09)
Accumulated depreciation as at March 31, 2021	-	(305.28)	(8,062.42)	(22.00)	(31.13)	(43.40)	(8,464.23)
Net carrying amount as at March 31, 2021	786.74	469.35	4,306.14	22.89	17.48	10.19	5,612.79

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4. Property, plant and equipment (Continued)

(c) Capital work-in-progress

	For the year ended March 31, 2022	2021
Balance at the beginning	791.35	509.30
Additions	595.26	627.04
Capitalised during the year	(907.86)	(413.36)
(Write off)/(Provision)/reversal of impairment	-	68.37
Balance at the end	478.75	791.35

(d) **Ageing of tangible assets under development**

(₹ in crores)

	As at March 31, 2022				
	Up to 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	298.81	90.11	65.40	24.43	478.75
Projects temporarily suspended	-	-	-	-	-
As at March 31, 2022	298.80	90.11	65.40	24.43	478.75

	As at March 31, 2021				
	Up to 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	490.47	230.09	45.63	25.16	791.35
Projects temporarily suspended	-	-	-	-	-
As at March 31, 2021	490.47	230.09	45.63	25.16	791.35

(e) **Expected Completion schedule of tangible assets under development where cost and time overrun has exceeded original plan**

	As at March 31, 2022				
	Up to 1 year	1-2 years	2-3 years	More than 3 years	Total
Project 1	138.71	-	-	-	138.71
Project 2	23.07	-	-	-	23.07
Project 3	13.74	-	-	-	13.74
Project 4	12.97	-	-	-	12.97
Project 5	12.90	-	-	-	12.90
Project 6	7.13	-	-	-	7.13
Project 7	4.48	-	-	-	4.48
Project 8	2.24	-	-	-	2.24
Project 9	1.91	-	-	-	1.91
Project 10	0.02	-	-	-	0.02
As at March 31, 2022	217.17	-	-	-	217.17

	As at March 31, 2021				
	Up to 1 year	1-2 years	2-3 years	More than 3 years	Total
Project 1	23.79	6.00	-	-	29.79
Project 2	-	4.12	-	-	4.12
Project 3	97.86	25.23	-	-	123.09
Project 4	12.26	8.90	-	-	21.16
Project 5	272.29	141.00	-	-	413.29
As at March 31, 2021	406.20	185.25	-	-	591.45

Original plan is considered as that plan which is approved and on the basis of which implementation progress is evaluated. Such original plan includes management's estimates and assumptions w.r.t future business, economy / industry and regulatory environments.

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5. Leases

(a) Accounting policy

Lessee:

At inception of a contract, the Company assesses whether a contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

i) The contract involves the use of an identified asset - this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

ii) The Company has the right to substantially all of the economic benefits from the use of the asset throughout the period of use; and

iii) The Company has the right to direct the use of the asset. The Company has this right when it has the decision making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:

- The Company has the right to operate the asset; or
- The Company designed the asset in a way that predetermines how and for what purposes it will be used.

As a practical expedient, Ind AS 116 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient. At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and estimated dilapidation costs, less any lease incentives received. The right-of-use asset is subsequently measured using the straight-line method over the shorter of the useful life of the leased asset or the period of lease. If ownership of the leased asset is automatically transferred at the end of the lease term or the exercise of a purchase option is reflected in the lease payments, the right-of-use asset is amortised on a straight-line basis over the expected useful life of the leased asset.

The lease liability is initially measured at the present value of the lease payments that are not paid at commencement date, discounted using the Company's incremental borrowing rate. The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments.

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 considers 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.

Payment made towards short term leases (leases for which non-cancellable term is 12 months or lesser) and low value assets (lease of assets worth less than ₹0.03 crore) are recognised in the statement of Profit and Loss as rental expenses over the tenor of such leases.

Lessor:

At the inception of a lease, the lease arrangement is classified as either a finance lease or an operating lease, based on contractual terms & substance of the lease arrangement. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

(b) The Company leases a number of buildings, plant and equipment, IT hardware and software assets, certain of which have a renewal and/or purchase option in the normal course of the business. Extension and termination options are included in a number of leases across the Company. The majority of extension and termination options held are exercisable only by the Company and not by the respective lessor. The Company assesses at lease commencement whether it is reasonably certain to exercise the extension or termination option. The Company re-assesses whether it is reasonably certain to exercise options if there is a significant event or significant change in circumstances within its control. It is recognised that there is potential for lease term assumptions to change in the future due to the effects of the COVID-19 pandemic, and this will continue to be monitored by the Company where relevant. The Company's leases expires between 2022 and 2025.

While measuring lease liability, the Group discounted lease payments using its incremental borrowing rate as April 1, 2021. The weighted average rate applied is 8.39% (2021: 8.58%)

The following amounts are included in the Balance Sheet :

	(₹ in crores)	
	As at March 31, 2022	As at March 31, 2021
Current lease liabilities	99.07	92.25
Non current lease liabilities	649.34	593.26
Total lease liabilities	748.41	685.51

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

	(₹ in crores)	
	Year ended March 31, 2022	Year ended March 31, 2021
Interest expense on lease liabilities	57.36	41.63
Expenses related to short term leases	0.91	-
Expenses related to low-value assets, excluding short term leases of low-value assets	2.55	0.05

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5. Leases (Continued)

(c) Leases

(₹ in crores)

	Land	Buildings	Plant, machinery and equipments	Vehicles	Computers & other IT assets	Total
Cost as at April 1, 2021	29.66	130.79	730.60	10.92	7.81	909.78
Additions	-	10.92	107.28	30.76	6.30	168.34
Disposals/adjustments	-	(23.72)	-	-	(8.42)	(24.14)
Cost as at March 31, 2022	29.66	136.99	837.88	41.68	7.77	1,053.98
Accumulated amortisation as at April 1, 2021	(0.39)	(44.39)	(150.13)	(0.75)	(5.67)	(201.72)
Amortisation for the year	(0.39)	(21.70)	(96.52)	-	(0.80)	(119.41)
Amortisation - considered as employee cost	-	-	-	(8.54)	-	(8.54)
Disposal/adjustments	-	11.67	-	0.55	6.42	18.64
Accumulated amortisation as at March 31, 2022	(1.17)	(54.42)	(246.65)	(8.74)	(0.05)	(317.03)
Net carrying amount as at March 31, 2022	28.49	82.57	591.23	32.94	1.72	736.95
Common control merger adjustments	-	31.28	-	-	-	31.28
Cost as at April 1, 2020	29.66	99.26	388.74	-	1.30	503.02
Restated cost as at April 1, 2020	29.66	130.54	388.74	-	1.30	534.30
Additions	-	14.81	385.02	10.92	2.45	413.20
Disposals/adjustments	-	(14.56)	(23.16)	-	-	(37.72)
Cost as at March 31, 2020	29.66	130.79	730.60	10.92	7.81	909.78
Common control merger adjustments	-	(8.69)	-	-	-	(8.69)
Accumulated amortisation as at April 1, 2020	(0.39)	(32.00)	(107.20)	-	(4.80)	(145.29)
Restated accumulated amortisation as at April 1, 2020	(0.39)	(41.59)	(107.20)	-	(4.80)	(153.98)
Amortisation for the year	(0.39)	(18.94)	(78.66)	-	(2.92)	(98.91)
Amortisation - considered as employee cost	-	-	-	(0.75)	-	(0.75)
Reversal of impairment Loss	-	0.81	31.38	-	0.05	38.19
Disposal/adjustments	-	9.39	4.40	-	-	13.73
Accumulated amortisation as at March 31, 2021	(0.78)	(44.39)	(150.13)	(0.75)	(5.67)	(201.72)
Net carrying amount as at March 31, 2021	28.88	86.40	580.47	10.17	2.14	708.06

(d) There are certain vehicles which are being given to the customers along with operations and maintenance of the same. These are accounted as finance lease as the material risks and rewards are transferred to the lessee.

The average effective interest rate contracted approximates 12.5 per cent (2021: 12.5 per cent) per annum.

The following amounts are included in the Balance Sheet :

(₹ in crores)

	As at March 31, 2022	As at March 31, 2021
Current lease receivables	12.67	12.50
Non-current lease receivables	67.34	80.23
Total lease receivables	80.01	92.73

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

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
Finance income on the net investment in finance leases	15.69	17.80

The table below provides details regarding the contractual maturities of finance lease liabilities:

As at March 31, 2022 (₹ in crores)

	Due in 1st Year	Due in 2nd Year	Due in 3rd to 5th Year	Due after 5th Year	Total contractual cash flows
Finance lease receivables	12.68	13.01	54.32	-	80.01

As at March 31, 2021 (₹ in crores)

	Due in 1st Year	Due in 2nd Year	Due in 3rd to 5th Year	Due after 5th Year	Total contractual cash flows
Finance lease receivables	12.49	12.67	67.57	-	92.73

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6. **Other Intangible assets**

(a) **Accounting policy**

Intangible assets purchased are measured at cost or fair value as on the date of acquisition less accumulated amortisation and impairment, if any.

Amortisation is provided on a straight-line basis over estimated useful lives of the intangible assets as per details below:

	Estimated amortisation period
Software	4 years

The amortisation period for intangible assets with finite useful lives is reviewed at each year-end. Changes in expected useful lives are treated as changes in accounting estimates.

Internally generated intangible asset

Research costs are charged to the statement of Profit and Loss in the year in which they are incurred.

Product development costs incurred on new vehicle platform, engines, transmission and new products are recognised as intangible assets, when feasibility has been established, the Company has committed technical, financial and other resources to complete the development and it is probable that asset will generate future economic benefits.

The cost of an internally generated intangible asset is the sum of directly attributable expenditure incurred from the date when the intangible asset first meets the recognition criteria to the completion of its development.

Interest cost incurred is capitalised up to the date the asset is ready for its intended use, based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings if no specific borrowings have been incurred for the asset.

Product development costs is amortised over the life of the related product, being a period of 24 months to 120 months.

Product development expenditure is measured at cost less accumulated amortisation and impairment, if any. Amortisation is not recorded on product engineering in progress until development is complete.

Derecognition of intangible assets

An item of intangible assets is derecognized on disposal or when fully amortized and no longer in use. Any gain or loss arising from derecognition of an item of intangible assets is included in profit or loss.

6. Other intangible assets (Continued)

(b) Other intangible assets

(₹ in crores)

	Computer Software	Product development	Total
Cost as at April 1, 2021	36.12	7,115.82	7,151.94
Additions	11.50	860.84	872.34
Fully amortised not in use	-	(615.37)	(615.37)
Disposals/adjustments	48.56	-	48.56
Cost as at March 31, 2022	96.18	7,361.29	7,457.47
Accumulated amortisation as at April 1, 2021	(35.84)	(3,159.46)	(3,195.30)
Amortisation for the year	(1.28)	(1,121.56)	(1,122.84)
Fully amortised not in use	-	615.36	615.36
Disposals/adjustments	(43.49)	-	(43.49)
Accumulated amortisation as at March 31, 2022	(80.61)	(3,665.66)	(3,746.27)
Net carrying amount as at March 31, 2022	13.57	3,695.63	3,709.20
Cost as at April 1, 2020	36.04	6,585.67	6,621.71
Additions	0.08	530.15	530.23
Cost as at March 31, 2021	36.12	7,115.82	7,151.94
Accumulated amortisation as at April 1, 2020	(35.64)	(2,208.83)	(2,244.46)
Amortisation for the year	(0.20)	(879.72)	(879.92)
Reversal of impairment loss	-	429.08	429.08
Accumulated amortisation as at March 31, 2021	(35.84)	(3,159.46)	(3,195.30)
Net carrying amount as at March 31, 2021	0.28	3,956.36	3,956.64

(c) Intangible assets under development

	For the year ended March 31,	
	2022	2021
Balance at the beginning	782.51	892.51
Additions	387.93	304.22
Capitalised during the year	(872.34)	(510.20)
(Write off)/(Provision)/reversal of impairment	(0.01)	116.01
Balance at the end	298.09	782.51

(d) Ageing of intangible assets under development

(₹ in crores)

As at March 31, 2022

	Up to 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	269.40	25.37	3.32	-	298.09
Projects temporarily suspended	-	-	-	-	-
As at March 31, 2022	269.40	25.37	3.32	-	298.09

As at March 31, 2021

	Up to 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	286.36	145.28	116.25	234.62	782.51
Projects temporarily suspended	-	-	-	-	-
As at March 31, 2021	286.36	145.28	116.25	234.62	782.51

(e) Expected Completion schedule of intangible assets under development where cost and time overrun has exceeded original plan

As at March 31, 2022

	Up to 1 year	1-2 years	2-3 years	More than 3 years	Total
Project 1	7.71	-	-	-	7.71
Project 2	-	4.18	-	-	4.18
Project 3	56.62	-	-	-	56.62
	64.33	4.18	-	-	68.51

As at March 31, 2021

	Up to 1 year	1-2 years	2-3 years	More than 3 years	Total
Project 1	42.72	-	-	-	42.72
Project 2	-	-	-	4.57	4.57
Project 3	594.76	-	-	-	594.76
	637.48	-	-	4.57	642.05

Original plan is considered as that plan which is approved and on the basis of which implementation progress is evaluated. Such original plan includes management's estimates and assumptions w.r.t future business, economy / industry and regulatory environments.

(₹ in crores

7. Loans and advances- non current	As at March 31, 2022	2021
Unsecured :		
(a) Loans to employees-Considered Good	16.90	13.42
(b) Others-Considered Good	10.21	9.19
Total	27.11	22.61

8. Loans and advances- current	As at March 31, 2022	2021
Unsecured :		
(a) Advances and other receivables (net of allowances for credit impaired balances of ₹ 1.00 crores and ₹1.00 crores as at March 31, 2022 and 2021, respectively)	23.52	6.24
(b) Intercorporate deposits Considered good	1,770.00	-
(c) Dues from fellow subsidiary companies Considered good	31.85	42.82
Total	1,825.37	49.06

Note:

	As at March 31, 2022	2021
Dues from Holding company and it's fellow subsidiary companies:		
(a) Tata Motors Limited	31.66	-
(b) Tata Passenger Electric Mobility Limited	0.19	-
(c) Tata Motors European Technical Centre PLC	-	42.82
Total	31.85	42.82

9. Other financial assets - non-current	As at March 31, 2022	2021
(a) Finance lease receivable	67.34	80.23
(b) Recoverable from suppliers	4.72	1.44
(c) Others	7.99	5.72
Total	80.05	87.39

10. Other financial assets - current	As at March 31, 2022	2021
(a) Derivative financial instruments	28.78	-
(b) Interest accrued on loans and deposits	0.06	-
(c) Finance lease receivable	12.67	12.50
(d) Recoverable from suppliers	13.57	13.59
(e) Security deposits	0.12	0.09
Total	55.20	26.18

11. Other non-current assets	As at March 31, 2022	2021
(a) Capital advances	18.75	30.67
(b) Others	3.24	0.07
Total	21.99	30.74

12. Other current assets	As at March 31, 2022	2021
(a) Advance to suppliers and contractors (net of allowances for credit impaired balances of ₹11.93 crores and ₹ 10.66 crores as at March 31, 2022 and 2021, respectively)	24.88	3.24
(b) Taxes recoverable, statutory deposits and dues from government (net of allowances for credit impaired balances of ₹ 0.32 crores and ₹ 0.32 crores as at March 31, 2022 and 2021, respectively)	225.08	115.86
(c) Prepaid expenses	85.46	12.90
(d) Employee benefits	1.60	-
(e) Others	0.04	0.05
Total	337.06	132.05

(₹ in crores)

13. Inventories

(a) Accounting policy

Inventories are valued at the lower of cost and net realisable value. Cost of raw materials, components and consumables are ascertained on a moving weighted average basis. Cost, including fixed and variable production overheads, are allocated to work-in-progress and finished goods determined on a full absorption cost basis. Net realisable value is the estimated selling price in the ordinary course of business less estimated cost of completion and selling expenses.

(b) Inventories

	As at March 31,	
	2022	2021
(a) Raw materials and components	987.85	561.49
(b) Work-in-progress	164.08	115.56
(c) Finished goods	287.59	207.77
(d) Stores and spare parts	46.80	34.61
(e) Consumable tools	14.70	11.48
(f) Goods-in-transit - Raw materials and components	91.45	91.83
Total	1,592.47	1,022.74

During the year ended March 31, 2022 and 2021, the Company recorded inventory write-down expenses of **₹9.16 crores** and ₹(6.64) crores, respectively.

Cost of inventories (including cost of purchased products) recognized as expense during the year ended March 31, 2022 and 2021 amounted to **₹31,373.01 crores** and ₹17,190.27 crores, respectively.

14. Trade receivables (unsecured)

	As at March 31,	
	2022	2021
Receivables considered good	184.89	89.10
Credit impaired receivables	160.66	158.25
	345.55	247.35
Less : Allowance for credit impaired receivables	(160.66)	(158.25)
Total	184.89	89.10

15. Allowance for trade receivables, loans and other receivables

	For the year ended March 31,	
	2022	2021
Balance at the beginning	170.23	192.28
Allowances made during the year	3.68	7.69
Provision for loan/Intercorporate deposits given to fellow subsidiary companies	-	(19.55)
Written off	-	(10.19)
Balance at the end	173.91	170.23

16. Cash and cash equivalents

(a) Accounting policy

Cash and cash equivalents comprises cash on hand, demand deposits and highly liquid investments with an original maturity of up to three month that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

(b) Cash and cash equivalents

	As at March 31,	
	2022	2021
(i) Cheques on hand	18.97	-
(ii) Balances with banks (refer note below)	183.93	0.15
(iii) Deposits with banks	220.00	-
Total	422.90	0.15

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(₹ in crores)

17. Equity Share Capital

	As at March 31, 2022	As at March 31, 2021
(a) Authorised:		
20,00,00,000 Ordinary shares of ₹ 10 each	20,000.00	0.15
(as at March 31, 2021: 150,000 Ordinary shares of ₹10 each)		
Total	20,000.00	0.15
(b) Issued:		
9,417,150,000 Ordinary shares of ₹10 each	9,417.15	0.15
(as at March 31, 2021: 150,000 Ordinary shares of ₹10 each)		
Total	9,417.15	0.15
(c) Subscribed and paid up:		
9,417,150,000 Ordinary shares of ₹10 each	9,417.15	9,417.15
(as at March 31, 2021: 150,000 Ordinary shares of ₹10 each)		
	9,417.15	9,417.15

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

	Year ended March 31, 2022		Year ended March 31, 2021	
	(No. of shares)	(₹ in crores)	(No. of shares)	(₹ in crores)
(i) Ordinary shares				
Balance as at April 1	1,50,000	0.15	-	-
Add: Issued during the year (Part of subscription to memorandum of association)	-	-	1,50,000	0.15
Add: Allotment of shares on account of Demerger Scheme (Refer note 3)	9,417,000,000	9,417.00	-	-
Balance as at March 31	941,71,50,000	9,417.15	1,50,000	0.15

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

	Year ended March 31, 2022		Year ended March 31, 2021	
	(No. of shares)	(₹ in crores)	(No. of shares)	(₹ in crores)
Ordinary shares :				
(a) TML Business Services Limited (formerly Concorde Motors (India) Limited)		150,000	100.00%	150,000
(b) Tata Motors Limited	100.00%	941,70,00,000	-	-

(f) Disclosure of Shareholding of Promoters

	Period ended March 31, 2022		Period ended March 31, 2021	
Promoter name	(No. of shares)	% of Issued Share Capital	(No. of shares)	% of Issued Share Capital
(a) TML Business Services Limited (formerly Concorde Motors (India) Limited)	150,000*	-	150,000	100%
(b) Tata Motors Limited	9,417,000,000	100%		

* Less than 2%

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

(a) During the current year, the company has issued 9,417,000,000 shares without payment being received in cash, pursuant to scheme of demerger (Refer note 3)

(b) The Company has not issued any bonus shares.

(c) The Company has not undertaken any buy-back of shares.

(₹ in crores)

18. Long-term borrowings

	As at March 31, 2022	As at March 31, 2021
Secured:		
Term loans:		
Government loan (refer note (i) below)	193.84	176.67
Total	193.84	176.67

19. Short-term borrowings

	As at March 31, 2022	As at March 31, 2021
Secured:		
Loans from banks	2.28	-
	2.28	-

Information regarding long-term borrowings

(i) Nature of security (on loans including interest accrued thereon):

The term loan of ₹ 587.08 crores (recorded in books at ₹ 193.84 crores) is due for repayment from the quarter ending March 31, 2033 to quarter ending March 31, 2039, along with simple interest at the rate of 0.10% p.a. The loan is secured by a second and subservient charge (creation of charge is under process) over Company's freehold land together with immovable properties, plant and machinery and other movable assets (excluding stock and book debts) situated at Sanand plant in the State of Gujarat.

Reconciliation of movements of liabilities to cash flows arising from financing activities

(₹ in crores)

	Short-term borrowings	Long-term borrowings	Total
Balance at April 1, 2020	-	161.00	161.00
Amortisation / EIR adjustments of prepaid borrowings (net)	-	(161.00)	(161.00)
Balance at March 31, 2021	-	-	-
Balance at March 31, 2021	-	-	-
Amortisation / EIR adjustments of prepaid borrowings (net)	-	193.84	193.84
Balance at March 31, 2022	2.28	193.84	196.12

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20 Trade payables

(₹ in crores)

	As at March 31, 2022					
	Not due	Overdue				
		Up to 1 year	1-2 years	2-3 years	More than 3 years	Total
Outstanding dues of micro and small enterprises						
(a) Undisputed dues	22.58	9.29	0.24	0.23	0.69	33.03
Total	**22.58**	**9.29**	**0.24**	**0.23**	**0.69**	**33.03**
Outstanding dues of creditors other than micro and small enterprises						
(a) Undisputed dues	3,460.16	774.19	2.36	2.56	18.24	4,257.51
Total	**3,460.16**	**774.19**	**2.36**	**2.56**	**18.24**	**4,257.51**
Balance as at March 31, 2022	**3,482.74**	**783.48**	**2.60**	**2.79**	**18.93**	**4,290.54**

(₹ in crores)

	As at March 31, 2021					
	Not due	Overdue				
		Up to 1 year	1-2 years	2-3 years	More than 3 years	Total
Outstanding dues of micro and small enterprises						
(a) Undisputed dues	7.30	6.34	0.65	0.24	2.02	16.55
Total	**7.30**	**6.34**	**0.65**	**0.24**	**2.02**	**16.55**
Outstanding dues of creditors other than micro and small enterprises						
(a) Undisputed dues	1,713.26	197.50	26.88	9.45	22.89	1,969.98
Total	**1,713.26**	**197.50**	**26.88**	**9.45**	**22.89**	**1,969.98**
Balance as at March 31, 2021	**1,720.56**	**203.84**	**27.53**	**9.69**	**24.91**	**1,986.53**

(₹ in crores)

	As at March 31,	
	2022	2021
21. Other financial liabilities – non-current		
Rental Deposit	2.76	-
Others	0.12	0.12
Total	**2.88**	**0.12**

(₹ in crores)

	As at March 31,	
	2022	2021
22. Other financial liabilities – current		
(a) Liability for capital expenditure (refer note below)	62.66	81.27
(b) Deposits and retention money	100.93	103.96
(c) Derivative financial instruments	13.94	-
(d) Others	-	9.97
	177.53	195.20

Note:

Includes ₹ 2.58 crores (₹9.73 crores as at March 31, 2021) outstanding towards principal and interest provision on dues of micro enterprises and small enterprises as per MSMED ACT 2006.

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23. **Provisions**

(a) **Accounting policy**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. When the effect of the time value of money ismaterial, provisions are determined by discounting the expected future cash flows using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Product warranty expenses

The estimated liability for product warranties is recognised when products are sold or when new warranty programmes are initiated. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future warranty claims, customer goodwill and recall complaints. The timing of outflows will vary depending on when warranty claim will arise, being typically up to six years. The Company also has back- toback contractual arrangement with its suppliers in the event that a vehicle fault is proven to be a supplier's fault.

Estimates are made of the expected reimbursement claim based upon historical levels of recoveries from supplier, adjusted for inflation and applied to the population of vehicles under warranty as on Balance Sheet date. Supplier reimbursements are recognised as separate asset.

Provision for onerous obligations

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting its obligations under the contract. It is recognized when the Company has entered into a binding legal agreement for the purchase of components from suppliers that exceeds the benefits from the expected future use of the components and the Company sells the finished goods using the components at a loss.

(₹ in crores)

(b) Provisions-non current	As at March 31,	
	2022	2021
(i) Employee benefits obligations	122.38	89.80
(ii) Warranty	16.70	16.12
Total	139.08	105.92

(₹ in crores)

(c) Provisions-current	As at March 31,	
	2022	2021
(i) Warranty	119.01	76.40
(ii) Provision for onerous contract and related supplier claims	219.36	228.00
(iii) Employee benefits obligations	2.85	2.02
Total	341.22	306.42

Note

Onerous contract and Warranty provision movement

(₹ in crores)

	Year ended March 31, 2022	
	Onerous contract	Warranty
Balance at the beginning	228.00	92.52
Provision/(reversal) made during the year	(8.64)	165.01
Provision used during the year	-	(121.82)
Balance at the end	219.36	135.71
Current	219.36	119.01
Non-current	-	16.70

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24. 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,	
	2022	2021
Profit/(loss) before tax	(851.09)	(395.26)
Income tax expense at tax rates applicable to individual entities	(214.20)	(138.12)
Deferred tax assets not recognized for common control transactions	145.62	134.81
Deferred tax assets not recognized as realisation is not probable	115.40	-
Others	(46.55)	3.31
Income tax expense reported in statement of profit and loss	0.26	0.00

Note:

The company has decided to opt for the New Tax Regime inserted by section 115BAA of the income-tax Act, 1961 and enacted by the Taxation Laws (Amendment) Ordinance, 2019 ("the Ordinance") which is applicable from Financial Year beginning April 1, 2019. It has accordingly applied the tax rates as applicable under the provisions of section 115BAA of the income-tax Act, 1961 in the financial statements for the year ended March 31, 2022.

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

	Opening balance	Recognised in profit and loss	Recognised in/reclassified from OCI	Closing balance
Deferred tax assets:				
Compensated absences and retirement benefits	(3.49)	(0.26)	3.75	-
Total deferred tax assets	(3.49)	(0.26)	3.75	-
Total deferred tax liabilities	-	-	-	-
Net Deferred tax assets / (liabilities)	(3.49)	(0.26)	3.75	-

As at March 31, 2022, unrecognised deferred tax assets amount to **₹714.43** crores which can be carried forward indefinitely. These relate primarily to depreciation carry forwards and other deductible temporary difference. The deferred tax asset has not been recognised on the basis that its recovery is not probable in the foreseeable future.

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24. Income taxes (Continued)

Significant components of deferred tax assets and liabilities for the year ended March 31, 2021 are as follows:

(₹ in crores)

	Opening balance	Recognised in profit and loss	Recognised in/reclassified from OCI	Closing balance
Deferred tax assets:				
Compensated absences and retirement benefits	-	-	(3.49)	(3.49)
Total deferred tax assets	-	-	(3.49)	(3.49)
Total deferred tax liabilities	-	-	-	-
Net Deferred tax assets / (liabilities)	-	-	(3.49)	(3.49)

25. Other non-current liabilities

	As at March 31, 2022	As at March 31, 2021
(a) Contract liabilities (note (a) below)	178.51	88.05
(b) Employee Benefit Obligations - Funded	1.46	-
Total	179.97	88.05

26. Other current liabilities

	As at March 31, 2022	As at March 31, 2021
(a) Contract liabilities (note (a) below)	623.42	346.66
(b) Statutory dues (GST,Property Tax, TDS, TCS etc)	265.63	-
(c) Others	20.06	30.47
Total	909.11	377.13

Note:

(a) Contract liabilities	As at March 31, 2022	As at March 31, 2021
Opening contract liabilities	434.71	232.25
Amount recognised in revenue	(261.01)	(143.37)
Amount received in advance during the year	628.23	352.01
Amount refunded to customers	-	(6.18)
Closing contract liabilities	801.93	434.71

		As at March 31, 2022	As at March 31, 2021
Advances received from customers	Current	535.61	253.32
Deferred revenue	Current	87.81	93.34
	Non-current	178.51	88.05
		801.93	434.71

Performance obligations in respect of amount received in respect of future maintenance service and extended warranty will be fulfilled over a period of 6 years from year ending March 31, 2022 till March 31, 2027.

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27. Revenue recognition

(a) Accounting policy

The Company generates revenue principally from

i) **Sale of products** - passenger vehicles and vehicle parts

The Company recognises revenues on the sale of products, net of discounts, sales incentives, customer bonuses and rebates granted, when products aredelivered to dealers

or when delivered to a carrier for export sales, which is when control including risks and rewards and title of ownership pass to the customer.

The Company offers sales incentives in the form of variable marketing expense to customers, which vary depending on the timing and customer of any subsequent sale of the vehicle. The sales incentive is accounted for as a revenue reduction and is constrained to a level that is highly probable not to reverse the amount of revenue recognised when any associated uncertainty is subsequently resolved. The Company estimates the expected sales incentive by market and considers uncertainties including competitor pricing, ageing of retailer stock and local market conditions.

The consideration received in respect of transport arrangements for delivering of vehicles to the customers are recognised net of their costs within revenues in the income statement.

Revenues are recognised when collectability of the resulting receivable is reasonably assured.

ii) **Sale of services** - maintenance service and extended warranties for passenger vehicles.

Income from sale of maintenance services and extended warranties are recognised as income over the relevant period of service or extended warranty.

When the Company sells products that are bundled with maintenance service or extended period of warranty, such services are treated as a separate performance obligation only if the service or warranty is optional to the customer or includes an additional service component. In such cases, the transaction price allocated towards such maintenance service or extended period of warranty is recognised as a contract liability until the service obligation has been met.

The Company operates certain customer loyalty programs under which customer is entitled to reward points on the spend towards Company's products. The reward points earned by customers can be redeemed to claim discounts on future purchase of certain products or services. Transaction price allocated towards reward points granted to customers is recognised as a deferred income liability and transferred to income when customers redeem their reward points.

Sales of services include certain performance obligations that are satisfied over a period of time. Any amount received in advance in respect of such performance obligations that are satisfied over a period of time is recorded as a contract liability and recorded as revenue when service is rendered to customers.

Refund liabilities comprise of obligation towards customers to pay for discounts and sales incentives.

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(₹ in crores)

27. (b) Revenue From Operations

	Year ended March 31, 2022	2021
(a) Sale of products (refer note 1 below)		
(i) Vehicles	26,240.88	13,302.44
(ii) Spare parts	1,408.78	934.59
(iii) Miscellaneous products	4,674.13	2,321.50
Total Sale of products	32,323.79	16,558.53
(b) Sale of services	166.07	91.72
Revenue	32,489.86	16,650.25
(c) Other operating revenues	82.38	64.59
Total	32,572.24	16,714.84

Note:

(1) Includes variable marketing expenses netted off against revenue	812.60	661.14

28. Other income

(a) Accounting policy

Government Grants and Incentives

Other income includes export and other recurring and non-recurring incentives from Government (referred as "incentives").

Government grants are recognised when there is a reasonable assurance that the Company will comply with the relevant conditions and the grant will be received.

Government grants are recognised in the statement of profit and loss, either on a systematic basis when the Company recognises, as expenses, the related costs that the grants are intended to compensate or, immediately if the costs have already been incurred. Government grants related to assets are deferred and amortised over the useful life of the asset. Government grants related to income are presented as an offset against the related expenditure, and government grants that are awarded as incentives with no ongoing performance obligations to the Company are recognised as income in the period in which the grant is received.

(₹ in crores)

(b) Other income

	Year ended March 31, 2022	2021
(a) Interest income	55.64	34.72
(b) Government incentives	138.48	131.21
Total	194.12	165.93

(₹ in crores)

29. Employee benefits expense

	Year ended March 31, 2022	2021
(a) Salaries, wages and bonus	800.29	640.30
(b) Contribution to provident fund and other funds	53.37	47.59
(c) Staff welfare expenses	123.11	73.55
	976.77	761.44

(₹ in crores)

30. Finance costs

	Year ended March 31, 2022	2021
(a) Interest	98.26	85.39
Less: Transferred to capital account	(7.54)	-
	90.72	85.39
(b) Discounting charges	125.13	103.67
	215.85	189.06

Note:

The weighted average rate for capitalisation of interest relating to general borrowings were approximately 8.85% for the year ended March 31, 2022 and March 31, 2021

(₹ in crores)

31. Other expenses

		Year ended March 31, 2022	Year ended March 31, 2021
(a)	Processing charges	306.43	163.20
(b)	Consumption of stores & spare parts	138.61	98.03
(c)	Power and fuel	154.74	105.66
(d)	Freight, transportation, port charges etc.	228.00	133.38
(e)	Publicity	418.74	306.29
(f)	Warranty expenses ^	165.01	67.93
(g)	Information technology/computer expenses	108.17	75.71
(h)	Allowances made/(reversed) for trade and other receivables (net)	0.34	(5.02)
(j)	Works operation and other expenses (note below)	899.22	580.01
	Total	2,419.26	1,525.39

Note:
Works operation and other expenses include:

(₹ in crores)

		Year ended March 31, 2022	Year ended March 31, 2021
(a)	Auditors' Remuneration (excluding GST)		
	(i) Audit Fees	1.50	0.05
	(ii) Other Services	-	0.10

(₹ in crores)

32. Amount transferred to capital and other accounts

		Year ended March 31, 2022	Year ended March 31, 2021
(a)	Capital work in progress	(11.16)	(22.60)
(b)	Intangible asset under development	(13.03)	-
(c)	Product development/Engineering expenses	(12.80)	-
	Total	(36.99)	(22.60)

33. Commitments and contingencies

Contingent Liability of the company as at March 31, 2022 is ₹ **Nil** (as at 31st March 21 ₹ Nil)

Commitments

The Company has entered into various contracts with vendors and contractors for the acquisition of plant and machinery, equipment and various civil contracts of a capital nature amounting to **₹637.20 crores** as at March 31, 2022 (₹Nil as at March 31, 2021), which are yet to be executed.

The Company has entered into various contracts with vendors and contractors for the acquisition of intangible assets of a capital nature amounting to **₹99.48 crores** as at March 31, 2022, (₹ Nil crores as at March 31, 2021), which are yet to be executed.

The Company has contractual obligation towards Purchase Commitment (net of provisions) for **₹4,108.00 crores** as at March 31, 2022 (₹Nil as at March 31, 2021)

34. Earnings/(loss) 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, 2022	Year ended March 31, 2021
(a)	Profit/(loss) after tax	₹ cror	(851.35)	(395.26)
(b)	The weighted average number of Ordinary shares for Basic EPS (Refer Note below)	Nos.	9,417,150,000	9,417,150,000
(c)	The nominal value per share	₹	10	10
(d)	Earnings per share (Basic)	₹	(0.90)	(0.42)
(e)	Earnings per share (Diluted)	₹	(0.90)	(0.42)

15. 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

Initially, a financial instrument is 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. Transaction costs of financial instruments carried at fair value through profit or loss are expensed in profit or 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 while 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.

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.

Classification and measurement – financial liabilities:

Financial liabilities are classified as subsequently measured at amortised cost unless they meet the specific criteria to be recognised at fair value through profit or loss.

Other financial liabilities are measured at amortised cost using the effective interest method. Subsequent to initial recognition, these are measured at fair value with gains or losses being recognised in profit or loss.

Financial liabilities at fair value through profit and loss: Derivatives, including embedded derivatives separated from the host contract, unless they are designated as hedging instruments, for which hedge accounting is applied, are classified into this category. These are measured at fair value with changes in fair value recognised in the statement of Profit and 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 amortized cost using the effective interest method.

(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.

35. Financial instruments (Continued)

(b) **Disclosures on financial instruments**

Financial assets and liabilities

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities as at March 31, 2022:

(₹ in crores)

	Cash, and other financial assets at amortised cost	Derivatives other than in hedging relationship (at fair value through profit or loss)	Total carrying value	Total fair value
Financial assets				
(a) Trade receivables	184.89	-	184.89	184.89
(b) Cash and cash equivalents	422.90	-	422.90	422.90
(c) Loans and advances - non-current	27.11	-	27.11	27.11
(d) Loans and advances - current	1,825.37	-	1,825.37	1,825.37
(e) Other financial assets - non-current	80.05	-	80.05	80.05
(f) Other financial assets - current	26.42	28.78	55.20	55.20
Total	2,566.74	28.78	2,595.52	2,595.52

	Derivatives other than in hedging relationship (at fair value)	Other financial liabilities (at amortised cost)	Total carrying value	Total fair value
Financial liabilities				
(a) Long-term borrowings (including Current maturities of long-term borrowings)	-	193.84	193.84	215.01
(b) Lease liabilities- non current	-	649.34	649.34	642.32
(c) Short-term borrowings	-	2.28	2.28	2.28
(d) Lease liabilities- current	-	99.07	99.07	99.07
(e) Trade payables	-	4,290.54	4,290.54	4,290.54
(f) Acceptances	-	2,036.34	2,036.34	2,036.34
(g) Other financial liabilities - non-current	-	2.88	2.88	2.88
(h) Other financial liabilities - current	13.94	163.59	177.53	177.53
Total	13.94	7,437.88	7,451.82	7,465.97

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35. Disclosures on financial instruments (Continued)

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities as at March 31, 2021.

(₹ in crores)

	Cash, and other financial assets at amortised cost	Derivatives other than in hedging relationship (at fair value through profit or loss)	Total carrying value	Total fair value
Financial assets				
(a) Trade receivables	89.10	-	89.10	89.10
(b) Cash and cash equivalents	0.15	-	0.15	0.15
(d) Loans and advances - non-current	22.61	-	22.61	22.61
(e) Loans and advances - current	49.06	-	49.06	49.06
(f) Other financial assets - non-current	87.39		87.39	87.39
(g) Other financial assets - current	26.18		26.18	26.18
Total	274.49	-	274.49	274.49

	Derivatives other than in hedging relationship (at fair value)	Other financial liabilities (at amortised cost)	Total carrying value	Total fair value
Financial liabilities				
(a) Long-term borrowings (including Current maturities of long-term borrowings)	-	176.67	176.67	169.75
(b) Lease liabilities- non current	-	593.26	593.26	593.18
(c) Lease liabilities- current	-	92.25	92.25	92.25
(d) Trade payables	-	1,986.53	1,986.53	1,986.53
(e) Acceptances	-	1,436.25	1,436.25	1,436.25
(f) Other financial liabilities - non-current	-	0.12	0.12	0.12
(g) Other financial liabilities - current	-	195.20	195.20	195.20
Total	-	4,480.28	4,480.28	4,473.28

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35. Disclosures on financial instruments (Continued)

Fair Value Hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below.

Quoted prices in an active market (Level 1): This level of hierarchy includes financial instruments that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities.

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This level of hierarchy include Company's over-the-counter (OTC) derivative contracts.

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

There has been no transfers between level 1, level 2 and level 3 for the year ended March 31, 2022 and 2021.

Derivatives are fair valued using market observable rates and published prices together with forecast cash flow information where applicable.

(₹ in crores)

	As at March 31, 2022			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
(a) Derivative assets	-	28.78	-	28.78
Total	-	28.78	-	28.78
Financial liabilities measured at fair value				
(a) Derivative liabilities	-	13.94	-	13.94
Total	-	13.94	-	13.94

There was no Financial assets or Liabilities which were to be measured at fair value for March 31,2021

(₹ in crores)

	As at March 31, 2022			
	Level 1	Level 2	Level 3	Total
Financial liabilities not measured at fair value				
(a) Long-term borrowings (including Current maturities of long-term borrowings)	-	215.01	-	215.01
(b) Short-term borrowings	-	2.28	-	2.28
Total	-	217.29	-	217.29

(₹ in crores)

	As at March 31, 2021			
	Level 1	Level 2	Level 3	Total
Financial liabilities not measured at fair value				
(a) Long-term borrowings (including Current maturities of long-term borrowings)		176.67	-	176.67
(b) Short-term borrowings	-	-	-	-
Total	-	176.67	-	176.67

There was no Financial assets which were to be not measured at fair value for March 31,2021

Other short-term financial assets and liabilities are stated at amortised cost which is approximately equal to their fair value.
The fair value of borrowings which have a quoted market price in an active market is based on its market price and for other borrowings the fair value is estimated by discounting expected future cash flows, using a discount rate equivalent to the risk-free rate of return, adjusted for the credit spread considered by the lenders for instruments of similar maturity.

Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, substantially for all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each year end.

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35. Disclosures on financial instruments (Continued)

Offsetting

Certain financial assets and financial liabilities are subject to offsetting where there is currently a legally enforceable right to set off recognised amounts and the Company intends to either settle on a net basis, or to realise the asset and settle the liability, simultaneously.

Certain derivative financial assets and financial liabilities are subject to master netting arrangements, whereby in the case of insolvency, derivative financial assets and financial liabilities will be settled on a net basis.

The following table discloses the amounts that have been offset, in arriving at the balance sheet presentation and the amounts that are available for offset only under certain conditions as at March 31, 2022:

(₹ in crores)

	Gross amount recognised	Gross amount recognised as set off in the balance sheet	Net amount presented in the balance sheet	Amounts subject to an enforceable master netting arrangement		Net amount after offsetting
				Financial instruments	Cash collateral (received/pledged)	
Financial assets						
(a) Derivative financial instruments	28.78	-	28.78	(7.26)	-	21.52
(b) Trade receivables	648.86	(463.97)	184.89	-	-	184.89
(c) Loans and advances-current	1,797.87	27.50	1,825.37	-	-	1,825.37
Total	2,475.51	(436.47)	2,039.04	(7.26)	-	2,031.78
Financial liabilities						
(a) Derivative financial instruments	13.94	-	13.94	(7.26)	-	6.68
(b) Trade payables	4,727.01	(436.47)	4,290.54	-	-	4,290.54
(c) Other financial liabilities	177.53	-	177.53	-	-	177.53
Total	4,918.48	(436.47)	4,482.01	(7.26)	-	4,474.75

The following table discloses the amounts that have been offset in arriving at the balance sheet presentation and the amounts that are available for offset only under certain conditions as at March 31, 2021:

(₹ in crores)

	Gross amount recognised	Gross amount recognised as set off in the balance sheet	Net amount presented in the balance sheet	Amounts subject to an enforceable master netting arrangement		Net amount after offsetting
				Financial instruments	Cash collateral (received/pledged)	
Financial assets						
(a) Trade receivables	282.77	(193.67)	89.10	-	-	89.10
(b) Loans and advances-current	49.06	-	49.06	-	-	49.06
Total	331.83	(193.67)	138.16	-	-	138.16
Financial liabilities						
(a) Trade payables	1,986.53	(193.67)	1,792.86	-	-	1,792.86
(b) Other financial liabilities	195.20	-	195.20	-	-	195.20
Total	2,181.73	(193.67)	1,988.06	-	-	1,988.06

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35. Disclosures on financial instruments (Continued)

(c) Financial risk management

In the course of its business, the Company is exposed primarily to fluctuations in foreign currency exchange rates, interest rates, equity prices, liquidity and credit risk, which may adversely impact the fair value of its financial instruments.

The Company has a risk management policy which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the board of directors. The risk management framework aims to:

- Create a stable business planning environment by reducing the impact of currency and interest rate fluctuations on the Company's business plan.
- Achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

(i) **Market risk**

Market risk is the risk of any loss in future earnings, in realisable 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, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

(i) (a) Foreign currency exchange rate risk:

The fluctuation in foreign currency exchange rates may have potential impact on the income statement, 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.

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 U.S. dollar, Euro and GBP against the respective functional currencies of the Company.

The Company, as per its risk management policy, uses foreign exchange and other derivative instruments primarily to hedge foreign exchange and interest rate exposure. Any weakening of the functional currency may impact the Company's cost of exports and cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures.

The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in accordance with its risk management policies.

The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of each currency and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates of each currency by 10% while keeping the other variables as constant.

The exposure as indicated below is mitigated by some of the derivative contracts entered into by the Company as disclosed in (iv) derivative financial instruments and risk management below.

The following table sets forth information relating to foreign currency exposure (other than risk arising from derivatives disclosed at clause (iv) below) as of March 31, 2022:

(₹ in crores)

	U.S. dollar	Euro	GBP	Chinese Yuan	Others [1]	Total
Financial assets	0.22	-	-	-	-	0.22
Financial liabilities	59.22	78.86	137.38	32.09	0.23	307.78

1 Others mainly include currencies such as the Russian ruble, Japanese yen, Swiss franc, Indonesian Rupiahs, Thai bahts and Korean won.

10% appreciation/depreciation of the respective foreign currencies with respect to functional currency of the Company would result in decrease/increase in the Company's net profit/(loss) before tax by approximately **₹0.02 crores** and **₹30.78 crores** for financial assets and financial liabilities respectively for the year ended March 31, 2022.

(Note: The impact is indicated on the profit/(loss) before tax basis.)

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35. Disclosures on financial instruments (Continued)

(I) (b) Interest rate risk

Interest rate risk is the risk that changes in market interest rates will lead to changes in fair value of financial instruments or changes in interest income, expense and cash flows of the Company.

As at March 31, 2022 and 2021, financial liabilities of **₹2.28 crores** and ₹Nil crores, respectively, were subject to variable interest rates. Increase/decrease of 100 basis points in interest rates at the balance sheet date would result in decrease/increase in profit/(loss) before tax of **₹0.23 crores** and ₹Nil crores for the year ended March 31, 2022 and 2021, respectively.

The model assumes that interest rate changes are instantaneous parallel shifts in the yield curve. Although some assets and liabilities may have similar maturities or periods to re-pricing, these may not react correspondingly to changes in market interest rates. Also, the interest rates on some types of assets and liabilities may fluctuate with changes in market interest rates, while interest rates on other types of assets may change with a lag.

The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

This analysis assumes that all other variables, in particular foreign currency rates, remain constant.
(Note: The impact is indicated on the profit/(loss) before tax basis).

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35. Disclosures on financial instruments (Continued)

(ii) 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 fair value through profit and loss, trade receivables, loans and advances and derivative financial instruments. The Company strives to promptly identify and reduce concerns about collection due to a deterioration in the financial conditions and others of its main counterparties by regularly monitoring their situation based on their financial condition. 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 **₹2,595.52 crores** and ₹274.49 crores as at March 31, 2022 and 2021, respectively, being the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables, finance receivables, margin money and other financial assets excluding equity investments.

Financial assets that are neither past due nor impaired

None of the Company's cash equivalents, including short term deposits with banks, are past due or impaired. Regarding trade receivables and other receivables, and other loans or receivables that are neither impaired nor past due, there were no indications as at March 31, 2022, and March 31,2021, that defaults in payment obligations will occur.

Credit quality of financial assets and impairment loss

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)

Trade receivables	As at March 31, 2022							As at March 31, 2021						
	Not due	Overdue: Up to 6 months	Overdue: 6 months to 1 year	Overdue: 1-2 years	Overdue: 2-3 years	Overdue: More than 3 years	Total	Not due	Overdue: Up to 6 months	Overdue: 6 months to 1 year	Overdue: 1-2 years	Overdue: 2-3 years	Overdue: More than 3 years	Total
Undisputed														
(a) Considered good	123.56	48.41	0.66	1.81	3.24	7.21	184.89	70.63	11.97	1.69	0.77	5.67	(1.63)	89.10
(b) Which have significant increase in credit risk	-	0.14	0.07	2.50	41.29	116.66	160.66	0.99	0.89	0.70	41.42	16.04	98.21	158.25
Total	123.56	48.55	0.73		44.53	123.87	345.55	71.62	12.86	2.39		21.71	96.58	247.35
Less: Allowance for credit impaired balances							(160.66)							(158.25)
Total							184.89							89.10

Trade receivables overdue more than six months include **₹3.60 crores** as at March 31, 2022 (₹4.38 crores as at March 31, 2021) outstanding from Government organizations in India, which are considered recoverable.

Trade receivables consist of a large number of various types of customers, spread across geographical areas. Ongoing credit evaluation is performed on the financial condition of these trade receivables and where appropriate allowance for losses are provided. Further the Company, groups the trade receivables depending on type of customers and accordingly credit risk is determined.

35. Disclosures on financial instruments (Continued)

(iii) Liquidity risk

Liquidity risk refers to the risk that the Company will encounter difficulty to meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company has obtained fund and non-fund based working capital lines from various banks. Further, the Company has access to funds from debt markets through commercial paper programs, non-convertible debentures, senior notes and other debt instruments. The Company invests its surplus funds in bank fixed deposit and liquid and liquid plus schemes of mutual funds, which carry no/low mark to market risks.

The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

The table below provides undiscounted contractual maturities of financial liabilities, including estimated interest payments as at March 31, 2022:

(₹ in crores)

Financial liabilities	Carrying amount	Due in 1st Year	Due in 2nd Year	Due in 3rd to 5th Year	Due after 5th Year	Total contractual cash flows
(a) Trade payables	4,290.54	4,290.54	-	-	-	4,290.54
(b) Acceptances	2,036.34	2,036.34	-	-	-	2,036.34
(c) Borrowings and interest thereon	196.12	2.28	-	-	193.84	196.12
(d) Other financial liabilities	180.41	177.53	-	2.88	-	180.41
(e) Lease liabilities	748.41	153.37	172.09	355.85	298.56	979.87
(f) Derivative liabilities	13.94	13.94	-	-	-	13.94
Total	7,465.76	6,674.00	172.09	358.73	492.40	7,697.22

The table below provides details regarding the contractual maturities of financial liabilities, including estimated interest payments as at March 31, 2021:

(₹ in crores)

Financial liabilities	Carrying amount	Due in 1st Year	Due in 2nd Year	Due in 3rd to 5th Year	Due after 5th Year	Total contractual cash flows
(a) Trade payables	1,986.53	1,986.53	-	-	-	1,986.53
(b) Acceptances	1,436.25	1,436.25	-	-	-	1,436.25
(c) Borrowings and interest thereon	176.67	-	-	-	176.67	176.67
(d) Other financial liabilities	195.32	195.20	-	0.12	-	195.32
(e) Lease liabilities	685.51	140.60	142.83	302.98	332.35	918.76
Total	4,480.28	3,758.58	142.83	303.10	509.02	4,713.53

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35. Disclosures on financial instruments (Continued)

(iv) Derivative financial instruments and risk management

The Company has entered into a variety of foreign currency, interest rates and commodity forward contracts and options to manage its exposure to fluctuations in foreign exchange rates, interest rates and commodity price risk. The counterparty is generally a bank. These financial exposures are managed in accordance with the Company's risk management policies and procedures.

The Company also enters into interest rate swaps and cross currency interest rate swap agreements, mainly to manage exposure on its fixed rate or variable rate debt. The Company uses interest rate derivatives or currency swaps to hedge exposure to exchange rate fluctuations on principal and interest payments for borrowings denominated in foreign currencies.

Specific transactional risks include risks like liquidity and pricing risks, interest rate and exchange rate fluctuation risks, volatility risks, counterparty risks, settlement risks and gearing risks.

Fair value of derivative financial instruments are determined using valuation techniques based on information derived from observable market data.

The fair value of derivative financial instruments is as follows:

(₹ in crores)

	As at March 31,	
	2022	2021
(a) Foreign currency forward exchange contracts and options	(8.84)	-
(b) Commodity Derivatives	23.68	-
Total	14.84	-

The gain/(loss) due to fluctuation in foreign currency exchange rates on derivative contracts, recognised in the income statement was ₹3.78 crores and ₹ Nil for the years ended March 31, 2022 and 2021, respectively.

(v) Commodity Price Risk

The Company is exposed to commodity price risk arising from the purchase of certain raw materials such as aluminium, copper, platinum and palladium. This risk is mitigated through the use of derivative contracts and fixed-price contracts with suppliers. The derivative contracts are not hedge accounted under Ind AS 109 but are instead measured at fair value through profit or loss.

The (gain)/loss on commodity derivative contracts, recognised in the statement of profit and loss was ₹4.28 crores and ₹Nil for the years ended March 31, 2022 and 2021, respectively.

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36. **Related-party transactions**

The Company's related parties principally include: holding company Tata Motors Limited and its subsidiaries, joint operations and associates. 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

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

	Parent Company	Subsidiaries	Joint Arrangements	Associates and its subsidiaries	Total
(A) Transactions					
Purchase of products	134.63	69.58	7,643.38	-	7,847.39
Sale of products	(694.07)	(451.54)	(2,501.53)	(9.87)	(3,656.80)
Services received	313.48	393.80	0.44	4.25	711.97
Services rendered	(12.79)	(71.51)	-	-	(84.30)
Purchase of property, plant and equipment	11.62	1.70	-	0.09	13.41
Bills discounted	-	417.71	-	4,203.56	4,621.27
Finance taken (including loans and equity)	9,417.00	-	-	-	9,417.00
Interest (income)/expense, dividend (income)/paid, net	(21.99)	(12.76)	32.41	-	(2.34)
Finance given (including loans and equity)	6,055.00	-	-	-	6,055.00
Finance given, taken back (including loans and equity)	4,285.00	-	-	-	4,285.00
(B) Balances					
Amounts receivable in respect of loans and interest thereon	1,770.00	-	-	-	1,770.00
Borrowing towards Lease Liability	-	54.27	20.70	-	74.97
Repayment towards lease liability	-	24.07	-	-	24.07
Amounts payable in respect of loans and interest thereon		-	-	-	-
Amount payable in respect of Lease Liability		296.05	(534.98)	-	(238.93)
Trade and other receivables	153.03	178.10	407.92	9.37	748.42
Trade payables	(190.95)	(235.19)	(1,596.11)	(0.88)	(2,023.13)
Acceptances	-	(79.50)	-	-	(79.50)

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36. Related-party transactions (Continued)

The following table summarises related-party transactions and balances for the year ended / as at March 31, 2021:

(₹ in crores)

	Parent Company	Fellow Subsidiaries	Joint Arrangements	Total
A) Transactions				
Purchase of products	795.77	141.69	2,755.29	3,692.75
Sale of products	266.72	(314.28)	(1,095.59)	(1,143.15)
Services received	44.07	28.39	0.12	72.58
Services rendered	(2.82)	(5.17)	(0.05)	(8.05)
Bills discounted	-	-	-	-
Purchase of property, plant and equipment	-	1.32	-	1.32
Sale of property, plant and equipment	-	-	-	-
Sale of business	-	-	-	-
Finance given (including loans and equity)	-	13.37	-	13.37
Finance given, taken back (including loans and equity)	-	-	-	-
Finance taken (including loans and equity)	-	-	-	-
Finance taken, paid back (including loans and equity)	-	-	-	-
Interest (income)/expense, dividend (income)/paid, net	-	(16.98)	-	(16.98)
Borrowing towards lease Liability	-	-	167.99	167.99
Repayment towards lease liability	-	-	14.14	14.14
(B) Balances				
Amounts receivable in respect of loans and interest thereon	-	56.45	-	56.45
Amounts payable in respect of loans and interest thereon	-	-	-	-
Amount payable in respect of Lease Liability	-	-	265.85	265.85
Trade and other receivables	-	107.34	-	107.34
Trade payables	-	(81.64)	(261.12)	(342.76)
Acceptances	-	-	-	-
Assets / deposits given/taken as security	-	-	-	-
Provision for amount receivable (including loans)	-	(38.60)	-	(38.60)

(₹ in crores)

Compensation of key management personnel:	Year ended March 31, 2022	2021
Short-term benefits	0.56	-
Post-employment benefits*	0.01	-

The compensation of CEO and Managing Director is **₹0.12 crores** and ₹ NIL crores for the year ended March 31, 2022 and 2021, respectively.
Refer note 39 for information on transactions with post employment benefit plans.

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37. **Transactions with struck off companies**

The following table summarises the 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 / as at March 31, 2022:

Name of struck off Company	Nature of transactions with struck off Company	Transaction amount	Balance outstanding	Relationship with the Struck off company
Axis Systems	Material Purchase	0.41	-	External vendor
Aargee Equipments Private Ltd	Material Purchase	0.15	-	External vendor
Akshay Industries	Services availed	0.13	-	External vendor
Durga Automobiles	Services availed	0.01	-	External vendor
Kanawati Motors	Services availed	0.08	-	External vendor
Lala Enterprises	Services availed	0.02	-	External vendor
Prakash Industries	Material Purchase	0.78	-	External vendor
Pratap Motors	Services availed	0.01	-	External vendor
Rushi Motors	Services availed	0.19	-	External vendor
Shiva Motors	Services availed	0.01	-	External vendor
Sarna Motors*	Services availed	-	-	External vendor
Shreya Industries	Material Purchase	0.01	-	External vendor
Sandeep Automobiles	Services availed	0.01	-	External vendor
Tara Tools	Material Purchase	0.01	-	External vendor
Tangent Technologies	Material Purchase	0.01	-	External vendor
Zenith Motors	Services availed	0.01	-	External vendor

The following table summarises the 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 / as at March 31, 2021:

Name of struck off Company	Nature of transactions with struck off Company	Transaction amount	Balance outstanding	Relationship with the Struck off company
Active Automobiles	Services availed	0.03	-	External vendor
Akshay Industries*	Services availed	0.09	-	External vendor
Kanawati Motors	Services availed	0.08	-	External vendor
Tara Tools	Material Purchase	0.20	-	External vendor
Tangent Technologies	Material Purchase	0.06	-	External vendor
Unique Marketing*	Material Purchase	-	-	External vendor
Zenith Motors	Services availed	0.01	-	External vendor

* Less than ₹ 50,000

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10. Employee benefits

(a) Accounting policy

The employee transferred from the group companies have been considered under continuity of service from employee benefit perspective.

(i) Gratuity

Tata Motors Passenger Vehicles Limited have 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 to 30 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. Tata Motors Passenger Vehicles Limited makes annual contributions to gratuity funds established as trusts. Tata Motors Passenger Vehicles Limited account for the liability for gratuity benefits payable in the future based on an actuarial valuation.

(ii) Superannuation

Tata Motors Passenger Vehicles Limited have two superannuation plans, a defined benefit plan and a defined contribution plan. An eligible employee on April 1, 1996 could elect to be a member of either plan.

Employees who are members of the defined benefit superannuation plan are entitled to benefits depending on the years of service and salary drawn. The monthly pension benefits after retirement range from 0.75% to 2% of the annual basic salary for each year of service. Tata Motors Passenger Vehicles Limited account for superannuation benefits payable in future under the plan based on an actuarial valuation.

With effect from April 1, 2000, this plan was amended and benefits earned by covered employees have been protected as at March 31, 2003. Employees covered by this plan are prospectively entitled to benefits computed on a basis that ensures that the annual cost of providing the pension benefits would not exceed 15% of salary.

During the year ended March 31, 2015, the employees covered by this plan were given a one-time option to exit from the plan prospectively. Furthermore, the employees who opted for exit were given one- time option to withdraw accumulated balances from the superannuation plan.

The Company maintains a separate irrevocable trust for employees covered and entitled to benefits. The Company contributes up to 15% or ₹1,50,000 whichever is lower of the eligible employee's salary to the trust every year. The Company recognises such contribution as an expense when incurred and has no further obligation beyond this contribution.

(iii) Bhavishya kalyan yojana (BKY)

Bhavishya Kalyan Yojana is an unfunded defined benefit plan for employees of Tata Motors Passenger Vehicles 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 equals 60% of the basic salary or 30% of total fixed pay at the time of death or accident or a specified amount, whichever is greater. Tata Motors Passenger Vehicles Limited account for the liability for BKY benefits payable in the future based on an actuarial valuation.

(iv) Provident fund and family pension

In accordance with Indian law, eligible employees of Tata Motors Passenger Vehicles Limited 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 relevant contributions, as specified under the law, are deposited with the Employee Provident fund Organisation.

(v) Post-retirement medicare scheme

Under this unfunded scheme, employees of Tata Motors Passenger Vehicles Limited 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. Tata Motors Passenger Vehicles Limited account for the liability for post-retirement medical scheme based on an actuarial valuation.

(vi) Compensated absences

The Company provides for the encashment of leave or 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.

(vii) Remeasurement gains and losses

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 recognised 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.

Actuarial gains and losses relating to long-term employee benefits are recognised in the statement of Profit and Loss in the period in which they arise.

(viii) Measurement date

The measurement date of retirement plans is March 31.

The present value of the defined benefit liability and the related current service cost and past service cost are measured using projected unit credit method.

The present value of the post-employment benefit obligations depends on a number of factors. It is determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/(income) for pensions include the discount rate, inflation and mortality assumptions.Any changes in these assumptions will impact upon the carrying amount of post-employment benefit obligations.

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38. Employee benefits (continued)

Defined Benefit Plan

Pension and post retirement medical plans

The following tables sets out the funded and unfunded status and the amounts recognised in the financial statements for the pension and the post retirement medical plans in respect of Tata Motors Passenger Vehicles Limited:

(₹ in crores)

	Pension Benefits		Post retirement medical Benefits	
	As at March 31,		As at March 31,	
	2022	2021	2022	2021
Change in defined benefit obligations :				
Defined benefit obligation, beginning of the year	217.82	194.76	10.88	9.46
Current service cost	15.07	14.08	0.75	0.69
Interest cost	15.20	13.41	0.75	0.65
Remeasurements (gains) / losses				-
Actuarial losses arising from changes in demographic assumptions	1.44	-	1.02	-
Actuarial losses arising from changes in financial assumptions	3.46	-	4.86	0.56
Actuarial (gains) / losses arising from changes in experience adjustments	4.10	(3.04)	(0.52)	(0.48)
Transfer in/(out) of liability	(7.52)	-	(0.35)	-
Benefits paid from plan assets	(6.37)	(1.39)	-	-
Past service cost - Plan amendment	5.79	-	1.17	-
Defined benefit obligation, end of the year	248.99	217.82	18.56	10.88
Change in plan assets:				
Fair value of plan assets, beginning of the year	195.31	173.84	-	-
Interest income	13.58	11.96	-	-
Remeasurements losses				
Return on plan assets, (excluding amount included in net interest expense)	23.55	10.90	-	-
Employer's contributions	0.09	-	-	-
Transfer in/(out) of liability	(6.59)	-	-	-
Benefits paid	(6.37)	(1.39)	-	-
Fair value of plan assets, end of the year	219.57	195.31	-	-

	Pension Benefits		Post retirement medical Benefits	
	As at March 31,		As at March 31,	
	2022	2021	2022	2021
Amount recognised in the balance sheet consists of				
Present value of defined benefit obligation	248.99	217.82	18.56	10.88
Fair value of plan assets	219.57	195.31	-	-
Asset ceiling	(0.52)	-	-	-
Net liability	(28.90)	(22.51)	(18.56)	(10.88)
Amounts in the balance sheet:				
Non-current assets	1.67	-	-	
Non-current liabilities	(30.57)	(22.51)	(18.56)	(10.88)
Net liability	(28.90)	(22.51)	(18.56)	(10.88)

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(₹ in crores)

38. Employee benefits (continued)

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

	Pension Benefits	
	As at March 31,	
	2022	2021
Defined benefit obligation	-	195.30
Fair value of plan assets	-	195.30

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

	Pension Benefits	
	As at March 31,	
	2022	2021
Defined benefit obligation	217.40	-
Fair value of plan assets	219.56	-

Information for unfunded plans:

	Pension Benefits		Post retirement medical Benefits	
	As at March 31,		As at March 31,	
	2022	2021	2022	2021
Defined benefit obligation	31.59	22.52	18.56	10.88

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

	Pension Benefits		Post retirement medical Benefits	
	Year ended March 31,		Year ended March 31,	
	2022	2021	2022	2021
Service cost	15.07	14.08	0.75	0.69
Net interest cost	1.62	1.45	0.75	0.65
Past service cost - Plan amendment	5.79	-	1.17	-
Net periodic cost	22.48	15.53	2.67	1.34

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

	Pension Benefits		Post retirement medical Benefits	
	Year ended March 31,		Year ended March 31,	
	2022	2021	2022	2021
Remeasurements				
Return on plan assets, (excluding amount included in net interest expense)	(23.55)	(10.90)	-	-
Actuarial (gains)/losses arising from changes in demographic assumptions	1.44	-	1.02	-
Actuarial (gains)/losses arising from changes in financial assumptions	3.46	-	4.86	0.56
Asset ceiling	0.52	-	-	
Actuarial (gains) / losses arising from changes in experience adjustments on plan liabilities	4.10	(3.04)	(0.52)	(0.48)
Total recognised in other comprehensive income	(14.03)	(13.94)	5.36	0.08
Total recognised in statement of comprehensive income	8.45	1.59	8.03	1.42

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38. Employee benefits (continued)

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,		As at March 31,	
	2022	2021	2022	2021
Discount rate	6.50% - 7.10%	6.00% - 6.80%	7.20%	6.90%
Rate of increase in compensation level of covered employees	6.00% - 9.00%	6.00% - 7.00%	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, 2022 and 2021 by category are as follows:

	Pension benefits	
	As at March 31,	
	2022	2021
Asset category:		
Cash and cash equivalents	2.6%	5.1%
Debt instruments (quoted)	67.9%	67.7%
Debt instruments (unquoted)	0.0%	0.4%
Equity instruments (quoted)	8.2%	6.0%
Deposits with insurance companies	21.4%	20.8%
	100.0%	100.0%

The Company's policy is driven by considerations of maximising 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, 2022 is **11.69 years** (March 31, 2021 : 13.05 years).

The Company expects to contribute **₹11.32 crores** to the funded pension plans during the year ended March 31, 2023.

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 service cost and interest cost
Discount rate	Increase by 1%	₹27.01 crores	₹5.36 crores
	Decrease by 1%	₹31.57 crores	₹5.76 crores
Salary escalation rate	Increase by 1%	₹25.72 crores	₹5.39 crores
	Decrease by 1%	₹22.69 crores	₹4.72 crores
Health care cost	Increase by 1%	₹4.06 crores	₹0.86 crores
	Decrease by 1%	₹3.26 crores	₹0.68 crores

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39 Ratio

Sr No	Particulars	Year ended March 31, 2022	Year ended March 31, 2021	Change	Reason for Change
a)	Debt Equity Ratio (number of times) [Total Debt[i] / Shareholders' Equity[ii]]	0.03	0.02	34%	Due to acquisition of PV undertaking from TML.
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])]	(0.17)	(10.68)	-67%	Due to growth in revenue.
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)]	0.56	0.30	87%	Due to higher revenue and higher raw material consumed.
d)	Trade receivable turnover (number of times) [Revenue from operations / Average Trade receivables]	237.70	88.00	167%	Due to higher revenue.
e)	Inventory turnover (number of times) [Raw material consumed[iv] / average inventory[v]]	21.14	12.23	73%	Higher raw material consumed in line with higher revenue.
f)	Trade payable turnover (number of times) [Cost of material consumed / Average Trade payables]	8.84	6.14	44%	Higher raw material consumed in line with higher revenue.
g)	Net capital turnover (number of times) [Revenue from operations / Working capital[vi]]	(8.47)	5.44	-256%	Due to higher revenue.
h)	Net profit margin (%) [Net profit after tax / Revenue from operations]	(2.07%)	(2.36%)	11%	
i)	Return on equity (number of times) [Net profit after tax / Average shareholders' equity]	(0.12)	(0.12)	-1%	
j)	Return on capital employed (number of times) [Profit before interest and tax / Capital employed[vii]]	(0.14)	(0.27)	-46%	Due to reduction in loss.
k)	Return on investments (number of times) [Net profit after tax / Average investments]	Not Applicable	Not Applicable		

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, Purchase 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.

40. 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(ies), 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(ies), 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 constitution 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.

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41. Other notes:

i) **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 :

(₹ in crores)

Particulars		As at March 31, 2022	2021
(a) Amounts outstanding but not due (including capital creditors) as at March 31,		37.41	26.13
(b) Amounts due but unpaid as at March 31,	- Principal	1.48	0.16
(c) Amounts paid after appointed date during the year	- Principal	51.16	23.06
(d) Amount of interest accrued and unpaid as at March 31,	- Interest	1.09	0.43
(e) Amount of estimated interest due and payable for the period from April 1, 2021 to actual date of payment or May 18, 2021 (whichever is	- Interest	0.01	0.02

ii) The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law/accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in books of account.

iii) 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.

iv) In accordance with the Rule 6 of The Companies (Account) Rules,2014, as the holding company, i.e. Tata Motors Limited, files its consolidated financial statement with the Registrar of Companies which are 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, Tata Motors Passenger Vehicles Limited is not required to prepare its consolidated financial statements for the year ended 31st March-2022.

In terms of our report attached

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

RISHABH KUMAR
Partner
Membership No. 402877
UDIN: 22402877AIUXPW5368
Place: Mumbai
Date: May 11, 2022

For and on behalf of the Board

AASIF MALBARI (DIN: 07345077)
Director

SHAILESH CHANDRA (DIN: 07559001)
MD & Chief Executive Officer

ANIMOYA PAUL
Chief Financial Officer

ANJALI SINGH ACS: A20664
Company Secretary

Place: Mumbai

Date: May 11, 2022

BOARD'S REPORT

TO THE MEMBERS OF TATA MOTORS PASSENGER VEHICLES LIMITED

The Directors are pleased to present herewith the 3rd Annual Report of Tata Motors Passenger Vehicles Limited ('the Company") alognwith the Audited Financial Statements and other reports required to be attached to the Board's Report as governed by the provisions of the Companies Act, 2013 ('Act') for the financial year 2022-23.

1. FINANCIAL HIGHLIGHTS

The summary of the financial results of the Company for the year ended March 31, 2023 is as follows:

(₹ in crore)

Particulars	FY 2022-23	FY 2021-22
Revenue from operations	48,867.06	32,572.24
Total expenditure	48,565.59	33,926.02
Profit/(loss) before exceptional items and tax	503.35	(1,159.66)
Exceptional items gain/(loss)	112.72	308.57
Tax expenses/(credit)(net)	4.02	0.26
Profit/(loss) after tax	612.05	(851.35)

2. FINANCIAL PERFORMANCE

The commitment of the Company to cater to the aspirations of its valued customers, sustained efforts in creating the right teams and culture and embedding innovation, technology and sustainability at the core of its business has resulted in your Company achieving an improved financial performance through better volumes, improved product mix and cost savings.

Operating Results and Profits

Revenue from operations was ₹48,867 crore in FY 2022-23 which was 50% higher than the revenue of ₹32,572 crore in FY 2021-22. The profit before and after tax for FY 2022-23 was ₹616 crore and ₹612 crore, respectively, as compared to loss before and after tax and of ₹851 crore and ₹851 crore, respectively, for FY 2021-22.

3. DIVIDEND

Considering the Company's improved financial performance, the Board is pleased to recommend a final dividend of ₹0.16 per Equity share of ₹10.00 each (1.6%) for FY 2022-23.

The Board has recommended such dividend and will be paid out of the profits for the year. The dividend, if approved by the Members at the ensuing Annual General Meeting ("the AGM") will be paid to those Members whose name appears on the register of Members (including Beneficial Owners) of the Company as at the end of June 16, 2023.

The said dividend, if approved by the Members, would involve cash outflow of ₹151 crore, resulting in a payout of 24.6% of the standalone net profit of the Company for FY 2022-23. Pursuant to the Finance Act, 2020, dividend income is taxable in the hands of the Members w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to the Members at prescribed rates as per the Income Tax Act, 1961.

Record Date:

The Company has fixed Saturday, June 17, 2023 as the "Record Date" for the purpose of determining the entitlement of Members to receive final dividend for the financial year ended March 31, 2023.

4. TRANSFER TO RESERVES

The Board of Directors has decided to retain the entire amount of profit for FY 2022-23 in the distributable retained earnings.

5. OPERATING RESULTS AND PROFITS

The Company had total income of ₹49,069 crore and total expenditure of ₹48,566 crore. There was ₹1,245 crore free cash flows generated in FY 2022-23.

6. BUSINESS PERFORMANCE

Passenger Vehicles ('PV')

The PV industry recorded 27% y-o-y wholesale growth in FY 2022-23. The industry recorded highest ever annual wholesale volumes of 3.8 million in FY 2022-23. Sports Utility Vehicle ('SUVs') continue to garner larger share of sales in the market. The growth has come on the back of pent-up demand in the first half of FY 2022-23, exciting launches, good festive demand and overall increase in supplies. Share of SUVs increased to 43.1% in FY 2022-23, 3% higher than FY 2021- 22 and share of Hatches decreased to 34.5% in FY 2022-23, 3.1% lower than FY 2021-22. Share of Sedans, MPVs and Vans remained flat at around 10.5%, 8.5% and 3.5%, respectively.

In FY 2022-23, the Company's business crossed the coveted milestone of 5 lakh annual vehicle sales first time in the history and became the 3rd manufacturer to do so in the Indian market. Domestic wholesale volumes were 539K and VAHAN market share stood at 13.5% in FY 2022-23, an increase of 210bps vis-à-vis FY 2021-22. The growth has come on the back of continued response for the product range, thoughtful 'New Forever' interventions, multi-powertrain options, focused reimagining initiative towards demand generation and consistent increase in supplies. For the year FY 2022-23, the SUV segment achieved market share of 21.4% and emerged as #1 SUV manufacturer for FY 2022-23.

In January 2023 at Auto Expo, 12 promising showcases which include Avinya, Sierra EV, Harrier EV, Curvv ICE, Altroz and Punch CNG with twin cylinder technology and Altroz Café racer were displayed. The #DARK (Red Hot Dark) versions for Nexon, Harrier and Safari were launched in February 2023, extending the lineage of the iconic #DARK philosophy and already established strong design, these SUVs exude dynamism through the newly added Carnelian Red highlights, giving it an exclusive premium feel combined with a bold look. Harrier and Safari were further enhanced with a desirable larger infotainment Screen of 26.03 cm (10.25 inch) and 10 new ADAS features.

Electric Vehicles ('EV')

EV industry witnessed significant growth in FY 2022-23 owing to progressive EV polices launched by multiple state governments, launch of new products, proliferation of public charging infrastructure, increasing awareness of home charging and increasing acceptance of EVs amongst customers. The industry grew by ~170% from ~22,000 in FY 2021-22 to ~59,000 in FY 2022-23. EV fleet demand has seen a considerable growth in FY 2022-23 as corporates started 'work-from-office' and people re-started using ride hailing services with receding of Covid-19 scare. In addition, owing to commitment towards sustainability, both Corporates and Ride hailing companies, are driving the agenda of converting respective fleets to electric.

7. SHARE CAPITAL

During the year, the Company has not allotted further Equity Shares on rights/ preferential/ private placement basis. The Company has also not allotted any Preference Shares/ Debentures during the year.

As on March 31, 2023, the issued, subscribed and paid up share capital of your Company was ₹94,171,500,000/- comprising of 9,417,150,000 Equity shares of ₹10/- each. During the year under review, the Company has not issued any shares.

8. FINANCE AND CREDIT RATING

Despite a significant step-up in investment spending, the Company generated positive free cash flows of ₹1,245 crore in FY 2022-23. The liquidity (including ICD's placed) was ₹3,276 crore as at March 31, 2023.

During FY 2022-23, the credit rating of the Company assigned by CRISIL continued to remain at AA-/Stable. The ratings continue to reflect the improving market position of the Company in the domestic passenger vehicle market and its healthy financial risk profile.

9. MATERIAL CHANGES AND COMMITMENT AFFECTING THE FINANCIAL POSITION OF THE COMPANY

During the year under review, there were no material changes affecting the financial position of the Company subsequent to the close of FY 2022-23 till the date of this report.

10. SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES

During FY 2022-23, design and development subsidiary of Tata Motors Limited i.e. Trilix S.r.l, Italy (UIN allotted by RBI: BJYAZ20100725) ('Trilix') was transferred to the Company. Thereafter pursuant to the share purchase agreement executed between the Company and Tata Motors Passenger Electric Vehicle Limited ('TPEML') ('Wholly Owned Subsidiary of Tata Motors Limited), the Company sold 100% shareholding held in Trilix to TPEML.

Hence as on March 31, 2023, the Company do not have any subsidiary, associate and joint venture company.

11. RISK MANAGEMENT

The Board of Directors of Tata Motors Limited, Holding Company has constituted a Risk Management committee to frame, implement, monitor and review the Risk Management Plan for the Company and to ensure its effectiveness.

Through an Enterprise Risk Management Program, the business units and the corporate functions address their short term, medium term and long terms risks. The Audit committee has an additional oversight on the financial risks an controls.

12. INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENT

The Company's internal control systems are commensurate with the nature of its businesses, the size and complexity of its operations and such internal financial controls with reference to the financial statements are adequate.

13. DIVERSITY, EQUITY AND INCLUSION ('DEI')

The Company's DEI goal is to establish an environment where diversity is natural and business as usual. Tata Motors, the Holding Company, promote Diversity, Equity and Inclusion at all locations, for all segments of employees and stakeholders by challenging many myths. The movement opens up a plethora of opportunities for future of work. The Company's DEI objectives are handled by the DEI office, which is governed by the DEI Advisory Council. At the unit level, the objectives are driven by the local DEI chapter and DEI champions. The DEI office works to include activities around sensitisation and communication in the workplace, policy checks and changes, devising psychological safety nets, target setting and hiring and designing appropriate learning strategies and individual development plans. Over the year, several DEI activities have been rolled out *viz.* reviewing the existing policies and practices to make the workplace inclusive. Introduction of policies like paternity leave, hybrid working model and flexible work timings for working mothers.

Tata Motors recognizes the importance of promoting diversity and inclusion in its hiring practices and talent development programs. TheEmpowHER programme is designed to nurture women talent for leadership development. The Second Career Initiative Program (SCIP) is a platform that encourages women, who put their career on pause to restart it with interesting opportunities.

The Company employed 11.56% women employees in FY 2022-23 vis- à-vis 9.85% in FY 2021-22.

PREVENTION OF SEXUAL HARASSMENT

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder. Internal Complaints Committee ('ICC') is in place for all works and offices of the Company to redress complaints received regarding sexual harassment.

During FY 2022-23, the Company had received 02 complaints on sexual harassment which was subsequently withdrawn basis request from the complainant. The Company organized over 70 awareness workshops across locations covering flexi & temp workforce, contractual staff, blue collar employees, new joiners etc. In addition, the Company rolled out an updated e –module for PoSH awareness for all permanent white collar employees as a mandatory program, which achieved 99% coverage. In order to ensure uniform understanding and larger coverage for the blue collar and contractual employees, an audio visual module is under construction, which is to be deployed in FY2022-23.

14. PARTICULARS OF EMPLOYEES AND REMUNERATION

Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to the Report as **Annexure-1**. Statement containing particulars of top 10 employees and particulars of employees as required under Section 197 (12) of the Act read with Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided as a separate Annexure forming part of this report. In terms of proviso to Section 136(1) of the Act, the Report and Accounts are being sent to the Shareholders, excluding the aforesaid Annexure. The said Statement is also open for inspection. Any member interested in obtaining a copy of the same may write to the Company Secretary. None of the employees listed in the said Annexure are related to any Director of the Company

15. SAFETY & HEALTH – PERFORMANCE & INITIATIVES

With continuation of Safety Excellence Journey, the Company has achieved another Fatality Free Year 2022-23. In our endeavor towards achieving benchmark safety culture, multiple initiatives were started last year which helped the Company improve on hazard mitigation and risk reduction.

The Company's Leadership team conducted detailed review of safety management system in April 2022 and came up with a comprehensive 'Zero Incident Plan'. 31 themes and 51 major actions were initiated across the Company with a L2 leaders leading 5 pillars of a plan each. For Hazard mitigation, first project to be launched was on identifying Critical to Safety Stations (CTS) and mitigation of hazards through appropriate safety controls namely- S1 (People control), S2 (engineering control) & S3 (elimination/substitution or failsafe control) across Company's plant locations. This systematic approach towards hazard identification and mitigation helped the Company reduce injuries at 275 CTS stations by 91%. In FY 2022-23, the Company started focused contractor employee safety initiative for 2 critical areas where potential hazard is highest. These activities are vehicle movement/ store management and conservancy services. Over a year, 26 administrative/ 09 engineering safety controls were established in vehicle movement/store management and 27 administrative/7 engineering controls in conservancy operations. In addition, 19 Safety Kaizen exercises were done across locations with themes such as manual handling of material, safety implementation in logistics area, ladder/stair safety and vehicle movement safety. In commercial safety, we launched a 'Model Workshop plan' for our dealer workshops in all corners of the country. In this initiative a standardized safety management system was installed in workshops, Capability building on safety done, appointment of a safety resource ensured and continuous improvement in safety initiated. In the first year of the program, 10 workshops across country were identified as a 'Model workshops'. This initiative will now be deployed in wider scale for the Company's workshops.

The Company's safety performance was monitored and reviewed through Pro-active Safety Index (PSI2) which is a combination of lead (TRCFR reduction) & lag (18 lead safety measures) parameters. Focused training sessions on Root Cause Failure Analysis (RCFA), Incident investigation techniques and I-care to improve risk perception among employees were conducted. Special Attention was given to impart training to new joiners to improve their capabilities on risk perception and working safely. Digital analytics is being leveraged for improved analysis and identifying focus areas.

In FY 2022-23, Company's plants, Total Recordable Case Frequency Rate ('TRCFR') is reduced by 43% to 0.46, against 0.81 reported in FY2021-22. Lost Time Injury Frequency Rate ('LTIFR') in FY2022-23 reduced by 36% to 0.16 compared to 0.25 in FY2021-22. Measure of Proactive Safety performance, Proactive Safety Index-2 (higher the better) was at 97.44% in FY 2022-23 compared to 84.6% in FY 21-22.

The Company has robust governance mechanism for Occupational Safety health, where reviews are undertaken at multiple levels. The Safety, Health and Sustainability Committee of Tata Motors Board (Holding Company) is an apex review body, which reviews performances once in 4 months, followed by SHE Council, chaired by Managing Director of the Company which reviews every month. Further reviews at factory level are taken by Apex Committees (led by plant heads), various Sub-committees for Safety Standards and then the Factory Implementation committees (FIC). For Non-manufacturing areas, focused safety reviews happen at defined frequency at regional offices with Customer Service and Warehouse teams.

The Company adopted 'A Healthy Workplace' framework by "Arogya World" which is a NGO working to prevent non-communicable diseases in India. In this framework, there are 2 distinct themes namely- non-communicable disease prevention and Emotional wellness. Various initiatives like Tobacco de-addiction, weight management program, healthy eating, supporting recovery, managing stress & manager sensitization program on stress signals were undertaken.

The Company provides "Employees Assistance Program"- a confidential, third party, free of cost counselling services for employees & dependants since April 2020. During FY 2022-23, 24 online sessions on Emotional wellbeing were organized for employees & dependents.

During FY 2022-23, the Company as part of Tata Motors Limited, Holding Company received recognition & accolades for Occupational Health & Safety. TBEM external assessors identified 2 safety practices- 'Critical to safety Stations & S1S2S3 safety controls' & Proactive safety Index as a Promising Practices. The Company also received Gold award from OSSHAI for excellence in Occupational Health & Safety. For Occupational health, the Company received Gold award in healthy workplace program by Arogya World.

16. ENERGY & ENVIRONMENT

The Company has always been conscious of the need to conserve energy in its manufacturing plants and to protect environment. Energy conservation is achieved through optimized consumption of power and fossil fuels and improvements in energy productivity through Energy Conservation (ENCON) projects, which contributes in reduction in operational costs and climate change mitigation through reduction in greenhouse gases. The Company is also signatory to RE100 - a collaborative, global initiative of influential businesses committed to 100% renewable electricity and is working towards increasing the amount of renewable energy generated in-house and procured from off-site sources.

In FY 2022-23 the said ENCON efforts contributed to energy savings of 56.85lakh kWh of electricity, avoided emission of 4042.25 tCO2e and cost savings of INR 4.81 Cr to the Company. In FY 2022-23, the Company generated / sourced 56 million kWh of renewable electricity for its manufacturing operations, which amounts to 30.1 % of the total power consumption and contributed in avoidance of emission of 40,136 tCO2e.

The Company generates renewable energy (RE) in-house through rooftop solar PV (photovoltaic), off-site captive wind farms and through procurement of off-site wind and solar power through "Power Purchase Agreements" (PPA's). In FY 2022-23, the Company enhanced its in-house Roof-top Solar PV installation at - 15.5 MWp Roof-top Solar PV installation at Pune (Chikhali) and 2 MWp Roof-top Solar PV installation at Sanand

In FY 2022-23, Company conserved a total of 3,17,427m3 of water through recycling effluent and rainwater harvesting, which is 15.4% of total water consumption. In FY 2022-23, the Company sustained its efforts across Plants to divert hazardous waste from landfill / incineration and derive value from the same. Several Plants divert hazardous wastes for energy recovery through co-processing at cement plants. The Company will continue this initiative to ultimately achieve 'Zero Waste to Landfill' status for all its manufacturing operations.

17. CORPORATE SOCIAL RESPONSIBILITY

Pursuant to Section 135 of the Act, Corporate Social Responsibility (CSR) Committee of the Board of Directors was constituted. The said Committee formulated and recommended a CSR policy to the Board; recommend the amount of expenditure to be incurred on the CSR activities to be undertaken by the Company; and process to monitor the CSR policy of the Company from time to time. The said Committee shall establish the transparent controlling mechanism for the implementation of the CSR projects or programs or activities undertaken by the Company.

The Committee comprises of Mrs Usha Sangwan, Non-Executive Independent Director (Chairman), Mr Shailesh Chandra, Managing Director (Member) and Mr Aasif Malbari, Non-Executive Non-Independent Director (Member).

The brief outline of the CSR Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year in the format prescribed in the Companies (CSR Policy) Rules, 2014 are set out in **Annexure - 2** of this Report.

18. CONSERVATION OF ENERGY, ABSORPTION, FOREIGN EXCHANGES AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Act, read along with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed herewith as **Annexure - 3.**

19. ANNUAL RETURN

The Company shall file the Annual Return in Form MGT-7 with the Registrar of Companies for the year ended March 31, 2023.

20. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Appointment/Re-appointment

In accordance with provisions of the Act and the Articles of Association of the Company, Mr P B Balaji (DIN: 02762983) is liable to retire by rotation and is eligible for re-appointment.

At the forthcoming AGM, approval of the Members will be sought to the appointment of Mrs Usha Sangwan (DIN: 00230865) as an Additional and Non-Executive (Independent) Director of the Company, not liable to retire by rotation, for a tenure of 5 (five) years w.e.f. April 1, 2023. She shall hold office as an Additional Director upto the date of this AGM and is eligible for appointment as a Director.

Independent Directors

In terms of Section 149 of the Act, Mrs Usha Sangwan is the Independent Director of the Company as on date of this report. She has given requisite declarations under Section 149(7) of the Act, that she meets the criteria of independence as laid down under Section 149(6) of the Act alongwith Rules framed thereunder and has complied with the Code of Conduct of the Company as applicable to the Board of Directors and Senior Managers.

In the opinion of the Board, Mrs Sangwan possess the requisite expertise and experience and is a person of high integrity and repute. She fulfills the conditions specified in the Act as well as the Rules made thereunder and is independent of the management.

Key Managerial Personnel

In terms of Section 203 of the Act, the Key Managerial Personnel ('KMPs') of the Company during FY 2022-23 were:

- Mr Shailesh Chandra, Managing Director (MD)
- Mr Anindya Paul, Chief Finanical Officer
- Ms Anjali Singh, Company Secretary

21. BOARD AND COMMITTEE MEETINGS

The Board as on date of this Report comprises five Directors including two Woman Director. The Company functions through the Board of Directors, who have been delegated appropriate powers to perform their duties.

During the year under review, six Board meetings were convened i.e. on April 26, 2022, May 11, 2022, July 22, 2022, November 3, 2022, January 19, 2023 and March 27, 2023. The details of composition of the Board and attendance of the Directors at such Meetings and other relevant details are given below:

Name	Designation	Board Meetings Attended
Mr Shailesh Chandra	Managing Director	5
Mr Pathamadai Balachandran Balaji	Non- Executive Director	6
Mr Aasif Malbari	Non- Executive Director	6
Mrs Smriti Goyal	Non – Executive Director	6
Mrs Usha Sangwan*	Non – Executive Independent Director	NA

** Appointed as an Additional and Non-Executive (Independent) Director of the Company, w.e.f. April 1, 2023*

During the year, the maximum time-gap between any 2 consecutive Board meetings did not exceed 120 days.

COMMITTEES OF THE BOARD:

The Committees of the Board were constituted on April 28, 2023. The Committees of the Board focuses on certain specific areas and make informed decisions in line with the delegated authority. The following Committees constituted by the Board function according to their respective roles and defined scope:

- Audit Committee
- Corporate and Social Responsibility Committee

23. BOARD EVALUATION

The Company has adopted the Tata Group Governance Guidelines in which a due process for evaluation of the Board has been set up and the Board of Directors has carried out an annual evaluation of its own performance and directors pursuant to Section 134(3)(p) of the Companies Act, 2013 read with Rule 8(4) of the Companies (Accounts) Rules, 2014.

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of criteria such as the Board composition and structure, effectiveness of Board processes, information and functioning, etc.

The Board reviewed the performance of individual Directors on the basis of criteria such as the contribution of the individual Director to the Board like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc

24. VIGIL MECHANISM/WHISTLE BLOWER POLICY

Tata Motors Limited ('Holding Company') believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour. In line with the Tata Code of Conduct ('TCoC'), any actual or potential violation, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The role of the employees in pointing out such violations of the TCoC cannot be undermined.

Pursuant to Section 177(9) of the Act, a vigil mechanism was established for directors and employees to report to the management instances of unethical behaviour, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy. The said vigil mechanism of Tata Motors is applicable to all employees, directors and stakeholders of Tata Motors and its subsidiaries.

The Vigil Mechanism provides a mechanism for employees of the Company to approach the Chairperson of the Audit Committee of Tata Motors Limited for redressal. All persons have access to the Chairperson of the Audit Committee of Tata Motors Limited. In addition to the above, the employee also has an option to approach the Chief Ethics Counsellor ('CEC') of Tata Motors Limited.

The policy of vigil mechanism is available on Tata Motors website at URL: https://investors.tatamotors.com/pdf/whistleblower-policy.pdf

25. AUDITORS

Statutory Auditors

M/s. BSR & Co. LLP Chartered Accountants (ICAI Firm No. 101248W/W – 100022) were appointed as the Auditors for a tenure of 5 year, at the first Annual General Meeting ('AGM') of the Company till the conclusion of the 6th AGM of the Company to be held in the year 2026, at such remuneration as approved by the Members.

The report of the Statutory Auditors along with notes to Schedules is enclosed in this annual report. The observations made in the Auditors' Report are self-explanatory and therefore do not call for any further comments. The Auditor's Report does not contain any qualification, reservation or adverse remark.

Secretarial Audit

Pursuant to Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed M/s MMJB & Associates LLP, Practicing Company Secretaries, a firm of Company Secretaries in Practice to conduct the Secretarial Audit of the Company for year ended March 31, 2023.

The Report of the Secretarial Audit is annexed herewith as **Annexure - 4**. The said Secretarial Audit Report does not contain any qualifications, reservations, adverse remarks and disclaimer.

Cost Audit

As per Section 148 of the Act, the Company is required to have the audit of its cost records conducted by a Cost Accountant. The Board of Directors of the Company has on the recommendation of the Audit Committee, approved the appointment of M/s Mani & Co., a firm of Cost Accountants in Practice (Registration No.000004) as the Cost Auditors of the Company to conduct cost audits for relevant products prescribed under the Companies (Cost Records and Audit) Rules, 2014 for the year ending March 31, 2024. M/s Mani & Co. have, under Section 139(1) of the Act and the Rules framed thereunder furnished a certificate of their eligibility and consent for appointment.

The Board on recommendations of the Audit Committee have approved the remuneration payable to the Cost Auditor, subject to ratification of their remuneration by the Members at the forthcoming AGM. The resolution approving the above proposal is being placed for approval of the Members in the Notice for this AGM.

The cost accounts and records of the Company are duly prepared and maintained as required under Section 148(1) of Act.

Internal Audit

During FY 2022-23 the Company has appointed Mr Suraj Singh as the internal auditor of the Company.

26. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

As per section 186 the details of Loans, Guarantees or Investments made during FY 2022-23 are given below:

Name of Companies	Nature of Transactions	Loan	Investments
Tata Motors Limited	Inter Corporate Deposits	2735	-

During FY 2022-23, the Company has not given guarantee or made investments to any of its subsidiaries, joint ventures, associates companies and other body corporates and persons.

27. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

None of the transactions with related parties fall under the scope of Section 188(1) of the Act. As the Company does not have any RPTs to report pursuant to Sections 134(3)(h) and 188 of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 in Form AOC-2, the same is not provided. All the Related Party Transactions entered by the Company in 2022-23 were in the ordinary course of business and at arm's length basis. All such transactions were reviewed and approved by the Audit Committee from time to time.

28. DEPOSITS FROM PUBLIC

Your Company has not accepted any public deposits in terms of Sections 73 to 76 of the Companies Act, 2013 and the rules framed thereunder, during the year under review. Hence, no amount is outstanding under the head 'Public Deposits' as on March 31, 2023.

29. DIRECTORS' RESPONSIBILITY STATEMENT

The Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2022-23.

Accordingly, pursuant to Section 134(5) of the Act, the Board of Directors, to the best of their knowledge and ability, confirm that:

a) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
b) they have selected such accounting policies and have applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit of the Company for that period;
c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
d) they have prepared the annual accounts on a going concern basis; and
e) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

30. SECRETARIAL STANDARDS

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

31. REMUNERATION POLICY

Since there is no Nomination and Remuneration Committee, the Company is not required to formulate a Remuneration Policy.

32. GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following matters as there were no transactions on these items during the year under review:

- There are no significant material orders passed by the Regulators or Courts or Tribunal, which would impact the going concern status of the Company and its future operation. However, Members attention is drawn to the Statement on Contingent Liabilities and Commitments in the Notes forming part of the Financial Statement.
- No fraud has been reported by the Auditors to the Audit Committee or the Board.
- There has been no change in the nature of business of the Company.

33. ACKNOWLEDGEMENT

The Directors wish to thank all its stakeholders for the continuous support given by them to the Company and their confidence in its management.

For and on behalf of the Board
Tata Motors Passenger Vehicles Limited

P B Balaji
Chairman
DIN: 02762983

Date: May 3, 2023
Place: Mumbai

Annexure – 1

Details of Remuneration of Directors, KMPs and Employees and comparatives

[Pursuant to Section 197 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

1. **a. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company and the percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary in the FY 2022-23:**

Sr No.	Names of Directors	Designation	Ratio of remuneration to median remuneration	% increase in the remuneration
I	**Non-Executive Directors**			
1	Mr Shyam Mani	Non Executive Non Independent Director	*	*
2	Mr P B Balaji	Non Executive Non Independent Director	**	**
3	Ms Smriti Goyal	Non Executive Non Independent Director	**	**
4	Mr Aasif Malbari	Non Executive Non Independent Director	**	**
5	Mrs Usha Sangwan	Non Executive Independent Director	@	@
II	**Executive Director**			
5	Mr Shailesh Chandra	CEO and Managing Director	*	*
III				
6	Mr Anindya Paul	Chief Financial Officer	***	***
7	Ms Anjali Singh	Company Secretary	***	***

** resigned w.e.f April 6, 2023*

***since the Non executive Directors were not paid any remuneration the ratio of their remuneration to median and increase in remuneration is not provided/applicable.*

**** Were appointed as KMP w.e.f January 1, 2022, hence their remuneration is not comparable.*

@ Appointed as Non Executive Independent Director w.e.f April 1, 2023.

b) A break-up of median remuneration for employees is given below:

Employee Group	Median Remuneration (₹ in lakh)	Increase in the median remuneration (%)
White Collar	17.28	7.6
Blue Collar	10.21	15.9

The Median Remuneration of employees for the FY2023 is ₹ 11.16lakhs

2. The number of permanent employees on the rolls of Company as at March 31, 2023: 6348 employees

3. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Employee group	Average percentage increase / (decrease) in salaries for Fiscal 2023 (in %)
All permanent (Blue Collar and White Collar)	9.1
White Collar	4.9

Blue collar	IDA
Executive Directors / Managerial Remuneration	
Mr Shailesh Chandra	*

- As per Mr Shailesh Chandra's terms of appointment, Mr Shailesh Chandra being an Managing Director also of Tata Passenger Electric Mobility Limited, avails remuneration from that Company and do not avail any remuneration from the Company. Hence average percentage increase in remuneration is not applicable.

4. **Affirmation that the remuneration is as per the remuneration policy of the Company:**

The Company do not have any remuneration policy.

On behalf of the Board of Directors

Tata Motors Passenger Vehicles Limited

P B Balaji
Chairman

ANNEXURE - 2

Annual Report on CSR Activities

[Pursuant to Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014]

1. **A brief outline of the Company's Corporate Social Responsibility ('CSR') policy:**

As an integral part of our commitment to good corporate citizenship, we at Tata Motors Passenger Vehicles Limited believe in actively assisting in improvement of the quality of life of people in communities, giving preference to local areas around our business operations. Towards achieving long-term stakeholder value creation, we shall always continue to respect the interests of and be responsive towards our key stakeholders - the communities, especially those from socially and economically backward groups, the underprivileged and marginalized; focused on inter alia the Scheduled Castes and Scheduled Tribes, and the society at large. In order to leverage the demographic dividend of our country, Company's CSR efforts shall focus on Health, Education, Environment, Employability and Rural Development interventions for relevant target groups, ensuring diversity and giving preference to needy and deserving communities inhabiting rural and urban India. CSR at Tata Motors shall be underpinned by 'More from Less for More People' philosophy which implies striving to achieve greater impacts, outcomes and outputs of our CSR projects and programmes by judicious investment and utilization of financial and human resources, engaging in like-minded stakeholder partnerships for higher outreach benefitting more lives.

2. **Composition of CSR Committee:**

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	
			Held	Attended
1	Mrs. Usha Sangwan	Non-Executive, Independent Director, Chairman of the Committee	-	-
2	Mr. Shailesh Chandra	Managing Director [Member of the Committee]	-	-
3	Mr. Aasif Malbari	Non-Executive, [Member of the Committee]	-	-

Note: The Committee was constituted on April 28, 2023

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company: Not Applicable, since the Company do not have website.

4. Impact assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report):

Not Applicable to the Company, since the Company did not meet the criteria specified under Section 135(5) of the Companies Act, 2013.

5. (a) Average Net Profit of the Company as per section 135(5): ₹(119.63) crore

(b) Two percent of average net profit of the company as per section 135(5): Not applicable in view of loss.

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. - Not applicable in view of the loss.

(d) Amount required to be set off for the financial year, if any: Not Applicable

(e) Total CSR obligation for the financial year (7b+7c+7d): Nil

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): Not applicable

(b) Amount spent in Administrative Overheads: Not applicable

(c) Amount spent on Impact Assessment, if applicable: Not applicable

(d) Total amount spent for the Financial Year (8a+8b+8c): Not applicable

(e) CSR Amount spent or unspent for the Financial Year:

Total Amount spent for the Financial year (in ₹)	Amount Unspent (in ₹ crore)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
Nil	Not Applicable				

(f) Excess Amount set off, if any:

Sr No.	Particular	Amount (in ₹ crore)
(i)	Two percent of average net profit of the company as per section 135(5)	Not Applicable
(ii)	Total Amount spent for the Financial Year	Not Applicable
(iii)	Excess amount spent in the Financial Year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR Projects or programmes or activities financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

7. Details of Unspent CSR amount for the preceding three Financial Years:

Sr No	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Balance Amount in Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per Section 135(5), if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹ crore)	Date of transfer		
Not Applicable								

8. Whether any capital assets have been created or acquired through CSR amount spent in the Financial Years:

☐ Yes ☑ No

If yes, enter the number of Capital assets created/acquired: Not applicable.

Furnish the details relating to such asset(s) so created or acquired through CSR amount spent in the Financial Year:

Sr No	Short particulars of the Property or asset(s) (including complete address and location of the property)	Pincode of the property or asset(s)	Date of Creation	Amount of CSR amount spent	Details of entity/ Authority / beneficiary of the registered owner		
					CSR Registration Number, if Applicable	Name	Registered Address
Not Applicable							

(All the fields should be captured as appearing in the revenue record, flat no., house no. Municipal office/Municipal Corporation /Gram Panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify reasons, if any, the Company has failed to spend two percent of the average net profit as per Section 135(5): Not Applicable.

Place: Mumbai
May 3, 2023

Shailesh Chandra
Managing Director
DIN:07593905

Usha Sangwan
Independent Director
DIN: 02609263

ANNEXURE - 3

Particulars of Conservation of energy, Technology absorption and Foreign Exchange Earnings and Outgo

Pursuant to Section 134 (3) (m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014

A. CONSERVATION OF ENERGY

The Company has always been conscious of the need to conserve energy in its Manufacturing Plants which leads to optimized consumption of non-renewable fossil fuels, energy productivity, climate change mitigation and reduction in operational costs. The Company is also signatory to RE100 - a collaborative, global initiative of influential businesses committed to 100% renewable electricity, and is working to increase the amount of renewable energy generated in-house and procured from off-site sources.

(i) The steps taken or impact on conservation of energy:

Energy Conservation (ENCON) projects have been implemented at all Plants and Offices of the Company in a planned and budgeted manner. Some of the major ENCON Projects in FY 2023 include:

- Chikhali Plant: *LED migration projects, *VFD implementation,
- Sanand Plant: *LED migration projects, *VFD implementation, * Reduction in compressed air requirements

These ENCON efforts in FY 2023 have resulted into - *energy savings of 20467.06 *avoided emission of 4042.25 tCO_2e and *cost savings of ₹481 lakhs.

(ii) The steps taken by the Company for utilizing alternate sources of energy:

The Company continued to add on-site Renewable Energy (solar) generation capacity in FY 2022-23, which brings the total installed capacity to:

- 14 MWp Roof-top Solar PV installation at Pune (Chikhali)

The Company also sources off-site renewable energy at its Pune, Sanand and Dharwad Works through Power Purchase Agreements (PPA) with Third Party Wind & Solar Power Generators and Green Energy Purchase from Exchange and Discom. The Company plans to continue to source off-site renewable power in line with regulatory policies / frameworks and tariffs in the States where we operate. These efforts will continue to help offset greenhouse gas emissions in the coming years.

In FY 2022-23 the Company generated / sourced 56 million kWh of renewable electricity for its manufacturing operations which is 30% of the total power consumption. This contributed to avoidance of 40,136 tCO_2e.

(iii) The capital investment on energy conservation equipment's:

In FY 2022-23, the Company has invested ₹138.5 lakh in various energy conservation projects.

Awards / Recognition received during the year is as below,

1. Excellent Energy efficient Unit award (National Award for Excellence in Energy Management 2022).
2. National Leader in National Award for Excellence in Energy Management 2022.
3. Frost and Sullivan Project Evaluation and Recognition Program(PERP) Sustainability Winner Award.

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

In FY 2022-23, Tata Motors (Holding Company) continued to strive and bring new products that fire the imagination of GenNext customers. With a focus on engineering and technology enabled automotive solutions catering to the future of mobility, the Company's innovation efforts have been focused towards develop pioneering technologies that are sustainable as well as suited to evolving aspirations of the market and the customers. With long term strategy of focus on CESS (Connected, Electric, Shared and Safe), the Company has been pioneering India's Electric Vehicle (EV) transition and driving the shift towards sustainable mobility solutions by preparing an appropriate product strategy, while leveraging the synergy between the Tata Group companies and playing an active role with the Government agencies in developing the policy framework.

In Passenger Vehicle business, the Company continued on delivering innovations. With company's 'New Forever' philosophy, it refreshed and upgraded the portfolio with speed and agility, in line with fast evolving customer needs and lifestyles. Tata Motors (Holding Company) created India centric, new age personal mobility solutions by deploying smarter and safer technologies. TML invested in world class powertrains and other technologies in order to deliver low emissions, intuitive features, comfort, convenience and superior performance. In FY2022-23, the Company strengthened its position in the Electric Vehicle segment by launching new product range with strong acceptance from customers. The Company also offered enhancements to features of its popular Connected Vehicle Platform through the iRA & Zconnect Applications.

Extension to Company's bestselling EV, Nexon EV, new versions Nexon EV max and Nexon EV Prime with high-end, smart features were introduced. Tata Motors launched Tiago EV, the most affordable EV in the passenger segment in India. At the much acknowledged Auto Expo 2023, which is the mega show dedicated towards showcasing of the mobility solutions of future, the company showcased several new products like Harrier EV, Sierra EV and concept vehicle concepts like Avinya & Curvv which have been a testimony to its commitment towards sustainability and Net Zero. The Punch and Altroz iCNG models too reflected the efforts for leveraging alternate fuels.

In Internal Combustion Engine (ICE) segment, Tata Motors launched its new league of products under hashtag DARK, enhancing its successful SUV range. The new dark series comprises of Nexon, Harrier and Safari range of vehicles. The new #JET Edition was launched which features an artful blend of class, grandeur and luxury to enhance the overall look and feel of the cars. The JET edition comprises of Nexon, Harrier and Safari range of vehicles. Based on 4 pillars of the company's iCNG technology ('Incredible' performance, 'Iconic' safety, 'Intelligent' technology and 'Impressive' features) Tigor XM iCNG variant was launched.

The Company has been working on various Powertrain Enhancements, Emission reduction and Efficiency improvements programs. The Company was successfully ready with its BS6 Phase 2 compliant range of vehicles before the target date and launched them into the market. On the Vehicle Systems front the company has been working around dedicated themes for New Technology Planning and development.

Tata Motors is aligned with emerging trends in Design, connectivity, Electrification and many more. Technology has become one of the key pillar and appreciated by Indian customers. We are focusing on current and future technologies to enhance the look and feel of vehicles and to boost the holistic customer experience. Our new age concept cars and award-winning engines are examples of how far our innovative techniques have brought us. From frugal engineering to aligning with the changing customer preferences, adapting to evolving trends, our work on vehicles powered by alternative fuels, our innovation thrust forms one of the pillars of a business built on sustainability.

(i) Efforts made towards innovation, technology development, absorption and adaptation

In order to bring the situational awareness, Tata Motors is strengthening research skill sets that shall broaden the understanding of the competitive intelligence and technology landscape. Voice of customer, Voice of market / competition, voice of quality and future brand needs are driven through business problem statements for technology solutions based on digital platform. Global and local trends are scanned using primary research, secondary research, syndicated report, research papers and through benchmarking solutions majorly focuses on the latest trends in Human Machine Interfaces (HMI), augmented reality, Voice, Artificial Intelligence, passenger wellness, connectivity and safety.

Tata Motors continues to leverage established innovation hubs both locally and globally such as Palo Alto, California, TACNet, Start-up India to focus on incubating solutions and go-to-market strategies. Tata Motors is in the process of bringing innovations development directly to the vehicle and thereby to optimize the overall time.

Tata Motors is working on In house value creation & retention through battery pack development on unified architecture based on future roadmap of energy density and new cell chemistry. The unified battery pack will reduce the cost of new pack development on different platforms. With increase in energy density of the pack, range and performance of the vehicle will be improved.

Revisit of engine design & material aspects for compliance to higher ethanol blends; typically beyond E20 (flex fuel technology) and other emerging blends in conventional fuels. New Technology Conceptualization and Demonstration (TCDS) initiatives for encouraging practically implementable technologies leading to value addition and being classified as first-in-world and/or first-in-India categories.

IPR Generation

On the IPR front, during Fiscal 2023, the company filed a record number of 347 IPRs during the period of April 2022 to March 2023 which include 56 patent applications, 35 design applications, 245 Notarizations, 11 copyright application. The company also got a grant of 44 patents during the same period. Filing include national jurisdiction and grant details include national and international jurisdictions. Success on this front was acknowledged by the following independent and credible acknowledgements.

- Continuing its winning streak at IP creation, Tata Motors emerged a winner at the ASSOCHAM (The Associated Chambers of Commerce and Industry of India) 'IP Excellence Awards 2022' under the category of 'Top Patent Driven Industry Award (Large Enterprise) of the Year'.
- Tata Motors won 'Asia IP Elite 2022' award from Intellectual Asset Management (IAM) Tokyo, in recognition of commitment to world-class IP Value creation.
- Best Patent Portfolio, Large (Manufacturing/ Engineering)' from Confederation of Indian Industry (CII)
- IP Excellence Award, 2022' from Questel

(ii) Benefits derived as a result of the above efforts

- The New Technology Development Framework and Technology Creation and Development Systems (TCDS) process has helped to advance the introduction of new technology integration into the identified products and maintain competitive edge by being the first in Industry, country or the globe; as the case may be.

- With Introduction of 3 in 1 combo and New Gen E-drive – Application will have improved assembly and packaging , These units will have better efficiency and power package per kg , would have less weight ,less size and better vehicle range performance .

- The Company received a wide acclamation of its efforts across its range of technologies and products through multiple awards and accolades. Few of them are listed below:

  - Tata Motors received the Green Car of the Year Award at Autocar Awards 2023 for Tiago EV.
  - PV team won Prime Gold (Highest Award) & Gold Award at the International Convention on QC Circle (ICQCC 2022) held in Jakarta, Indonesia.
  - Tata Motors won the Manufacturer of the Year award at Autocar Awards 2023.
  - Tata Motors Passenger Vehicles Pune - Chikhali Plant won Frost & Sullivan's Most Prestigious '2022. Future Ready Factory of the Year' Award in Mega Large, Automotive Sector.

Major technology absorption projects undertaken during the last year includes:

Sr. No.	Technology	Status
1	Voice assistance features - Multi lingual/self-diagnostics-others	Provisioned in product
2	Driving dynamics technologies	Under development
3	Pressure sensing plastics for interior application	Under development
4	Advanced driver assistance systems (ADAS) features	Introduced
5	Contemporary audio experience to meet individual passenger needs	Under development
6	Connected car technologies – Additional features	Introduced
7	Next generation connectivity and AI-ML platform	POC Ready
8	Low cost CNG system	POC Ready
9	Light weighting of Chassis structures	POC Ready
10	Advanced formulation of lubricating engine oil	Developed

Major technology imports include-

Sr. No.	Technology For	Year of Import	Status
1	Wireless Technologies for Electric Vehicles	FY 22-23	Developed and demonstrated
2	Integrated Power Electronics controller	FY 22-23	Development in progress
3	Advanced energy storage systems – UOT	FY 22-23	Development in progress

(iii) Specific areas in which R & D carried out by the Company

- Tata Motors focuses on unmet and unexpected needs of customers by understanding product attribute leadership gaps and performance. Enhancement in ride and comfort through new suspension technologies, drivability in India, comfort and convenience are few of the examples. To excel in safety performance and GNCAP rating, Tata Motors is working on advanced safety features including passive and active safety.

- Advanced HMI technologies with higher resolution displays, touchless interfaces, augmented reality and personalization, bringing HD entertainment and navigation, predictive control, voice assistance, new themes in the Interiors and Exteriors, delightful illuminations.

- Company continually strives to offer customers fresh, exciting and class leading products. In collaboration with TML's subsidiary, TMETC, the vision of affordable autonomous driving, climate and comfort, renewable material technologies are pursued in alignment with European OEM roadmap to offer consumers a safer, smarter and convenient future.

- New Technology initiatives such as - Hydrogen IC engine. Flex fuel engine. Design & development for other emerging fuels such as blends of Methanol, LNG, synthetic fuel. Light-weighting and improved strength of components by use of advanced materials for oil sump, connecting rod, crankshaft and catalyst substrate. Fuel economy improvement through liner coating and other measures. Dynamic spark advance in gasoline engine.

- Robust control system for electric cars (Customer Safety). Development of indigenous Li-Ion battery packs also high efficiency motors and inverters.

INITIATIVES TOWARDS DIGITAL PRODUCT DEVELOPMENT SYSTEMS : FOR ROAD TO LAB APPROACH & ENHANCED PRODUCTIVITY

DIGITAL EXCELLENCE THROUGH NEW TECHNOLOGY ADOPTIONS AND DIGITALIZATION: ENANCED DIGITAL PRODUCT DEVELOPMENT SYSTEMS

Tata Motors has been a leader in Digitalization in Engineering Space in Indian industry and an influencer in this domain in the global auto industry. Enhanced digital product development systems are contributing to design of safe, smart connected vehicles. Achievements through various initiatives are listed below:

- Connected Vehicle & IoT Platform (CVP) crossed milestone of 1.9 Lakhs of Passenger & Electrical Vehicles onboarding in March 2023. Development and release of 200+ core platform features, 100+ end customer features facilitated Tata Motors to remain in the forefront in connected vehicle segment.

- Introduced use of latest Block chain technology in automotive cybersecurity domain and successfully completed proof-of-concept project to block unauthorized connection to Tata Motors Connected Vehicle Platform.

- Business process digitalization, automations, KBE applications and use of BOTS contributed to many areas - Productivity Improvement, Business Execution Excellence & facilitating management to execute business anytime, anywhere.

- Product Engineering has embarked on standardizing interfaces between and within modules as part of its modularity initiative and the compliance of these interfaces are coded through rules which are getting digitalized in coming years. This will help faster time to market as well as to improve productivity of the engineer who needs to ensure compliance of interface rules.

COMPETENCY DEVELOPMENT

- Tata Motors has given many firsts to the mobility world. To continue this journey, TML consistently works to empower employees to achieve their best, based on right set of Learning and Development programs, Professional Development programs and Industry Academic Partnerships. Company is following systematic approach to identify competency requirement, gaps & training needs at organizational level. Specific training and learning paths are being arranged by learning and development team in collaboration with global Ed-tech platforms.

- To align workforce with our sustainability goal, company has initiated systematic learning approach for its employees. It started right from basics of sustainability & awareness about our goal & what it means for every individual. Company is investing heavily to gain and maintain EV share being the leader in the segment. With more and more data inflow, cloud connectivity, cyber security & vehicle network security is being focused across the vehicle platforms like never before.

FUTURE AREAS OF FOCUS

- Tata Nexon and Punch CNG variants will likely be in market in next FY. In addition, Nexon Facelift will arrive with new infotainment and instrument cluster, new engine and transmission, 360 degree surround view, ADAS features. Curvv EV concept with new styling will be next upcoming model in Electric vehicle.

- Tata Motors plans to focus in the following areas to meet future product portfolio needs.
  - Telematics and connected solutions entering into smart city era powered by 5G
  - New customer experience with smart features that adapt to custom needs
  - Advanced driver assistance systems that increase occupant safety and convenience
  - Passenger wellness and well –being
  - Climate and thermal management for Electric vehicles
  - New polymer applications for Interiors and Exteriors
  - Catering to new storage and seating comfort
  - In house software development and localization of electrical aggregates

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ in crore)

Foreign Exchange Earnings and Outgo	FY 2022-23	FY 2021-22
Earning in Foreign Currency	2.10	2.89
Expenditure in Foreign Currency	2,406.55	512.11

On behalf of Board of Directors
Tata Motors Passenger Vehicles Limited

P B Balaji
Chairman
DIN: 02762983

Date: May 3, 2023
Place: Mumbai

MMJC

MMJB & Associates LLP

Company Secretaries

803-804, 8th Floor, Ecstasy, City of Joy, JSD Road, Mulund - West, Mumbai - 400080. (T) 022-21678100

FORM NO. MR.3
SECRETARIAL AUDIT REPORT
For the Financial Year Ended March 31, 2023
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Tata Motors Passenger Vehicles Limited
Floor 3, 4, Plot-18, Nanavati Mahalaya,
Mudhana Shetty Marg, BSE Fort, Mumbai 400001

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Tata Motors Passenger Vehicles Limited (Previously Known as TML Business Analytics Services Limited)** (hereinafter called the 'Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Auditor's Responsibility:

Our responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. We have conducted the audit in accordance with the applicable Auditing Standards issued by The Institute of Company Secretaries of India. The Auditing Standards requires that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has during the audit period covering from April 01, 2022 to March 31, 2023 (hereinafter called the 'Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent and in the manner reporting made hereinafter:

MMJB & ASSOCIATES LLP

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023 according to the provision of:

(i) The Companies Act, 2013 ('the Act') and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investments **(External Commercial Borrowings and Foreign Direct Investment is not applicable to the Company during the Audit Period);**

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not Applicable to the Company during the Audit Period)**

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **(Not Applicable to the Company during the Audit Period)**

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not Applicable to the Company during the Audit Period)**

(d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not Applicable to the Company during the Audit Period)**

(e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not Applicable to the Company during the Audit Period)**

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not Applicable to the Company during the Audit Period)** and

MMJB & ASSOCIATES LLP

(h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018. ('Buy-back Regulations') **(Not Applicable to the Company during the Audit Period)**

(i) The Securities and Exchange Board of India (Depositories and Participants) Regulations 2018**(Not Applicable to the Company during the Audit Period)**

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.
(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments made thereunder. ('Listing Regulations') **(Not Applicable to the Company during the Audit Period)**

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards etc. made there under.

We further report that, having regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with The Motor Vehicle Act, 1988 and the Rules made thereunder.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors. The changes in the composition of the Board of Directors that took place during the audit period were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance (except few meetings were convened at a shorter notice for which necessary approvals obtained as per applicable provisions), and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, and guidelines.

MMJB & ASSOCIATES LLP

We further report that during the audit period the Company has:

1) divested 100% shareholding of Trilix S.r.l., Italy to Tata Passenger Electric Mobility Limited on April 28, 2022 pursuant to Share Purchase Agreement

For MMJB & Associates LLP
Company Secretaries

Omkar Dindorkar
Designated Partner
ACS: 43029
CP: 24580
PR: 2826/2022
UDIN: A043029E000246672

Date: 03.05.2023
Place: Mumbai

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

'Annexure A'

To,
The Members,
Tata Motors Passenger Vehicles Limited
Floor 3, 4, Plot-18, Nanavati Mahalaya,
Mudhana Shetty Marg, BSE Fort, Mumbai 400001

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For MMJB & Associates LLP
Company Secretaries

MMJB & ASSOCIATES LLP

Omkar Dindorkar
Designated Partner
ACS: 43029
CP: 24580
PR: 2826/2022
UDIN: A043029E000246672

Date: 03.05.2023
Place: Mumbai

TATA MOTORS PASSENGER VEHICLES LIMITED

(Formerly known as TML Business Analytics Services Limited)

NOTICE

(Pursuant to Section 101 of the Companies Act, 2013)

Dear Member,

NOTICE is hereby given that the THIRD ANNUAL GENERAL MEETING OF TATA MOTORS PASSENGER VEHICLES LIMITED will be held on Friday, June 23, 2023 at 10.30 a.m. (IST) through video conferencing / other audio visual means to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2023, together with the Reports of the Board of Directors and the Auditors thereon.

2. To declare a dividend of ₹0.16 per equity share of the face value of Rs. 10 each (1.6%), of the Company for the financial year ended March 31, 2023.

3. To appoint a Director in place of Mr. P. B. Balaji (DIN 02762983) who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. APPOINTMENT OF MRS. USHA SANGWAN (DIN: 02609263) AS A NON-EXECUTIVE AND AS A INDEPENDENT DIRECTOR

To consider and, if thought fit, to pass the following resolution as a **Special Resolution:**

"RESOLVED THAT Mrs Usha Sangwan (DIN: 02609263), who was appointed as an Additional Director of the Company with effect from April 1, 2023 by the Board of Directors, and who holds office upto the date of this Annual General Meeting under Section 161(1) of the Companies Act, 2013 ("the Act") [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and Article 64 of the Articles of Association of the Company, but who is eligible for appointment and has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing her candidature for the office of Director, be and is hereby, appointed as a Director of the Company."

"RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act (including any statutory modification or re-enactment thereof for the time being in force) read together with Schedule IV of the Act and the Companies (Appointment and Qualifications of Directors) Rules, 2014, the appointment of Mrs Usha Sangwan, that meets the criteria for independence as provided in Section 149(6) of the Act and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director, for a term of five years, i.e., from April 1, 2023 upto March 31, 2028 (both days inclusive) and who would not be liable to retire by rotation, be and hereby approved."

5. RATIFICATION OF COST AUDITOR'S REMUNERATION

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED that pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the remuneration of ₹2,00,000 plus applicable taxes, travel and out-of-pocket expenses incurred in connection with the audit, as

approved by the Board of Directors, payable to M/s Mani & Co., Cost Accountants (Firm Registration No. 000004) who are appointed as Cost Auditors to conduct the audit of the cost records maintained by the Company for the financial year ending March 31, 2024.

By Order of the Board of Directors

Anjali Singh
Company Secretary
A26664

Mumbai, May 3, 2023
Registered Office:
Floor 3, 4, Plot-18, Nanavati Mahalaya,
Mudhana Shetty Marg, BSE, Fort, Mumbai
Mumbai City, Maharashtra 400001
Email: tmpvl@tatamotors.com
Website:www.tatamotors.com
CIN: U72900MH2020PLC339230

TATA MOTORS PASSENGER VEHICLES LIMITED

(Formerly known as TML Business Analytics Services Limited)

NOTES:

1. Pursuant to General Circular No. 20/2020 dated May 5, 2020 in relation to clarification on holding of annual general meeting ('AGM') through video conferencing ('VC') or other audio visual means ('OAVM') read with General Circulars No. 14/2020 dated April 8, 2020, No. 17/2020 dated April 13, 2020, No. 33/2020 dated September 28, 2020, No. 39/2020 dated December 31, 2020 and No. 10/2021 dated June 23, 2021 in relation to 'Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder and General Circular No.02/2021 dated January 13, 2021 issued by Ministry of Corporate Affairs (collectively referred to as 'MCA Circulars') permitted the holding of the Annual General Meeting ('AGM'/'the Meeting') through VC/ OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ('Act') and MCA Circulars, the 3rd AGM of the Company is being held through VC/OAVM on June 23, 2023 at 10.30 A.M (IST). The deemed venue for the AGM will be the Registered Office of the Company Floor 3, 4, Plot-18, Nanavati Mahalaya, Mudhana Shetty Marg, BSE, Fort, Mumbai, Maharashtra 400001.
2. As per the provisions of clause 3.A.II. of the General Circular No. 20/ 2020 dated May 5, 2020, issued by the MCA, the matters of Special Business as appearing at item nos. 4 and 5 of the accompanying Notice, are considered to be unavoidable by the Board and hence, form part of this Notice.
3. The relative Explanatory Statement pursuant to Section 102 of the Act, in respect of the business as set out in Item nos. 4 and 5 above and the relevant details of the Directors seeking appointment/re- appointment under item nos 3 and 4 above at this AGM, as required under Secretarial Standard on General Meetings issued by The Institute of Company Secretaries of India ('Secretarial Standard') are annexed hereto. Requisite declarations have been received from the Director seeking appointment/re-appointment.
4. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the company. Since this AGM is being held pursuant to the MCA circulars through VC/OAVM, the requirement of physical attendance of members has been dispensed with. Accordingly, in terms of the MCA circulars, the facility for appointment of proxies by the members will not be available for this AGM and hence the proxy form, attendance slip and route map of AGM are not annexed to this notice.
5. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company, a certified copy of the Board Resolution, Authorization, etc., authorizing their representative to attend the AGM through VC/OAVM on their behalf and also vote at the Meeting.
6. In line with the General Circular No. 20/2020 dated May 5, 2020, issued by the MCA, Notice of the AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those members whose email addresses are registered with the Company.
7. Members attending the AGM through VC/OAVM shall be counted for reckoning the quorum under Section 103 of the Act.
8. Record date and Dividend: The Register of Members and Share Transfer Books of the Company will remain closed on Saturday, June 17, 2023 ("Record Date") for the purpose of payment of dividend and AGM for FY23. If the dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend will be made, subject to Deduction of Tax at Source (TDS), on or after Tuesday, June 27, 2023, to all the beneficial owners/members in respect of shares held in Physical / electronic form as of the close of the business hours on Friday, June 16, 2023.
9. Electronic copies of all the documents referred to in the accompanying Notice of the AGM and the Explanatory Statement shall be made available for inspection. During the 3rd AGM, members may access the scanned copy of Register of Directors and their shareholding maintained under Section 170 of the Act; the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act. Members desiring inspection of statutory registers and other relevant documents may send their request in writing to the Company at tmpvl@tatamotors.com.

TATA MOTORS PASSENGER VEHICLES LIMITED
(Formerly known as TML Business Analytics Services Limited)

By Order of the Board of Directors

Anjali Singh
Company Secretary

Mumbai, May 3, 2023

Registered Office:
Floor 3, 4, Plot-18, Nanavati Mahalaya,
Mudhana Shetty Marg, BSE, Fort, Mumbai
Mumbai City, Maharashtra 400001
CIN: U72900MH2020PLC339230

Explanatory Statement under Section 102 of the Companies Act, 2013

The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act"), given hereunder sets out all material facts relating to the special business mentioned at Item Nos. 3 to 5 of the accompanying Notice dated Mumbai, May 3, 2023.

Item No. 3

APPOINTMENT OF MS USHA SANGWAN (DIN: 02609263) AS NON-EXECUTIVE INDEPENDENT DIRECTOR

The Board of Directors of the Company had appointed Mrs. Usha Sangwan (DIN: 02609263) as an Additional Director of the Company as well as an Independent Director, not liable to retire by rotation, for a term of five years i.e. from April 1, 2023 upto March 31, 2028 (both days inclusive), subject to approval of the Members.

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 ('the Act') and Article 64 of the Articles of Association of the Company, Mrs. Sangwan shall hold office up to the date of this AGM and is eligible to be appointed as a Director. The Company has, in terms of Section 160(1) of the Act, received in writing a notice from a Member, proposing her candidature for the office of Director. The profile and specific areas of expertise of Mrs. Sangwan are provided as Annexure to this Notice.

Mrs. Sangwan has given her declaration to the Board, inter alia, confirming that (i) she meets the criteria of independence as provided under Section 149(6) of the Act, (ii) is not restrained from acting as a Director by virtue of any Order passed by SEBI or any such authority and (iii) is eligible to be appointed as a Director in terms of Section 164 of the Act. She has also given her consent to act as a Director.

In the opinion of the Board, Mrs. Sangwan is a person of integrity, possesses relevant expertise / experience and fulfills the conditions specified in the Act for appointment as an Independent Director and she is independent of the management. Given her experience, the Board considers it desirable and in the interest of the Company to have Mrs. Sangwan on the Board of the Company and accordingly the Board recommends the appointment of Mrs. Sangwan as an Independent Director as set out at Item No. 4 of the Notice for approval by the Members.

Electronic copy of the terms and condition of appointment of the Independent Directors is available for inspection. Please refer to Notes given in the Notice on inspection of documents.

Except for Mrs. Sangwan and/or her relatives, no other Director, Key Managerial Personnel or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the said Resolution.

Item No. 5

RATIFICATION OF COST AUDITOR'S REMUNERATION

Pursuant to Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company is required to have audit of its cost records for specified products conducted by a Cost Accountant. Based on the recommendation of the Audit Committee, the Board had, at its meeting held on May 3, 2023, approved the re- appointment of M/s Mani & Co. (Firm Registration No. 000004) as the Cost Auditors of the Company to conduct audit of cost records maintained by the Company, pertaining to the relevant products prescribed under the Companies (Cost Records and Audit) Rules, 2014, for FY 2023-24 at a remuneration of ₹ 2,00,000/- (Rupees Two Lakh Only) plus applicable taxes, out-of- pocket and other expenses.

It may be noted that the records of the activities under Cost Audit is no longer prescribed for 'Motor Vehicles but applicable to certain parts and accessories thereof. However, based on the recommendation of the Audit Committee, the Board has also approved the appointment of M/s Mani & Co. for submission of reports to the Company on cost records pertaining to these activities for a remuneration of ₹.6,00,000/- (Rupees Six Lakh Only) plus applicable taxes, out-of-pocket and other expenses for FY 2023-24.

In accordance with the provisions of Section 148 of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, ratification for the remuneration payable to the Cost Auditors to audit the cost records of the Company for the said financial year by way of an Ordinary Resolution is being sought from the Members as set out at Item No. 5 of the Notice.

M/s Mani & Co. have furnished a certificate dated April 30, 2023 regarding their eligibility for appointment as Cost Auditors of the Company. They have vast experience in the field of cost audit and have conducted the audit of the cost records of the Company for previous years under the provisions of the Act.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the Members.

None of the Directors, Key Managerial Personnel or their relatives are, in any way, concern or interested, financially or otherwise, in the said resolution.

By Order of the Board of Directors

Anjali Singh
Company Secretary

Mumbai, May 3, 2023

Registered Office:
Floor 3, 4, Plot-18, Nanavati Mahalaya,
Mudhana Shetty Marg, BSE, Fort, Mumbai
Mumbai City, Maharashtra 400001
CIN: U72900MH2020PLC

TATA MOTORS PASSENGER VEHICLES LIMITED

(Formerly known as TML Business Analytics Services Limited)

Details of Director seeking appointment/re-appointment at the Annual General Meeting

[Pursuant to Secretarial Standards – 2 on General Meetings]

Particulars	Mr P B Balaji	Mrs. Usha Sangwan
Director Identification No (DIN)	02762983	02609263
Date of Birth (Age)	September 9, 1969 (53 years)	October 1, 1958 (64 years)
Designation/ category of the Director	Non-Executive Non Independent Director	Non-Executive, Independent Director
Nationality	Indian	Indian
Date of Appointment	December 21, 2021	April 1, 2023
Qualifications	Mr. Balaji is a graduate of the Indian Institute of Technology, Chennai, and has a post-graduate management degree from the Indian Institute of Management, Kolkata.	Post Graduate in Economics, Post Graduate Diploma holder in Human Resource Management and Licentiate from Insurance Institute of India.
Expertise in specific functional areas	Mr. Balaji is the group chief financial officer of Tata Motors Limited since November 2017. In his role as the CFO of Tata Motors, he is a part of the executive committee of Tata Motors and is responsible for the Tata Motors financial performance and helps Tata Motors Limited make the right choices to seize the future while driving profitable and sustainable growth. He is also on the boards of Jaguar Land Rover, Tata Motors Finance Group, Tata Technologies. Mr. Balaji is a global finance professional with almost three decades of experience in the corporate sector spanning the FMCG and Automotive industries. He started his career with Unilever in 1995 and worked in different corporate finance roles across Asian markets, Switzerland, UK, and India. He joins Tata Motors after his last assignment with Hindustan Unilever, a $6 billion enterprise, where he headed the finance function as chief financial officer.	Mrs. Usha Sangwan was the first ever woman Managing Director of LIC of India, largest life insurer in the world in terms of number of customers. Mrs. Sangwan is post graduate in Economics, PG Diploma holder in Human Resource Management and Licentiate from Insurance Institute of India. Mrs. Sangwan had joined LIC of India in 1981 as a Direct Recruit Officer and handled various important positions during her 37 years of stint in LIC, finally reaching the top position of Managing Director (2013-2018). She was also a Board member of various national and international companies. Prominent among them being Axis Bank, Bombay Stock Exchange, LIC Housing finance , LIC Cards, Grasim Industries, Ambuja Cements, Ultratech Cement, GIC-RE, Voltas, LIC International Bahrain, Singapore, Nepal and Sri Lanka. Presently she is independent director on the Board of Torrent Power, Trident Ltd, SBI Life, Axis Pension Fund Management Ltd., Tata Passenger Electric Mobility Ltd. and Tata Technologies Ltd. She is also a member of Financial Services Institutions Bureau of Government of India constituted for selection of Chairmen and MDs of Public Sector Financial Institutions. She has been featured in Forbes magazine amongst top 50 business

		women of Asia. She has also been awarded Most powerful business woman Award by Business Today and Business World for three years consecutively. She was featured in Femina and on the cover page of Bureaucracy. She was honoured by 92.7 Big FM, Colour TV, Dun & Bradstreet and Loksatta among others. She has won many more accolades and awards. She is a member of BCCI Diversity & Inclusion Committee and a chartered member of E-qualify (ex Association of International Wealth Managers of India). She was also a jury member to select Women Transforming India by Niti Ayog. Jury member to select top 100 Women in Finance by AIWMI and Jury to select best CFOs 2021 in various categories by Business World.
Directorship held in other companies (Including Directorship in public, private, foreign companies and insurance corporation)	Jaguar Land Rover Automotive Plc, UK Tata Motors Finance Limited Tata Motors Finance Solutions Limited TMF Holdings Limited Tata Technologies Limited Tata Consumer Products Limited Tata Passenger Electric Mobility Limited Agrastas Energy Storage Solutions Private Limited	Axis Pension Fund Management Limited Torrent Power Limited Trident Limited SBI Life Insurance Company Limited Tata Technologies Limited Tata Passenger Electric Mobility Limited
Chairmanship/ Membership of the committee of other companies in which position of Director is held	**Tata Motors Finance Limited** • Audit Committee (Member) • Nomination and Remuneration Committee (Member) • Risk Management Committee (Member) **Tata Motors Finance Solutions Limited** • Audit Committee (Member) • Stakeholders Relationship Committee (Member) • Nomination and Remuneration Committee (Member) • Risk Management Committee (Chairman)	**Torrent Power Limited** • Audit Committee (Member) • Risk Management Committee (Member) **SBI Life Insurance Company Limited** • Audit Committee (Member) • Risk Management Committee (Member) **Tata Technologies Limited** • Audit Committee (Chairperson) • Nomination and Remuneration Committee (Member) **Trident Limited** • Risk Management Committee (Chairperson) **Tata Passenger Electric Mobility Limited** • Audit Committee (Chairperson) • Corporate Social Responsibility Committee (Chairperson)

	TMF Holdings Limited • Audit Committee (Member) • Nomination and Remuneration Committee (Member) • Risk Management Committee (Chairman) • **Tata Technologies Limited** • Audit Committee (Member) **Jaguar Land Rover Automotive Plc, UK** • Audit Committee (Member)	• Nomination and Remuneration Committee (Member)
No. of Shares held in the Company	NIL	NIL
Relationship with other Directors & Key Managerial Personnel of the Company	None	None
Terms and Conditions of appointment / reappointment	Re-appointment as a Non-Executive, Non-Independent Director	Appointment as a Director and Independent Director with effect from April 1, 2023
Remuneration Sought to be paid	Nil	She shall be paid a fee for attending meetings of the Board or Committees thereof and reimbursement of expenses for participating in the Board and other meetings

For other details, such as number of meetings of the Board attended during the year and remuneration drawn in respect of the above directors, please refer to the Board's Report.

Tata Motors Passenger Vehicles Limited

Financial Statements together with Independent Auditor's Report for the financial year ended March 31, 2023

B S R & Co. LLP

Chartered Accountants

14th Floor, Central B Wing and North C Wing,
Nesco IT Park 4, Nesco Center,
Western Express Highway,
Goregaon (East), Mumbai – 400063, India
Telephone: +91 (22) 6257 1000
Fax: +91 (22) 6257 1010

Independent Auditor's Report

To the Members of Tata Motors Passenger Vehicles Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Tata Motors Passenger Vehicles 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(s) 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 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 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 does not have any pending litigations which would impact its financial position.

b. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 42 iii) to the financial statements.

c. There has been no delay in transferring amounts, 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 41 (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 41 (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.

(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 Company has neither declared nor paid any dividend during the year.

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 Company has not paid any remuneration to its directors during the year. 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

RISHABH GYAN KUMAR

Digitally signed by RISHABH GYAN KUMAR
Date: 2023.05.03 20:42:05 +05'30'

Rishabh Kumar

Partner

Membership No.: 402877

ICAI UDIN:23402877BGYGDB2914

Place: Mumbai

Date: 03 May 2023

Annexure A to the Independent Auditor's Report on the Financial Statements of Tata Motors Passenger Vehicles 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 has maintained proper records showing full particulars of intangible assets.

(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 material 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, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year.For stocks lying with third parties at the year-end, written confirmations have been obtained and for inward goods-in-transit subsequent evidence of receipts has been linked with inventory records. 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 been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of 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 not made any investments in, provided guarantee or security or granted any secured loans or secured or unsecured advances in the nature of loans, to companies, firms, limited liability partnerships or any other parties during the year. The Company has granted unsecured loans to companies and other parties 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 loans to companies and other parties as below:

Annexure A to the Independent Auditor's Report on the Financial Statements of Tata Motors Passenger Vehicles Limited for the year ended 31 March 2023 *(Continued)*

Particulars	Loans (Rs in crores)
Aggregate amount during the year Others - Companies Others - Employees	 13,775.00 13.23
Balance outstanding as at balance sheet date Others - Companies Others - Employees	 2,735.00 21.40

(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. Further, the Company has not made investment in, provided any guarantee or security or granted any advances in nature of loan to any party during the year.

(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 of Rs. 2,735 crs given to Tata Motors Limited which is repayable on demand. As informed to us, the Company has not demanded repayment of the loan during the year. Thus, there has been no default on the part of the party to whom the money has been lent. The payment of interest has been regular. 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, 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 as reported in para iii (c) above. As informed to us, the Company has not demanded repayment of the loan during the year. Thus, there is no overdue amount for more than ninety days in respect of loans given. The payment of interest has been regular. Further, the Company has not given any advance in the nature of loan 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 to its Promoters and related parties as defined in Clause (76) of Section 2 of the Companies Act, 2013 ("the Act"):

	Promoters (Rs in crores)	Related Parties*
Aggregate of loans - Repayable on demand (A) - Agreement does not specify any	13,775.00	-

Annexure A to the Independent Auditor's Report on the Financial Statements of Tata Motors Passenger Vehicles Limited for the year ended 31 March 2023 *(Continued)*

	Promoters (Rs in crores)	**Related Parties***
terms or period of Repayment (B)	-	
Total (A+B)	13,775.00	-
Percentage of loans to the total loans	100%	-

* Promotoer and Related party as defined in Clause (76) of Section 2 of the Comaprnies Act, 2013 is same.

(iv) 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 neither made any investments nor provided guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013. In respect of loans given by the Company, in our opinion the provisions of Section 185 and Section 186 of 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) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and services provided by it and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(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, Cess and 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, Cess and 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, there are no 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 with the appropriate authorities on account of any dispute.

(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 has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination

Annexure A to the Independent Auditor's Report on the Financial Statements of Tata Motors Passenger Vehicles Limited for the year ended 31 March 2023 *(Continued)*

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.

(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 subsidary as defined under the Act. The Company does not hold any investment in any associate or joint venture (as defined under the Act) during the year ended 31 March 2023.

(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 subsidary (as defined under the Act). The Company does not hold any investment in any associate or joint venture (as defined under the Act) during the year ended 31 March 2023.

(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) Based on the information and explanations provided to us, the Company does not have a vigil mechanism and is not required to have a vigil mechanism as per the Act or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(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.

Annexure A to the Independent Auditor's Report on the Financial Statements of Tata Motors Passenger Vehicles Limited for the year ended 31 March 2023 *(Continued)*

(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.

(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

RISHABH GYAN KUMAR

Digitally signed by RISHABH GYAN KUMAR
Date: 2023.05.03 20:42:48 +05'30'

Rishabh Kumar

Partner

Membership No.: 402877

ICAI UDIN:23402877BGYGDB2914

Place: Mumbai

Date: 03 May 2023

Annexure B to the Independent Auditor's Report on the financial statements of Tata Motors Passenger Vehicles 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 Tata Motors Passenger Vehicles 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 Tata Motors Passenger Vehicles 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

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

RISHABH GYAN KUMAR

Digitally signed by RISHABH GYAN KUMAR
Date: 2023.05.03 20:43:34 +05'30'

Rishabh Kumar

Partner

Membership No.: 402877

ICAI UDIN:23402877BGYGDB2914

Place: Mumbai

Date: 03 May 2023

Tata Motors Passenger Vehicles Limited

Balance Sheet

(₹ in crores)

	Notes	As at March 31, 2023	2022
I. ASSETS			
(1) NON-CURRENT ASSETS			
(a) Property, plant and equipment	4(b)	5,862.20	5,737.00
(b) Capital work-in-progress	4(c)	250.72	478.75
(c) Right of use assets	5 (c)	716.71	736.95
(d) Other intangible assets	6 (b)	3,216.52	3,709.20
(e) Intangible assets under development	6 (c)	903.27	298.09
(f) Financial assets			
(i) Loans and advances	7	25.95	27.11
(ii) Other financial assets	9	70.20	80.05
(g) Non-current tax assets (net)		82.87	4.51
(h) Other non-current assets	11	264.54	21.99
		10,990.98	11,093.45
(2) CURRENT ASSETS			
(a) Inventories	13(b)	2,398.35	1,392.47
(b) Financial assets			
(i) Trade receivables	14	262.48	184.89
(ii) Cash and cash equivalents	16(b)	541.36	422.90
(iii) Loans and advances	8	2,746.59	1,825.37
(iv) Other financial assets	10	77.75	55.20
(c) Other current assets	12	559.66	337.06
(3) Asset held for Sale - Investments in subsidiary		-	33.45
		6,525.19	4,451.34
TOTAL ASSETS		17,516.17	15,544.79
II. EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	17	9,417.15	9,417.15
(b) Other equity		(2,289.97)	(2,893.56)
		7,127.18	6,523.59
LIABILITIES			
(1) NON-CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings	19	212.71	193.84
(ii) Lease liabilities		690.77	649.34
(iii) Other financial liabilities	22	60.19	2.88
(b) Provisions	24(b)	201.74	139.08
(c) Other non-current liabilities	26	352.56	179.97
		1,457.97	1,165.11
(2) CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings	20	-	2.28
(ii) Lease liabilities		105.23	99.07
(iii) Trade payables	21		
(a) Total outstanding dues of micro and small enterprises		18.75	33.03
(b) Total outstanding dues of creditors other than micro and small enterprises		5,163.52	4,257.51
(iv) Acceptances		1,948.76	2,036.34
(v) Other financial liabilities	23	577.05	177.53
(b) Provisions	24(c)	205.99	341.22
(c) Other current liabilities	27	919.73	809.11
		8,931.02	7,856.09
TOTAL EQUITY AND LIABILITIES		17,516.17	15,544.79

See accompanying notes to financial statements

In terms of our report attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

RISHABH GYAN KUMAR
Digitally signed by RISHABH GYAN KUMAR
Date: 2023.05.09 20:05:40 +05'30'

RISHABH KUMAR
Partner
Membership No.402877
UDIN - 23402877BGYGDB2914

Place- Mumbai
Date: May 3, 2023

For and on behalf of the Board

AKSIF HUSEINI
Digitally signed by AKSIF HUSEINI
Date: 2023.05.03

AKSIF HUSEINI *[DIN: 07345077]*
Director

ANIALKUMAR AKASH SINGH
Digitally signed by ANIALKUMAR AKASH SINGH

ANJALI SINGH *[ACS: A26664]*
Company Secretary
Place-Singapore

SHAILESH CHANDRA
Digitally signed by SHAILESH CHANDRA
Date: 2023.05.04 13:28:54 +05'30'

SHAILESH CHANDRA *[DIN: 07593905]*
MD & Chief Executive Officer

ANINDYA KUMAR PAUL
Digitally signed by ANINDYA KUMAR PAUL

ANINDYA PAUL
Chief Financial Officer

Place- Mumbai

Date: May 3, 2023

Tata Motors Passenger Vehicles Limited

Statement of Profit and Loss

(₹ in crores)

		Notes	Year ended March 31, 2023	Year ended March 31, 2022
	Revenue from operations			
	Revenue		48,746.41	32,489.86
	Other operating revenue		120.65	82.38
I.	Total revenue from operations	28 (b)	48,867.06	32,572.24
II.	Other Income	29 (b)	201.88	194.12
III.	**Total Income (I+II)**		49,068.94	32,766.36
IV.	**Expenses**			
	(a) Cost of materials consumed		27,562.09	19,225.90
	(b) Purchases of products for sale		13,876.53	8,823.56
	(c) Changes in inventories of finished goods, work-in-progress and products for sale		(451.64)	(406.52)
	(d) Employee benefits expense	30	1,308.51	976.77
	(e) Finance costs	31	225.36	215.85
	(f) Foreign exchange loss (net)		28.35	11.39
	(g) Depreciation and amortisation expense		2,231.06	2,041.54
	(h) Product development/Engineering expenses		826.26	655.26
	(i) Other expenses	32	3,134.96	2,419.26
	(j) Amount transferred to capital and other accounts	33	(175.89)	(36.99)
	Total Expenses (IV)		48,565.59	33,926.02
V.	**Profit/(loss) before exceptional items and tax (III-IV)**		503.35	(1,159.66)
VI.	**Exceptional items**			
	(a) Cost of Purchase of PV Undertaking		9.34	251.34
	(b) Reversal of provision for Onerous Contracts and related supplier claims		(122.06)	-
	(c) Reversal of provision for impairment of investments in subsidiary companies		-	(559.91)
VII.	**Profit/(loss) before tax (V-VI)**		616.07	(851.09)
VIII.	**Tax expense (net)**			
	(a) Current tax		-	-
	(b) Deferred tax		4.02	0.26
	Total tax expense		4.02	0.26
IX.	**Profit/(loss) for the year (VII-VIII)**		612.05	(851.35)
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)		(17.33)	(14.90)
	(ii) Income tax credit/(expense) relating to items that will not be reclassified to profit and loss		4.36	3.75
	(B) (i) Items that will be reclassified to profit and loss - Gains /(losses) in cash flow hedges		1.33	-
	(ii) Income tax credit/(expense) relating to items that will be reclassified to profit and loss		(0.34)	-
	Total other comprehensive income/(loss), net of taxes for the year		(11.98)	(11.15)
XI.	**Total comprehensive income/(loss) for the year (IX+X)**		600.07	(862.50)
XII.	**Earnings per share (EPS)**	35		
	(A) Ordinary shares (face value of ₹ 10 each) :			
	(i) Basic	₹	0.65	(0.90)
	(ii) Diluted	₹	0.65	(0.90)

See accompanying notes to financial statements

In terms of our report attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

RISHABH GYAN KUMAR

RISHABH KUMAR
Partner
Membership No.402877
UDIN - 23402877BGYGDB2914
Place- Mumbai

Date: May 3, 2023

For and on behalf of the Board

AASIF HUSEINI MALBARI

AASIF MALBARI *[DIN: 07345077]*
Director

ANJALIOMPR AKASH SINGH

ANJALI SINGH *[ACS: A26664]*
Company Secretary
Place-Singapore

SHAILESH CHANDRA

SHAILESH CHANDRA *[DIN: 07593905]*
MD & Chief Executive Officer

ANINDYA KUMAR PAUL

ANINDYA PAUL
Chief Financial Officer

Place- Mumbai

Date: May 3, 2023

Tata Motors Passenger Vehicles Limited

Cash Flow Statement

(₹ in crores)

	Year ended March 31,	
	2023	2022
Cash flows from operating activities:		
Profit/(loss) for the year	612.05	(851.35)
Adjustments for:		
Lease charges	17.81	-
Depreciation and amortisation expense	2,231.06	2,041.54
Allowances for trade and other receivables	21.30	3.68
Inventory write down/ (write back)	6.94	9.16
Discounting of warranty provisions	(12.23)	-
Reversal of provision for Onerous Contracts and related supplier claims	(122.06)	-
Cost of purchase of PV undertaking	9.34	-
Tax expense (net)	4.02	-
(Profit)/Loss on sale of assets (net) (including assets scrapped / written off)	(6.28)	-
Finance costs	225.36	215.85
Interest income	(195.89)	(55.64)
Unrealised foreign exchange (gain)/loss (net)	15.25	-
	2,194.62	2,214.59
Cash flows from operating activities before changes in following assets and liabilities	2,806.67	1,363.24
Trade receivables	(75.35)	(99.47)
Loans and advances and other financial assets	45.84	(1,802.49)
Other current and non-current assets	(273.77)	(193.13)
Inventories	(752.81)	(578.89)
Trade payables and acceptances	937.25	2,903.09
Other current and non-current liabilities	183.47	623.65
Other financial liabilities	(6.36)	(31.52)
Provisions	126.69	67.96
Cash generated from operations	2,991.63	2,252.44
Income taxes paid (net)	(78.55)	(4.31)
Net cash from operating activities	2,913.08	2,248.13
Cash flows from investing activities:		
Payments for property, plant and equipments	(840.16)	(610.91)
Payments for other intangible assets	(885.04)	(390.98)
Proceeds from sale of property, plant and equipments	25.35	1.90
Sale of investments in subsidiary company	36.93	643.15
Proceeds received towards assembled workforce transfer	-	10.06
Increase in investment in restricted deposits	(0.05)	-
Increase in short term inter corporate deposit (net)	(965.00)	(1,770.00)
Interest received	195.57	55.64
Net cash used in investing activities	(2,432.40)	(2,061.14)

Tata Motors Passenger Vehicles Limited
Cash Flow Statement

(₹ in crores)

	Year ended March 31,	
	2023	2022
Cash flows from financing activities		
Repayment of short-term borrowings	(2.28)	-
Repayment of lease liabilities (including interest)	(196.58)	-
Interest paid (including discounting charges ₹ 188.11 crores (March 31, 2022 ₹ 125.13 crores))	(163.36)	(199.24)
Net cash used in financing activities	(362.22)	(199.24)
Net increase/(decrease) in cash and cash equivalents	118.46	(12.25)
Cash and cash equivalents as at April 1, (opening balance)	422.90	0.15
Cash inflow on PV undertaking purchased from TML	-	1,200.00
Opening balance sheet adjustment pursuant to common control transaction (Refer note 3)	-	(765.00)
Cash and cash equivalents as at March 31, (closing balance)	541.36	422.90
Non-cash transactions:		
Liability towards property, plant and equipment and other intangible assets purchased on credit/deferred credit	482.29	131.42

In terms of our report attached

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

RISHABH GYAN KUMAR Digitally signed by RISHABH GYAN KUMAR Date: 2023.05.03 20:06:42 +05'30'

RISHABH KUMAR
Partner
Membership No. 402877
UDIN - 23402877BGYGDB2914
Place- Mumbai

Date: May 3, 2023

For and on behalf of the Board

AASIF HUSEINI MALBARI Digitally signed by AASIF HUSEINI MALBARI Date: 2023.05.03 19:44:40 +05'30'

AASIF MALBARI *[DIN: 07345077]*
Director

ANJALIOMPRI AKASH SINGH Digitally signed by ANJALI OMPRI AKASH SINGH Date: 2023.05.03 20:06:00 +05'30'

ANJALI SINGH ACS: *[ACS: A26664]*
Company Secretary
Place-Singapore

SHAILESH CHANDRA Digitally signed by SHAILESH CHANDRA Date: 2023.05.03 19:28:24 +05'30'

SHAILESH CHANDRA *[DIN: 07593905]*
MD & Chief Executive Officer

ANINDYA KUMAR PAUL Digitally signed by ANINDYA KUMAR PAUL Date: 2023.05.03 19:30:40 +05'30'

ANINDYA PAUL
Chief Financial Officer

Place- Mumbai

Date: May 3, 2023

Tata Motors Passenger Vehicles Limited

Statement of Changes in Equity for the year ended March 31, 2023

i. Equity Share Capital (₹ in crores)

Particulars	
Balance as at April 1, 2022	9,417.15
Balance as at March 31, 2023	9,417.15

ii. Other Equity (₹ in crores)

Particulars	Capital Reserve	Merger Deficit adjustment account	Retained earnings	Other components of equity		Total other equity
				Hedging reserve	Cost of hedging reserve	
Balance as at April 1, 2022	85.99	(2,696.54)	(203.02)	-	-	(2,813.57)
Profit/ (Loss) for the year	-	-	612.05	-	-	612.05
Sale of investments	3.52	-	-	-	-	3.52
Other comprehensive income/(loss) for the year	-	-	(12.97)	2.39	(1.39)	(11.97)
Total comprehensive loss for the year	3.52	-	599.08	2.39	(1.39)	603.60
Balance as at March 31, 2023	89.51	(2,696.54)	396.06	2.39	(1.39)	(2,209.97)

he accompanying notes to financial statements

For and on behalf of the Board

n terms of our report attached

AASIF HUSEINI MALBARI Digitally signed by AASIF HUSEINI MALBARI Date: 2023.05.03 19:45:27 +05'30'

SHAILESH CHANDRA Digitally signed by SHAILESH CHANDRA Date: 2023.05.03 19:28:06 +05'30'

for B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

RISHABH GYAN KUMAR Digitally signed by RISHABH GYAN KUMAR Date: 2023.05.03 20:07:36 +05'30'

Partner
Membership No. 402877
UDIN : 23402877BGYGDB2934
Place- Mumbai

Date: May 3, 2023

AASIF MALBARI *(DIN: 07345077)*
Director

ANNAJOMPRA KASH SINGH

ANJALI SINGH *(ACS: A26664)*
Company Secretary

Place-Singapore

Place- Mumbai

SHAILESH CHANDRA *(DIN: 07593905)*
MD & Chief Executive Officer

ANINDYA KUMAR PAUL Digitally signed by ANINDYA KUMAR PAUL Date: 2023.05.03 19:24:03 +05'30'

ANINDYA PAUL
Chief Financial Officer

Date: May 3, 2023

Tata Motors Passenger Vehicles Limited

Statement of Changes in Equity for the year ended March 31, 2022

I. Equity Share Capital (₹ in crores)

Particulars	
Balance as at April 1, 2021	0.15
Issuance of shares on purchase of PV undertaking	9,417.00
Balance as at March 31, 2022	9,417.15

II. Other Equity (₹ in crores)

Particulars	Capital Reserve	Merger Deficit adjustment account (refer note 3)	Retained earnings	Total other equity
Balance as at April 1, 2021	-	(1,464.44)	0.88	(1,463.56)
Profit/ (Loss) for the year	-	(578.60)	(272.75)	(851.35)
Capital Reserve	85.99	-	-	85.99
Other comprehensive income/(loss) for the year	-	-	(11.15)	(11.15)
Total comprehensive loss for the year	85.99	(2,043.04)	(283.02)	(2,240.07)
Opening balance sheet adjustment pursuant to common control transaction (Refer note 3)	-	(653.50)	-	(653.50)
Balance as at March 31, 2022	85.99	(2,696.54)	(283.02)	(2,893.56)

See accompanying notes to financial statements

For and on behalf of the Board

In terms of our report attached

For BSR & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

RISHABH GYAN KUMAR
Digitally signed by RISHABH GYAN KUMAR
Date: 2023.05.03 20:08:14 +05'30'

RISHABH KUMAR
Partner
Membership No. 402877
UDIN: 23402877BGVGD82914
Place: Mumbai

Date: May 3, 2023

AASIF HUSEINI MALBARI
Digitally signed by AASIF HUSEINI MALBARI
Date: 2023.05.03 19:46:01 +05'30'

AASIF MALBARI (DIN: 07345077)
Director

ANJALI OMPR AKASH SINGH

ANJALI SINGH (ACS: 42664)
Company Secretary
Place: Singapore

Place: Mumbai

SHAILESH CHANDRA
Digitally signed by SHAILESH CHANDRA
Date: 2023.05.03 19:59:11 +05'30'

SHAILESH CHANDRA (DIN: 07593815)
MD & Chief Executive Officer

ANINDYA KUMAR PAUL
Digitally signed by ANINDYA KUMAR PAUL

ANINDYA PAUL
Chief Financial Officer

Date: May 3, 2023

Tata Motors Passenger Vehicles Limited

Notes forming part of Financial Statements for the year ended March 31, 2023

1. Background and operations

Tata Motors Passenger Vehicles Limited referred to as ("the Company"), designs, manufactures and sells a wide range of automotive vehicles.

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, TMPVL is a wholly owned subsidiary of Tata Motors Limited (TML). Tata Motors Limited (TML) directly or indirectly, holds 100% equity interest in TMPVL. These standalone financial statements were approved by the Board of Directors and authorised for issue on May 03, 2023.

2. Significant accounting policies

a. Statement of compliance

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

b. 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.

c. Going concern

The Company's financial statements have been prepared on a going concern basis.

The Company has performed an assessment of its financial position as at March 31, 2023 and forecasts of the Company for a period of eighteen months from the date of these financial statements (the 'Going Concern Assessment Period' and the 'Foreseeable Future').

In developing these forecasts, the Company has modelled a base case, which has been further sensitised using severe but plausible downside scenarios. The base case covers the Going Concern Assessment Period and considers the estimated on-going impact of the Covid-19 global pandemic and a cautious view of the impact of near-term supply chain challenges related to global semi-conductor shortages. It also accounts for other end-market and operational factors throughout the Going Concern Assessment Period. The base case assumes continued recovery in industry volumes based upon external industry forecasts. This has been further sensitised using more severe but plausible scenarios considering external market commentaries and other factors impacting the global economy and automotive industry. Management do not consider more extreme scenarios than the ones assessed to be plausible.

In evaluating the forecasts, the Company has taken into consideration both the sufficiency of liquidity to meet obligations as they fall due as well as potential impact on compliance with financial covenants during the forecast period. These forecasts indicate that, based on cash generated from operations, the existing funding facilities, the Company will have sufficient liquidity to operate and discharge its liabilities as they become due, without breaching any relevant covenants and the need for any mitigating actions.

Based on the evaluation described above, management believes that the Company has sufficient financial resources available to it at the date of approval of these financial statements and that it will be able to continue as a 'going concern' in the foreseeable future and for a period of at least September 30, 2024.

d. 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 and liabilities and disclosure of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the year 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 in 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) Note 4 and Note 6 - Property, plant and equipment and intangible assets- useful life and impairment
ii) Note 25 - Recoverability/recognition of deferred tax assets
iii) Note 24 - Provision for product warranty
iv) Note 30- Assets and obligations relating to employee benefits

e. Cost recognition

Costs and expenses are recognised when incurred and are classified according to their nature. Expenditure are capitalized where appropriate, in accordance with the policy for internally generated intangible assets and represents employee costs, stores and other manufacturing supplies, and other expenses incurred for construction and product development undertaken by the Company.

Material and other cost of sales as reported in the statement of profit and loss is presented net of the impact of realised foreign exchange relating to derivatives hedging cost exposures.

f. 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.

Intangible assets not yet available for use, are tested for impairment annually at each balance sheet date, or earlier, if there is an indication that the asset may be impaired.

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 recognised immediately in the statement of Profit and Loss.

An asset or cash-generating unit impaired in prior years is reviewed at each balance sheet date to determine whether there is any indication of a reversal of impairment loss recognized in prior years.

g. Foreign currency

These financial statements are presented in Indian rupees, which is the functional currency of Tata Motors Passenger Vehicles Limited. Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Foreign currency denominated monetary assets and liabilities are re-measured into the functional currency at the exchange rate prevailing on the balance sheet date. Exchange differences arising on settlement of transactions and translation of monetary items are recognized in the statement of Profit or Loss.

h. Dividends

Any dividend declared by Tata Motors Passangers Vehicles Limited is based on the profits available for distribution as reported in the statutory financial statements of Tata Motors Passangers Vehicles Limited 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 Tata Motors Passangers Vehicles Limited 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. The amount available for distribution is ₹ 316.05 crores as at March 31, 2023 (₹ Nil. as at March 31, 2022)

The Board of Directors has recommended a final dividend of ₹ 0.16 per share (2022: Nil) for the year ended March 31, 2023 which is subject to approval from shareholders.

i. Segments

The Company primarily operates in the automotive segment that consists of dealing with of all types of passanger vehicles.

j. 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:

I. 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.

II. 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.

III. 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 for the financial statements for the year ended March 2024.

3. Business Combination

Pursuant to the schemes of Arrangement between Tata Motors Limited (TML, parent company) and the company, the Passenger Vehicle (PV) undertaking of TML has been transferred as a going concern and on a slump sale basis effective January 1, 2022. As PV undertaking is transferred from parent company, the merger has been accounted in accordance with "Pooling of Interest Method" laid down by Appendix C of Indian Accounting Standard 103 (Ind AS 103): (Business combinations of entities under common control), notified under the Companies Act, 2013. Accordingly, all assets, liabilities of PV undertaking have been recorded in the books of account of the Company at their existing carrying amounts and in the same form. The difference, between the equity shares issued and all assets and liabilities of PV undertaking, has been debited to Merger Deficit adjustment account. Comparative accounting period presented in the financial statements of the Company has been restated for the accounting impact of the transfer, as stated above, as if the purchase has occurred from the beginning of the comparative period in the financial statements i.e. April 1, 2021.

Following are the assets and liabilities taken over by the Company on January 1, 2022

(₹ in crores)

Particulars	As at January 1, 2022
Non Current Assets	
Property, Plant and Equipment	5,558.61
Capital work-in-progress	733.65
Right to use assets	725.56
Other intangible assets	3,899.35
Intangible assets under development	190.58
Financial assets	
(i) Investments	600.67
(ii) Loans and advances	23.71
(iii) Other financial assets	88.05
Other non-current assets	40.02
Total Non current Assets	**11,861.20**
Current Assets	
Inventories	1,615.44
Financial assets	
(i) Trade receivables	92.89
(ii) Cash and cash equivalents	1,200.00
(iii) Loans and advances	22.28
(iv) Other financial assets	27.50
Other current assets	149.95
Total Current Assets	**3,108.06**
Total Assets	**14,969.26**
Non-Current Liabilities	
Financial liabilities	
(i) Borrowings	189.55
(ii) Lease liabilities	640.13
(iii) Other financial liabilities	4.34
Provisions	102.85
Other non-current liabilities	137.66
Total Non current Liabilities	**1,074.43**
Current Liabilities	
Financial liabilities	
(i) Lease liabilities	87.58
(ii) Trade payables	3,822.96
(iii) Acceptances	2,190.76
(iv) Other financial liabilities	204.28
Provisions	338.09
Other current liabilities	530.70
Total Current Liabilities	**7,174.37**
Total Liability	**8,248.80**
Net Assets	**6,720.46**
Less: Consideration paid for purchase of PV undertaking from TML	**9,417.00**
Merger Deficit adjustment account	**(2,696.54)**

3. Business Combination (Continued..)

Details of profit and loss for nine months ended December 31, 2021 of PV undertaking, which has been included in the statement of profit and loss for the year ended March 31, 2022 of the Company, applying Appendix C Ind AS 103.

(₹ in crores)

		9 Month of PV undertaking	Profit & Loss for the year ended March 31,2022 without common control adjustment
	Revenue from operations		
	Revenue	21,313.29	11,176.57
	Other operating revenue	58.36	24.02
I.	Total revenue from operations	21,371.65	11,200.59
II.	Other income	164.64	29.48
III.	**Total income (I+II)**	21,536.29	11,230.07
IV.	**Expenses**		
	(a) Cost of materials consumed	12,495.72	6,730.18
	(b) Purchases of products for sale	5,576.49	3,247.07
	(c) Changes in inventories of finished goods, work-in-progress and products for sale	44.77	(451.29)
	(d) Employee benefits expense	704.99	271.78
	(e) Finance costs	147.51	68.34
	(f) Foreign exchange loss (net)	8.12	3.27
	(g) Depreciation and amortisation expense	1,508.67	532.87
	(h) Product development/Engineering expenses	407.75	247.51
	(i) Other expenses	1,787.56	631.70
	(j) Amount transferred to capital and other accounts	(6.78)	(30.21)
	Total Expenses (IV)	22,674.80	11,251.22
V.	**Profit/(loss) before exceptional items and tax (III-IV)**	(1,138.51)	(21.15)
VI.	**Exceptional items**		
	(a) Reversal of provision for impairment of investments in subsidiary companies	(559.91)	-
	(b) Cost of Purchase of PV Undertaking	-	251.34
VII.	**Profit/(loss) before tax (V-VI)**	(578.60)	(272.49)
VIII.	**Tax expense (net)**		
	(a) Current tax	-	-
	(b) Deferred tax	-	-
	Total tax expense	-	-
IX.	**Profit/(loss) for the period (VII-VIII)**	(578.60)	(272.49)

4. Property, plant and equipment

(a) Accounting policy

Property, plant and equipment including capital work in progress 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.

Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the statement of profit and loss when incurred.

Interest cost incurred for constructed assets is capitalised up to the date the asset is ready for its intended use, based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings, if no specific borrowings have been incurred for the asset.

Depreciation is provided on the Straight Line Method (SLM) over the estimated useful lives of the assets considering the nature, estimated usage, operating conditions, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support. Taking into account these factors, the Company has decided to retain the useful life hitherto adopted for various categories of property, plant and equipments, which are different from those prescribed in Schedule II of the Act.

Estimated useful lives of assets are as follows:

Type of Asset	Estimated useful life (years)
Buildings, Roads, Bridge and culverts	4 to 60 years
Plant, machinery and equipment	8 to 20 years
Computers and other IT assets	4 to 6 years
Vehicles	4 to 10 years
Furniture, fixtures and office appliances	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.

(b) Property, plant and equipment

(₹ in crores)

	Owned assets						
	Land	Buildings	Plant, machinery and equipments	Furniture and fixtures	Vehicles	Computers & other IT assets	Total
Cost as at April 1, 2022	786.74	823.71	13,010.25	67.33	22.61	84.34	14,794.98
Additions	-	20.92	976.90	1.14	6.61	17.07	1,022.64
Disposals/adjustments	-	(0.07)	(333.04)	(11.33)	(1.91)	(0.13)	(346.48)
Cost as at March 31, 2023	786.74	844.56	13,654.11	57.14	27.31	101.28	15,471.14
Accumulated depreciation as at April 1, 2022	-	(359.28)	(8,583.44)	(37.96)	(13.55)	(63.75)	(9,057.98)
Depreciation for the year	-	(25.51)	(837.14)	(5.17)	(2.82)	(7.76)	(878.40)
Disposal/adjustments	-	0.05	317.48	8.39	1.41	0.11	327.44
Accumulated depreciation as at March 31, 2023	-	(384.74)	(9,103.10)	(34.74)	(14.96)	(71.40)	(9,608.94)
Net carrying amount as at March 31, 2023	786.74	459.82	4,551.01	22.40	12.35	29.88	5,862.20
Cost as at April 1, 2021	786.74	774.63	12,368.56	44.89	48.61	53.59	14,077.02
Additions	-	21.00	874.61	0.38	3.40	8.26	907.85
Disposals/adjustments	-	28.08	(232.92)	22.06	(29.60)	22.49	(189.89)
Cost as at March 31, 2022	786.74	823.71	13,010.25	67.33	22.61	84.34	14,794.98
Accumulated depreciation as at April 1, 2021	-	(305.28)	(8,062.42)	(22.00)	(31.13)	(43.40)	(8,464.23)
Depreciation for the year	-	(32.93)	(752.72)	(3.08)	(6.37)	(4.19)	(799.29)
Disposal/adjustments	-	(21.07)	231.70	(12.88)	23.95	(16.16)	205.54
Accumulated depreciation as at March 31, 2022	-	(359.28)	(8,583.44)	(37.96)	(13.55)	(63.75)	(9,057.98)
Net carrying amount as at March 31, 2022	786.74	464.43	4,426.81	29.37	9.06	20.59	5,737.00

4. **Property, plant and equipment (Continued)** (₹ in crores)

(c) Capital work-in-progress

	For the year ended March 31, 2023	2022
Balance at the beginning	**478.75**	791.35
Additions	**794.61**	595.26
Capitalised during the year	**(1,022.64)**	(907.86)
Balance at the end	**250.72**	478.75

(d) Ageing of Capital work in progress

	As at March 31, 2023				
	Up to 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	**228.25**	**15.70**	**0.07**	**6.70**	**250.72**
Projects temporarily suspended	-	-	-	-	-
As at March 31, 2023	**228.25**	**15.70**	**0.07**	**6.70**	**250.72**

	As at March 31, 2022				
	Up to 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	298.81	90.11	65.40	24.43	478.75
Projects temporarily suspended	-	-	-	-	-
As at March 31, 2022	298.81	90.11	65.40	24.43	478.75

(e) Expected Completion schedule of Ageing of Capital work in progress under development where cost and time overrun has exceeded original plan

	As at March 31, 2023				
	Up to 1 year	1-2 years	2-3 years	More than 3 years	Total
Other Projects*	**0.71**	-	-	-	**0.71**
As at March 31, 2023	**0.71**	-	-	-	**0.71**

	As at March 31, 2022				
	Up to 1 year	1-2 years	2-3 years	More than 3 years	Total
Project 1	138.71	-	-	-	138.71
Other Projects*	78.46	-	-	-	78.46
As at March 31, 2022	217.17	-	-	-	217.17

* Individual projects less than ₹ 50 crores have been clubbed together in other projects.

Original plan is considered as that plan which is approved and on the basis of which implementation progress is evaluated. Such original plan includes management's estimates and assumptions w.r.t future business, economy / industry and regulatory environments.

5. Leases

(a) Accounting policy

Lessee:

At inception of a contract, the Company assesses whether a contract is, or contain a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

i) The contract involves the use of an identified asset –this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substation right, then the asset is not identified;

ii) The Company has the right to substantially all of the economic benefits from the use of the asset throughout the period of use; and

iii) The Company has the right to direct the use of the asset. The Company has this right when it has the decision making rights that are most relevant to changing how and for what purposes the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:

- The Company has the right to operate the asset; or
- The Company designed the asset in a way that predetermines how and for what purposes it will be used.

As a practical expedient, Ind AS 116 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient. At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and estimated dilapidation costs, less any lease incentives received. The right-of-use asset is subsequently amortised using the straight-line method over the shorter of the useful life of the leased asset or the period of lease. If ownership of the leased asset is automatically transferred at the end of the lease term or the exercise of a purchase option is reflected in the lease payments, the right-of-use asset is amortised on a straightline basis over the expected useful life of the leased asset.

The lease liability is initially measured at the present value of the lease payments that are not paid at commencement date, discounted using, the Company's incremental borrowing rate. The lease liability is measured at amortised cost using the effective interest method. It is re measured when there is a change in future lease payments.

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.

Payment made towards short term leases (leases for which non-cancellable term is 12 months or lesser) and low value assets (lease of assets worth less than ₹0.03 crore) are recognised in the statement of Profit and Loss as rental expenses over the tenor of such leases.

Lessor:

At the inception of a lease, the lease arrangement is classified as either a finance lease or an operating lease, based on contractual terms & substance of the lease arrangement. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

(b) The Company leases a number of buildings, plant and equipment, IT hardware and software assets, certain of which have a renewal and/or purchase option in the normal course of the business. Extension and termination options are included in a number of leases across the Company. The majority of extension and termination options held are exercisable only by the Company and not by the respective lessor. The Company assesses at lease commencement whether it is reasonably certain to exercise the extension or termination option. The Company re-assesses whether it is reasonably certain to exercise options if there is a significant event or significant change in circumstances within its control. It is recognised that there is potential for lease term assumptions to change in the future due to the effects of the COVID-19 pandemic, and this will continue to be monitored by the Company where relevant. The Company's leases mature between 2025 and 2031.

When measuring lease liability, the Group discounted lease payments using its incremental borrowing rate at April 1, 2022. The weighted average rate applied is 8.27 %. (2022: 8.39 %)

The following amounts are included in the Balance Sheet :

(₹ in crores)

	As at March 31, 2023	2022
Current lease liabilities	105.23	99.07
Non-current lease liabilities	630.77	649.34
Total lease liabilities	736.00	748.41

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

	Year ended March 31, 2023	2022
Interest expense on lease liabilities	62.92	57.36
Expenses related to short-term leases	1.95	0.91
Expenses related to low-value assets, excluding short-term leases of low-value assets	1.49	2.95

3. Leases (Continued)

(c) Leases

(₹ in crores)

	Land	Buildings	Plant, machinery and equipments	Vehicles	Computers & other IT assets	Total
Cost as at April 1, 2022	29.84	136.99	837.88	41.68	7.77	1,053.98
Additions	0.02	12.46	75.81	86.59	0.10	127.92
Disposals/adjustments	-	(43.84)	(88.57)	(3.80)	(5.29)	(141.50)
Cost as at March 31, 2023	29.86	105.61	825.12	77.31	2.58	1,040.52
Accumulated amortisation as at April 1, 2022	(1.13)	(64.42)	(246.65)	(8.74)	(6.09)	(317.03)
Amortisation for the year	(0.38)	(23.01)	(99.63)	-	(0.47)	(123.70)
Amortisation - considered as employee cost	-	-	-	(17.81)	-	(17.81)
Disposal/adjustments	-	42.16	85.76	1.36	5.39	134.67
Accumulated amortisation as at March 31, 2023	(1.50)	(35.27)	(260.52)	(24.81)	(1.17)	(323.51)
Net carrying amount as at March 31, 2023	28.33	70.34	564.60	52.50	1.15	716.91
Cost as at April 1, 2021	29.84	133.79	730.60	10.82	7.81	908.76
Additions	-	29.92	107.28	30.70	0.38	168.28
Disposals/adjustments	-	(23.72)	-	-	(0.42)	(24.14)
Cost as at March 31, 2022	29.84	136.99	837.88	41.68	7.77	1,053.98
Accumulated amortisation as at April 1, 2021	(0.78)	(44.38)	(150.13)	(0.75)	(5.67)	(201.72)
Amortisation for the year	(0.38)	(21.70)	(96.52)		(0.80)	(119.41)
Amortisation - considered as employee cost	-	-	-	(8.54)	-	(8.54)
Disposal/adjustments	-	1.67	-	0.55	0.42	2.64
Accumulated amortisation as at March 31, 2022	(1.13)	(64.42)	(246.65)	(8.74)	(6.09)	(317.03)
Net carrying amount as at March 31, 2022	28.49	72.57	591.23	32.94	1.72	736.95

(d) There are certain vehicles which are being given to the customers along with operations and maintenance of the same. These are accounted as finance lease as the material risks and rewards are transferred to the lessee.

The average effective interest rate contracted approximates 12.5 % (2021: 12.5%) per annum.

The following amounts are included in the Balance Sheet :

	As at March 31 2023	2022
Current lease receivables	13.01	12.67
Non-current lease receivables	54.32	67.34
Total lease receivables	67.33	80.01

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

	Year ended March 31, 2023	2022
Finance income on the net investment in finance leases	13.53	15.69

The table below provides details regarding the contractual maturities of finance lease liabilities:

	As at March 31, 2023				
	Due in 1st Year	Due in 2nd Year	Due in 3rd to 5th Year	Due after 5th Year	Total contractual cash flows
Finance lease receivables	13.01	54.32	-	-	67.33

	As at March 31, 2022				(₹ in crores)
	Due in 1st Year	Due in 2nd Year	Due in 3rd to 5th Year	Due after 5th Year	Total contractual cash flows
Finance lease receivables	12.68	13.01	54.32	-	80.01

6. Other Intangible assets

(a) Accounting policy

Intangible assets purchased are measured at cost or fair value as on the date of acquisition less accumulated amortisation and impairment, if any.

Amortisation is provided on a straight-line basis over estimated useful lives of the intangible assets as per details below:

	Estimated amortisation period
Software	4 years
Product development costs	2 to 10 years

The amortisation period for intangible assets with finite useful lives is reviewed at each year-end. Changes in expected useful lives are treated as changes in accounting estimates.

Internally generated intangible asset

Research costs are charged to the statement of Profit and Loss in the year in which they are incurred.

Product development costs incurred on new vehicle platform, engines, transmission and new products are recognised as intangible assets, when feasibility has been established, the Company has committed technical, financial and other resources to complete the development and it is probable that asset will generate future economic benefits.

The cost of an internally generated intangible asset is the sum of directly attributable expenditure incurred from the date when the intangible asset first meets the recognition criteria to the completion of its development.

Interest cost incurred is capitalised up to the date the asset is ready for its intended use, based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings if no specific borrowings have been incurred for the asset.

Product development expenditure is measured at cost less accumulated amortisation and impairment, if any. Amortisation is not recorded on product engineering in progress until development is complete.

Derecognition of intangible assets

An item of intangible assets is derecognized on disposal or when fully amortized and no longer in use. Any gain or loss arising from derecognition of an item of intangible assets is included in profit or loss.

6. Other intangible assets (Continued)

(b) Other intangible assets

(₹ in crores)

	Computer Software	Product development	Total
Cost as at April 1, 2022	**94.18**	**7,361.29**	**7,455.47**
Additions	**44.70**	**691.58**	**736.28**
Fully amortised not in use	-	**(222.25)**	**(222.25)**
Cost as at March 31, 2023	**138.88**	**7,830.62**	**7,969.50**
Accumulated amortisation as at April 1, 2022	**(80.61)**	**(3,665.66)**	**(3,746.27)**
Amortisation for the year	**(7.66)**	**(1,221.30)**	**(1,228.96)**
Fully amortised not in use	-	**222.25**	**222.25**
Accumulated amortisation as at March 31, 2023	**(88.27)**	**(4,664.71)**	**(4,752.98)**
Net carrying amount as at March 31, 2023	**50.61**	**3,165.91**	**3,216.52**
Cost as at April 1, 2021	36.12	7,115.82	7,151.94
Additions	11.50	860.84	872.34
Fully amortised not in use	-	(615.37)	(615.37)
Disposals/adjustments	46.56	-	46.56
Cost as at March 31, 2022	94.18	7,361.29	7,455.47
Accumulated amortisation as at April 1, 2021	(35.84)	(3,159.46)	(3,195.30)
Amortisation for the year	(1.28)	(1,121.56)	(1,122.84)
Fully amortised not in use	-	615.36	615.36
Disposals/adjustments	(43.49)	-	(43.49)
Accumulated amortisation as at March 31, 2022	(80.61)	(3,665.66)	(3,746.27)
Net carrying amount as at March 31, 2022	13.57	3,695.63	3,709.20

(c) Intangible assets under development

	For the year ended March 31, 2023	2022
Balance at the beginning	**298.09**	782.51
Additions	**941.46**	387.93
Capitalised during the year	**(736.28)**	(872.34)
(Write off)/(Provision)/reversal of impairment	-	(0.01)
Balance at the end	**503.27**	298.09

(d) Ageing of intangible assets under development

As at March 31, 2023	Up to 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	**446.62**	**52.61**	**0.79**	**3.31**	**503.27**
Projects temporarily suspended	-	-	-	-	-
As at March 31, 2023	**446.62**	**52.61**	**0.79**	**3.31**	**503.27**

As at March 31, 2022	Up to 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	269.40	25.37	3.32	-	298.09
Projects temporarily suspended	-	-	-	-	-
As at March 31, 2022	269.40	25.37	3.32	-	298.09

(e) Expected Completion schedule of intangible assets under development where cost and time overrun has exceeded original plan

As at March 31, 2023	Up to 1 year	1-2 years	2-3 years	More than 3 years	Total
Other projects *	-	**23.42**	-	-	**23.42**
	-	**23.42**	-	-	**23.42**

As at March 31, 2022	Up to 1 year	1-2 years	2-3 years	More than 3 years	Total
Project 1	56.62	-	-	-	56.62
Other Projects*	7.71	4.18	-	-	11.89
	64.33	4.18	-	-	68.51

* Individual projects less than ₹ 50 crores have been clubbed together in other projects.

Original plan is considered as that plan which is approved and on the basis of which implementation progress is evaluated. Such original plan includes management's estimates and assumptions w.r.t future business, economy / industry and regulatory environments.

Tata Motors Passenger Vehicles Limited
NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

7. Loans and advances- non current

	As at March 31, 2023	As at March 31, 2022
Unsecured (Considered good) :		
(a) Loans to employees	14.21	16.90
(b) Others	9.74	10.21
Total	**23.95**	**27.11**

8. Loans and advances- current

	As at March 31, 2023	As at March 31, 2022
Unsecured :		
(a) Advances and other receivables (net of allowances for credit impaired balances of ₹ **1.06 crores** and ₹1.00 crores as at March 31, 2023 and 2022, respectively)	9.19	23.52
(b) Intercorporate deposits Considered good	2,735.00	1,770.00
(c) Dues from holding company and fellow subsidiary companies Considered good	1.40	31.85
Total	**2,745.59**	**1,825.37**

Note:

	As at March 31, 2023	As at March 31, 2022
Dues from Holding company and fellow subsidiary companies:		
(a) Tata Motors Limited	0.23	31.66
(b) Tata Passenger Electric Mobility Limited	-	0.19
(c) Jaguar Land Rover Ltd	1.17	-
Total	**1.40**	**31.85**

9. Other financial assets - non-current

	As at March 31, 2023	As at March 31, 2022
(a) Finance lease receivable	54.32	67.34
(b) Recoverable from suppliers	6.83	4.72
(c) Restricted deposits	0.05	-
(d) Others	9.00	7.99
Total	**70.20**	**80.05**

10. Other financial assets - current

	As at March 31, 2023	As at March 31, 2022
(a) Derivative financial instruments	40.19	28.78
(b) Interest accrued on loans and deposits	0.18	0.06
(c) Finance lease receivable	13.01	12.67
(d) Recoverable from suppliers	24.17	13.57
(e) Security deposits	-	0.12
Total	**77.79**	**55.20**

11. Other non-current assets

	As at March 31, 2023	As at March 31, 2022
(a) Capital advances	227.14	18.75
(b) Taxes recoverable, statutory deposits and dues from	22.75	-
(c) Others	14.65	3.24
Total	**264.54**	**21.99**

12. Other current assets

	As at March 31, 2023	As at March 31, 2022
(a) Advance to suppliers and contractors (net of allowances for credit impaired balances of ₹**12.24** crores and ₹ 11.88 crores as at March 31, 2023 and 2022, respectively)	36.36	24.88
(b) Taxes recoverable, statutory deposits and dues from government (net of allowances for credit impaired balances of ₹ **21.80** crores and ₹ 0.32 crores as at March 31, 2023 and 2022, respectively)	463.88	225.08
(c) Prepaid expenses	59.38	85.46
(d) Employee benefits	-	1.60
(e) Others	0.04	0.04
Total	**559.66**	**337.06**

13. Inventories

(₹ in crores)

(a) Accounting policy

Inventories are valued at the lower of cost and net realisable value. Cost of raw materials, components and consumables are ascertained on a moving weighted average basis. Cost, including fixed and variable production overheads, are allocated to work-in-progress and finished goods determined on a full absorption cost basis. Net realisable value is the estimated selling price in the ordinary course of business less estimated cost of completion and selling expenses.

(b) Inventories

		As at March 31,	
		2023	2022
(a)	Raw materials and components	1,178.38	987.85
(b)	Work-in-progress	314.38	164.08
(c)	Finished goods	588.93	287.59
(d)	Stores and spare parts	65.70	46.80
(e)	Consumable tools	13.27	14.70
(f)	Goods-in-transit - Raw materials, components and stock-in-trade	177.69	91.45
	Total	2,338.35	1,592.47

During the year ended March 31, 2023 and 2022, the Company recorded inventory write-down expenses of **₹ 6.94 crores** and ₹ 9.16 crores, respectively.

Cost of inventories (including cost of purchased products) recognized as expense during the year ended March 31, 2023 and 2022 amounted to **₹ 45,653.58 crores** and ₹31,373.01 crores, respectively.

14. Trade receivables (unsecured)

	As at March 31,	
	2023	2022
Receivables considered good	262.48	184.89
Credit impaired receivables	66.98	160.66
	329.46	345.55
Less : Allowance for credit impaired receivables	(66.98)	(160.66)
Total	262.48	184.89

15. Allowance for trade receivables, loans and other receivables

	For the year ended March 31,	
	2023	2021
Balance at the beginning	173.91	170.23
Allowances made during the year	21.30	3.68
Written off	(91.13)	-
Balance at the end	104.08	173.91

16. Cash and cash equivalents

(a) Accounting policy

Cash and cash equivalents comprises demand deposits and highly liquid investments with an original maturity of up to three month that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

(b) Cash and cash equivalents

		As at March 31,	
		2023	2022
(i)	Cheques on hand	0.88	18.97
(ii)	Balances with banks	90.48	183.93
(iii)	Deposits with banks	450.00	220.00
	Total	541.36	422.90

(₹ in crores)

17. Equity Share Capital

	As at March 31, 2023	As at March 31, 2022
(a) Authorised:		
20,00,00,00,000 Ordinary shares of ₹ 10 each	20,000.00	20,000.00
(as at March 31, 2022: 20,00,00,00,000 Ordinary shares of ₹ 10 each)		
Total	20,000.00	20,000.00
(b) Issued:		
9,417,150,000 Ordinary shares of ₹10 each	9,417.15	9,417.15
(as at March 31, 2022: 9,417,150,000 Ordinary shares of ₹10 each)		
Total	9,417.15	9,417.15
(c) Subscribed and paid up:		
9,417,150,000 Ordinary shares of ₹10 each	9,417.15	9,417.15
(as at March 31, 2022: 9,417,150,000 Ordinary shares of ₹10 each)		
	9,417.15	9,417.15

(d) 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	941,71,50,000	9,417.15	1,50,000	0.15
Add: Allotment of shares on account of Demerger Scheme (Refer note 3)	-	-	9,41,70,00,000	9,417.00
Balance as at March 31	941,71,50,000	9,417.15	941,71,50,000	9,417.15

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

	As at March 31, 2023		As at March 31, 2022	
	(No. of shares)	(₹ in crores)	(No. of shares)	(₹ in crores)
Ordinary shares :				
Tata Motors Limited	9,41,70,00,000	9,417.00	9,41,70,00,000	9,417.00

(f) Disclosure of Shareholding of Promoters

	As at March 31, 2023		As at March 31, 2022	
Promoter name	(No. of shares)	% of Issued Share Capital	(No. of shares)	% of Issued Share Capital
(a) TML Business Services Limited (formerly Concorde Motors (India) Limited)	1,50,000 *		1,50,000 *	
(b) Tata Motors Limited	9,41,70,00,000	100%	9,41,70,00,000	100%

* Less than 1%

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

(a) During the financial year ended March 31, 2022 the Company has issued 9,417,000,000 shares without payment being received in cash, pursuant to scheme of demerger (Refer note 3)

(b) The Company has not issued any bonus shares.

(c) The Company has not undertaken any buy-back of shares.

18. A) OTHER COMPONENTS OF EQUITY

(a) The movement of Hedging reserve is as follows:

	As at March 31, 2023	As at March 31, 2022
Balance at the beginning	-	-
Gain/(loss) recognised on cash flow hedges	3.19	-
Income tax relating to gain/loss recognised on cash flow hedges	(0.80)	-
Balance at the end	2.39	-

(b) The movement of Cost of hedging reserve is as follows:

	As at March 31, 2023	As at March 31, 2022
Balance at the beginning	-	-
Gain/(loss) recognised on cash flow hedges	(1.66)	-
Income tax relating to gain/loss recognised on cash flow hedges	0.47	-
Balance at the end	(1.19)	-

(c) Summary of Other components of equity:

	As at March 31, 2023	As at March 31, 2022
Hedging reserve	2.39	-
Cost of hedging reserve	(1.19)	-
Total	1.20	-

B) NOTES TO RESERVES

a) Capital reserve

The capital reserve represents the excess of the identifiable assets and liabilities over the consideration paid/received or vice versa in a common control sale/transfer of business/investment.

b) Retained earnings

Retained earnings are the profits that the Company has earned till date, add/(less) any transfers from/(to) general reserve, securities premium and debenture redemption reserve, dividends or other distributions paid to shareholders. Retained earnings includes re-measurement gain/(loss) on defined benefit obligations, net of taxes that will not be reclassified to Profit and Loss.

(₹ in crores)

19. Long-term borrowings

	As at March 31, 2023	As at March 31, 2022
Secured:		
Term loans:		
Government loan (refer note (i) below)	213.71	193.84
Total	213.71	193.84

20. Short-term borrowings

	As at March 31, 2023	As at March 31, 2022
Secured:		
Loans from banks	-	2.28
	-	2.28

Information regarding long-term borrowings

(i) **Nature of security (on loans including interest accrued thereon) :**

The term loan of **₹ 587.08 crores** (recorded in books at **₹ 213.71 crores**) is due for repayment from the quarter ending March 31, 2033 to quarter ending March 31, 2039, along with simple interest at the rate of 0.10% p.a. The loan is secured by a second and subservient charge (creation of charge is under process) over Company's freehold land together with immovable properties, plant and machinery and other movable assets (excluding stock and book debts) situated at Sanand plant in the State of Gujarat.

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Short-term borrowings	Long-term borrowings	Total
Balance at April 1, 2021	-	-	-
Amortisation / EIR adjustments of prepaid borrowings (net)	-	193.84	193.84
Balance at March 31, 2022	2.28	193.84	196.12
Balance at April 1, 2022	**2.28**	**193.84**	**196.12**
Amortisation / EIR adjustments of prepaid borrowings (net)	-	**19.87**	**19.87**
Balance at March 31, 2023	-	**213.71**	**213.71**

21. Trade payables

	As at March 31, 2023					
	Not due	Overdue				Total
		Up to 1 year	1-2 years	2-3 years	More than 3 years	
Outstanding dues of micro and small enterprises						
(a) Undisputed dues	11.45	6.52	0.78	-	0.05	18.75
Total	11.45	6.52	0.78	-	0.05	18.75
Outstanding dues of creditors other than micro and small enterprises						
(a) Undisputed dues	4,517.97	640.01	3.97	0.59	0.98	5,163.52
Total	4,517.97	640.01	3.97	0.59	0.98	5,163.52
Balance as at March 31, 2023	4,529.42	646.53	4.70	0.59	1.03	5,182.27

	As at March 31, 2022					
	Not due	Overdue				Total
		Up to 1 year	1-2 years	2-3 years	More than 3 years	
Outstanding dues of micro and small enterprises						
(a) Undisputed dues	22.58	9.29	0.34	0.23	0.69	33.03
Total	22.58	9.29	0.34	0.23	0.69	33.03
Outstanding dues of creditors other than micro and small enterprises						
(a) Undisputed dues	3,460.16	774.19	2.36	2.56	18.24	4,257.51
Total	3,460.16	774.19	2.36	2.56	18.24	4,257.51
Balance as at March 31, 2022	3,482.74	783.48	2.70	2.79	18.93	4,290.54

22. Other financial liabilities – non-current

	As at March 31, 2023	As at March 31, 2022
(a) Rental Deposit	3.20	2.76
(b) Liabilities for supplier claims	55.88	-
(c) Others	1.11	0.12
Total	60.19	2.88

23. Other financial liabilities – current

	As at March 31, 2023	As at March 31, 2022
(a) Liability for capital expenditure (refer note below)	380.63	62.66
(b) Deposits and retention money	142.79	100.93
(c) Derivative financial instruments	10.23	13.94
(d) Liabilities for supplier claims	14.40	-
	577.05	177.53

Note:

Includes ₹ 4.54 crores (₹2.58 crores as at March 31, 2022) outstanding towards principal and interest, provision on dues of micro enterprises and small enterprises as per MSMED ACT 2006.

24. Provisions

(a) Accounting policy

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. When the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Product warranty expenses

The estimated liability for product warranties is recognised when products are sold or when new warranty programmes are initiated. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future warranty claims, customer goodwill and recall complaints. The timing of outflows will vary depending on when warranty claim will arise, being typically up to six years. The Company also has back to back contractual arrangement with its suppliers in the event that a vehicle fault is proven to be a supplier's fault.

Estimates are made of the expected reimbursement claim based upon historical levels of recoveries from supplier, adjusted for inflation and applied to the population of vehicles under warranty as on Balance Sheet date. Supplier reimbursements are recognised as separate asset.

Provision for onerous obligations

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting its obligations under the contract. It is recognized when the Company has entered into a binding legal agreement for the purchase of components from suppliers that exceeds the benefits from the expected future use of the components and the Company sells the finished goods using the components at a loss.

(₹ in crores)

(b) Provisions-non current	As at March 31, 2023	As at March 31, 2022
(i) Employee benefits obligations	158.19	122.38
(ii) Warranty	43.55	16.70
Total	201.74	139.08

(c) Provisions-current	As at March 31, 2023	As at March 31, 2022
(i) Warranty	202.64	119.01
(ii) Provision for onerous contract and related supplier claims	0.03	219.36
(iii) Employee benefits obligations	3.32	2.85
Total	205.99	341.22

Note

Onerous contract and Warranty provision movement

	Year ended March 31, 2023	
	Onerous contract	Warranty
Balance at the beginning	219.36	135.71
Provision/(reversal) made during the year	(93.50)	360.05
Provision used during the year	(15.00)	(237.34)
Impact of discounting	-	(12.23)
Transferred to liabilities	(110.83)	-
Balance at the end	0.03	246.19
Current	0.03	202.64
Non-current	-	43.55

25. 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	616.07	(951.09)
Income tax expense at tax rates applicable to individual entities	155.06	(214.23)
Deferred tax assets not recognized for common control transactions	-	149.62
Deferred tax assets not recognized as realisation is not probable	-	115.40
Utilization/credit of unrecognized tax losses, unabsorbed depreciation and other tax benefits	(188.41)	-
Others	(30.62)	(46.55)
Income tax expense reported in statement of profit and loss	4.02	0.24

Note:

The Company in its Income tax Return filed on 29th November 2022 for AY 2022-23, has opted for the New Tax Regime under section 115BAA of the Income-tax Act, 1961 ('the Act') as of FY 2022 onwards and accordingly applied the tax rates as prescribed in section 115BAA of the Act in the financial statements for the year ended March 2023.

(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	Closing balance
Deferred tax assets:				
Expenses deductible in future years:				
Provisions, allowances for doubtful receivables and others		11.00		11.00
Compensated absences and retirement benefits	-	14.18	4.36	18.54
Intangible assets	-	100.77	-	100.77
Total deferred tax assets	-	125.95	4.36	130.31
Deferred tax liabilities:				
Property, plant and equipment	-	129.97	-	129.97
Others	-	-	0.34	0.34
Total deferred tax liabilities	-	129.97	0.34	130.31
Net Deferred tax assets / (liabilities)	-	(4.02)	4.02	-

As at March 31, 2023, unrecognised deferred tax assets of ₹270.21 crores pertains to unabsorbed depreciation which can be carried forward indefinitely and unrecognised deferred tax assets of ₹324.10 pertains to other deductible temporary differences. The deferred tax asset has not been recognised on the basis that its recovery is not probable in the foreseeable future.

Under the Indian income-tax Act, 1961, the Company is eligible to claim deduction for eligible research and development expenditure which is capitalized in the financial statements. The impact of such claims resulted in a current tax benefit of ₹234.75 crores in FY 2022-23 and ₹48.40 crores in FY 2021-22.

25. 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	Closing balance
Deferred tax assets:				
Compensated absences and retirement benefits	(3.49)	(0.26)	(3.75)	-
Total deferred tax assets	(3.49)	(0.26)	(3.75)	-
Total deferred tax liabilities	-	-	-	-
Net Deferred tax assets / (liabilities)	(3.49)	(0.26)	(3.75)	-

26. Other non-current liabilities

	As at March 31,	
	2023	2022
(a) Contract liabilities (note (a) below)	325.18	178.51
(b) Employee Benefit Obligations - Funded	4.88	1.46
(c) Statutory dues	22.50	-
Total	352.56	179.97

27. Other current liabilities

	As at March 31,	
	2023	2022
(a) Contract liabilities (note (a) below)	466.32	623.42
(b) Statutory dues (GST,Property Tax, TDS, TCS etc)	438.40	265.63
(c) Others	15.00	20.06
Total	919.72	909.11

Note:

	As at March 31,	
(a) Contract liabilities	2023	2022
Opening contract liabilities	801.93	434.71
Amount recognised in revenue	(480.34)	(261.01)
Amount received in advance during the year	469.91	628.23
Closing contract liabilities	791.50	801.93

		As at March 31,	
		2023	2022
Advances received from customers	Current	346.38	535.61
Deferred revenue	Current	119.94	87.81
	Non-current	325.18	178.51
		791.50	801.93

Performance obligations in respect of amount received in respect of future maintenance service and extended warranty will be fulfilled over a period of five years from year ending March 31, 2024 till March 31, 2029.

28. Revenue recognition

(a) Accounting policy

The Company generates revenue principally from-

i) Sale of products - passenger vehicles and vehicle parts

The Company recognises revenues on the sale of products measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation, when products are delivered to dealers or when delivered to a carrier for export sales, which is when control including risks and rewards and title of ownership pass to the customer. The transaction price of goods sold is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

The Company offers sales incentives in the form of variable marketing expense to customers, which vary depending on the timing and customer of any subsequent sale of the vehicle. This sales incentive is accounted for as a revenue reduction and is constrained to a level that is highly probable not to reverse the amount of revenue recognised when any associated uncertainty is subsequently resolved. The Company estimates the expected sales incentive by market and considers uncertainties including competitor pricing, ageing of retailer stock and local market conditions.

The consideration received in respect of transport arrangements for delivering of vehicles to the customers are recognised net of their costs within revenues in the income statement.

Revenues are recognised when collectability of the resulting receivable is reasonably assured.

ii) Sale of services - maintenance service and extended warranties for passenger vehicles.

Income from sale of maintenance services and extended warranties are recognised as income over the relevant period of service or extended warranty.

When the Company sells products that are bundled with maintenance service or extended period of warranty, such services are treated as a separate performance obligation only if the service or warranty is optional to the customer or includes an additional service component. In such cases, the transaction price allocated towards such maintenance service or extended period of warranty based on relative standalone selling price and is recognised as a contract liability until the service obligation has been met. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In the absence of such evidence, the primary method used to estimate standalone selling price is the expected cost plus a margin, under which the Company estimates the cost of satisfying the performance obligation and then adds an appropriate margin based on similar services.

The Company operates certain customer loyalty programs under which customer is entitled to reward points on the spend towards Company's products. The reward points earned by customers can be redeemed to claim discounts on future purchase of certain products or services. Transaction price allocated towards reward points granted to customers is recognised as a deferred income liability and transferred to income when customers redeem their reward points.

Sales of services include certain performance obligations that are satisfied over a period of time. Any amount received in advance in respect of such performance obligations that are satisfied over a period of time is recorded as a contract liability and recorded as revenue when service is rendered to customers.

Refund liabilities comprise of obligation towards customers to pay for discounts and sales incentives.

(₹ in crores)

28. (b) Revenue From Operations

	Year ended March 31, 2023	Year ended March 31, 2022
(a) Sale of products (refer note 1 below)		
(i) Vehicles	39,767.47	26,240.88
(ii) Spare parts	2,154.09	1,408.78
(iii) Miscellaneous products	6,304.12	4,674.13
Total Sale of products	48,225.68	32,323.79
(b) Sale of services	520.73	166.07
Revenue	48,746.41	32,489.86
(c) Other operating revenues	120.65	82.38
Total	48,867.06	32,572.24
Note:		
(1) Includes variable marketing expenses netted off against revenue	(1,317.95)	(812.60)

29. Other income

(a) Accounting policy

Government Grants and Incentives

Other income includes export and other recurring and non-recurring incentives from Government (referred as "incentives").

Government grants are recognised when there is a reasonable assurance that the Company will comply with the relevant conditions and the grant will be received.

Government grants are recognised in the statement of profit and loss, either on a systematic basis when the Company recognises, as expenses, the related costs that the grants are intended to compensate or, immediately if the costs have already been incurred. Government grants related to assets are deferred and amortised over the useful life of the asset. Government grants related to income are presented as an offset against the related expenditure, and government grants that are awarded as incentives with no ongoing performance obligations to the Company are recognised as income in the period in which the grant is received.

(b) Other income

	Year ended March 31, 2023	Year ended March 31, 2022
(a) Interest income	196.89	55.64
(b) Government incentives	5.99	138.48
Total	202.88	194.12

30 Employee benefits expense

	Year ended March 31, 2023	Year ended March 31, 2022
(a) Salaries, wages and bonus	1,091.24	800.29
(b) Contribution to provident fund and other funds	66.66	53.37
(c) Staff welfare expenses	150.61	123.11
	1,308.51	976.77

(a) Accounting policy

The employee transferred from the group companies have been considered under continuity of service from employee benefit perspective.

(i) Gratuity

Tata Motors Passenger Vehicles Limited have 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 to 30 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. Tata Motors Passenger Vehicles Limited makes annual contributions to gratuity funds established as trust. Tata Motors Passenger Vehicles Limited account for the liability for gratuity benefits payable in the future based on an actuarial valuation.

(ii) Superannuation

Tata Motors Passenger Vehicles Limited have two superannuation plans, a defined benefit plan and a defined contribution plan. An eligible employee on April 1, 1996 could elect to be a member of either plan.

Employees who are members of the defined benefit superannuation plan are entitled to benefits depending on the years of service and salary drawn. The monthly pension benefits after retirement range from 0.75% to 2% of the annual basic salary for each year of service. Tata Motors Passenger Vehicles Limited account for superannuation benefits payable in future under the plan based on an actuarial valuation.

With effect from April 1, 2003, this plan was amended and benefits earned by covered employees have been protected as at March 31, 2003. Employees covered by this plan are prospectively entitled to benefits computed on a basis that ensures that the annual cost of providing the pension benefits would not exceed 15% of

During the year ended March 31, 2015, the employees covered by this plan were given a one-time option to exit from the plan prospectively. Furthermore, the employees who opted for exit were given one- time option to withdraw accumulated balances from the superannuation plan.

The Company maintains a separate irrevocable trust for employees covered and entitled to benefits. The Company contributes up to 15% or ₹1,50,000 whichever is lower of the eligible employee's salary to the trust every year. The Company recognises such contribution as an expense when incurred and has no further obligation beyond this contribution.

30. Employee benefits expenses (continued)

(a) Accounting policy (continued)

(iii) Bhavishya kalyan yojana (BKY)

Bhavishya Kalyan Yojana is an unfunded defined benefit plan for employees of Tata Motors Passenger Vehicles 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 equals 50% of the basic salary or 30% of total fixed pay at the time of death or accident or a specified amount, whichever is greater. Tata Motors Passenger Vehicles Limited account for the liability for BKY benefits payable in the future based on an actuarial valuation.

(iv) Provident fund and family pension

In accordance with Indian law, eligible employees of Tata Motors Passenger Vehicles Limited 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 relevant contributions, as specified under the law, are deposited with the Employee Provident fund Organisation.

(v) Post-retirement medicare scheme

Under this unfunded scheme, employees of Tata Motors Passenger Vehicles Limited 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. Tata Motors Passenger Vehicles Limited account for the liability for post-retirement medical scheme based on an actuarial valuation.

(vi) Compensated absences

The Company provides for the encashment of leave or 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 unutilised leave at each balance sheet date on the basis of an independent actuarial valuation.

(vii) Remeasurement gains and losses

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 recognised 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.

Actuarial gains and losses relating to long-term employee benefits are recognised in the statement of Profit and Loss in the period in which they arise.

(viii) Measurement date

The measurement date of retirement plans is March 31.

The present value of the defined benefit liability and the related current service cost and past service cost are measured using projected unit credit method.

The present value of the post-employment benefit obligations depends on a number of factors, it is determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/(income) for pensions include the discount rate, inflation and mortality assumptions. Any changes in these assumptions will impact upon the carrying amount of post-employment benefit obligations. Key assumptions and sensitivities for post employement benefit obligations are disclosed in Note 30.

30. Employee benefits expenses (continued)

Defined Benefit Plan

Pension and post retirement medical plans

The following tables sets out the funded and unfunded status and the amounts recognised in the financial statements for the pension and the post retirement medical plans in respect of Tata Motors Passenger Vehicles Limited:

(₹ in crores)

	Pension Benefits		Post retirement medical Benefits	
	As at March 31,		As at March 31,	
	2023	2022	2023	2022
Change in defined benefit obligations :				
Defined benefit obligation, beginning of the year	248.99	217.82	18.56	10.88
Current service cost	17.25	15.07	2.00	0.75
Interest cost	17.99	15.20	1.42	0.75
Remeasurements (gains) / losses				
Actuarial losses arising from changes in demographic assumptions	(0.41)	1.44	0.15	1.02
Actuarial losses arising from changes in financial assumptions	3.22	3.46	1.61	4.86
Actuarial (gains) / losses arising from changes in experience adjustments	14.63	4.10	1.01	(0.52)
Transfer in/(out) of liability	9.12	(7.52)	1.34	(0.35)
Benefits paid from plan assets	(5.12)	(6.37)	-	-
Benefits paid directly by employer	(0.15)	-	-	-
Past service cost - Plan amendment	-	5.79	9.06	1.17
Defined benefit obligation, end of the year	305.52	248.99	35.15	18.56
Change in plan assets:				
Fair value of plan assets, beginning of the year	219.57	195.31	-	-
Interest income	16.70	13.58	-	-
Remeasurements losses				
Return on plan assets, (excluding amount included in net interest expense)	3.07	23.55	-	-
Employer's contributions	25.56	0.09	-	-
Transfer in/(out) of liability	7.72	(6.59)	-	-
Benefits paid	(5.12)	(6.37)	-	-
Fair value of plan assets, end of the year	267.50	219.57	-	-

	Pension Benefits		Post retirement medical Benefits	
	As at March 31,		As at March 31,	
	2023	2022	2023	2022
Amount recognised in the balance sheet consists of				
Present value of defined benefit obligation	305.52	248.99	35.15	18.56
Fair value of plan assets	267.50	219.57	-	-
	38.02	29.42	35.15	18.56
Asset ceiling	(0.72)	(0.52)	-	-
Net liability	38.74	28.90	(35.15)	(18.56)
Amounts in the balance sheet:				
Non-current assets	-	1.67	-	-
Non-current liabilities	(38.74)	(30.57)	(35.15)	(18.56)
Net liability	(38.74)	(28.90)	(35.15)	(18.56)

(₹ in crores)

30. Employee benefits expenses (continued)

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	263.56	-
Fair value of plan assets	262.80	-

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

	Pension Benefits	
	As at March 31,	
	2023	2022
Defined benefit obligation	3.98	217.40
Fair value of plan assets	4.70	219.56

Information for unfunded plans:

	Pension Benefits		Post retirement medical Benefits	
	As at March 31,		As at March 31,	
	2023	2022	2023	2022
Defined benefit obligation	37.98	31.59	35.15	18.56

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

	Pension Benefits		Post retirement medical Benefits	
	Year ended March 31,		Year ended March 31,	
	2023	2022	2023	2022
Service cost	17.25	15.07	2.00	0.75
Net interest cost	1.29	1.62	1.42	0.75
Past service cost - Plan amendment	-	5.79	9.06	1.17
Net periodic cost	18.54	22.48	12.48	2.67

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

	Pension Benefits		Post retirement medical Benefits	
	Year ended March 31,		Year ended March 31,	
	2023	2022	2023	2022
Remeasurements				
Return on plan assets, (excluding amount included in net interest expense)	(3.07)	(23.55)	-	-
Actuarial (gains)/losses arising from changes in demographic assumptions	(0.41)	1.44	0.15	1.02
Actuarial (gains)/losses arising from changes in financial assumptions	3.22	3.46	1.61	4.86
Asset ceiling	0.20	0.52	-	
Actuarial (gains) / losses arising from changes in experience adjustments on plan liabilities	14.63	4.10	1.01	(0.52)
Total recognised in other comprehensive income	14.57	(14.03)	2.77	5.36
Total recognised in statement of comprehensive income	33.11	8.45	15.25	8.03

30. Employee benefits expenses (continued)

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,		As at March 31,	
	2023	2022	2023	2022
Discount rate	7.10%-7.20%	6.50% - 7.10%	7.30%	7.20%
Rate of increase in compensation level of covered employees	6.00% - 12.00%	6.00% - 9.00%	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:

	Pension benefits	
	As at March 31,	
	2023	2022
Asset category:		
Cash and cash equivalents	10.77%	2.55%
Debt instruments (quoted)	68.51%	67.90%
Debt instruments (unquoted)	0.54%	0.00%
Equity instruments (quoted)	8.61%	8.20%
Deposits with insurance companies	11.57%	21.37%
	100.0%	100.0%

The Company's policy is driven by considerations of maximising 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** (March 31, 2022 : 11.69 years).

The Company expects to contribute **₹12.60 crores** to the funded pension plans during the year ending March 31, 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 service cost and interest cost
Discount rate	Increase by 1%	₹33.27 crores	₹ 6.68 crores
	Decrease by 1%	₹38.95 crores	₹ 7.22 crores
Salary escalation rate	Increase by 1%	₹28.94 crores	₹ 6.21 crores
	Decrease by 1%	₹25.72 crores	₹ 5.48 crores
Health care cost	Increase by 1%	₹ 7.84crores	₹ 1.67 crores
	Decrease by 1%	₹6.25 crores	₹ 1.31 crores

(₹ in crores)

31. Finance costs

		Year ended March 31,	
		2023	2022
(a)	Interest	111.16	98.26
	Less: Transferred to capital account	(18.90)	(7.54)
		92.25	90.72
(b)	Discounting charges	133.11	125.13
		225.36	215.85

Note:
The weighted average rate for capitalisation of interest relating to general borrowings were approximately 9.73% for the year ended March 31, 2023 and 2022.

32. Other expenses

		Year ended March 31,	
		2023	2022
(a)	Processing charges	434.53	306.43
(b)	Consumption of stores & spare parts	126.25	138.61
(c)	Power and fuel	225.00	154.74
(d)	Freight, transportation, port charges etc.	203.59	228.00
(e)	Publicity	607.97	418.74
(f)	Warranty expenses *	335.14	165.01
(g)	Information technology/computer expenses	169.37	108.17
(h)	Allowances made for trade and other receivables (net)	21.30	0.34
(i)	Works operation and other expenses (note below)	1,011.81	899.22
	Total	3,134.96	2,419.26
	* Net of estimated recovery from suppliers	(12.70)	-

Note:
Works operation and other expenses include:

		Year ended March 31,	
		2023	2022
(a)	Auditors' Remuneration (excluding GST)		
	(i) Audit Fees	4.70	1.50
	(ii) Tax Audit Fees	0.31	-
	(iii) Others	0.18	-

(b) **Corporate Social Responsibility (CSR) expenditure**

	Year ended March 31,
	2023
Amount required to be spent by the Company during the year	-

(₹ in crores)

33. Amount transferred to capital and other accounts

		Year ended March 31,	
		2023	2022
(a)	Capital work in progress	(6.52)	(11.16)
(b)	Intangible asset under development	-	(13.03)
(c)	Product development/Engineering expenses	(169.37)	(12.80)
	Total	(175.89)	(36.99)

34. Commitments and contingencies

Contingent liability of the company as at March 31, 2023 is **₹ NIL** (as at March 31, 2022 ₹ Nil)

Commitments

The Company has entered into various contracts with vendors and contractors for the acquisition of plant and machinery, equipment and various civil contracts of a capital nature amounting to **₹1,837.02 crores** as at March 31, 2023 (₹637.20 as at March 31, 2022), which are yet to be executed.

The Company has entered into various contracts with vendors and contractors for the acquisition of intangible assets of a capital nature amounting to **₹252.28 crores** as at March 31, 2023, (₹ 99.48 crores as at March 31, 2022), which are yet to be executed.

The Company has contractual obligation towards Purchase Commitment (net of provisions) for **₹4,109.00 crores** as at March 31, 2023 (₹4,108.00 as at March 31, 2022)

35. Earnings/(loss) 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/(loss) after tax	₹ crores	612.05	(851.35)
(b)	The weighted average number of Ordinary shares for Basic EPS	Nos.	9,41,71,50,000	9,41,71,50,000
(c)	The nominal value per share		10	10
(d)	Earnings per share (Basic)		0.65	(0.90)
(e)	Earnings per share (Diluted)		0.65	(0.90)

36. 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 profit or 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.

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.

Classification and measurement – financial liabilities:

Financial liabilities are classified as subsequently measured at amortised cost unless they meet the specific criteria to be recognised at fair value through profit or loss.

Other financial liabilities are measured at amortised cost using the effective interest method. Subsequent to initial recognition, these are measured at fair value with gains or losses being recognised in profit or loss.

Financial liabilities at fair value through profit and loss: Derivatives, including embedded derivatives separated from the host contract, unless they are designated as hedging instruments, for which hedge accounting is applied, are classified into this category. These are measured at fair value with changes in fair value recognised in the statement of Profit and 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.

(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.

(v) Hedge accounting:

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable forecast transactions. The Company designates these forward contracts in a cash flow hedging relationship by applying the hedge accounting principles.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

At inception of the hedge relationship, the Company documents the economic relationship between the hedging instrument and the hedged item, including whether changes in the cash flows of the hedging instrument are expected to offset changes in the cash flows of the hedged item. The Company documents its risk management objective and strategy for undertaking its hedging transactions. The Company designates only the intrinsic value of foreign exchange options in the hedging relationship. The Company designates amounts excluding foreign currency basis spread in the hedging relationship for both foreign exchange forward contracts. Changes in the fair value of the derivative contracts that are designated and effective as hedges of future cash flows are recognised in the cash flow hedge reserve within other comprehensive income (net of tax), and any ineffective portion is recognised immediately in the statement of profit and loss.

Amounts accumulated in equity are reclassified to the statement of Profit and Loss in the periods in which the forecasted transactions occurs.

For forwards and options, forward premium and the time value are not considered part of the hedge. These are treated as cost of hedge and the changes in fair value attributable to forward premium is recognised in the other comprehensive income along with the changes in fair value determined to be effective portion of the hedge.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Amounts accumulated in equity are reclassified to the statement of profit and loss in the periods in which the forecast transactions affect profit or loss or as an adjustment to a non-financial item (e.g. inventory) when that item is recognised on the balance sheet. These deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss (for example through cost of goods sold). For forecast transactions, any cumulative gain or loss on the hedging instrument recognised in equity is retained there until the forecast transaction occurs.

If the forecast transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is immediately transferred to the statement of Profit and Loss for the year.

36. Financial instruments (Continued)

(b) Disclosures on financial instruments

Financial assets and liabilities

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities as at March 31, 2023.

(₹ in crores)

	Cash, and other financial assets at amortised cost	Derivatives other than in hedging relationship (at fair value through profit or loss)	Derivatives in hedging relationship (at fair value)	Total carrying value	Total fair value
Financial assets					
(a) Trade receivables	262.48	-	-	262.48	262.48
(b) Cash and cash equivalents	541.36	-	-	541.36	541.36
(c) Loans and advances	2,769.54	-	-	2,769.54	2,769.54
(d) Other financial assets	107.76	37.90	2.29	147.95	147.95
Total	3,681.14	37.90	2.29	3,721.33	3,721.33

	Other financial liabilities (at amortised cost)	Derivatives other than in hedging relationship (at fair value)	Derivatives in hedging relationship (at fair value)	Total carrying value	Total fair value
Financial liabilities					
(a) Long-term borrowings	212.71	-	-	212.71	208.25
(b) Lease liabilities	736.00	-	-	736.00	736.00
(c) Trade payables	5,182.27	-	-	5,182.27	5,182.27
(d) Acceptances	1,940.76	-	-	1,940.76	1,940.76
(e) Other financial liabilities	598.01	38.27	0.96	637.24	637.24
Total	8,669.75	38.27	0.96	8,708.98	8,704.52

36. (b) Disclosures on financial instruments (Continued)

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities as at March 31, 2022.

(₹ in crores)

	Cash, and other financial assets at amortised cost	Derivatives other than in hedging relationship (at fair value through profit or loss)	Total carrying value	Total fair value
Financial assets				
(a) Trade receivables	184.89	-	184.89	184.89
(b) Cash and cash equivalents	422.90	-	422.90	422.90
(c) Loans and advances	1,852.48	-	1,852.48	1,852.48
(d) Other financial assets	106.47	28.78	135.25	135.25
Total	2,566.74	28.78	2,595.52	2,595.52

	Other financial liabilities (at amortised cost)	Derivatives other than in hedging relationship (at fair value)	Total carrying value	Total fair value
Financial liabilities				
(a) Long-term borrowings	193.84	-	193.84	215.01
(b) Lease liabilities	748.41	-	748.41	741.39
(c) Short-term borrowings	2.28		2.28	2.28
(d) Trade payables	4,290.54	-	4,290.54	4,290.54
(e) Acceptances	2,036.34	-	2,036.34	2,036.34
(f) Other financial liabilities	166.47	13.94	180.41	180.41
Total	7,437.88	13.94	7,451.82	7,465.97

36. Disclosures on financial instruments (Continued)

Fair Value Hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below.

Quoted prices in an active market (Level 1): This level of hierarchy includes financial instruments that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities.

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e; as prices) or indirectly (i.e; derived from prices). This level of hierarchy include Company's over-the-counter (OTC) derivative contracts.

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

There has been no transfers between level 1, level 2 and level 3 for the year ended March 31, 2023 and 2022.

Derivatives are fair valued using market observable rates and published prices together with forecast cash flow information where applicable.

(₹ in crores)

	As at March 31, 2023			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
(a) Derivative assets	-	40.19	-	40.19
Total	-	40.19	-	40.19
Financial liabilities measured at fair value				
(a) Derivative liabilities	-	39.23	-	39.23
Total	-	39.23	-	39.23

	As at March 31, 2022			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
(a) Derivative assets	-	28.78	-	28.78
Total	-	28.78	-	28.78
Financial liabilities measured at fair value				
(a) Derivative liabilities	-	13.94	-	13.94
Total	-	13.94	-	13.94

	As at March 31, 2023			
	Level 1	Level 2	Level 3	Total
Financial liabilities not measured at fair value				
(a) Long-term borrowings	-	212.71	-	212.71
(b) Short-term borrowings	-	-	-	-
Total	-	212.71	-	212.71

	As at March 31, 2022			
	Level 1	Level 2	Level 3	Total
Financial liabilities not measured at fair value				
(a) Long-term borrowings	-	193.84	-	193.84
(b) Short-term borrowings	-	2.28	-	2.28
Total	-	196.12	-	196.12

The fair value of borrowings which have a quoted market price in an active market is based on its market price and for other borrowings the fair value is estimated by discounting expected future cash flows, using a discount rate equivalent to the risk-free rate of return, adjusted for the credit spread considered by the lenders for instruments of similar maturity.

Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, substantially for all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each year end.

36. Disclosures on financial instruments (Continued)

Offsetting

Certain financial assets and financial liabilities are subject to offsetting where there is currently a legally enforceable right to set off recognised amounts and the Company intends to either settle on a net basis, or to realise the asset and settle the liability, simultaneously.

Certain derivative financial assets and financial liabilities are subject to master netting arrangements, whereby in the case of insolvency, derivative financial assets and financial liabilities will be settled on a net basis.

The following table discloses the amounts that have been offset, in arriving at the balance sheet presentation and the amounts that are available for offset only under certain conditions as at March 31, 2023:

(₹ in crores)

	Gross amount recognised	Gross amount recognised as set off in the balance sheet	Net amount presented in the balance sheet	Amounts subject to an enforceable master netting arrangement		Net amount after offsetting
				Financial instruments	Cash collateral (received/pledged)	
Financial assets						
(a) Derivative financial instruments	40.19	-	40.19	(19.50)	-	20.69
(b) Trade receivables	916.82	(654.34)	262.48	-	-	262.48
Total	957.01	(654.34)	302.67	(19.50)	-	283.17
Financial liabilities						
(a) Derivative financial instruments	39.23	-	39.23	(19.50)	-	19.73
(b) Trade payables	5,836.61	(654.34)	5,182.27	-	-	5,182.27
Total	5,875.84	(654.34)	5,221.50	(19.50)	-	5,202.00

The following table discloses the amounts that have been offset in arriving at the balance sheet presentation and the amounts that are available for offset only under certain conditions as at March 31, 2022:

	Gross amount recognised	Gross amount recognised as set off in the balance sheet	Net amount presented in the balance sheet	Amounts subject to an enforceable master netting arrangement		Net amount after offsetting
				Financial instruments	Cash collateral (received/ pledged)	
Financial assets						
(a) Derivative financial instruments	28.78	-	28.78	(7.26)	-	21.52
(b) Trade receivables	648.86	(463.97)	184.89	-	-	184.89
(c) Loans and advances-current	1,797.87	27.50	1,825.37	-		1,825.37
Total	2,475.51	(436.47)	2,039.04	(7.26)	-	2,031.78
Financial liabilities						
(a) Derivative financial instruments	13.94	-	13.94	(7.26)	-	6.68
(b) Trade payables	4,727.01	(436.47)	4,290.54	-	-	4,290.54
(c) Other financial liabilities	177.53	-	177.53	-		177.53
Total	4,918.48	(436.47)	4,482.01	(7.26)	-	4,474.75

36. Disclosures on financial instruments (Continued)

***(c)* Financial risk management**

In the course of its business, the Company is exposed primarily to fluctuations in foreign currency exchange rates, interest rates, equity prices, liquidity and credit risk, which may adversely impact the fair value of its financial instruments.

The Company has a risk management policy which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the board of directors. The risk management framework aims to:

- Create a stable business planning environment by reducing the impact of currency and interest rate fluctuations on the Company's business plan.
- Achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

***(i)* Market risk**

Market risk is the risk of any loss in future earnings, in realisable 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, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

(i) (a) Foreign currency exchange rate risk:

The fluctuation in foreign currency exchange rates may have potential impact on the income statement, 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.

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 U.S. dollar, Euro and GBP against the respective functional currencies of the Company.

The Company, as per its risk management policy, uses foreign exchange and other derivative instruments primarily to hedge foreign exchange and interest rate exposure. Any weakening of the functional currency may impact the Company's cost of exports and cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures.

The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in accordance with its risk management policies.

The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of each currency and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates of each currency by 10% while keeping the other variables as constant.

36. Disclosures on financial instruments (Continued)

The exposure as indicated below is mitigated by some of the derivative contracts entered into by the Company as disclosed in (iv) derivative financial instruments and risk management below.

The following table sets forth information relating to foreign currency exposure (other than risk arising from derivatives disclosed at clause (iv) below) as of March 31, 2023:

(₹ in crores)

	U.S. dollar	Euro	GBP	Chinese Yuan	Others [1]	Total
Financial assets	-	-	-	-	-	-
Financial liabilities	**86.72**	**93.57**	**282.09**	**6.24**	**2.75**	**471.37**

The following table sets forth information relating to foreign currency exposure (other than risk arising from derivatives disclosed at clause (iv) below) as of March 31, 2022:

	U.S. dollar	Euro	GBP	Chinese Yuan	Others [1]	Total
Financial assets	0.22	-	-	-	-	0.22
Financial liabilities	59.22	78.86	137.38	32.09	0.23	307.78

1 Others mainly include currencies such as the Russian ruble, Japanese yen, Swiss franc, Indonesian Rupiahs, Thai bahts and Korean won.

10% appreciation/depreciation of the respective foreign currencies with respect to functional currency of the Company would result in decrease/increase in the Company's net profit/(loss) before tax by approximately **₹ NIL crores** and **₹ 47.14 crores** for financial assets and financial liabilities respectively for the year ended March 31, 2023.

(Note: The impact is indicated on the profit/(loss) before tax basis.)

(i) (b) Interest rate risk

Interest rate risk is the risk that changes in market interest rates will lead to changes in fair value of financial instruments or changes in interest income, expense and cash flows of the Company.

As at March 31, 2023 and 2022, financial liabilities of **₹ NIL crores** and ₹2.28 crores, respectively, were subject to variable interest rates. Increase/decrease of 100 basis points in interest rates at the balance sheet date would result in decrease/increase in profit/(loss) before tax of **₹ NIL crores** and ₹0.23 crores for the year ended March 31, 2023 and 2022, respectively.

The model assumes that interest rate changes are instantaneous parallel shifts in the yield curve. Although some assets and liabilities may have similar maturities or periods to re-pricing, these may not react correspondingly to changes in market interest rates. Also, the interest rates on some types of assets and liabilities may fluctuate with changes in market interest rates, while interest rates on other types of assets may change with a lag.

The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

This analysis assumes that all other variables, in particular foreign currency rates, remain constant.
(Note: The impact is indicated on the profit/(loss) before tax basis).

36. Disclosures on financial instruments (Continued)

(ii) 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 fair value through profit and loss, trade receivables, loans and advances and derivative financial instruments. The Company strives to promptly identify and reduce concerns about collection due to a deterioration in the financial conditions and others of its main counterparties by regularly monitoring their situation based on their financial condition. 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 **₹ 3,721.33 crores** and ₹2,595.52 crores as at March 31, 2023 and 2022, respectively, being the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables, finance receivables, margin money and other financial assets excluding equity investments.

Financial assets that are neither past due nor impaired

None of the Company's cash equivalents, including short term deposits with banks, are past due or impaired. Regarding trade receivables and other receivables, and other loans or receivables that are neither impaired nor past due, there were no indications as at March 31, 2023, and March 31,2022, that defaults in payment obligations will occur.

Credit quality of financial assets and impairment loss

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							2022						
Trade receivables		Overdue							Overdue					
	Not due	Upto 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total	Not due	Up to 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed														
(a) Considered good	221.10	22.12	3.28	9.26	1.81	4.91	262.48	123.56	48.41	0.66	1.81	3.24	7.21	184.89
(b) Which have significant increase in credit risk	-	0.05	0.21	0.09	0.15	66.48	66.98	-	0.14	0.07	2.50	41.29	116.66	160.66
Total	221.10	22.17	3.49	9.35	1.96	71.39	329.46	123.56	48.55	0.73	4.31	44.53	123.87	345.55
Less: Allowance for credit impaired balances							(66.98)							(160.66)
Total							262.48							184.89

Trade receivables overdue more than six months include **₹0.40 crores** as at March 31, 2023 (₹3.60 crores as at March 31, 2022) outstanding from Government organizations in India, which are considered recoverable.

Trade receivables consist of a large number of various types of customers, spread across geographical areas. Ongoing credit evaluation is performed on the financial condition of these trade receivables and where appropriate allowance for losses are provided. Further the Company, groups the trade receivables depending on type of customers and accordingly credit risk is determined.

36. Disclosures on financial instruments (Continued)

***(iii)* Liquidity risk**

Liquidity risk refers to the risk that the Company will encounter difficulty to meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company has obtained fund and non-fund based working capital lines from various banks. Further, the Company has access to funds from debt markets through commercial paper programs, non-convertible debentures, senior notes and other debt instruments. The Company invests its surplus funds in bank fixed deposit and liquid and liquid plus schemes of mutual funds, which carry no/low mark to market risks.

The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

The table below provides undiscounted contractual maturities of financial liabilities, including estimated interest payments as at March 31, 2023:

(₹ in crores)

Financial liabilities	Carrying amount	Due in 1st Year	Due in 2nd Year	Due in 3rd to 5th Year	Due after 5th Year	Total contractual cash flows
(a) Trade payables	5,182.27	5,182.27	-	-	-	5,182.27
(b) Acceptances	1,940.76	1,940.76	-	-	-	1,940.76
(c) Borrowings and interest thereon	212.71	-	-	-	212.71	212.71
(d) Other financial liabilities	637.24	577.05	17.23	53.85	15.89	664.02
(e) Lease liabilities	736.00	161.71	166.69	405.20	211.00	944.60
(f) Derivative liabilities	39.23	39.23	-	-	-	39.23
Total	8,748.21	7,901.02	183.92	459.05	439.60	8,983.59

The table below provides details regarding the contractual maturities of financial liabilities, including estimated interest payments as at March 31, 2022:

Financial liabilities	Carrying amount	Due in 1st Year	Due in 2nd Year	Due in 3rd to 5th Year	Due after 5th Year	Total contractual cash flows
(a) Trade payables	4,290.54	4,290.54	-	-	-	4,290.54
(b) Acceptances	2,036.34	2,036.34	-	-	-	2,036.34
(c) Borrowings and interest thereon	196.12	2.28	-	-	193.84	196.12
(d) Other financial liabilities	180.41	177.53	-	2.88	-	180.41
(e) Lease liabilities	748.41	153.37	172.09	355.85	298.56	979.87
(f) Derivative liabilities	13.94	13.94	-	-	-	13.94
Total	7,465.76	6,674.00	172.09	358.73	492.40	7,697.22

36. Disclosures on financial instruments (Continued)

(iv) Derivative financial instruments and risk management

The Company has entered into a variety of foreign currency and commodity forward contracts and options to manage its exposure to fluctuations in foreign exchange rates, interest rates and commodity price risk. The counterparty is generally a bank. These financial exposures are managed in accordance with the Company's risk management policies and procedures.

Specific transactional risks include risks like liquidity and pricing risks and exchange rate fluctuation risks, volatility risks, counterparty risks, settlement risks and gearing risks.

Fair value of derivative financial instruments are determined using valuation techniques based on information derived from observable market data.

The fair value of derivative financial instruments is as follows:

(₹ in crores)

	As at March 31,	
	2023	2022
(a) Foreign currency forward exchange contracts and options	13.25	(8.84)
(b) Commodity Derivatives	(12.29)	23.68
Total	0.96	14.84

The gain/(loss) due to fluctuation in foreign currency exchange rates on derivative contracts, recognised in the income statement was **₹(28.26) crores** and ₹ 3.78 for the years ended March 31, 2023 and 2022, respectively.

(v) Commodity Price Risk

The Company is exposed to commodity price risk arising from the purchase of certain raw materials such as aluminium, copper, platinum and palladium. This risk is mitigated through the use of derivative contracts and fixed-price contracts with suppliers. The derivative contracts are not hedge accounted under Ind AS 109 but are instead measured at fair value through profit or loss.

The (gain)/loss on commodity derivative contracts, recognised in the statement of profit and loss was **₹50.78 crores** and ₹4.28 crores for the years ended March 31, 2023 and 2022, respectively.

37. Related-party transactions

The Company's related parties principally includes holding company Tata Motors Limited and its subsidiaries, joint arrangements and associates. 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

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

(₹ in crores)

	Parent Company	Fellow Subsidiaries	Joint Arrangements of parent company	Total
(A) Transactions				
Purchase of products	207.63	357.06	16,616.41	17,181.10
Sale of products	1,996.17	469.12	4,283.26	6,748.55
Services received	685.79	690.02	0.46	1,376.27
Services rendered	26.49	416.01	0.45	442.95
Purchase of property, plant and equipment	33.73	27.74	-	61.47
Bills discounted	-	436.93	-	436.93
Sale of investment in subsidiary company	-	36.93	-	36.93
Interest (income)/expense, dividend (income)/paid, net	(169.56)	(7.41)	50.11	(126.86)
Finance given (including loans and equity)	13,775.00	-	-	13,775.00
Finance given, taken back (including loans and equity)	12,810.00	-	-	12,810.00
(B) Balances				
Repayment towards lease liability	3.65	-	62.17	65.82
Amounts payable in respect of loans and interest thereon	2,735.00	-	-	2,735.00
Amount payable in respect of Lease Liability	2.39	-	605.74	608.13
Trade and other receivables	74.46	221.65	-	296.11
Trade payables	68.39	377.55	1,264.89	1,710.83
Acceptances	-	2.19	-	2.19
Other liabilities	-	-	70.28	70.28

Details of significant/material transactions are given below:	Nature of Relationship	2023	2022
Services rendered			
Tata Passenger Electric Mobility Limited	Fellow Subsidiaries	409.51	63.95
Services received			
Tata Motors European Technical Centre PLC	Fellow Subsidiaries	277.70	80.52
Tata Technologies Limited	Fellow Subsidiaries	226.82	53.32
Trilix S.r.l.	Fellow Subsidiaries	97.09	20.35
Vendor bills discounting			
Tata Motors Finance Limited	Fellow Subsidiaries	379.71	417.71
Tata Motors Finance Solutions Ltd	Fellow Subsidiaries	57.22	
Sale of investment in subsidiary company			
Tata Passenger Electric Mobility Limited	Fellow Subsidiaries	36.93	-

37. Related-party transactions (continued)

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

	Parent Company	Fellow Subsidiaries	Joint Arrangements of parent company	Total
(A) Transactions				
Purchase of products	134.63	69.38	11,382.16	11,586.17
Sale of products	694.07	451.34	3,863.03	5,018.31
Services received	313.48	393.80	0.51	712.04
Services rendered	12.79	71.51	-	84.30
Purchase of property, plant and equipment	11.82	1.70	-	13.61
Bills discounted	-	417.71	-	4,621.27
Finance taken (including loans and equity)	9,417.00	-	-	9,417.00
Interest (income)/expense,net	(21.99)	(12.76)	50.92	16.17
Finance given (including loans and equity)	6,055.00	-	-	6,055.00
Finance given, taken back (including loans and equity)	4,285.00	-	-	4,285.00
(B) Balances				
Amounts receivable in respect of loans and interest thereon	1,770.00	-	-	1,770.00
Borrowing towards Lease Liability	-	54.27	41.40	95.67
Repayment towards lease liability	-	24.07	-	24.07
Amount payable in respect of Lease Liability	-	296.05	534.98	831.03
Trade and other receivables	153.03	178.10	407.92	748.42
Trade payables	190.95	235.19	1,596.11	2,023.13
Acceptances	-	79.50	-	79.50

Compensation of key management personnel :

	Year ended March 31, 2023	2022
Short term benefits	1.07	0.56
Post employment benefits*	0.04	0.01
Employee stock option plan	0.12	-

The compensation of CEO and Managing Director is ₹ **NIL** and ₹ 0.12 crores for the year ended March 31, 2023 and 2022, respectively.

Refer note 30 for information on transactions with post employment benefit plans.

38. Disclosures required under section 186 (4) of the Companies Act, 2013

Amount of loans / advances in nature of loans outstanding from holding company as at March 31, 2023

Name of the Company	Outstanding as at March 31, 2023 / March 31, 2022	Maximum amount outstanding during the year
Holding Comapany		
Tata Motors Limited	2,755.00	3,450.00
(Inter corporate deposit utilised for working capital finance)	1,770.00	2,740.00

39. Transactions with struck off companies

There were 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 at March 31, 2023.

The following table summarises the 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 / as at March 31, 2022:

Name of struck off Company	Nature of transactions with struck off Company	Transaction amount	Balance outstanding	Relationship with the Struck off company
Axis Systems	Material Purchase	0.41	-	External vendor
Aargee Equipments Private Ltd	Material Purchase	0.15	-	External vendor
Akshay Industries	Services availed	0.13	-	External vendor
Durga Automobiles	Services availed	0.01	-	External vendor
Karnavati Motors	Services availed	0.08	-	External vendor
Lala Enterprises	Services availed	0.02	-	External vendor
Prakash Industries	Material Purchase	0.78	-	External vendor
Pratap Motors	Services availed	0.01	-	External vendor
Rushi Motors	Services availed	0.19	-	External vendor
Shiva Motors	Services availed	0.03	-	External vendor
Sarna Motors *	Services availed	0.00	-	External vendor
Shreya Industries	Material Purchase	0.01	-	External vendor
Sandeep Automobiles	Services availed	0.01	-	External vendor
Tara Tools	Material Purchase	0.01	-	External vendor
Tangent Technologies	Material Purchase	0.01	-	External vendor
Zenith Motors	Services availed	0.01	-	External vendor

* Less than ₹ 50,000

40. 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]]	0.03	0.03	-1%	
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])]	3.23	(4.37)	-174%	Due to increase in profit
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)]	0.73	0.56	30%	Due to increase in inventories and trade receivables
d)	Trade receivable turnover (number of times) [Revenue from operations / Average Trade receivables]	218.46	237.76	-8%	
e)	Inventory turnover (number of times) [Raw material consumed[vi] / average inventory[vii]]	20.85	21.14	-1%	
f)	Trade payable turnover (number of times) [Cost of material consumed / Average Trade payables]	8.75	8.94	-2%	
g)	Net capital turnover (number of times) [Revenue from operations / Working capital[iv]]	(20.31)	(9.47)	114%	Increase in trade receivables and inventory
h)	Net profit margin (%) [Net profit after tax / Revenue from operations]	1.25%	(2.61%)	-148%	Due to increase in revenue
i)	Return on equity (number of times) [Net profit after tax / Average shareholders' equity]	0.09	(0.12)	-175%	Due to increase in Profit after tax
j)	Return on capital employed (number of times) [Profit before interest and tax / Capital employed[vii]]	0.10	(0.14)	-171%	Due to increase in profit which has resulted into increase in shareholders equity
k)	Return on investments (number of times) [Net profit after tax / Average investments]	Not Applicable	Not Applicable		

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

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

41. 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(ie), 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(ie), 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 consortium 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.

42. Other notes:

i) **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 :

(₹ in crores)

Particulars		As at March 31, 2023	As at March 31, 2022
(a) Amounts outstanding but not due (including capital creditors) as at March 31,		23.30	37.41
(b) Amounts due but unpaid as at March 31,	- Principal	-	0.44
(c) Amounts paid after appointed date during the year	- Principal	30.25	51.16
(d) Amount of interest accrued and unpaid as at March 31,	- Interest	1.66	1.09
(e) Amount of estimated interest due and payable for the period from April 1, 2023 to actual date of payment or May 3, 2023 (whichever is earlier)	- Interest	0.02	0.01

ii) During the year ended March 31, 2022 the Company has received ₹ 36.93 crores for sale of investments in Trilix Srl to Tata Passenger Electric Mobility Limited (TPEML). These transfers are more of reorganization by Tata Motors Ltd (parent company) and are common control transactions. Accordingly,the differential between consideration paid and carrying value has been accounted in capital reserve.

iii) The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law/accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in books of account.

In terms of our report attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

RISHABH GYAN KUMAR
Digitally signed by RISHABH GYAN KUMAR
Date: 2023.05.03 20:09:36 +05'30'

RISHABH KUMAR
Partner
Membership No. 402877
UDIN: 23402877BGYGDB2914
Place- Pune
Date: May 3, 2023

AASIF HUSEIN MALBARI

For and on behalf of the Board

SHAILESH CHANDRA

AASIF MALBARI *[DIN: 07345077]*
Director

SHAILESH CHANDRA *[DIN: 07593905]*
MD & Chief Executive Officer

ANJALIOMPR AKASH SINGH

ANJALI SINGH ACS: A26664
Company Secretary
Place-Singapore

ANINDYA KUMAR PAUL

ANINDYA PAUL
Chief Financial Officer

Place- Mumbai

Date: May 3, 2023

BOARD'S REPORT

TO THE MEMBERS OF TATA MOTORS PASSENGER VEHICLES LIMITED

The Directors are pleased to present herewith the 4th Annual Report of Tata Motors Passenger Vehicles Limited ('the Company') along with the Audited Financial Statements and other reports required to be attached to the Board's Report as governed by the provisions of the Companies Act, 2013 ('Act') for the financial year 2023-24.

1. FINANCIAL HIGHLIGHTS

The summary of the financial results of the Company for the year ended March 31, 2024 is as follows:

(₹ in crore)

Particulars	FY 2023-24	FY 2022-23
Revenue from operations	50,980.88	48,867.06
Total expenditure	49,635.23	48,565.59
Profit/(loss) before exceptional items and tax	1,571.09	503.35
Exceptional items gain/(loss)	0.70	112.72
Tax expenses/(credit)(net)	167.80	4.02
Profit/(loss) after tax	1,403.99	612.05

2. FINANCIAL PERFORMANCE

The commitment of the Company to cater to the aspirations of its valued customers, sustained efforts in creating the right teams and culture and embedding innovation, technology and sustainability at the core of its business has resulted in your Company achieving an improved financial performance through better volumes, improved product mix and cost savings.

Operating Results and Profits

Revenue from operations was ₹50,981 crore in FY 2023-24 which was 4% higher than the revenue of ₹48,867crore in FY 2022-23. The profit before and after tax for FY 2023-24 was ₹1,572 crore and ₹1,404 crore, respectively, as compared to profit before and after tax and of ₹616 crore and ₹612 crore, respectively, for FY 2022-23.

3. DIVIDEND

Considering the Company's improved financial performance, the Board is pleased to recommend a final dividend of ₹0.27 per Equity share of ₹10.00 each for FY 2023-24.

The Board has recommended such dividend and will be paid out of the profits for the year. The dividend, if approved by the Members at the ensuing Annual General Meeting ('the AGM') will be paid to those Members whose name appears on the register of Members (including Beneficial Owners) of the Company as on June 7, 2024.

The said dividend, if approved by the Members, would involve cash outflow of ₹254.3 crore, resulting in a payout of 18.1% of the standalone net profit of the Company for FY 2023-24. Pursuant to the Finance Act, 2020, dividend income is taxable in the hands of the Members w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to the Members at prescribed rates as per the Income Tax Act, 1961.

Record Date:

The Company has fixed Friday, June 7, 2024 as the "Record Date" for the purpose of determining the entitlement of Members to receive final dividend for the financial year ended March 31, 2024.

4. TRANSFER TO RESERVES

The Board of Directors has decided to retain the entire amount of profit for FY 2023-24 in the distributable retained earnings.

5. OPERATING RESULTS AND PROFITS

The Company had total income of ₹51,206 crore and total expenditure of ₹49,635 crore. There was ₹887 crore free cash flows generated in FY 2023-24.

6. BUSINESS PERFORMANCE

The Indian Passenger Vehicle ('PV') Industry recorded the highest-ever annual wholesale volumes of 4.2 million units in FY2023-24. After two strong years of growth, the industry grew by 8.6% in FY2023-24 over FY 2022-23. The growth has come on the back of strong traction for new product launches and emission-friendly powertrains, *i.e.*, Compressed Natural Gas ('CNG') vehicles and Electric vehicles. The segment shifts in the industry continues to gain momentum as the Sports Utility Vehicle ('SUV') segment grew 28% *vis-à-vis* FY2022-23 and now accounts for 51% of the overall industry volumes. The demand for hatches continues to decline as the volumes have decreased by 12% *vis-à-vis* FY2022-23.

In FY2023-24, the Company's business achieved the highest-ever volumes of 5,73,495 units including 2,540 units of exports. The Company's business further strengthened its position as the #3 player in the automobile industry. The Company's business growth has been driven by the unique multi-powertrain strategy, strong response to new facelifts, reimagined front-end initiatives and manufacturing capacity expansion.

7. SHARE CAPITAL

During the year, the Company has not allotted further Equity Shares on rights/ preferential/ private placement basis. The Company has also not allotted any Preference Shares/ Debentures during the year.

As on March 31, 2024, the issued, subscribed and paid up share capital of your Company was ₹94,17,15,00,000/- comprising of 9,41,71,50,000 Equity shares of ₹10/- each. During the year under review, the Company has not issued any shares.

8. FINANCE AND CREDIT RATING

Despite a significant step-up in investment spending, the Company generated positive free cash flows of ₹887 crore in FY 2023-24. The liquidity (including ICD's placed) was ₹3,821 crore as at March 31, 2024.

During FY 2023-24, the long-term credit rating assigned by CRISIL improved to AA/ Positive from AA-/Stable. The rating upgrade and outlook change followed a similar rating action in Tata Motors Limited because of significant improvement in its credit profile. During FY 2023-24, ICRA assigned long-term rating at AA/Stable. The ratings continue to reflect the improving market position of the Company in the domestic passenger vehicle market, its healthy financial risk profile and strategic importance to the Parent.

9. MATERIAL CHANGES AND COMMITMENT AFFECTING THE FINANCIAL POSITION OF THE COMPANY

During the year under review, there were no material changes affecting the financial position of the Company subsequent to the close of FY 2023-24 till the date of this report.

10. SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES

The Company do not have any subsidiary, associate and joint venture company.

11. RISK MANAGEMENT

The Board of Directors of Tata Motors Limited, Holding Company has constituted a Risk Management committee to frame, implement, monitor and review the Risk Management Plan for the Company and to ensure its effectiveness.

Through an Enterprise Risk Management Program, the business units and the corporate functions address their short term, medium term and long terms risks. The Audit committee has an additional oversight on the financial risks and controls.

12. INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENT

The Company's internal control systems are commensurate with the nature of its businesses, the size and complexity of its operations and such internal financial controls with reference to the financial statements are adequate.

13. DIVERSITY, EQUITY AND INCLUSION ('DEI')

The Company's DEI goal is to establish an environment where diversity is natural and business as usual. Tata Motors, the Holding Company, promote Diversity, Equity and Inclusion at all locations, for all segments of employees and stakeholders by challenging many myths. The movement opens up a plethora of opportunities for future of work. The Company's DEI objectives are handled by the DEI office, which is governed by the DEI Advisory Council. At the unit level, the objectives are driven by the local DEI chapter and DEI champions. The DEI office works to include activities around sensitisation and communication in the workplace, policy checks and changes, devising psychological safety nets, target setting and hiring and designing appropriate learning strategies and individual development plans. Over the year, several DEI activities have been rolled out *viz.* reviewing the existing policies and practices to make the workplace inclusive. Introduction of policies like paternity leave, hybrid working model and flexible work timings for working mothers.

Tata Motors recognizes the importance of promoting diversity and inclusion in its hiring practices and talent development programs. The EmpowHER programme is designed to nurture women talent for leadership development. The Second Career Initiative Program (SCIP) is a platform that encourages women, who put their career on pause to restart it with interesting opportunities.

The Company employed 12.35% women employees in FY 2023-24 vis- à-vis 12.29% in FY 2022-23.

PREVENTION OF SEXUAL HARASSMENT

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder. Internal Complaints Committee ('ICC') is in place for all works and offices of the Company to redress complaints received regarding sexual harassment.

During FY 2023-24, the Company had received four (4) complaints on sexual harassment of which all 4 (four) have been suitably closed in accordance with the Company's processes, hence at the end of the year there were no pending cases.

The Company organized over 407 awareness sessions in order to cover flexible and temporary workforce, contractual staff, blue collar employees, new joiners etc. covering approximately 24,500 employees. In order to ensure uniform understanding and larger coverage, a video based awareness module had been developed deployed in local languages for the blue collar and contractual employees. E-module training on Prevention of Sexual Harassment ('POSH') awareness is mandatory for white collar new joiners.

14. PARTICULARS OF EMPLOYEES AND REMUNERATION

Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to the Report as **Annexure-1**. Statement containing particulars of top 10 employees and particulars of employees as required under Section 197 (12) of the Act read with Rule 5(2) and (3) of the Companies

(Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided as a separate Annexure forming part of this report. In terms of proviso to Section 136(1) of the Act, the Report and Accounts are being sent to the Shareholders, excluding the aforesaid Annexure. The said Statement is also open for inspection. Any member interested in obtaining a copy of the same may write to the Company Secretary. None of the employees listed in the said Annexure are related to any Director of the Company.

15. SAFETY & HEALTH – PERFORMANCE & INITIATIVES

SAFETY

Under Health & Wellness, Company strengthened physical wellness offerings through 'Healthy Workplace' program further by implementing various prevention strategies like Secondary prevention (Cardiac risk, stress test & Ensuring disease control status), Primary prevention (Tobacco cessation program, Obesity management program & pre-diabetes detection/ awareness), and Primordial prevention (Canteen menu transformation).

The Company continues to provide "Employees Assistance Program"- a confidential, third party, free of cost counselling service for employees and dependents since April 2020. During FY 2023-24, 158 employees and dependents availed counselling service through helpline & offline counselling offered.

Under 'Business Partner dignity program' During FY 2023-24, 3,631 employees were provided free consultation & treatment at Company health centers. 1,055 women employees were screened for anaemia & 318 were provided with free iron supplements resulting in anaemia correction. Additional 801 business partner employees joined emotional health awareness initiatives.

As a result of focused wellness strategies and effective implementation across employee groups, The Company received Platinum Healthy Workplaces award from Arogya World on December 8, 2023.

HEALTH

The Company remained steadfast in fostering a world-class safety culture, prioritizing the well-being of our employees and stakeholders across all operational facets. Our commitment was prominently highlighted during the 2023 Tata Group Workshop, where safety discussions with the Chairman took central stage. Throughout FY 2023-2024, the Zero Incident Plan continued to be a cornerstone, featuring 31 themes and 51 major actions led by a Senior Leader, ensuring its sustained effectiveness.

A robust governance system ensures multi-level safety reviews, with the SHS Committee of the Board serving as the apex review body. Monthly evaluations by SHE Councils and Apex Committees at plant levels oversee safety performance, while focused safety reviews are conducted in non-manufacturing areas at defined intervals, engaging Customer Service and Warehouse teams.

Continuing our commitment to enhancing safety culture, we engaged external experts DSS+ to fortify our approach across four pillars: Leadership and Governance, Operations and Risk, Business Partners, and People & Performance. Strategically aligned actions for 2023/24 focus on proactive governance and fostering a Zero Harm Culture through leadership behaviors communicated across all levels.

In Operations and Risk, our Model Areas Initiative showcased exemplary safety role modeling, with 27 leaders demonstrating adherence to safety standards. Our systematic approach to hazard identification and mitigation at Critical to Safety Stations led to a significant reduction in injuries. Furthermore, initiatives such as Drive Zero targeted risk areas with a focus on defensive driving and safety checks.

Embracing digitalization, we implemented various applications leveraging video analytics and AI, particularly at Jamshedpur and Sanand-1. Our long-term business partner strategy integrates Contractor Safety Management activities, ensuring partner accountability and utilization.

Interaction and engagement with business partners have been paramount, with initiatives like focused contractor employee safety targeting critical areas. In People and Performance, we empower our workforce through training and recognition programs, exemplified by commendable Self-Directed Team achievements and focused training sessions on risk perception.

Despite our efforts, there were two unfortunate workplace-related fatal incidents, thoroughly investigated with systemic actions implemented across the company. Reflecting on our performance, our Total Recordable Case Frequency Rate increased slightly, underscoring the need for continual improvement.

The Company remained resolute in its dedication to enhancing safety performance, as evidenced by our initiatives and recognitions during FY 2023-24.

16. ENERGY & ENVIRONMENT

The Company has always been conscious of the need to conserve energy in its manufacturing plants and to protect environment. Energy conservation is achieved through optimized consumption of power and fossil fuels and improvements in energy productivity through Energy Conservation ('ENCON') projects, which contributes in reduction in operational costs and climate change mitigation through reduction in greenhouse gases. The Company is also signatory to RE100 - a collaborative, global initiative of influential businesses committed to 100% renewable electricity and is working towards increasing the amount of renewable energy generated in-house and procured from off-site sources.

In FY 2023-24 the said ENCON efforts contributed to energy savings of 17.56 lakh kWh electricity , 12,244.7 GJ from fuel savings, resulting into a total avoided emission of 1944 tCO^2 with an investment of Rs.19.6 crore.

In FY2023-24, the Company generated / sourced 9.74 crore kWh of renewable electricity for its manufacturing operations, which amounts to 53.54 % of the total electricity consumption and contributed in avoidance of emission of 69,741 tCO^2.

The Company generates renewable energy (RE) in-house through solar PV (photovoltaic) installations, and through procurement of off-site wind and solar power through "Power Purchase Agreements" ('PPA's') & i-REC's (International Renewable Energy Certificates). As on FY 2023-24, the Company's in-house installed Solar PV installation capacity is 15.5 MWp at Pune (Chikhali) & 2 MWp at Sanand.

In FY 2023-24, the Company conserved a total of 3,34,667 m3 of water through recycling effluent and rainwater harvesting, which is 17.15 % of total water consumption and the Plants are striving towards achieving water neutrality. In FY 2023-24, the Company sustained its efforts across Plants to divert hazardous waste from landfill / incineration and derive value from the same. Several Plants divert hazardous wastes for energy recovery through co-processing at cement plants. The Company will continue this initiative to ultimately achieve 'Zero Waste to Landfill' status for all its manufacturing operations.

17. CORPORATE SOCIAL RESPONSIBILITY

Pursuant to Section 135 of the Act, Corporate Social Responsibility ('CSR') Committee of the Board of Directors was constituted. The said Committee formulated and recommended a CSR policy to the Board; recommend the amount of expenditure to be incurred on the CSR activities to be undertaken by the Company; and process to monitor the CSR policy of the Company from time to time. The said Committee shall establish the transparent controlling mechanism for the implementation of the CSR projects or programs or activities undertaken by the Company.

The Committee comprises of Mrs Usha Sangwan, Non-Executive Independent Director (Chairperson), Mr Shailesh Chandra, Managing Director (Member) and Mr Dhiman Gupta, Non-Executive Non-Independent Director (Member).

The brief outline of the CSR Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year in the format prescribed in the Companies (CSR Policy) Rules, 2014 are set out in **Annexure - 2** of this Report.

18. CONSERVATION OF ENERGY, ABSORPTION, FOREIGN EXCHANGES AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Act, read along with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed herewith as **Annexure - 3**.

19. ANNUAL RETURN

Pursuant to Section 92(3) of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return for FY 2023-24 the Company will file the Annual Return in Form MGT-7 with the Registrar of Companies for the year ended March 31, 2024.

20. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Appointment/Re-appointment

Mrs Usha Sangwan (DIN: 02609263) was appointed as an Additional Director and Non-Executive Independent Director on the Board of the Company w.e.f April 1, 2023, her appointment as a Director was approved by the Members at the third Annual General Meeting held on June 23, 2023.

The Board of Directors in accordance with the provisions of the Act has appointed Mr Dhiman Gupta (DIN: 094202013) as an Additional and Non-Executive Director on the Board w.e.f July 24, 2023, subject to approval of Members at the AGM. He shall hold the office as Additional Director upto the date of this AGM.

In accordance with provisions of the Act and the Articles of Association of the Company, Mr Shailesh Chandra (DIN: 07593905) is liable to retire by rotation and is eligible for re-appointment.

Mr Aasif Malbari (DIN: 07345077) vide letter dated May 22, 2023, tendered his resignation as Non-Executive Director of the Company due to personal reasons w.e.f. August 9, 2023. The Board of Directors places on record their appreciation for contributions made by Mr Malbari during his tenure.

Independent Directors

In terms of Section 149 of the Act, Mrs Usha Sangwan is the Independent Director of the Company as on date of this report. She has given requisite declarations under Section 149(7) of the Act, that she meets the criteria of independence as laid down under Section 149(6) of the Act alongwith Rules framed thereunder and has complied with the Code of Conduct of the Company as applicable to the Board of Directors and Senior Managers.

In the opinion of the Board, Mrs Sangwan possess the requisite expertise and experience and is a person of high integrity and repute. She fulfills the conditions specified in the Act as well as the Rules made thereunder and is independent of the management.

Key Managerial Personnel

In terms of Section 203 of the Act, the Key Managerial Personnel ('KMPs') of the Company during FY 2023-24 were:

- Mr Shailesh Chandra, Managing Director ('MD')
- Mr Anindya Paul, Chief Financial Officer
- Ms Anjali Singh, Company Secretary

21. BOARD MEETINGS

The Board as on date of this Report comprises five Directors including two Woman Director. The Company functions through the Board of Directors, who have been delegated appropriate powers to perform their duties.

During the year under review, six Board meetings were convened i.e. on May 3, 2023, May 24, 2023, July 24, 2023, October 19, 2023, January 23, 2024 and March 18, 2024. The details of composition of the Board and attendance of the Directors at such Meetings and other relevant details are given below:

Name	Designation	Board Meetings Attended
Mr Shailesh Chandra	Managing Director	5
Mr Pathamadai Balachandran Balaji	Non- Executive Director	6

Mr Aasif Malbari*	Non- Executive Director	3
Mrs Smriti Goyal	Non - Executive Director	6
Mrs Usha Sangwan	Non - Executive Independent Director	6
Mr Dhiman Gupta**	Non - Executive Director	3

** Resigned as a Non – Executive Director of the Company w.e.f August 9, 2023.*

*** Appointed as an Additional and Non-Executive Director of the Company, w.e.f. July 24, 2023.*

During the year, the maximum time-gap between any 2 consecutive Board meetings did not exceed 120 days.

22. COMMITTEES OF THE BOARD:

The Committees of the Board were constituted on April 28, 2023. The Committees of the Board focuses on certain specific areas and make informed decisions in line with the delegated authority. The following Committees constituted by the Board function according to their respective roles and defined scope:

- **AUDIT COMMITTEE**

The Audit Committee is constituted and functions, in accordance with the provisions of Section 177 of the Act. As on March 31, 2024, the Audit Committee comprises of 1 Independent Director and 2 Non-Executive Directors, namely, Mrs Usha Sangwan, Non-Executive Independent Director (Chairperson), Mr Pathamadai Balachandran Balaji, Non-Executive Non-Independent Director (Member).and Mr Dhiman Gupta, Non-Executive Non-Independent Director (Member), all of whom are financially literate having relevant finance and/or audit exposure.

During the year, the Committee held 5 meetings on May 3, 2023, July 24, 2023, October 19, 2023, January 23, 2024 and March 18, 2024. The Chairperson of the Audit Committee also attended the last AGM of the Company. The composition of the Audit Committee during the year under review and attendance at its meetings is as follows:

Name	Designation	Meetings Attended
Mrs Usha Sangwan	Non - Executive Independent Director	5
Mr Pathamadai Balachandran Balaji	Non- Executive Director	5
Mr Aasif Malbari*	Non- Executive Director	2
Mr Dhiman Gupta**	Non - Executive Director	3

** Ceased to be a Member with effect from August 9, 2023, consequent to his cessation as an Non-Executive Director of the Company.*

***Appointed as a member w.e.f. July 24, 2023.*

- **CORPORATE AND SOCIAL RESPONSIBILITY COMMITTEE**

The Corporate Social Responsibility ('CSR') Committee is constituted and functions, in accordance with the provisions of Section 135 of the Act. As on March 31, 2024, the CSR Committee comprises of Mrs Usha Sangwan, Non-Executive Independent Director (Chairperson), Mr Shailesh Chandra, Managing Director (Member) and Mr Dhiman Gupta, Non-Executive Non-Independent Director (Member).

During the year, the Committee held 2 meetings on May 24, 2023 and January 23, 2024. The Chairperson of the Audit Committee also attended the last AGM of the Company. The composition of the Audit Committee during the year under review and attendance at its meetings is as follows:

Name	Designation	Meetings Attended
Mrs Usha Sangwan	Non - Executive Independent Director	2
Mr Shailesh Chandra	Managing Director	1
Mr Aasif Malbari*	Non- Executive Director	1
Mr Dhiman Gupta**	Non - Executive Director	1

**Ceased to be a Member with effect from August 9, 2023, consequent to his cessation as an Non-Executive Director of the Company.*

***Appointed as a member w.e.f. July 24, 2023.*

23. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Board of Directors have established a Vigil Mechanism and adopted a Whistle-Blower Policy, which provides a formal mechanism for all employees and directors of the Company to approach the Management of the Company and make protective disclosures to the Management about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The disclosures reported, are addressed in the manner and within the time frames prescribed in the Policy. The vigil mechanism / whistle blower policy is available at the website of the Company: https://cars.tatamotors.com/

24. BOARD EVALUATION

The Company has adopted the Tata Group Governance Guidelines in which a due process for evaluation of the Board has been set up and the Board of Directors has carried out an annual evaluation of its own performance and directors pursuant to Section 134(3)(p) of the Companies Act, 2013 read with Rule 8(4) of the Companies (Accounts) Rules, 2014.

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of criteria such as the Board composition and structure, effectiveness of Board processes, information and functioning, etc.

The Board reviewed the performance of individual Directors on the basis of criteria such as the contribution of the individual Director to the Board like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

25. AUDITORS

Statutory Auditors

M/s. BSR & Co. LLP Chartered Accountants (ICAI Firm No. 101248W/W – 100022) were appointed as the Auditors for a tenure of 5 years, at the first Annual General Meeting ('AGM') of the Company till the conclusion of the 6th AGM of the Company to be held in the year 2026, at such remuneration as approved by the Members.

The report of the Statutory Auditors along with notes to Schedules is enclosed in this annual report. The observations made in the Auditors' Report are self-explanatory and therefore do not call for any further comments. The Auditor's Report does not contain any qualification, reservation or adverse remark.

Secretarial Audit

Pursuant to Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed M/s MMJB & Associates LLP, Practicing Company Secretaries, a firm of Company Secretaries in Practice to conduct the Secretarial Audit of the Company for the year ended March 31, 2024.

The Report of the Secretarial Audit is annexed herewith as **Annexure - 4**. The said Secretarial Audit Report does not contain any qualifications, reservations, adverse remarks and disclaimer.

Cost Audit

As per Section 148 of the Act, the Company is required to have the audit of its cost records conducted by a Cost Accountant. The Board of Directors of the Company has on the recommendation of the Audit Committee, approved the appointment of M/s Mani & Co., a firm of Cost Accountants in Practice (Registration No.000004) as the Cost Auditors of the Company to conduct cost audits for relevant products prescribed under the Companies (Cost Records and Audit) Rules, 2014 for the year ending March 31, 2025. M/s Mani & Co. have, under Section 139(1) of the Act and the Rules framed thereunder furnished a certificate of their eligibility and consent for appointment.

The Board on recommendations of the Audit Committee have approved the remuneration payable to the Cost Auditor, subject to ratification of their remuneration by the Members at the forthcoming AGM. The resolution approving the above proposal is being placed for approval of the Members in the Notice for this AGM.

The cost accounts and records of the Company are duly prepared and maintained as required under Section 148(1) of Act.

Internal Audit

The Company has appointed Mr Suraj Singh as the internal auditor of the Company.

26. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During FY 2023-24, as per Section 186 of the Companies Act, 2013, the Company has not given guarantee or made investments to any of its subsidiaries, joint ventures, associates companies and other body corporates and persons.

27. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

None of the transactions with related parties fall under the scope of Section 188(1) of the Act. As the Company does not have any RPTs to report pursuant to Sections 134(3)(h) and 188 of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 in Form AOC-2, the same is not provided. All the Related Party Transactions entered by the Company in FY 2023-24 were in the ordinary course of business and at arm's length basis. All such transactions were reviewed and approved by the Audit Committee from time to time.

28. DEPOSITS FROM PUBLIC

Your Company has not accepted any public deposits in terms of Sections 73 to 76 of the Companies Act, 2013 and the rules framed thereunder, during the year under review. Hence, no amount is outstanding under the head 'Public Deposits' as on March 31, 2024.

29. DIRECTORS' RESPONSIBILITY STATEMENT

The Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2023-24.

Accordingly, pursuant to Section 134(5) of the Act, the Board of Directors, to the best of their knowledge and ability, confirm that:

a) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
b) they have selected such accounting and have applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit of the Company for that period;
c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
d) they have prepared the annual accounts on a going concern basis; and
e) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

30. SECRETARIAL STANDARDS

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

31. REMUNERATION POLICY

The Company has in place a Remuneration Policy for the Directors, Key Managerial Personnel and other employees, pursuant to the provisions of the Act and is placed on the website of the Company *i.e.* https://cars.tatamotors.com/

The Directors affirm that the remuneration paid to Directors, KMPs and employees as per the remuneration policy of the Company.

32. GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following matters as there were no transactions on these items during the year under review:

- There are no significant material orders passed by the Regulators or Courts or Tribunal, which would impact the going concern status of the Company and its future operation. However, Members attention is drawn to the Statement on Contingent Liabilities and Commitments in the Notes forming part of the Financial Statement.
- No fraud has been reported by the Auditors to the Audit Committee or the Board.
- There has been no change in the nature of business of the Company.

33. ACKNOWLEDGEMENT

The Directors wish to thank all its stakeholders for the continuous support given by them to the Company and their confidence in its management.

For and on behalf of the Board
Tata Motors Passenger Vehicles Limited

P B Balaji
Chairman
DIN: 02762983

Date: May 2, 2024
Place: Mumbai

Annexure – 1

Details of Remuneration of Directors, Key Managerial Personnel and Employees and comparatives

[Pursuant to Section 197 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

1. a. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company and the percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary in the FY2023-24:

Sr no	Name		Ratio of remuneration to median remuneration	% increase in remuneration
I	**Non-Executive Director(s)**			
1	Mr P B Balaji	Chairman - Non-Executive Director	-	-
2	Mrs Usha Sangwan	Independent Director	2.88**	-*
3	Mr Dhiman Gupta***	Non - Executive Director	-	-
4	Ms Smriti Goyal	Non - Executive Director	-	-
5	Mr Aasif Malbari@	Non - Executive Director	-	-
II	**Executive Director**			
6	Mr Shailesh Chandra	Managing Director	-	-
III	**Key Managerial Personnel**			
1	Mr Anindya Paul	Chief Financial Officer	N.A	12.0
2	Mrs Anjali Singh	Company Secretary	N.A	8.8

* % increase not comparable as appointed as a Non-Executive Independent Director w.e.f., April 1, 2024.
** Remuneration i.e. Commission shall be payable post approval of the ensuing Annual General Meeting.
*** appointed from July 27, 2023
@ resigned w.e.f August 9, 2023.

Notes:

Mr Shailesh Chandra do not receive any remuneration from the Company, since he receives remuneration from another fellow subsidiary in capacity as Managing Director.

b) A break-up of median remuneration for employees is given below:

Employee	Median Remuneration	Increase in the median
White Collar	18.35	8.0%
Blue Collar	12.56	4.9%

The Median Remuneration of employees for the FY 2024 is 12.99 lakh. The percentage increased in the median remuneration of employees in the financial year was 5.0%.

2. The number of permanent employees on the rolls of Company as at March 31, 2024: 5,826

3. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Employee group	Average percentage increase / (decrease) in salaries for FY 2024 (in %)
All permanent (Blue Collar and White Collar)	8.1
White Collar	5.8
Blue collar	4.7
Executive Directors / Managerial Remuneration	
Shailesh Chandra	-

** since Mr Shailesh Chandra avails remuneration from another fellow subsidiary in capacity as Managing Director of the* Company, *he is do not avail any remuneration in the Company.*

Note: Salaries for blue collar includes only TFP (as they are not given any performance linked bonus but have plant-wise wage revision at a set frequency). The annual variable/performance pay and the salary increment of managers is linked to the Company's performance in general and their individual performance for the relevant year is measured against major perormance areas which are closely aligned to Company's objectives. The remuneration for white collar does not include Long Term Incentives.

4. Affirmation that the remuneration is as per the remuneration policy of the Company: The Company confirms that the remuneration is as per the remuneration policy of the Company.

On behalf of the Board of Directors

P B Balaji
Chairman
DIN: 02762983

ANNEXURE - 2

Annual Report on Corporate Social Responsibility (CSR) Activities

[Pursuant to Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014]

(i) A brief outline of the Company's CSR policy:

1. **Overview:**

(a) Outline of CSR Policy: As an integral part of our commitment to good corporate citizenship, we at Tata Motors Passenger Vehicles Limited believe in actively assisting in improvement of the quality of life of people in communities, giving preference to local areas around our business operations. Towards achieving long-term stakeholder value creation, we shall always continue to respect the interests of and be responsive towards our key stakeholders - the communities, especially those from socially and economically backward groups, the underprivileged and marginalized; focused on inter alia the Scheduled Castes and Scheduled Tribes, and the society at large. In order to leverage the demographic dividend of our country, Company's CSR efforts shall focus on Health, Education, Environment, Employability and Rural Development interventions for relevant target groups, ensuring diversity and giving preference to needy and deserving communities inhabiting rural, semi urban and urban India. CSR at Tata Motors Passenger Vehicles Limited shall be underpinned by 'More from Less for More People' philosophy which implies striving to achieve greater impacts, outcomes and outputs of our CSR projects and programmes by judicious investment and utilization of financial and human resources, engaging in like-minded stakeholder partnerships for higher outreach benefitting more lives.

(b) CSR Projects: All the CSR projects are undertaken under four major thrust areas and the Rural Development space termed as Integrated Village Development Initiative, these are namely;1. Aarogya (Health): Addressing child malnutrition; health awareness among females; preventive & curative health services and institutional strengthening, drinking water projects; 2. Vidyadhanam (Education): Scholarships; Special coaching classes for secondary school students; Competitive exams coaching for higher secondary school students, school infrastructure improvement; co-curricular activities; financial aid 3. Kaushalya (Employability): Drivers training – novice and refresher; ITI partnership & allied-auto trades; Motor Mechanic Vehicle (MMV); Training in retail, hospitality, white goods repair, agriculture & allied trades; 4. Vasundhara (Environment): Tree plantation, environmental awareness for school students. 5: Rural Development such as Integrated Village Development Programme (IVDP) in Sanand. Additionally, our CSR interventions augmented water availability in identified districts of Maharashtra through the Amrutdhara Project. In the year 2023-24, 44,175 beneficiaries were covered through the company's CSR programmes.

(c) Employee Volunteering: Volunteering is one of the key mechanisms that we have chosen to give back to the society by channelizing our most valuable assets, our people, towards societal good. Over and above directing professional expertise and rich experience towards pressing environmental and social issues, volunteering enhances social cohesion and strengthens communities. Through this institutionalized volunteering, employees associate and engage with important causes and create a positive impact on the lives of many. In the year 2023-24, 856 employees volunteered for 5,465 man-hours and benefitted nearly a Lakh citizens

2. **Composition of CSR Committee:**

Sl. No.	Name of Director(s)	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the tenure	
			Held	Attended
1	Mrs. Usha Sangwan	Non-Executive, Independent Director, Chairman of the Committee	2	2
2	Mr Shailesh Chandra	Managing Director [Member of the Committee]	2	2
3	Mr Aasif Malbari*	Non-Executive Director [Member of the Committee]	1	1
4	Mr Dhiman Gupta**	Non-Executive Director [Member of the Committee]	1	1

*Ceased to be a Member with effect from August 9, 2023, consequent to his cessation as a Non-Executive Director of the Company.

**Appointed as a member w.e.f. July 24, 2023.

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company: https://cars.tatamotors.com/

4. **Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable:**

   Not applicable.

5. (a) Average Net Profit of the Company as per Section 135(5):119.63 Crore

   (b) Two percent of average net profit of the company as per section 135(5): ₹2.39 Crore

   (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

   (d) Amount required to be set off for the financial year, if any: Nil

   (e) Total CSR obligation for the financial year (5b+5c+5d): ₹2.39 Crore

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹2.63 crore

   (b) Amount spent in Administrative Overheads: Nil

   (c) Amount spent on Impact Assessment, if applicable: Not applicable since none of the project exceeded the threshold of Rs 1 crore or more

   (d) Total amount spent for the Financial Year (a+b+c): ₹2.63 crore

   (e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year	Amount Unspent (in ₹ Crore)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer.
2.63	Nil				

(f) Excess Amount Set off, if any:

Sr. No.	Particular	Amount (₹ in crore)
(i)	Two percent of average net profit of the company as per section 135(5)	2.39
(ii)	Total amount spent for the Financial Year	2.63
(iii)	Excess amount spent for the financial year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

Sr. No	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6)	Balance Amount in Unspent CSR Account under section 135(6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section	Amount remaining to be spent in succeeding Financial Years. (in ₹)	Deficiency if any

		(in ₹)			135(5), if any.			
						Amount (in ₹ Crore)	Date of transfer	
Nil								

7. (a) Details of Unspent CSR amount for the preceding three financial years:

8. Where any capital assets have been created or acquired through CSR amount spent in the Financial Years: No

Yes ✓ No

If yes, enter the number of Capital assets created / acquired: Not Applicable

Furnish the details relating to such assets created/ acquired: Not Applicable

Furnish the details relating to such asset(s) so created or acquired through CSR amount spent in the Financial Year:

Sr. No.	Short particulars of the Property or asset(s) (including complete address and location of the property)	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
NIL							

(All the fields should be captured as appearing in the revenue record, flat no, house no. Municipal office /Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

Mumbai, May 2, 2024

Shailesh Chandra
Managing Director
DIN: 07593905

Usha Sangwan
Chairman – CSR Committee
DIN: 02609263

ANNEXURE - 3

Particulars of Conservation of energy, Technology absorption and Foreign Exchange Earnings and Outgo

Pursuant to Section 134 (3) (m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014

A. CONSERVATION OF ENERGY

The Company has always been conscious of the need to conserve energy in its Manufacturing Plants which leads to optimized consumption of non-renewable fossil fuels, energy productivity, climate change mitigation and reduction in operational costs. The Company is also signatory to RE100 - a collaborative, global initiative of influential businesses committed to 100% renewable electricity, and is working to increase the amount of renewable energy generated in-house and procured from off-site sources.

(i) The steps taken or impact on conservation of energy:

Energy Conservation (ENCON) projects have been implemented at all Plants and Offices of the Company in a planned and budgeted manner. Some of the major ENCON Projects in FY 2024 include:

- Chikhali Plant: LED migration projects, Natural Gas Consumption Reduction by Installing Magnetic Resonator
- Sanand Plant: LED migration projects, VFD implementation, Arresting compressed air leakages

These ENCON efforts in FY 2024 have resulted into - energy savings of 17.56 lakh kWh of electricity, avoided emission of 1944 tCO_2

(ii) The steps taken by the Company for utilizing alternate sources of energy:

The Company continued to add on-site Renewable Energy (solar) generation capacity in FY 2024, which brings the total installed capacity to:

- 15.5 MWp Roof-top Solar PV installation at Pune (Chikhali)
- 2 MWp Roof-top Solar PV installation at Sanand

The Company also sources off-site renewable energy through Power Purchase Agreements (PPA) with Third Party Wind & Solar Power Generators and Green Energy Purchase from Exchange & DISCOM. The Company plans to continue to source off-site renewable power in line with regulatory policies / frameworks and tariffs in the States where we operate. These efforts will continue to help offset greenhouse gas emissions in the coming years.

In FY 2024 the Company generated / sourced 9.74 crore kWh of renewable electricity for its manufacturing operations which is 53.54% of the total power consumption. This contributed to avoidance of 69741 tCO_2e.

(iii) The capital investment on energy conservation equipment's:

In FY 2024, the Company has invested Rs. 19.6 crore in various energy conservation projects.

Awards / Recognition received during the year is as below:-

1. Tata Motors Passenger Vehicles Ltd (TMPVL) Pune plant bags ""Energy Efficient Unit"" award at ""24th National Award for Excellence in Energy Management-2023"" organised by Confenderation of Indian Industry (CII).
2. The Confederation of Indian Industry (CII) conducted 7th National Energy Circle competition at Chandigarh on 20th and 21st July -23. Tata Motors Passenger Vehicles Pune won- Best Energy Efficient Organization

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

(i) Efforts made towards technology absorption, adaptation and innovation

The Indian automobile industry has historically been a good indicator of how well the economy is doing, as the automobile sector plays a key role in both macroeconomic expansion and technological advancement. The Indian automobile industry contributes almost 7-8% of India's GDP and 49% of manufacturing GDP. The Indian passenger car market was valued at USD 35.27 billion in FY2022 and is expected to reach a value of USD 75.49 billion by FY2030 while registering a CAGR of over 10.16% during the forecast period.

Domestic passenger vehicles had the highest-ever annual vehicle sales last financial year. In FY24, a total of 4.23 million passenger vehicles were sold in India, rising 8.7% from 3.89 million units the previous year. One in every two of these vehicles sold last fiscal year was a sports utility vehicle (SUV), a segment that saw the sharpest growth of 28% in FY24, while sales of hatchbacks, or small, mini, or compact cars, accounted for 28% of the industry's total sales, declining 12% from the year before.

The overall sales of electric passenger vehicles rose to 90,996 units in FY24 as compared to 47,551 units in FY23, registering an increase of 91%. Tata Motors led the segment with registrations of 64,217 units, up 66% over 38,728 units in FY23.

Major factors behind the record car sales in the last financial year are the positive macro factors in the world's fastest-growing major economy. Higher disposable incomes, growth of the middle class, better and more roads and highways, a propensity to travel more, and the pent-up demand from the pandemic have been accelerating India's car market. Indians' new-found craze for SUVs and a wider adoption of electric vehicles spearheaded the record sales last year.

Tata Motors, currently holding the position as the third-largest manufacturer of passenger cars, owes the majority of its success to its SUV lineup, which includes popular models like the Nexon, Punch, Harrier, and Safari. The company's strategic focus is on capitalizing on key industry trends, notably the increasing adoption of electric vehicles, the expanding market for CNG technology, and the rising consumer preference for SUV body designs.

Distinguishing itself through a diverse product portfolio, Tata Motors offers a comprehensive range of vehicles spanning from biofuel-powered to electric models. This strategic approach not only aligns with market demand but also positions Tata Motors as a frontrunner in innovation and sustainability within the automotive sector.

Tata Motors is strategically focused on aligning itself with emerging trends and evolving customer preferences across various mega themes.

New Customer Experience: Prioritizing enhancing the overall experience for its customers. Sub-themes under this could include a car that cares, inclusivity, alone & together, experience life, and pride in indigenous.

Product as Service: A shift towards offering more than just a product, possibly including subscription models, mobility services, or bundled solutions that go beyond traditional vehicle ownership.

Safety for Every Road User: Tata Motors is committed to ensuring the safety of not only its customers but also all road users, which involves the adoption of technologies like CV2X, driver assistance, conditional autonomy, and pedestrian safety.

Preserving Tomorrow: This theme relates to sustainability and environmental responsibility. Tata Motors is focusing on efficient vehicles, renewable energy, value to the environment, and new material science.

In Bharat Mobility Global Expo 2024, electric vehicles served as the standout attraction with SUVs in addition. In alignment with Moving India's mission, Tata Motors followed major themes for this event safer > smarter > greener. Tata Motors showcased the Harrier ev, Punch.ev, Nexon.ev Dark, Altroz Racer concept, Curvv concept, Nexon i-CNG concept, new Safari Red Dark concept.

The intervention of digital mobility pushing the expansions of eco-systems including start-ups, mobility providers, information technology, transport network companies (TNC), and government infrastructures such as smart cities are becoming integral parts of the automotive development life cycle.

Connected, Electrification, Safe, and Shared **(CESS)** are gaining momentum equivalent to consumer electronics for the introduction of technologies. Personal mobility with connectivity, personalization, health wellness, and well-

being worked in favor of the automotive manufacturers, and shared mobility ecosystem initiatives are expected to get traction as the pandemic recovery is unfolding.

Tata Motors is focusing on increasing demand generation of profitable models with technology differentiation covering pre-sales and post-sales, enhancing capabilities to unlock the next level of growth, accelerating and mitigating risk for prioritized new products/features introduction, and agile development to gain/maintain lead.

Tata Motors is adapting to new trends like software-defined vehicles (SDV) and service-oriented architecture, new customer experience powered by 5G connectivity, artificial intelligence, augmented reality, virtual reality, driver & passenger wellness & well-being, touchless interactions, cabin air quality, HD navigation, vehicle to vehicle communication (V2V), cellular vehicle to everything (C-V2X), new materials science to bring homely experience and sustainability, software ownership and localization for EV, range and fuel efficiency improvement with light weighting and higher efficiency components.

New initiative is taken to bring real-time vehicle & environmental data to analyze, learn, and evolve vehicle features just as apps on today's smartphones reusing open frameworks. This will serve Tata Motors to own the software and also engage with technology players, start-ups, academia, and semiconductor companies as eco-system partners which was not feasible earlier.

To bring situational awareness Tata Motors is strengthening research skill sets that shall broaden the understanding of the competitive intelligence and technology landscape. The voice of the customer, the voice of market/competition, the voice of quality, and future brand needs are driven through business problem statements for technology solutions based on digital platforms. Global and local trends are scanned using primary research, secondary research, syndicated reports, research papers, and benchmarking solutions majorly focusing on the latest trends in HMI, augmented reality, voice assistance, artificial intelligence, machine learning, passenger wellness, connectivity, and safety.

Tata Motors continues to leverage established innovation hubs both locally and globally such as Palo Alto, California, TACNet, and start-up India to focus on incubating solutions and go-to-market strategies. Tata Motors is in the process of bringing innovation development directly to the vehicle and thereby optimizing the overall time.

To pace up state-of-the-art technology anticipation and development for future products, the Engineering Research Centre set up a standardized approach through common technology process establishment.

IPR Generation

On IPR front during Fiscal 2024, TMPV filed 76 patent applications and 52 design applications. In respect of applications filed in earlier years, 182 patents were granted. Filings and grant details include national and international jurisdictions.

(ii) Benefits derived as a result of the above efforts

FY24 has set a new record for passenger vehicle sales in India. In FY24, a total 4.23 million passenger vehicles were sold in India, rising 8.7% from 3.89 million units the previous year, which was also a record. It noted that the PV retail sales witnessed a milestone year due to improved vehicle availability, a compelling model mix, and the launch of new models. The sales also rose due to enhanced supply dynamics, strategic marketing efforts, and expansion in road infrastructure.

The year also witnessed high demand for sports utility vehicles (SUVs). As per FADA for the first time in India, SUVs now hold a market share of 50 per cent. Rural India emerged as the driving force behind the record-breaking sales of passenger vehicles in FY24. While SUVs and EVs led this growth, customers' rising preference for safe vehicles and smart technology features was equally pronounced.

Tata Motors highest ever annual domestic sales of **5,73,495** units, achieving a robust 6% sales growth over FY23, our unique multi-powertrain strategy enabled us to deliver healthy growth with vehicles powered by CNG and EV contributing nearly 29% of overall sales.

In CNG, our portfolio of four products with innovative twin-cylinder technology, grew over 120% vs FY23. The preference for Tata.ev products across both personal and fleet segments continued to grow and further strengthened our leadership in this segment with sales of 73,833 units and registering a strong 48% growth vs FY23.

TATA MOTORS PASSENGER VEHICLES LIMITED

Tata Motors "New Forever" interventions to keep our portfolio fresh saw launch of products in FY24 namely

- February, 2024 - Launch of the Tiago and Tigor iCNG AMT, India's first AMT CNG cars. Tata Motors has revolutionized the CNG segment with pioneering technologies like twin-cylinder technology, ensuring no compromise on boot space, and direct start in CNG. Tata Motors aims to further drive volumes by introducing these Intelligent, Safe, and Powerful models. With a wide CNG portfolio, including Tiago, Tigor, Altroz, and the Punch, Tata Motors ranks among the top two brands in the CNG market, experiencing a remarkable 67.9% growth in CNG sales in FY24 compared to the previous year. The launch of the Tiago and Tigor iCNG AMT is expected to enhance demand for this fuel option, sustaining Tata Motors' growth momentum in passenger cars.

- January, 2024 - Punch.ev debut as pure EV, powered by advanced acti.ev architecture. It combines cutting-edge tech, eco-friendliness, and affordability across three personas – Smart, Adventure, and Empowered. With two battery options offering ranges up to 421 km and powerful AC motors, The Punch.ev comes with AC and DC fast charging options. Also boasts a tech-forward design with smart lighting, digital displays, and advanced infotainment. Safety features include 6 Airbags and Electronic Stability Program.

- October, 2023 – Launch of new versions of Safari and Harrier SUVs, boasting significant design updates and futuristic tech. Both models achieve a 5-star safety rating from GNCAP, making them the safest cars in India. Both offer four distinct personas to cater to various SUV preferences. With modern design, smart features, and top-notch safety, these SUVs redefine industry standards. Key features include 7 airbags, a 31.24 cm Harman Touchscreen Infotainment system, ADAS with 12 features, and gesture-controlled power tailgate.

- September, 2023 - The new gen NEXON (ICE), featuring a stunning modern design, With industry-leading safety features, exhilarating performance, and futuristic tech like voice-assisted sunroof and 10.25" infotainment system, Its digital-inspired design, advanced safety enhancements, and multi-functionality make it a compelling choice for SUV enthusiasts.

- September, 2023 – All-new Nexon.ev, this electric SUV offers a bold digital design, futuristic drive experience, and innovative features; Equipped with advanced tech like a 12.3-inch touchscreen infotainment, 9 JBL speakers, and an app store, the Nexon.ev redefines the driving experience. Safety features include 6 airbags, ESP, SOS call, and a 360o surround view camera. It introduces groundbreaking V2V and V2L charging capabilities, setting new industry standards. With over-the-air updates and silent driving, the Nexon.ev embodies the future of electric mobility.

- August, 2023 – iCNG range Tata Motors launches upgraded CNG variants of Tiago, Tigor, and the all-new Punch with twin-cylinder technology, revolutionizing the CNG segment. The Punch iCNG boasts a 5-star safety rating and advanced features like voice-assisted sunroof and USB C Type charger. Tiago and Tigor iCNG receive refreshes with enhanced boot space and three powertrain options.

- June, 2023 – Launch of the upgraded Nexon EV MAX XZ+ LUX, Made feature rich with a Larger 26.03 cm (10.25 inch) Infotainment Screen, TFT High Resolution HD Display, 180+ voice commands, HD Rear View Camera and Wireless Android Auto & Apple Carplay

- May, 2023 - Tata Motors introduces the Altroz iCNG, featuring advanced features like a voice-assisted electric sunroof, wireless charger, and air purifier, catering to young car buyers. The Altroz iCNG offers a breakthrough twin-cylinder CNG technology, addressing concerns about boot space. With six variants and four color options, it ensures safety with a 5-star Global NCAP rating and enhanced features like thermal incident protection. Equipped with premium features such as projector headlamps, R16 diamond-cut alloy wheels, and

an 8-speaker touchscreen infotainment system, The Altroz iCNG's intelligent design ensures effortless shifting between petrol and CNG modes, offering a fuel-efficient and dynamic driving experience.

- April, 2023 – Launch of Nexon EV MAX #DARK. Made feature rich with a Larger 26.03 cm (10.25 inch) Infotainment Screen, TFT High Resolution HD Display, 180+ voice commands, HD Rear View Camera and Wireless Android Auto & Apple Carpla

Awards and establishments:

- Tata Motors becomes first recipients of BNCAP's 5-star rating from India (December 2023)
- Tiago.ev achieved the 10K delivery mark making it the Fastest EV to achieve this milestone in less than four months. (May 2023)
- Nexon EV achieved 50K sales mark since its launch in 2020 (June 2023)
- Tiago has achieved a significant milestone of 500,000 sales mark. The last 1 lakh units sold have come within a span of 15 months (July 2023)
- Tata EVs achievement of an outstanding milestone of 1 Lakh (August 2023)
- Roll out of the 1 millionth car from its state-of-the-art facility in Sanand, Gujarat. (March 2024)
- The all-new Nexon (ICE), become the latest recipient of the 5-star rating from Global NCAP, the foremost global car assessment programme. (February 2024)

#	Technology Description	Status
1	Cross traffic collision prevention	In Series
2	Development of domain controllers for cockpit electronics with reconfigurable HMI	In Series
3	Multi voice and multi lingual personal assistant, Voice biometrics	Provisioned in product
4	Contemporary audio experience to meet individual passenger needs	Provisioned in product
5	Democratize trending voice assistant feature integration	Provisioned in product
6	Smart access	Provisioned in product
7	Next generation connectivity and AI-ML platform	POC Ready
8	Digital twin of automotive aggregates to provide holistic experience over vehicle lifecycle	Under development
9	Light Weighting of BIW Structures	POC Ready
10	Light weighting of Chassis structures	POC Ready
11	Aggregate modularity and Integration for light weighting	Provisioned in product
12	Light weighting technologies using materials based on AHSS, CRCA, composites, etc.	Under development
13	DP 1180 steel grade for automotive application	In product development
14	Renewable energy based technologies for mobility	Provisioned in product
15	Driving dynamics technologies for suspension and steering	In product development
16	NVH reduction and reliability technologies for exhaust	Provisioned in product
17	AI-ML based technologies for Predictive maintenance of chassis aggregates	Provisioned in product
18	Low cost CNG system	POC Ready
19	Appealing decorative interior and exterior trims	POC Ready
20	New polymer applications for Interiors and Exteriors	Under development
21	Hygienic interiors	POC Ready
22	Cooled Interiors	POC Ready

23	Sustainable material for interiors	POC Ready
24	Energy efficient HVAC system	POC Ready
25	Predictive climate control system	POC Ready
26	Low cost LED module for Lamps	In Series
27	Low cost Auto tailgate opening	POC Ready
28	Low cost E-latch	Provisioned in product
29	Innovative methods of switch technology and haptics	In product development
30	Steering assistance to take care of regular and catastrophic situations	Under development
31	Immersive in cabin experience	Under development

(iii) Key areas in which R&D carried out by the company

Tata Motor's continually strives to offer customers fresh, exciting and class leading products.

Additional focus is on identifying and resolving customer feedback coming through internal and external channels such as JD power surveys, voice of customer clinic, sales and distributors, internal quality monitoring as part of continuous improvement.

In addition, customer preferences captured from Sigma milieu, new car Buyers survey (NCBS) and Accepter rejecter study of current products, which is further aligned with Brand Managers to identify top car innovation preferences. Top 15 innovation preferences were Design, Fuel / energy efficiency, passive safety, driver control systems, visibility, connectivity, Enhanced performance, Active safety, Integration, personal comfort, driving comfort, parking, lighting, health and wellness features, vehicle driving range.

In collaboration with Tata Motors subsidiary, TMETC, the vision of affordable autonomous driving, climate and comfort, renewable material technologies are pursued in alignment with European OEM roadmap to offer consumers a safer, smarter and convenient future.

Commitment of critical technologies is realized through off-cycle development. Next generation Infotainment technology is in series using this route.

Tata Motors is adapting customer centric solutions with Artificial Intelligence and Machine learning technologies in the field of climate control, driving dynamics, predictive maintenance safety and convenience features.

Health and wellness seen as a major trend in consumer world. Automotive industry is now on the verge of integrating health, wellness, and wellbeing (HWW) technologies into cars. Tata Motors is also working in this area to provide in cabin vitals monitoring.

In commitment to wellness of society and environment, Tata Motors strives to light weighting its passenger and electric vehicles through weight optimization of body and chassis structures through design and process. This involves adaptation of light weighting technologies such as AHSS, CRCA, hybrid or composite materials, nanomaterial science, etc.

Tata Motors focuses on unmet and unexpected needs of customers by understanding product attribute leadership gaps and performance. Enhancement in ride and comfort through new suspension technologies, driveability in India, comfort and convenience are few of the examples.

To excel in safety performance and GNCAP rating, Tata Motors is working on advanced safety features including passive and active safety.

Key areas of technology engagement in line with global and Indian trends:

- Advanced HMI technologies with higher resolution displays, touchless interfaces, multi-functional and morphing HMI embedded in interiors, augmented reality and personalization, bringing HD entertainment and navigation (ex. Zonal audio, gamification) connectivity and predictive control, voice assistance
- Advanced occupant safety and driving convenience for Indian driving conditions,
- Advanced connectivity features meeting day-to-day mobility and custom needs of the end user.
- Advanced vehicle efficiency through light-weighting of body and chassis structures, higher efficiency aggregates, thermal and climate control management,
- Software controlled, adaptive, monitoring and upgradable vehicle features through Artificial Intelligence and machine learning.
- New themes in the Interiors and Exteriors, delightful illuminations and communication by lights.
- Hygienic and safe in cabin experience
- Sustainability and Circular economy forms the basis of every technology development (ex. New polymer developments reusing industrial waste, use of renewable energy, etc.)

(iv) Benefits derived as a result of the above R&D

Technology readiness and time to market for current and future products to meet evolving market competition and customer needs. Class leading HMI technologies with richer content and touchless interface are democratized across segments.

Connected technologies that meets the competitiveness, convenience, and safety needs of the customer for upcoming vehicles. Active safety features to strengthen the safety brand experience and meeting day-to-day commute needs of customers. Creating in car and customized ambience with premium feel finishers, illuminations and sensory perception through the new material science. Reimagining customer experience for climate, comfort and convenience, driving pleasure and dynamics using Artificial Intelligence and Machine learning. Adapting to emerging trends in cross industries for features like augmented reality, health and wellness of driver, etc.

Tata motors continues to put effort and investments to setup best practices for digital simulations and validations of technologies through tools such as ADAMS, HEEDS, multibody dynamics, etc. Dominant examples are addressing vehicle issues for engine mounts, brake disc temperature rise and engine vibrations

(v) Collaboration with Technical Institute / University

Tata Motors believes in bringing academia and the industry together for advancements in automotive research.

Exploration is done with institutes like IIT Madras, IIT Bombay based on select customer centric problem statements and research to bring solutions from academia to products. Co-creation of some solutions are in progress.

Tata group collaboration is also explored to invite new innovation proposals which can be relevant to automotive use. Some innovative technologies for Hygienic interiors, Augmented reality, Health and wellness area are in progress.

Collaboration and research is ongoing with institutes like VIT Vellore, ASU USA, VIT Pune, IIT Ropar and NIT Bhopal for below points:

- Design & Development of Sensorless EPAS based ADAS Technology
- Sensor-less Driver Distraction Detection System
- Comparative KnC study between various platforms using MSc Adams
- Ride & Handling tolerances for SUV's
- Computer Vision

For incubation of new technologies and trends inviting global talent to integrate into the vehicle. Process is initiated to work with Academia and start-ups. This action is towards to bring software ownership of next generation features at Tata Motors.

(vi) Future Plan of Action

Tata Motors plans to focus in the following areas to meet future product portfolio needs.

- Telematics and connected solutions entering into smart city era powered by 5G
- New customer experience with smart features that adapt to custom needs
- Software defined vehicles
- ADAS Level 3 adaptations
- Safety of every road user
- Passenger wellness and well-being
- Artificial Intelligence and machine learning
- Data analytics driven features
- Climate management
- New polymer applications for Interiors and Exteriors
- Modularity and light weighting of body and trim parts
- Catering to new storage and seating comfort
- Sustainability and circularity
- In house software development and localization of electrical aggregates
- Use of Renewable materials

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ in crore)

Foreign Exchange Earnings and Outgo	FY 2023-24	FY 2022-23
Earning in Foreign Currency	-	2.10
Expenditure in Foreign Currency	**2,423.72**	2,406.55

On behalf of Board of Directors
Tata Motors Passenger Vehicles Limited

P B Balaji
Chairman
DIN: 02762983

Date: May 2, 2024
Place: Mumbai

MMJC

MMJB & Associates LLP

Company Secretaries

803-804, 8th Floor, Ecstasy, Citi of Joy, JSD Road, Mulund - West, Mumbai – 400080, (T) 022-21678100
LLPIN: AAR-9997

FORM NO. MR.3
SECRETARIAL AUDIT REPORT
For the Financial Year Ended March 31, 2024
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Tata Motors Passenger Vehicles Limited
Floor 3, 4, Plot-18, Nanavati Mahalaya,
Mudhana Shetty Marg, BSE Fort, Mumbai-400001

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Tata Motors Passenger Vehicles Limited (Previously Known as TML Business Analytics Services Limited)** (hereinafter called the 'Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Auditor's Responsibility:

Our responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. We have conducted the audit in accordance with the applicable Auditing Standards issued by The Institute of Company Secretaries of India. The Auditing Standards requires that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has during the audit period covering from April 01, 2023 to March 31, 2024 (hereinafter called the 'Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent and in the manner reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024 according to the provision of:

(i) The Companies Act, 2013 ('the Act') and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder **(External Commercial Borrowings, Overseas Direct Investments and Foreign Direct Investment is not applicable to the Company during the Audit Period);**

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not Applicable to the Company during the Audit Period)**

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **(Not Applicable to the Company during the Audit Period)**

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not Applicable to the Company during the Audit Period)**

(d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not Applicable to the Company during the Audit Period)**

(e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not Applicable to the Company during the Audit Period)**

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not Applicable to the Company during the Audit Period)** and

(h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018. **(Not Applicable to the Company during the Audit Period)**

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments made thereunder. ('Listing Regulations') **(Not Applicable to the Company during the Audit Period)**

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards etc. made there under.

We further report that, having regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with The Motor Vehicle Act, 1988 and the Rules made thereunder.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors. The changes in the composition of the Board of Directors that took place during the audit period were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance (except few meetings were convened at a shorter notice for which necessary approvals obtained as per applicable provisions), and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For MMJB & Associates LLP
Company Secretaries

OMKAR MADHAV DINDORKAR
Digitally signed by OMKAR MADHAV DINDORKAR
Date: 2024.05.02 19:46:24 +05'30'

Omkar Dindorkar
Designated Partner
ACS: 43029
CP: 24580
PR: 2826/2022
UDIN: A043029F000292927

Date: May 02, 2024
Place: Mumbai

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

'Annexure A'

To,
The Members,
Tata Motors Passenger Vehicles Limited
Floor 3, 4, Plot-18, Nanavati Mahalaya,
Mudhana Shetty Marg, BSE Fort, Mumbai - 400001

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For MMJB & Associates LLP
Company Secretaries

OMKAR MADHAV DINDORKAR
Digitally signed by OMKAR MADHAV DINDORKAR
Date: 2024.05.02 19:46:57 +05'30'

Omkar Dindorkar
Designated Partner
ACS: 43029
CP: 24580
PR: 2826/2022
UDIN: A043029F000292927

Date: May 02, 2024
Place: Mumbai

TATA MOTORS PASSENGER VEHICLES LIMITED

(Formerly known as TML Business Analytics Services Limited)

NOTICE

(Pursuant to Section 101 of the Companies Act, 2013)

Dear Member,

NOTICE is hereby given that the FOURTH ANNUAL GENERAL MEETING OF TATA MOTORS PASSENGER VEHICLES LIMITED will be held on Thursday, June 13, 2024 at 10.00 a.m. (IST) through video conferencing / other audio visual means to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2024, together with the Reports of the Board of Directors and the Auditors thereon.

2. To declare a dividend of ₹0.27 per equity share of the face value of ₹10 each (2.7%), of the Company for the financial year ended March 31, 2024.

3. To appoint a Director in place of Mr Shailesh Chandra (DIN 07593905) who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. APPOINTMENT OF MR DHIMAN GUPTA (DIN: 09420213) AS A NON-EXECUTIVE DIRECTOR OF THE COMPANY

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT Mr Dhiman Gupta (DIN: 09420213) who was appointed by the Board of Directors as an Additional Director of the Company w.e.f. July 24, 2023 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161(1) and any other applicable provisions, if any, of the Companies Act, 2013 ('Act') (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Article 64 of the Articles of Association of the Company and who is eligible for appointment and has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation."

5. RATIFICATION OF COST AUDITOR'S REMUNERATION

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED that pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the remuneration of ₹3,00,000 plus applicable taxes, travel and out-of-pocket expenses incurred in connection with the audit, as approved by the Board of Directors, payable to M/s Mani & Co., Cost Accountants (Firm Registration No. 000004) who are appointed as Cost Auditors to conduct the audit of the cost records maintained by the Company for the financial year ending March 31, 2025."

6. REMUNERATION TO NON-EXECUTIVE DIRECTORS (INCLUDING INDEPENDENT DIRECTORS)

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

A subsidiary of **TATA MOTORS LIMITED**
Floor 3, 4, Plot-18, Nanavati Mahalaya, Mudhana Shetty Marg, BSE, Fort, Mumbai, Mumbai City, Maharashtra 400001

"RESOLVED THAT pursuant to the provisions of Articles of Association of the Company and pursuant to the provisions of the Section 197, 198 and all other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and such other rules made thereunder (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof for the time being in force), the authority be and is hereby accorded to the payment of commission to all the Non-Executive Directors of the Company (i.e., Directors other than the Managing Director and/or Executive/Whole-time Directors) to be determined by the Board of Directors for each Non-Executive Director for each financial year over a period of five years from the current financial year ending on 31.03.2024 upto and including financial year of the Company ending on 31.03.2028 to be calculated in accordance with the provisions of Section 198 of the Act (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof), and distributed between such Directors in such a manner as the Board of Directors (or any other committees constituted by the Board) may from time to time determine, within the maximum limits of 1 (One) percent of the net profits of the Company in addition to the sitting fees being paid by the Company for attending the Board/Committee Meetings of the Company.

RESOLVED FURTHER THAT the existing Executive Directors & Key Managerial Personnel be and are hereby severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By Order of the Board of Directors

Anjali Singh
Company Secretary
A26664

Mumbai, May 2, 2024
Registered Office:
Floor 3, 4, Plot-18, Nanavati Mahalaya,
Mudhana Shetty Marg, BSE, Fort, Mumbai
Mumbai City, Maharashtra 400001
Email: tmpvl@tatamotors.com
Website: https://cars.tatamotors.com/
CIN: U72900MH2020PLC339230

NOTES:

1. Pursuant to the General Circular No. 20/2020 dated May 5, 2020 issued by the Ministry of Corporate Affairs ('MCA') read with General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 10/2021 dated June 23, 2021, 20/2021 dated December 8, 2021, 03/2022 dated May 5, 2022, 11/2022 dated December 28, 2022 and 09/2023 dated September 25, 2023 in relation to 'Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 read with rules made thereunder (collectively referred to as 'MCA Circulars'), permitted the holding of the Annual General Meeting ('AGM'/'the Meeting') through VC/ OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ('Act') and MCA Circulars, the 4th AGM of the Company is being held through VC/OAVM on June 13, 2024 at 10.00 A.M (IST). The deemed venue for the AGM will be the Registered Office of the Company, *i.e.*, Floor 3, 4, Plot-18, Nanavati Mahalaya, Mudhana Shetty Marg, BSE, Fort, Mumbai, Maharashtra - 400001.

2. As per the provisions of clause 3.A.II. of the General Circular No. 20/ 2020 dated May 5, 2020, issued by the MCA, the matters of Special Business as appearing at item nos. 4 to 6 of the accompanying Notice, are considered to be unavoidable by the Board and hence, form part of this Notice.

3. The relative Explanatory Statement pursuant to Section 102 of the Act, in respect of the business as set out in Item nos. 4 to 6 above and the relevant details of the Directors seeking appointment/re-appointment under item nos 3 and 4 above at this AGM, as required under Secretarial Standard on General Meetings issued by The Institute of Company Secretaries of India ('Secretarial Standard') are annexed hereto. Requisite declarations have been received from the Director seeking appointment/re-appointment.

4. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since this AGM is being held pursuant to the MCA circulars through VC/OAVM, the requirement of physical attendance of members has been dispensed with. Accordingly, in terms of the MCA circulars, the facility for appointment of proxies by the members will not be available for this AGM and hence the proxy form, attendance slip and route map of AGM are not annexed to this Notice.

5. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company, a certified copy of the Board Resolution, Authorization, etc., authorizing their representative to attend the AGM through VC/OAVM on their behalf and also vote at the Meeting.

6. In line with the General Circular No. 20/2020 dated May 5, 2020, issued by the MCA, Notice of the AGM along with the Annual Report 2023-24 is being sent only through electronic mode to those members whose email addresses are registered with the Company.

7. Members attending the AGM through VC/OAVM shall be counted for reckoning the quorum under Section 103 of the Act.

8. Record date and Dividend: The Register of Members and Share Transfer Books of the Company will remain closed on Friday, June 7, 2024 ('Record Date') for the purpose of payment of dividend and AGM for FY24. If the dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend will be made, subject to Deduction of Tax at Source ('TDS'), on or before Monday, June 17, 2024, to all the beneficial owners/members in respect of shares held in physical / electronic form as of the close of the business hours on Friday, June 7, 2024.

9. Electronic copies of all the documents referred to in the accompanying Notice of the AGM and the Explanatory Statement shall be made available for inspection. During the 4th AGM, members may access the scanned copy of Register of Directors and their shareholding maintained under Section 170 of the Act; the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act. Members desiring inspection of statutory registers and other relevant documents may send their request in writing to the Company at tmpvl@tatamotors.com.

By Order of the Board of Directors

Anjali Singh
Company Secretary

Mumbai, May 2, 2024

Registered Office:
Floor 3, 4, Plot-18, Nanavati Mahalaya,
Mudhana Shetty Marg, BSE, Fort, Mumbai
Mumbai City, Maharashtra 400001
CIN: U72900MH2020PLC339230

Explanatory Statement under Section 102 of the Companies Act, 2013

The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ('the Act'), given hereunder sets out all material facts relating to the special business mentioned at Item Nos. 4 to 6 of the accompanying Notice dated Thursday, May 2, 2024.

Item No. 4

APPOINTMENT OF MR DHIMAN GUPTA (DIN: 09420213) AS A NON-EXECUTIVE DIRECTOR OF THE COMPANY

The Board of Directors appointed Mr Dhiman Gupta (DIN: 09420213) as an Additional Director and Non-Executive Director of the Company with effect from July 24, 2023 to hold office as Director till the date of ensuing AGM pursuant to Section 161 of the Act and Article 64 of the Articles of Association of the Company.

Mr Dhiman Gupta possess 15+ years of experience in corporate finance and M&A across various industry verticals. He is a graduate from Indian Institute of Technology, Kharagpur and holds postgraduate management degree from Indian Institute of Management, Ahmedabad.

The Company has received a Notice from a Member under Section 160(1) of the Act, proposing his candidature to office of Director of the Company.

The Board considers it desirable that the Company should avail of the services of Mr Gupta and accordingly commends the Resolution at Item No. 4 for approval by the Members. Mr Gupta is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as a Director.

As on date of this Notice, he holds one share jointly with TML Business Services Limited in the Company and is not related to any other Director of the Company.

Besides Mr Gupta, none of the Directors, Key Managerial Personnel or their relatives are concerned or interested, financially or otherwise in the Resolution at Item No. 4 of the Notice.

Item No. 5

RATIFICATION OF COST AUDITOR'S REMUNERATION

Pursuant to Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company is required to have audit of its cost records for specified products conducted by a Cost Accountant. Based on the recommendation of the Audit Committee, the Board had, at its meeting held on May 2, 2024, approved the re-appointment of M/s Mani & Co. (Firm Registration No. 000004) as the Cost Auditors of the Company to conduct audit of cost records maintained by the Company, pertaining to the relevant products prescribed under the Companies (Cost Records and Audit) Rules, 2014, for FY 2024-25 at a remuneration of ₹ 3,00,000/- (Rupees Three Lakhs Only) plus applicable taxes, out-of- pocket and other expenses.

It may be noted that the records of the activities under Cost Audit is no longer prescribed for Motor Vehicles but applicable to certain parts and accessories thereof. However, based on the recommendation of the Audit Committee, the Board has also approved the appointment of M/s Mani & Co. for submission of reports to the Company on cost records pertaining to these activities for a remuneration of ₹5,00,000 (Rupees Five Lakhs Only) plus applicable taxes, out-of-pocket and other expenses for FY 2024-25.

In accordance with the provisions of Section 148 of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, ratification for the remuneration payable to the Cost Auditors to audit the cost records of the Company for the said financial year by way of an Ordinary Resolution is being sought from the Members as set out at Item No. 5 of the Notice.

M/s Mani & Co. have furnished a certificate dated April 23, 2024 regarding their eligibility for appointment as Cost Auditors of the Company. They have vast experience in the field of cost audit and have conducted the audit of the cost records of the Company for previous years under the provisions of the Act.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the Members.

None of the Directors, Key Managerial Personnel or their relatives are, in any way, concern or interested, financially or otherwise, in the said resolution.

Item No. 6

REMUNERATION TO NON- EXECUTIVE DIRECTORS

In view of sections 197 and 198, and other relevant provisions of the Companies Act, 2013, and taking into account the roles and responsibilities of the Directors, it is proposed that the remuneration by way of commission to be paid, collectively to all the Non-Executive Directors of the Company, at a sum not exceeding 1% per annum of the net profits of the Company, as prescribed under Section 197 of the Companies Act 2013 and wherein laid down in section 198 of the Companies Act, 2013, for each relevant financial year, with effect from April 1, 2025.

The quantum of remuneration payable to each of the Non –Executive Directors shall be fixed and decided by the Nomination and Remuneration Committee, and considering attendance, type of meeting, preparations required, etc.

This remuneration shall be in addition to the sitting fees payable to the Non-Executive Directors for attending the meetings of the Board of Directors or Committees thereof or for any other purpose whatsoever, as may be decided by the Board, and reimbursement of expenses for participation in the Board and other meetings.

None of the other Directors except the Non-Executive Directors of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

The Board of Directors, therefore, recommends the Resolution as set out at Item No.6 to be passed as an Ordinary Resolution by the Members.

By Order of the Board of Directors

Anjali Singh
Company Secretary

Mumbai, May 2, 2024

Registered Office:
Floor 3, 4, Plot-18, Nanavati Mahalaya,
Mudhana Shetty Marg, BSE, Fort, Mumbai
Mumbai City, Maharashtra 400001
CIN: U72900MH2020PLC

TATA MOTORS PASSENGER VEHICLES LIMITED

(Formerly known as TML Business Analytics Services Limited)

Details of Director seeking appointment/re-appointment at the Annual General Meeting

[Pursuant to Secretarial Standards – 2 on General Meetings]

Particulars	Mr Shailesh Chandra	Mr Dhiman Gupta
Director Identification No (DIN)	07593905	09420213
Date of Birth (Age)	April 13, 1973 (51 years)	August 14, 1981 (42 years)
Designation/ category of the Director	Managing Director	Non-Executive Non Independent Director
Nationality	Indian	Indian
Date of Appointment	May 1, 2021	July 24, 2023
Qualifications	Mr Shailesh Chandra holds a bachelor's degree in technology in mechanical engineering from Banaras Hindu University and an executive master's degree in business administration from S.P. Jain Institute of Management and Research. Additionally, Mr Chandra is a Fulbright- Nehru Master's Fellow from Carnegie Mellon University - Tepper School of Business	Mr Dhiman Gupta is a graduate from Indian Institute of Technology, Kharagpur and holds a postgraduate management degree from Indian Institute of Management, Ahmedabad.
Expertise in specific functional areas	Mr Chandra has over 25 years of expertise in various verticals like Production, Vendor Development, Defense business and Vice Chairman's Office. He is the Head of the Passenger Vehicle Unit of Tata Motors.	Mr Gupta has 15+ years of experience in corporate finance and Mergers and Acquisitions across various industry verticals.
Directorship held in other companies (Including Directorship in public, private, foreign companies and insurance corporation)	Fiat India Automobiles Private Limited Tata Passenger Electric Mobility Limited Tata Motors Design Tech Centre Plc Trilix S.r.l Tata Technologies Limited	Fiat India Automobiles Private Limited Tata Motors Finance Limited (formerly known as Tata Motors Finance Solutions Limited) TMF Business Services Limited (formerly known as Tata Motors Finance Limited) TMF Holdings Limited Tata Motors Design Tech Centre Plc.
Chairmanship/ Membership of the committee of other companies in which position of Director is held	**Fiat India Automobiles Private Limited** • Nomination and Remuneration Committee (Member) **Tata Technologies Limited** • Risk Management Committee (Member) **Tata Passenger Electric Mobility Limited** • Corporate Social Responsibility Committee (Member) • Executive Committee (Member)	**Fiat India Automobiles Private Limited** • Corporate Social Responsibility Committee (Member) **Tata Motors Finance Limited Motors** • Risk Management Committee (Member) • Asset Liability Supervisory Committee (Member) • Investment Committee (Member) **TMF Business Services Limited** • Corporate Social Responsibility Committee (Member)

		TMF Holdings Limited • Risk Management Committee (Member) • Asset Liability Supervisory Committee (Member)
No. of Shares held in the Company	NIL	1 share jointly with TML Business Services Limited
Relationship with other Directors & Key Managerial Personnel of the Company	None	None
Terms and Conditions of appointment / reappointment	Re-appointment	Appointment as a Non-Executive, Non-Independent Director
Remuneration Sought to be paid	NIL	NIL

For other details, such as number of meetings of the Board attended during the year and remuneration drawn in respect of the above directors, please refer to the Board's Report.

A subsidiary of **TATA MOTORS LIMITED**
Floor 3, 4, Plot-18, Nanavati Mahalaya, Mudhana Shetty Marg, BSE, Fort, Mumbai, Mumbai City, Maharashtra 400001

B S R & Co. LLP
Chartered Accountants

14th Floor, Central B Wing and North C Wing
Nesco IT Park 4, Nesco Center
Western Express Highway
Goregaon (East), Mumbai – 400 063, India
Telephone: +91 (22) 6257 1000
Fax: +91 (22) 6257 1010

Independent Auditor's Report

To the Members of Tata Motors Passenger Vehicles Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Tata Motors Passenger Vehicles Limited (the "Company") which comprise the balance sheet as at 31 March 2024, 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 material 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 2024, 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(s) 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 loss, 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 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 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 except for the matters stated in the paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

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 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.

f. The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

g. 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 2024 on its financial position in its financial statements - Refer Note 34 to the financial statements.

b. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 42(ii) to the financial statements.

c. There has been no delay in transferring amounts, 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 41(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 41(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.

(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 final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 19(B)(c) 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. Based on our examination which included test checks, except for the instances mentioned below, the Company has used accounting softwares for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective softwares:

i. the feature of recording audit trail (edit log) facility was not enabled at the database layer to log any direct data changes for all the accounting software**s** used for maintaining the books of account.

ii. in the absence of coverage of audit trail (edit log) with respect to database level in the independent auditor's report in relation to controls at the service organisation for accounting software used for preparation of financial statements, which is operated by third-party software service provider, we are unable to comment whether the audit trail feature of the database level of the said software was enabled and operated throughout the year for all relevant transactions recorded in the software

Further, where audit trail (edit log) facility was enabled and operated, we did not come across any instance of the audit trail feature being tampered with

Independent Auditor's Report *(Continued)*

Tata Motors Passenger Vehicles Limited

A. 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 Company has not paid any remuneration to its directors during the year. 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

RISHABH GYAN KUMAR

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Date: 2024.05.02 23:33:24 +05'30'

Rishabh Kumar

Partner

Membership No.: 402877

ICAI UDIN:24402877BKFTJC7108

Place: Mumbai

Date: 02 May 2024

Annexure A to the Independent Auditor's Report on the Financial Statements of Tata Motors Passenger Vehicles Limited for the year ended 31 March 2024

(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 has maintained proper records showing full particulars of intangible assets.

(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 material 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, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year.For stocks lying with third parties at the year-end, written confirmations have been obtained and for inward goods-in-transit subsequent evidence of receipts has been linked with inventory records. 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 been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of 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 not made any investments in, provided guarantee or security or granted any secured loans or secured or unsecured advances in the nature of loans, to companies, firms, limited liability partnerships or any other parties during the year. The Company has granted unsecured loans to companies and other parties 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 companies and other parties as below:

Annexure A to the Independent Auditor's Report on the Financial Statements of Tata Motors Passenger Vehicles Limited for the year ended 31 March 2024 *(Continued)*

Particulars	Loans (Rs in crore)
Aggregate amount during the year Others - Companies Others - Employees	 13,268.00 7.50
Balance outstanding as at balance sheet date Others - Companies Others - Employees	 3,643.00 21.24

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made during the year and the terms and conditions of the grant of loans during the year are, prima facie, not prejudicial to the interest of the Company. Further, the Company has not provided any guarantee or security or granted any advances in nature of loan to any party during the year.

(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 of Rs. 3,643 crs given to Tata Motors Limited which is repayable on demand. As informed to us, the Company has not demanded repayment of the loan during the year. Thus, there has been no default on the part of the party to whom the money has been lent. The payment of interest has been regular. 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, 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 as reported in para iii (c) above. As informed to us, the Company has not demanded repayment of the loan during the year. Thus, there is no overdue amount for more than ninety days in respect of loans given. The payment of interest has been regular. Further, the Company has not given any advance in the nature of loan 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 to its Promoters and related parties as defined in Clause (76) of Section 2 of the Companies Act, 2013 ("the Act"):.

	Promoters (Rs in crore)	Related Parties*
Aggregate of loans - Repayable on demand (A) - Agreement does not specify any	 13,268.00	 -

Annexure A to the Independent Auditor's Report on the Financial Statements of Tata Motors Passenger Vehicles Limited for the year ended 31 March 2024 *(Continued)*

	Promoters (Rs in crore)	**Related Parties***
terms or period of Repayment (B)	-	
Total (A+B)	13,268.00	-
Percentage of loans to the total loans	100%	-

* Promoter and Related party as defined in Clause (76) of Section 2 of the Companies Act, 2013 is same.

(iv) 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 neither made any investments nor provided guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013. In respect of loans given by the Company, in our opinion the provisions of Section 185 and Section 186 of the Act have been complied with.

(v) 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 complied with the provisions of Sections 73 to 76 or other relevant provisions of the Act and the rules framed thereunder where applicable and the directives issued by the Reserve Bank of India as applicable, with regard to deposits or amounts which are deemed to be deposits. As informed to us, there have been no proceedings before the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal in this matter and no order has been passed by any of the aforesaid authorities in this regard.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods (and/or services provided by it) and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(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, Cess and 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, Cess and other statutory dues were in arrears as at 31 March 2024 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:

Annexure A to the Independent Auditor's Report on the Financial Statements of Tata Motors Passenger Vehicles Limited for the year ended 31 March 2024 *(Continued)*

Name of the statute	Nature of the dues	Amount (Rs in crore)	Period to which the amount relates	Amount paid under protest	Forum where dispute is pending	Remarks, if any
EmployeesState Insurance Act, 1948	ESI Contribution	0.01	2023	Nil	ESI court	
Employee Provident Fund	Provident Fund, Pension Funds, Insurance Funds Contributions and administrative charges towards Provident Fund and Insurance Fund	4.52	April 2019 to March 2021	2.26	HighCourt	

(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 has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(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.

(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) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2024. Accordingly, clause 3(ix)(e) is not applicable.

(f) The Company does not hold any investment in any subsidiary or associate or joint venture (as defined under the Act) during the year ended 31 March 2024. Accordingly, clause 3(ix)(f) of the Order is not applicable.

(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.

Annexure A to the Independent Auditor's Report on the Financial Statements of Tata Motors Passenger Vehicles Limited for the year ended 31 March 2024 *(Continued)*

(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) Based on the information and explanations provided to us, the Company does not have a vigil mechanism and is not required to have a vigil mechanism as per the Act or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(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.

(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 five CICs which are registered with the Reserve Bank of India and two CICs which are not required to be registered with the Reserve Bank of India.

(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

Annexure A to the Independent Auditor's Report on the Financial Statements of Tata Motors Passenger Vehicles Limited for the year ended 31 March 2024 *(Continued)*

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

RISHABH GYAN KUMAR

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Date: 2024.05.02 23:34:13 +05'30'

Rishabh Kumar

Partner

Place: Mumbai

Membership No.: 402877

Date: 02 May 2024

ICAI UDIN:24402877BKFTJC7108

Annexure B to the Independent Auditor's Report on the financial statements of Tata Motors Passenger Vehicles Limited for the year ended 31 March 2024

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)(g) 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 Tata Motors Passenger Vehicles Limited ("the Company") as of 31 March 2024 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 2024, 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 Tata Motors Passenger Vehicles Limited for the year ended 31 March 2024 *(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

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

RISHABH GYAN KUMAR

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Date: 2024.05.02 23:40:22 +05'30'

Rishabh Kumar

Partner

Place: Mumbai

Membership No.: 402877

Date: 02 May 2024

ICAI UDIN:24402877BKFTJC7108

TATA MOTORS PASSENGER VEHICLES LIMITED
Balance Sheet

(₹ in crores)

	Notes	As at March 31, 2024	As at March 31, 2023
I. ASSETS			
(1) NON-CURRENT ASSETS			
(a) Property, plant and equipment	3 (b)	**6,151.24**	5,862.20
(b) Capital work-in-progress	3 (c)	**627.30**	250.72
(c) Right of use assets	4 (b)	**759.66**	716.71
(d) Other intangible assets	5 (b)	**3,050.60**	3,216.52
(e) Intangible assets under development	5 (c)	**848.10**	503.27
(f) Financial assets:			
(i) Loans	7	**14.51**	23.95
(ii) Other financial assets	9	**124.10**	70.20
(g) Non-current tax assets (net)		**284.46**	82.87
(h) Other non-current assets	11	**209.07**	264.54
		12,069.04	10,990.98
(2) CURRENT ASSETS			
(a) Inventories	13 (b)	**2,057.63**	2,338.35
(b) Financial assets:			
(i) Investments	6	**33.14**	-
(ii) Trade receivables	14	**397.52**	262.48
(iii) Cash and cash equivalents	16 (b)	**119.49**	541.36
(iv) Bank balances other than (iii) above	17	**25.13**	-
(v) Loans	8	**3,648.01**	2,741.69
(vi) Other financial assets	10	**60.17**	81.65
(c) Other current assets	12	**338.97**	559.66
		6,680.06	6,525.19
TOTAL ASSETS		**18,749.10**	17,516.17
II. EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	18	**9,417.15**	9,417.15
(b) Other equity		**(1,056.24)**	(2,289.97)
		8,360.91	7,127.18
LIABILITIES			
(1) NON-CURRENT LIABILITIES			
(a) Financial liabilities:			
(i) Borrowings	20	**233.43**	212.71
(ii) Lease liabilities		**653.61**	630.77
(iii) Other financial liabilities	22	**55.24**	60.19
(b) Provisions	24 (b)	**289.03**	201.74
(c) Deferred tax liabilities (net)	25	**160.41**	-
(d) Other non-current liabilities	26	**394.90**	352.56
		1,786.62	1,457.97
(2) CURRENT LIABILITIES			
(a) Financial liabilities:			
(i) Lease liabilities		**140.64**	105.23
(ii) Trade payables	21		
(a) Total outstanding dues of micro and small enterprises		**35.82**	18.75
(b) Total outstanding dues of creditors other than micro and small enterprises		**5,205.17**	5,163.52
(c) Acceptances		**1,591.72**	1,940.76
(iii) Other financial liabilities	23	**611.42**	577.05
(b) Provisions	24 (c)	**187.89**	205.99
(c) Other current liabilities	27	**828.91**	919.72
		8,601.57	8,931.02
TOTAL EQUITY AND LIABILITIES		**18,749.10**	17,516.17

See accompanying notes to financial statements
In terms of our report attached

For and on behalf of the Board

USHA SANGWAN Digitally signed by USHA SANGWAN Date: 2024.05.02 22:55:42 +05'30'

SHAILESH CHANDRA Digitally signed by SHAILESH CHANDRA Date: 2024.05.02 23:04:02 +05'30'

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

USHA SANGWAN [DIN: 02609263]
Director
Place- Mumbai

SHAILESH CHANDRA [DIN: 07593905]
MD & Chief Executive Officer
Place- Mumbai

RISHABH GYAN KUMAR Digitally signed by RISHABH GYAN KUMAR Date: 2024.05.02 23:43:42 +05'30'

ANINDYA KUMAR PAUL Digitally signed by ANINDYA KUMAR PAUL Date: 2024.05.02 23:11:12 +05'30'

ANJALI SINGH Digitally signed by ANJALI SINGH Date: 2024.05.02 22:49:55 +05'30'

RISHABH KUMAR
Partner
Membership No.402877
UDIN: 24402877BKFTJC7108
Place- Mumbai

ANINDYA PAUL
Chief Financial Officer
Place- Mumbai

ANJALI SINGH [ACS: A26664]
Company Secretary
Place- Mumbai

Date: May 2, 2024

Date: May 2, 2024

TATA MOTORS PASSENGER VEHICLES LIMITED
Statement of Profit and Loss

(₹ in crores)

		Notes	Year ended March 31, 2024	Year ended March 31, 2023
	Revenue from operations			
	Revenue		**50,876.65**	48,746.41
	Other operating revenue		**104.23**	120.65
I.	**Total revenue from operations**	28 (b)	**50,980.88**	48,867.06
II.	Other income	29 (b)	**225.44**	201.88
III.	**Total income (I+II)**		**51,206.32**	49,068.94
IV.	**Expenses:**			
	(a) Cost of materials consumed		**28,958.89**	27,562.09
	(b) Purchases of products for sale		**12,817.99**	13,876.53
	(c) Changes in inventories of finished goods, work-in-progress and products for sale		**91.70**	(451.64)
	(d) Employee benefits expense	30	**1,452.34**	1,308.51
	(e) Finance costs	31	**237.11**	225.36
	(f) Foreign exchange loss (net)		**1.53**	28.35
	(g) Depreciation and amortisation expense		**1,966.84**	2,231.06
	(h) Product development/engineering expenses		**861.95**	826.26
	(i) Other expenses	32	**3,485.25**	3,134.96
	(j) Amount transferred to capital and other account	33	**(238.37)**	(175.89)
	Total expenses (IV)		**49,635.23**	48,565.59
V.	**Profit before exceptional items and tax (III-IV)**		**1,571.09**	503.35
VI.	**Exceptional items:**			
	(a) Employee separation cost		**6.85**	-
	(b) Cost of purchase/(reversal) of provision for PV undertaking		**(7.55)**	9.34
	(c) Reversal of provision for Onerous Contracts and related supplier claims	42(iii)	**-**	(122.06)
VII.	**Profit before tax (V-VI)**		**1,571.79**	616.07
VIII.	**Tax expense (net):**	25		
	(a) Current tax		**0.80**	-
	(b) Deferred tax		**167.00**	4.02
	Total tax expense (net)		**167.80**	4.02
IX.	**Profit for the year (VII-VIII)**		**1,403.99**	612.05
X.	**Other comprehensive income/(loss):**			
	(A) (i) Items that will not be reclassified to profit or loss:			
	Remeasurement losses on defined benefit obligations (net)		**(23.98)**	(17.33)
	(ii) Income tax credit relating to items that will not be reclassified to profit or loss		**6.04**	4.36
	(B) (i) Items that will be reclassified to profit and loss -Gains/(losses) in cash flow hedges		**(2.20)**	1.33
	(ii) Income tax credit/(expense) relating to items that will be reclassified to profit or loss		**0.55**	(0.33)
	Total other comprehensive loss for the year (net of tax)		**(19.59)**	(11.97)
XI.	**Total comprehensive income for the year (IX+X)**		**1,384.40**	600.08
XII.	**Earnings per equity share (EPS)**	35		
	Ordinary shares (face value of ₹10 each):			
	(i) Basic EPS	₹	**1.49**	0.65
	(ii) Diluted EPS	₹	**1.49**	0.65

See accompanying notes to financial statements
In terms of our report attached

For and on behalf of the Board

USHA SANGWAN Digitally signed by USHA SANGWAN Date: 2024.05.02 22:55:22 +05'30'

SHAILESH CHANDRA Digitally signed by SHAILESH CHANDRA Date: 2024.05.02 23:04:47 +05'30'

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

RISHABH GYAN KUMAR Digitally signed by RISHABH GYAN KUMAR Date: 2024.05.02 23:44:18 +05'30'

RISHABH KUMAR
Partner
Membership No.402877
UDIN: 24402877BKFTJC7108
Place- Mumbai

Date: May 2, 2024

USHA SANGWAN [DIN: 02609263]
Director
Place- Mumbai

ANINDYA KUMAR PAUL Digitally signed by ANINDYA KUMAR PAUL Date: 2024.05.02 23:11:42 +05'30'

ANINDYA PAUL
Chief Financial Officer
Place- Mumbai

SHAILESH CHANDRA [DIN: 07593905]
MD & Chief Executive Officer
Place- Mumbai

ANJALI SINGH Digitally signed by ANJALI SINGH Date: 2024.05.02 22:50:23 +05'30'

ANJALI SINGH [ACS: A26664]
Company Secretary
Place- Mumbai

Date: May 2, 2024

TATA MOTORS PASSENGER VEHICLES LIMITED
Cash Flow Statement

(₹ in crores)

	Year ended March 31, 2024	Year ended March 31, 2023
Cash flows from operating activities:		
Profit for the year	1,403.99	612.05
Adjustments for:		
Depreciation and amortisation expense	1,966.84	2,231.06
Allowance for trade and other receivables	11.24	21.30
Discounting of warranty and other provisions	(8.89)	(12.23)
Lease Charges	21.66	17.81
Cost of purchase/(reversal) of provision of PV undertaking	(7.55)	9.34
Employee sepration cost	6.85	-
Inventory write down (net)	20.02	6.94
Reversal of provision for Onerous Contracts and related supplier claims	-	(122.06)
(Profit)/Loss on sale of assets (net) (including assets scrapped / written off)	10.93	(6.28)
Profit on sale of investments	(1.03)	-
Tax expense (net)	167.80	4.02
Finance costs	237.11	225.36
Interest income	(224.42)	(195.89)
Unrealized foreign exchange (gain)/loss (net)	(7.19)	15.25
	2,193.37	2,194.62
Cash flows from operating activities before changes in following assets and liabilities	3,597.36	2,806.67
Trade receivables	50.62	(75.35)
Loans and advances and other financial assets	(41.51)	45.84
Other current and non-current assets	(11.78)	(273.77)
Inventories	260.68	(752.81)
Trade payables and acceptances	(282.76)	937.25
Other current and non-current liabilities	(38.65)	183.47
Other financial liabilities	(21.23)	(6.36)
Provisions	49.91	126.69
Cash generated from operations	3,562.64	2,991.63
Income tax paid (net)	(202.39)	(78.55)
Net cash from operating activities	3,360.25	2,913.08
Cash flows from investing activities:		
Payments for property, plant and equipments	(1,404.19)	(840.16)
Payments for other intangible assets	(1,143.98)	(885.04)
Proceeds from sale of property, plant and equipments	5.49	25.35
Investments in Mutual Fund (purchased)/sold (net)	1.03	-
Redemption of Government Securities	9.69	-
Investment in Government Securities	(42.44)	-
Sale of Investment of a subsidiary company	-	36.93
Increase in short term inter corporate deposit	(908.00)	(965.00)
Increase in deposit/restricted deposits with banks	(25.09)	(0.05)
Interest received	224.18	195.57
Net cash used in investing activities	(3,283.31)	(2,432.40)
Cash flows used in financing activities:		
Net change in other short-term borrowings (with maturity up to three months)	-	(2.28)
Dividend paid	(150.67)	-
Repayment of lease liabilities (including interest)	(193.60)	(196.58)
Interest paid [including discounting charges paid, ₹136.81 crores (March 31, 2023 ₹133.11 crores)]	(154.54)	(163.36)
Net cash used in financing activities	(498.81)	(362.22)
Net increase/(decrease) in cash and cash equivalents	(421.87)	118.46
Cash and cash equivalents as at April 1, (opening balance)	541.36	422.90
Cash and cash equivalents as at March 31, (closing balance)	119.49	541.36
Non-cash transactions:		
Liability towards property, plant and equipment and other intangible assets purchased on credit/deferred credit	545.18	482.29

See accompanying notes to financial statements
In terms of our report attached

For and on behalf of the Board

USHA SANGWAN Digitally signed by USHA SANGWAN Date: 2024.05.02 22:54:50 +05'30'

SHAILESH CHANDRA Digitally signed by SHAILESH CHANDRA Date: 2024.05.02 23:05:15 +05'30'

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

USHA SANGWAN [DIN: 02609263]
Director
Place- Mumbai

SHAILESH CHANDRA [DIN: 07593905]
MD & Chief Executive Officer
Place- Mumbai

RISHABH GYAN KUMAR Digitally signed by RISHABH GYAN KUMAR Date: 2024.05.02 23:44:59 +05'30'

ANINDYA KUMAR PAUL Digitally signed by ANINDYA KUMAR PAUL Date: 2024.05.02 23:12:05 +05'30'

ANJALI SINGH Digitally signed by ANJALI SINGH Date: 2024.05.02 22:50:43 +05'30'

RISHABH KUMAR
Partner
Membership No.402877
UDIN: 24402877BKFTJC7108
Place- Mumbai

ANINDYA PAUL
Chief Financial Officer
Place- Mumbai

ANJALI SINGH [ACS: A26664]
Company Secretary
Place- Mumbai

Date: May 2, 2024

Date: May 2, 2024

TATA MOTORS PASSENGER VEHICLES LIMITED
Statement of Changes in Equity for the year ended March 31, 2024

A. Equity Share Capital

(₹ in crores)

Particulars	
Balance as at April 1, 2023	9,417.15
Balance as at March 31, 2024	9,417.15

B. Other Equity (refer note 19)

(₹ in crores)

	Capital Reserve	Merger Deficit adjustment account	Retained earnings	Other components of equity		Total other equity
				Hedging Reserve	Cost of hedging reserve	
Balance as at April 1, 2023	89.51	(2,696.54)	316.06	2.39	(1.39)	(2,289.97)
Profit for the year	-	-	1,403.99	-	-	1,403.99
Remeasurement loss on defined benefit obligations (net)	-	-	(17.94)	-	-	(17.94)
Gain/(Loss) in cash flow hedges	-	-	-	(2.40)	0.75	(1.65)
Total comprehensive income for the year	-	-	1,386.05	(2.40)	0.75	1,384.40
Dividend paid [Refer Note 19(B)]	-	-	(150.67)	-	-	(150.67)
Balance as at March 31, 2024	89.51	(2,696.54)	1,551.44	(0.01)	(0.64)	(1,056.24)

See accompanying notes to financial statements
In terms of our report attached

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

RISHABH GYAN KUMAR Digitally signed by RISHABH GYAN KUMAR Date: 2024.05.02 23:45:34 +05'30'

RISHABH KUMAR
Partner
Membership No.402877
UDIN: 24402877BKFTJC7108
Place- Mumbai

Date: May 2, 2024

USHA SANGWAN Digitally signed by USHA SANGWAN Date: 2024.05.02 22:54:29 +05'30'

For and on behalf of the Board

USHA SANGWAN [DIN: 02609263]
Director
Place- Mumbai

ANINDYA KUMAR PAUL Digitally signed by ANINDYA KUMAR PAUL Date: 2024.05.02 23:12:25 +05'30'

ANINDYA PAUL
Chief Financial Officer
Place- Mumbai

SHAILESH CHANDRA Digitally signed by SHAILESH CHANDRA Date: 2024.05.02 23:05:51 +05'30'

SHAILESH CHANDRA [DIN: 07593905]
MD & Chief Executive Officer
Place- Mumbai

ANJALI SINGH Digitally signed by ANJALI SINGH Date: 2024.05.02 22:51:02 +05'30'

ANJALI SINGH [ACS: A26664]
Company Secretary
Place- Mumbai

Date: May 2, 2024

TATA MOTORS PASSENGER VEHICLES LIMITED
Statement of Changes in Equity for the year ended March 31, 2023

A. Equity Share Capital

(₹ in crores)

Particulars	
Balance as at April 1, 2022	9,417.15
Balance as at March 31, 2023	9,417.15

B. Other Equity (refer note 19)

(₹ in crores)

	Capital Reserve	Merger Deficit adjustment account	Retained earnings	Other components of equity		Total other equity
				Hedging Reserve	Cost of hedging reserve	
Balance as at April 1, 2022	85.99	(2,696.54)	(283.02)	-	-	(2,893.57)
Profit for the year	-	-	612.05	-	-	612.05
Sale of Investments	3.52	-	-	-	-	3.52
Other comprehensive income/(loss) for the year	-	-	(12.97)	2.39	(1.39)	(11.97)
Total comprehensive income for the year	3.52	-	599.08	2.39	(1.39)	603.60
Balance as at March 31, 2023	89.51	(2,696.54)	316.06	2.39	(1.39)	(2,289.97)

See accompanying notes to financial statements
In terms of our report attached

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

RISHABH GYAN KUMAR
Digitally signed by RISHABH GYAN KUMAR
Date: 2024.05.02 23:46:13 +05'30'

RISHABH KUMAR
Partner
Membership No.402877
UDIN: 24402877BKFTJC7108
Place- Mumbai

Date: May 2, 2024

For and on behalf of the Board

USHA SANGWAN
Digitally signed by USHA SANGWAN
Date: 2024.05.02 22:54:04 +05'30'

USHA SANGWAN [DIN: 02609263]
Director
Place- Mumbai

ANINDYA KUMAR PAUL
Digitally signed by ANINDYA KUMAR PAUL
Date: 2024.05.02 23:12:50 +05'30'

ANINDYA PAUL
Chief Financial Officer
Place- Mumbai

SHAILESH CHANDRA
Digitally signed by SHAILESH CHANDRA
Date: 2024.05.02 23:06:49 +05'30'

SHAILESH CHANDRA [DIN: 07593905]
MD & Chief Executive Officer
Place- Mumbai

ANJALI SINGH
Digitally signed by ANJALI SINGH
Date: 2024.05.02 22:51:32 +05'30'

ANJALI SINGH [ACS: A26664]
Company Secretary
Place- Mumbai

Date: May 2, 2024

1 Background and operations

Tata Motors Passenger Vehicles Limited referred to as ("the Company or TMPVL"), designs, manufactures and sells a wide range of automotive vehicles.

The Company is a public limited Company incorporated and domiciled in India and has its registered office at Mumbai, India. As at March 31, 2024, TMPVL is a wholly owned subsidiary of Tata Motors Limited (TML). TML directly or indirectly, holds 100% equity interest in TMPVL.

The standalone financial statements were approved by the Board of Directors and authorised for issue on May 2, 2024.

2 Material accounting policies

(a) Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 (the "Act") as amended from time to time and based on requirement of Division II of schedule III of the companies act 2013.

(b) 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 as explained in the accounting policies below. These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded to the nearest crores, unless otherwise indicated.

(c) 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 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

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in 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 recognised in the financial statements are included in the following notes:

i) Note 3 and Note 5 - Property, plant and equipment and Intangible assets- useful life and impairment
ii) Note 25 - Recoverability/recognition of deferred tax assets
iii) Note 24 - Provision for product warranty
iv) Note 30(b) - Assets and obligations relating to employee benefits

Judgements

Revenue recognition: The Company uses judgement to determine when control of its goods, primarily vehicles and parts, pass to the customer. This is assessed with reference to indicators of control, including the risks and rewards of ownership, legal title with reference to the underlying terms of the customer contract and when there are no longer any unfulfilled obligation.. Refer to note 30 for further information.

Capitalisation of product engineering costs: The Company applies judgement in determining at what point in a vehicle programme's life cycle the recognition criteria under IAS 38 are satisfied, and in determining the nature of the cost capitalised. Refer to note 5 for further information.

(d) Cost recognition

Costs and expenses are recognised when incurred and are classified according to their nature. Expenditure are capitalized where appropriate, in accordance with the policy for internally generated intangible assets and represents employee costs, stores and other manufacturing supplies, and other expenses incurred for construction and product development undertaken by the Company.

Material and other cost of sales as reported in the statement of profit and loss is presented net of the impact of realised foreign exchange relating to derivatives hedging cost exposures.

(e) Foreign currency

These financial statements are presented in Indian rupees, which is the functional currency of Tata Motors Passenger Vehicles Limited.

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Foreign currency denominated monetary assets and liabilities are re-measured into the functional currency at the exchange rate prevailing on the balance sheet date.

Exchange differences arising on settlement of transactions and translation of monetary items are recognized in the statement of Profit or Loss except to the extent, exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings, are capitalized as part of borrowing costs.

(f) Segments

The Company primarily operates in the automotive segment that consists of dealing with of all types of passanger vehicles.

(g) Going concern

The Company's financial statements have been prepared on a going concern basis.

The Company has performed an assessment of its financial position as at March 31, 2024 and forecasts of the Company for a period of eighteen months from the date of these financial statements (the 'Going Concern Assessment Period' and the 'Foreseeable Future').

In developing these forecasts, the Company has modelled a base case, which has been further sensitised using severe but plausible downside scenarios. It also accounts for other end-market and operational factors throughout the Going Concern Assessment Period. This has been further sensitized using more severe but plausible scenarios considering external market commentaries and other factors impacting the global economy and automotive industry. Management do not consider more extreme scenarios than the ones assessed to be plausible.

In evaluating the forecasts, the Company has taken into consideration both the sufficiency of liquidity to meet obligations as they fall due as well as potential impact on compliance with financial covenants during the forecast period. These forecasts indicate that, based on cash generated from operations, the existing funding facilities, the Company will have sufficient liquidity to operate and discharge its liabilities as they become due, without breaching any relevant covenants and the need for any mitigating actions.

Based on the evaluation described above, management believes that the Company has sufficient financial resources available to it at the date of approval of these financial statements and that it will be able to continue as a 'going concern' in the foreseeable future and for a period up to September 30, 2025.

(h) 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.

Intangible assets not yet available for use, are tested for impairment annually at each balance sheet date, or earlier, if there is an indication that the asset may be impaired.

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 recognised immediately in the statement of Profit and Loss.

An asset or cash-generating unit impaired in prior years is reviewed at each balance sheet date to determine whether there is any indication of a reversal of impairment loss recognized in prior years.

(i) Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

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

Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reli ably. Repairs and maintenance costs are recognized in the statement of Profit and loss when incurred.

Interest cost incurred is capitalised up to the date the asset is ready for its intended use for qualifying assets, based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings, if no specific borrowings have been incurred for the asset.

Depreciation is provided on the Straight Line Method (SLM) over the estimated useful lives of the assets considering the nature, estimated usage, operating conditions, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support. Taking into account these factors, the Company has decided to retain the useful life hitherto adopted for various categories of property, plant and equipments, which are different from those prescribed in Schedule II of the Act.

Estimated useful lives of assets are as follows:

Type of Asset	Estimated useful life (years)
Buildings, Roads, Bridge and culverts	4 to 60 years
Plant, machinery and equipment	8 to 20 years
Computers and other IT assets	4 to 6 years
Vehicles	4 to 10 years
Furniture, fixtures and office appliances	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 the statement of Profit and loss.

(b) Property, plant and equipment

(₹ in crores)

	Owned assets						Given on lease	
	Land	Buildings	Plant, machinery and equipment	Furniture and fixtures	Vehicles	Computers & other IT assets	Buildings	Total
Cost as at April 1, 2023	**786.74**	**844.56**	**13,654.11**	**57.14**	**27.31**	**101.28**	**-**	**15,471.14**
Additions	**-**	**30.13**	**1,109.81**	**0.77**	**13.47**	**18.29**	**2.36**	**1,174.83**
Disposal/Adjustments	**-**	**-**	**(91.42)**	**-**	**(3.36)**	**(0.17)**	**-**	**(94.95)**
Cost as at March 31, 2024	**786.74**	**874.69**	**14,672.50**	**57.91**	**37.42**	**119.40**	**2.36**	**16,551.02**
Accumulated depreciation as at April 1, 2023	**-**	**(384.74)**	**(9,103.10)**	**(34.74)**	**(14.96)**	**(71.40)**	**-**	**(9,608.94)**
Depreciation for the period	**-**	**(28.74)**	**(832.15)**	**(3.46)**	**(5.11)**	**(8.87)**	**(0.60)**	**(878.93)**
Disposal/Adjustments	**-**	**-**	**86.52**	**-**	**1.41**	**0.16**	**-**	**88.09**
Accumulated depreciation as at March 31, 2024	**-**	**(413.48)**	**(9,848.73)**	**(38.20)**	**(18.66)**	**(80.11)**	**(0.60)**	**(10,399.78)**
Net carrying amount as at March 31, 2024	**786.74**	**461.21**	**4,823.77**	**19.71**	**18.76**	**39.29**	**1.76**	**6,151.24**
Cost as at April 1, 2022	786.74	823.71	13,010.25	67.33	22.61	84.34	-	14,794.98
Additions	-	20.92	976.90	1.14	6.61	17.07	-	1,022.64
Disposal/Adjustments	-	(0.07)	(333.04)	(11.33)	(1.91)	(0.13)	-	(346.48)
Cost as at March 31, 2023	786.74	844.56	13,654.11	57.14	27.31	101.28	-	15,471.14
Accumulated depreciation as at April 1, 2022	-	(359.28)	(8,583.44)	(37.96)	(13.55)	(63.75)	-	(9,057.98)
Depreciation for the year	-	(25.51)	(837.14)	(5.17)	(2.82)	(7.76)	-	(878.40)
Disposal/Adjustments	-	0.05	317.48	8.39	1.41	0.11	-	327.44
Accumulated depreciation as at March 31, 2023	-	(384.74)	(9,103.10)	(34.74)	(14.96)	(71.40)	-	(9,608.94)
Net carrying amount as at March 31, 2023	786.74	459.82	4,551.01	22.40	12.35	29.88	-	5,862.20

(c) Capital Work-in-Progress

(₹ in crores)

	For the year ended, March 31, 2024	For the year ended, March 31, 2023
Balance at the beginning	250.72	478.75
Additions	1,549.56	794.61
Capitalised during the year	(1,172.98)	(1,022.64)
Balance at the end	627.30	250.72

(d) Ageing of Capital work-in-progress

(₹ in crores)

	As at March 31, 2024				
	Up to 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	614.86	11.88	-	0.56	627.30
Projects temporarily suspended	-	-	-	-	-
As at March 31, 2024	614.86	11.88	-	0.56	627.30

	As at March 31, 2023				
	Up to 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	228.25	15.70	0.07	6.70	250.72
Projects temporarily suspended	-	-	-	-	-
As at March 31, 2023	228.25	15.70	0.07	6.70	250.72

(e) Expected Completion schedule of Capital work-in-progress where cost or time overrun has exceeded original plan

	As at March 31, 2024				
	To be completed				
	Up to 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress					
Project 1	59.02	-	-	-	59.02
Other Projects*	17.16	-	-	-	17.16
	76.18	-	-	-	76.18

	As at March 31, 2023				
	To be completed				
	Up to 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress					
Other Projects*	0.71	-	-	-	0.71
	0.71	-	-	-	0.71

*Individual projects less than ₹ 50 crores have been clubbed together in other projects.

Original plan is considered as that plan which is approved and on the basis of which implementation progress is evaluated. Such original plan includes management's estimates and assumptions w.r.t future business, economy / industry and regulatory environments.

4. Leases

(a) Accounting policy

Lessee:

At inception of a contract, the Company assesses whether a contract is, or contain a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- The contract involves the use of an identified asset –this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substation right, then the asset is not identified;
- The Company has the right to substantially all of the economic benefits from the use of the asset throughout the period of use; and
- The Company has the right to direct the use of the asset. The Company has this right when it has the decision making rights that are most relevant to changing how and for what purposes the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
  - The Company has the right to operate the asset; or
  - The Company designed the asset in a way that predetermines how and for what purposes it will be used.

As a practical expedient, Ind AS 116 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient. At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and estimated dilapidation costs, less any lease incentives received. The right-of-use asset is subsequently amortised using the straight-line method over the shorter of the useful life of the leased asset or the period of lease. If ownership of the leased asset is automatically transferred at the end of the lease term or the exercise of a purchase option is reflected in the lease payments, the right-of-use asset is amortised on a straightline basis over the expected useful life of the leased asset.

The lease liability is initially measured at the present value of the lease payments that are not paid at commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments.

Lease payments include fixed payments, including in-substance fixed payments, amounts expected to be payable under a 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.

Payment made towards short term leases (leases for which non-cancellable term is 12 months or lesser) and low value assets (lease of assets worth less than ₹0.03 crores) are recognised in the statement of Profit and Loss as rental expenses over the tenor of such leases.

Lessor:

At the inception of a lease, the lease arrangement is classified as either a finance lease or an operating lease, based on contractual terms and substance of the lease arrangement. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

(b) The Company leases a number of buildings, plant and equipment, IT hardware and software assets, certain of which have a renewal and/or purchase option in the normal course of the business. Extension and termination options are included in a number of leases across the Company. The majority of extension and termination options held are exercisable only by the Company and not by the respective lessor. The Company assesses at lease commencement whether it is reasonably certain to exercise the extension or termination option. The Company re-assesses whether it is reasonably certain to exercise options if there is a significant event or significant change in circumstances within its control. It is recognised that there is potential for lease term assumptions to change in the future and this will continue to be monitored by the Company where relevant. The Company's leases mature between 2025 and 2033. The weighted average rate applied is 8.30% (2023: 8.27%).

The following amounts are included in the Balance Sheet :

(₹ in crores)

	As at, March 31, 2024	As at, March 31, 2023
Current lease liabilities	140.64	105.23
Non-current lease liabilities	653.61	630.77
Total lease liabilities	794.25	736.00

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

(₹ in crores)

	For the year ended, March 31, 2024	For the year ended, March 31, 2023
Interest expense on lease liabilities	68.70	62.92
Expenses related to short-term leases	0.43	1.95
Expenses related to low-value assets, excluding short-term leases of low-value assets	6.71	1.49

(₹ in crores)

Right of use assets	Land	Buildings	Plant, machinery and equipments	Vehicles	Computers & other IT assets	Total
Cost as at April 1, 2023	**29.68**	**105.61**	**825.12**	**77.33**	**2.58**	**1,040.32**
Additions	**-**	**138.33**	**21.23**	**40.00**	**-**	**199.56**
Disposals/adjustments	**-**	**(11.27)**	**(72.45)**	**(12.72)**	**(2.49)**	**(98.93)**
Cost as at March 31, 2024	**29.68**	**232.67**	**773.90**	**104.61**	**0.09**	**1,140.95**
Accumulated amortisation as at April 1, 2023	**(1.56)**	**(35.27)**	**(260.52)**	**(24.83)**	**(1.43)**	**(323.61)**
Amortisation for the year	**(0.39)**	**(30.78)**	**(87.33)**	**-**	**(0.03)**	**(118.53)**
Amortisation - considered as employee cost	**-**	**-**	**-**	**(21.66)**	**-**	**(21.66)**
Disposal/adjustments	**-**	**3.76**	**69.17**	**8.16**	**1.42**	**82.51**
Accumulated amortisation as at March 31, 2024	**(1.95)**	**(62.29)**	**(278.68)**	**(38.33)**	**(0.04)**	**(381.29)**
Net carrying amount as at March 31, 2024	**27.73**	**170.38**	**495.22**	**66.28**	**0.05**	**759.66**
Cost as at April 1, 2022	29.66	136.99	837.88	41.68	7.77	1,053.98
Additions	0.02	12.46	75.81	39.53	0.10	127.92
Disposals/adjustments	-	(43.84)	(88.57)	(3.88)	(5.29)	(141.58)
Cost as at March 31, 2023	29.68	105.61	825.12	77.33	2.58	1,040.32
Accumulated amortisation as at April 1, 2022	(1.17)	(54.42)	(246.65)	(8.74)	(6.05)	(317.03)
Amortisation for the year	(0.39)	(23.01)	(99.63)	-	(0.67)	(123.70)
Amortisation - considered as employee cost	-	-	-	(17.35)	-	(17.35)
Disposal/adjustments	-	42.16	85.76	1.26	5.29	134.47
Accumulated amortisation as at March 31, 2023	(1.56)	(35.27)	(260.52)	(24.83)	(1.43)	(323.61)
Net carrying amount as at March 31, 2023	28.12	70.34	564.60	52.50	1.15	716.71

(c) There are certain plant and machinery which are being given to the customers along with operations and maintenance of the same. These are accounted as finance lease as the material risks and rewards are transferred to the lessee. The lease agreement has been extended for next 5 financial years.

The average effective interest rate contracted approximates between **19.17%** (2023: 16.92%) per annum.

The following amounts are included in the Balance Sheet :

	As at, March 31, 2024	As at, March 31, 2023
Current lease receivables	6.51	13.01
Non-current lease receivables	79.89	54.32
Total lease receivables	86.40	67.33

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

	For the year ended, March 31, 2024	For the year ended, March 31, 2023
Finance income on the net investment in finance leases	11.40	13.53

Note – For repayment of lease liabilities during the year please refer note 20 (ii)

The table below provides details regarding the contractual maturities of finance lease receivables:

(₹ in crores)

	As at March 31, 2024				
	Due in 1st Year	Due in 2nd Year	Due in 3rd to 5th Year	Due beyond 5th Year	Total contractual cash flows
Total undiscounted lease receivable	6.51	6.11	17.60	56.16	86.38
Unearned finance income	16.57	15.32	38.95	-	70.84
Net investment in the lease	23.08	21.43	56.55	56.16	157.22

	As at March 31, 2023				
	Due in 1st Year	Due in 2nd Year	Due in 3rd to 5th Year	Due beyond 5th Year	Total contractual cash flows
Total undiscounted lease receivable	13.01	54.32	-	-	67.33
Unearned finance income	11.40		-	-	11.40
Finance lease receivables	24.41	54.32	-	-	78.73

5. Other Intangible assets

(a) Accounting policy

Intangible assets purchased are measured at cost or fair value as on the date of acquisition less accumulated amortisation and impairment, if any.

Amortisation is provided on a straight-line basis over estimated useful lives of the intangible assets as per details below:

	Estimated amortisation period
Software	4 years
Product develoment cost	2 to 10 years

The amortisation period for intangible assets with finite useful lives is reviewed at each year-end. Changes in expected useful lives are treated as changes in accounting estimates.

Internally generated intangible asset

Research costs are charged to the statement of Profit and Loss in the year in which they are incurred.

Product development costs incurred on new vehicle platform, engines, transmission and new products are recognised as intangible assets, when feasibility has been established, the Company has committed technical, financial and other resources to complete the development and it is probable that asset will generate future economic benefits.

The cost of an internally generated intangible asset is the sum of directly attributable expenditure incurred from the date when the intangible asset first meets the recognition criteria to the completion of its development.

Interest cost incurred is capitalised up to the date the asset is ready for its intended use, based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings if no specific borrowings have been incurred for the asset.

Product development expenditure is measured at cost less accumulated amortisation and impairment, if any. Amortisation is not recorded on product engineering in progress until development is complete.

Derecognition of intangible assets

An item of intangible assets is derecognized on disposal or when fully amortized and no longer in use. Any gain or loss arising from derecognition of an item of intangible assets is included in the statement of profit and loss.

(b) Intangible assets consist of the following:

(₹ in crores)

	Computer Software	Product development	Total
Cost as at April 1, 2023	138.88	7,830.62	7,969.50
Additions	108.61	694.84	803.45
Cost as at March 31, 2024	247.49	8,525.46	8,772.95
Accumulated amortisation as at April 1, 2023	(88.27)	(4,664.71)	(4,752.98)
Amortisation for the period	(18.44)	(950.93)	(969.37)
Accumulated amortisation as at March 31, 2024	(106.71)	(5,615.64)	(5,722.35)
Net carrying amount as at March 31, 2024	140.78	2,909.82	3,050.60
Cost as at April 1, 2022	94.18	7,361.29	7,455.47
Additions	44.70	691.58	736.28
Asset fully amortised not in use	-	(222.25)	(222.25)
Cost as at March 31, 2023	138.88	7,830.62	7,969.50
Accumulated amortisation as at April 1, 2022	(80.61)	(3,665.66)	(3,746.27)
Amortization for the period	(7.66)	(1,221.30)	(1,228.96)
Asset fully amortised not in use	-	222.25	222.25
Accumulated amortisation as at March 31, 2023	(88.27)	(4,664.71)	(4,752.98)
Net carrying amount as at March 31, 2023	50.61	3,165.91	3,216.52

(c) Intangible assets under development

(₹ in crores)

	For the year ended, March 31, 2024	For the year ended, March 31, 2023
Balance at the beginning	503.27	298.09
Additions	1,148.28	941.46
Capitalised during the year	(803.45)	(736.28)
Balance at the end	848.10	503.27

(d) Ageing of intangible assets under development

(₹ in crores)

	As at March 31, 2024				
	Up to 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	648.49	176.54	19.02	4.05	848.10
Projects temporarily suspended	-	-	-	-	-
As at March 31, 2024	648.49	176.54	19.02	4.05	848.10

	As at March 31, 2023				
	Up to 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	446.62	52.61	0.73	3.31	503.27
Projects temporarily suspended	-	-	-	-	-
As at March 31, 2023	446.62	52.61	0.73	3.31	503.27

(e) Expected Completion schedule of intangible assets under development where cost or time overrun has exceeded original plan

(₹ in crores)

	As at March 31, 2024				
	Up to 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress					
Project 1	-	-	-	-	-
Other Projects*	104.28	-	-	-	104.28
	104.28	-	-	-	104.28

	As at March 31, 2023				
	Up to 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress					
Other Projects*	-	23.42	-	-	23.42
	-	23.42	-	-	23.42

*Individual projects less than ₹ 50 crores have been clubbed together in other projects.

Original plan is considered as that plan which is approved and on the basis of which implementation progress is evaluated. Such original plan includes management's estimates and assumptions w.r.t future business, economy / industry and regulatory environments.

6 Investments-current

(₹ in crores)

	As at March 31, 2024	As at March 31, 2023
Investments measured at amortised cost		
Quoted		
Treasury bills	33.14	-
Total	33.14	-

(₹ in crores)

		As at March 31, 2024	As at March 31, 2023
(1)	Book Value of quoted investments	33.14	-
(2)	Market Value of quoted investments	33.14	-

7 Loans-Non-current

(₹ in crores)

		As at March 31, 2024		As at March 31, 2023
Unsecured:				
(a) Loans to employees, considered good		14.51		14.21
(b) Others				
Considered good	-		9.74	
Credit impaired	9.22		-	
	9.22		9.74	
Less : Allowances for credit impaired balances	(9.22)	-	-	9.74
Total		14.51		23.95

8 Loans -current

(₹ in crores)

	As at March 31, 2024	As at March 31, 2023
Unsecured :		
(a) Loans to employees, considered good	5.01	5.29
(b) Intercorporate deposits		
Considered good	3,643.00	2,735.00
(c) Dues from holding company and fellow subsidiary companies		
Considered good	-	1.40
Total	3648.01	2741.69
Note:		
Dues from holding company and fellow subsidiary companies		
(a) Tata Motors Limited	-	0.23
(b) Jaguar Land Rover Plc	-	1.17
	-	1.40

9 Other financial assets - non current

(₹ in crores)

	As at March 31, 2024	As at March 31, 2023
(a) Finance Lease receivables	79.89	54.32
(b) Recoverable from suppliers	20.64	6.83
(c) Security deposits	23.57	9.00
(d) Restricted deposits	-	0.05
Total	124.10	70.20

10 Other financial assets - current

(₹ in crores)

	As at March 31, 2024	As at March 31, 2023
(a) Advances and other receivables (net of allowances for credit impaired balances of ₹1.06 crores and ₹1.06 crores as at March 31, 2024 and March 31, 2023, respectively)	4.38	3.90
(b) Derivative financial instruments	19.95	40.19
(c) Interest accrued on loans and deposits	0.23	0.38
(d) Finance Lease receivables	6.51	13.01
(e) Recoverable from suppliers	28.84	24.17
(f) Security deposits	0.26	-
Total	60.17	81.65

11 Other non-current assets

(₹ in crores)

	As at March 31, 2024	As at March 31, 2023
(a) Capital advances	149.81	227.14
(b) Taxes recoverable, statutory deposits and dues from government	37.94	22.75
(c) Prepaid Expenses	11.11	14.65
(d) Employee benefit obligation	10.21	-
Total	209.07	264.54

12 Other current assets

(₹ in crores)

		As at March 31, 2024	As at March 31, 2023
(a)	Advance to suppliers and contractors (net of allowances for credit impaired balances of ₹9.76 crores and ₹12.24 crores as at March 31, 2024 and March 31, 2023, respectively)	26.54	36.36
(b)	Taxes recoverable, statutory deposits and dues from government (net of allowances for credit impaired balances of ₹0.34 crores and ₹23.8 crores as at March 31, 2024 and March 31, 2023, respectively)	201.64	463.88
(c)	Prepaid expenses	110.75	59.38
(d)	Others	0.04	0.04
	Total	338.97	559.66

13. Inventories

(a) Accounting policy

Inventories are valued at the lower of cost and net realisable value. Cost of raw materials, components and consumables are ascertained on a moving weighted average basis. Cost, including fixed and variable production overheads, are allocated to work-in-progress and finished goods determined on a full absorption cost basis. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less estimated cost of completion and selling expenses.

(b) Inventories consist of the following:

(₹ in crores)

		As at March 31, 2024	As at March 31, 2023
(a)	Raw materials and components	757.26	1,178.38
(b)	Work-in-progress	166.59	314.38
(c)	Finished goods	645.02	588.93
(d)	Stores and spare parts	116.25	65.70
(e)	Consumable tools	13.37	13.27
(f)	Goods-in-transit-Raw materials,components and stock in trade	359.14	177.69
	Total	2,057.63	2,338.35

During the year ended March 31, 2024 and 2023, the Company recorded inventory write-down (net) in the statement of Profit and Loss account of **₹ 20.02 crores** and ₹ 6.94 crores, respectively.

Cost of inventories (including cost of purchased products) recognized as expense during the year ended March 31, 2024 and 2023 amounted to **₹ 46728.33 crores** and ₹ 45653.58 crores, respectively.

14 Trade receivables (Unsecured)

(₹ in crores)

	As at March 31, 2024	As at March 31, 2023
Receivables considered good	397.52	262.48
Credit impaired receivables	32.26	66.98
	429.78	329.46
Less : Allowance for credit impaired receivables	(32.26)	(66.98)
Total	397.52	262.48

15 Allowance for trade receivables, loans and other receivables

(₹ in crores)

	As at March 31, 2024	As at March 31, 2023
Balance at the beginning	104.08	173.91
Allowances made during the year	11.24	21.30
Written off	(62.68)	(91.13)
Balance at the end	52.64	104.08

16. Cash and cash equivalents

(a) Accounting policy

Cash and cash equivalents comprises demand deposits and highly liquid investments with an original maturity of up to three month that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

(b) Cash and cash equivalents consist of the following:

(₹ in crores)

		As at March 31, 2024	As at March 31, 2023
(a)	Cheques on hand	18.69	0.88
(b)	Balances with banks	100.80	90.48
(c)	Deposits with banks	-	450.00
		119.49	541.36

17 Other bank balances

(₹ in crores)

	As at March 31, 2024	As at March 31, 2023
With upto 12 months maturity:		
Earmarked balances with banks (refer note below)	0.13	-
Bank Deposits	25.00	-
Total	25.13	-

Note :
Earmarked balances with banks as at March 31, 2024 of **₹0.13 crores** (as at March 31, 2023 ₹NIL crores) is held as restricted FD in relation to State Consumer Disputes Redressal Commission.

18 Equity Share Capital

(₹ in crores)

	As at March 31, 2024	As at March 31, 2023
(a) Authorised:		
20,00,00,00,000 Ordinary shares of ₹10 each	20,000.00	20,000.00
(as at March 31, 2023: 20,00,00,00,000 Ordinary shares of ₹10 each)		
Total	20,000.00	20,000.00
(b) Issued:		
9,417,150,000 Ordinary shares of ₹10 each	9,417.15	9,417.15
(as at March 31, 2023: 9,417,150,000 Ordinary shares of ₹10 each)		
Total	9,417.15	9,417.15
(c) Subscribed and paid up:		
9,417,150,000 Ordinary shares of ₹10 each	9,417.15	9,417.15
(as at March 31, 2023: 9,417,150,000 Ordinary shares of ₹10 each)		
	9,417.15	9,417.15

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

	Year ended March 31, 2024		Year ended March 31, 2023	
	(Number of shares)	(₹ in crores)	(Number of shares)	(₹ in crores)
Ordinary shares				
Balance as at April 1	9,417,150,000	9,417.15	9,417,150,000	9,417.15
Balance as at March 31	9,417,150,000	9,417.15	9,417,150,000	9,417.15

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

	As at March 31,			
	2024		2023	
	No. of Shares	₹ in crores	No. of Shares	₹ in crores
(i) **Ordinary shares :**				
Tata Motors Limited	9,41,70,00,000	9,417.00	9,41,70,00,000	9,417.00

(f) 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.

(g) Disclosure of Shareholding of Promoters

Promoter name	As at March 31,			
	2024		2023	
	No. of Shares	% of Issued Share Capital	No. of Shares	% of Issued Share Capital
Ordinary shares :				
TML Business Services Limited	150,000	*	1,50,000	*
Tata Motors Limited	9,417,000,000	100.00%	9,41,70,00,000	100.00%

* Less than 0.01%

19. A) Other components of equity

(a) The movement of Hedging reserve is as follows:

	Year ended March 31, 2024	Year ended March 31, 2023
Balance at the beginning	2.39	-
Gain/(loss) recognised on cash flow hedges	(0.02)	3.19
Income tax relating to loss/(gain) recognised on cash flow hedges	0.01	(0.80)
(gain)/loss reclassified to profit or loss	(3.19)	-
Income tax relating to Gain reclassified to profit or loss	0.80	-
Balance at the end	(0.01)	2.39

(b) The movement of Cost of Hedging reserve is as follows:

	Year ended March 31, 2024	Year ended March 31, 2023
Balance at the beginning	(1.39)	-
Gain/(loss) recognised on cash flow hedges	(0.85)	(1.86)
Income tax relating to gain recognised on cash flow hedges	0.21	0.47
gain reclassified to profit or loss	1.86	-
Income tax relating to loss/(gain) reclassified to profit and loss	(0.47)	-
Balance at the end	(0.64)	(1.39)

(c) Summary of Other components of equity:

	Year ended March 31, 2024	Year ended March 31, 2023
Hedging reserve	(0.01)	2.39
Cost of hedging reserve	(0.64)	(1.39)
Total	(0.65)	1.00

B) Notes to reserves

a) Capital reserve

The capital reserve represents the excess of the identifiable assets and liabilities over the consideration paid/received or vice versa in a common control sale/transfer of business/investment.

b) Retained earnings

Retained earnings are the profits that the Company has earned till date, add/(less) any transfers from/(to) general reserve, securities premium and debenture redemption reserve, dividends or other distributions paid to shareholders. Retained earnings includes re-measurement gain/(loss) on defined benefit obligations, net of taxes that will not be reclassified to Profit and Loss.

c) Dividends

Any dividend declared by Tata Motors Passenger Vehicles Limited is based on the profits available for distribution as reported in the statutory financial statements of Tata Motors Passenger Vehicles Limited 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 Tata Motors Passenger Vehicles Limited 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 of the said profits, 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 this Financial Statements may not be fully distributable.

For the year ended March 31, 2024 the Board of Directors has recommended a final dividend of **₹ 0.27** 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 **₹ 254.30** crores.
The Company has paid a final dividend of ₹ 0.16 per share on Ordinary shares totalling to ₹ 150.67 crores for the year ended March 31, 2023

20 Long-term borrowings

(₹ in crores)

	As at March 31, 2024	As at March 31, 2023
Secured:		
Term loans:		
Government loan (refer note (i) below)	233.43	212.71
	233.43	212.71
Total	233.43	212.71

I. Information regarding long-term borrowings

(i) Nature of security (on loans including interest accrued thereon) :

The term loan of **₹ 587.08** crores (recorded in books at **₹233.43 crores**) is due for repayment from the quarter ending March 31, 2033 to quarter ending March 31, 2039, along with simple interest at the rate of 0.10% p.a. The loan is secured by a second and subservient charge (creation of charge is under process) over Company's freehold land together with immovable properties, plant and machinery and other movable assets (excluding stock and book debts) situated at Sanand plant in the State of Gujarat.

(ii) Reconciliation of movements of liabilities to cash flows arising from financing activities

(₹ in crores)

	Lease liabilities	Long-term borrowings	Total
Balance at March 31, 2023	736.00	213.71	949.71
Issue of new leases	198.42	-	198.42
Repayment of financing	(193.60)	-	(193.60)
Foreign exchange	(0.79)	-	(0.79)
Interest accrued	68.70	-	68.70
Lease terminations	(14.48)	-	(14.48)
Amortisation / EIR adjustments of prepaid borrowings (net)	-	19.72	19.72
Balance at March 31, 2024	794.25	233.43	1,027.67
Balance at April 1, 2022	748.41	193.84	942.25
Issue of new leases	127.61	-	127.61
Repayment of financing	(196.58)	-	(196.58)
Interest accrued	62.92	-	62.92
Foreign exchange	0.70	-	0.70
Lease terminations	(7.06)	-	(7.06)
Amortisation / EIR adjustments of prepaid borrowings (net)	-	19.87	19.87
Balance at March 31, 2023	736.00	213.71	949.71

21 Trade payables

(₹ in crores)

	As at March 31, 2024					
	Not due	Overdue				Total
		Up to 1 year	1-2 years	2-3 years	More than 3 years	
Outstanding dues of micro and small enterprises						
Undisputed dues	31.71	1.73	2.32	0.02	0.04	35.82
Total	31.71	1.73	2.32	0.02	0.04	35.82
Outstanding dues other than micro and small enterprises						
Undisputed dues	4,242.44	875.42	31.21	55.98	0.12	5,205.17
Total	4,242.44	875.42	31.21	55.98	0.12	5,205.17
Acceptances						
Undisputed dues	1,591.72	-	-	-	-	1,591.72
Total	1,591.72	-	-	-	-	1,591.72
Balance as at March 31, 2024	5,865.87	877.15	33.53	56.00	0.16	6,832.71

	As at March 31, 2023					
	Not due	Overdue				Total
		Up to 1 year	1-2 years	2-3 years	More than 3 years	
Outstanding dues of micro and small enterprises						
Undisputed dues	11.45	6.52	0.73	-	0.05	18.75
Total	11.45	6.52	0.73	-	0.05	18.75
Outstanding dues other than micro and small enterprises						
Undisputed dues	4,517.97	640.01	3.97	0.59	0.98	5,163.52
Total	4,517.97	640.01	3.97	0.59	0.98	5,163.52
Acceptances						
Undisputed dues	1,940.76	-	-	-	-	1,940.76
Total	1,940.76	-	-	-	-	1,940.76
Balance as at March 31, 2023	6,470.18	646.53	4.70	0.59	1.03	7,123.03

22 Other financial liabilities – non-current

(₹ in crores)

		As at March 31, 2024	As at March 31, 2023
(a)	Rent Deposit	**4.09**	3.20
(b)	Employee Separation liability	**4.63**	-
(c)	Liabilities for supplier claims	**46.40**	55.88
(d)	Others	**0.12**	1.11
	Total	**55.24**	60.19

23 Other financial liabilities – current

(₹ in crores)

		As at March 31, 2024	As at March 31, 2023
(a)	Liability for capital expenditure (Refer note below)	**479.16**	380.63
(b)	Deposits and retention money	**104.22**	142.79
(c)	Derivative financial instruments	**14.01**	39.23
(d)	Employee Separation liability	**1.18**	-
(e)	Liabilities for supplier claims	**12.85**	14.40
	Total	**611.42**	577.05

Note :
Includes ₹ **23.33** crores (₹4.54 crores as at March 31, 2023) outstanding towards principal and interest provision on dues of micro enterprises and small enterprises as per MSMED ACT, 2006.

24. Provisions

(a) Accounting policy

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. When the effect of the time value of money ismaterial, provisions are determined by discounting the expected future cash flows using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Product warranty expenses

The estimated liability for product warranties is recognised when products are sold or when new warranty programmes are initiated. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future warranty claims, customer goodwill and recall complaints. The timing of outflows will vary depending on when warranty claim will arise, being typically up to six years. The Company also has back-to-back contractual arrangement with its suppliers in the event that a vehicle fault is proven to be a supplier's fault.

Estimates are made of the expected reimbursement claim based upon historical levels of recoveries from supplier, adjusted for inflation and applied to the population of vehicles under warranty as on Balance Sheet date. Supplier reimbursements are recognised as separate asset.

(b) Provisions- non current

(₹ in crores)

		As at March 31, 2024	As at March 31, 2023
(a)	Employee benefits obligations	**189.98**	158.19
(b)	Warranty	**99.05**	43.55
	Total	**289.03**	201.74

(c) Provisions-current

(₹ in crores)

		As at March 31, 2024	As at March 31, 2023
(a)	Warranty	**184.53**	202.64
(b)	Employee benefit obligations	**3.36**	3.32
(c)	Others	**-**	0.03
	Total	**187.89**	205.99

Note:
Warranty provision movement

(₹ in crores)

	Year ended March 31, 2024
Balance at the beginning	246.19
Provision made during the period	254.04
Provision used during the period	(211.83)
Impact of discounting	(4.82)
Balance at the end	283.58
Current	184.53
Non-Current	99.05

25. 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. 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 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, 2024	Year ended March 31, 2023
Profit before tax	1,571.79	616.07
Income tax expense at tax rates applicable to the Company	395.59	155.05
Deferred tax expense relating to temporary differences	30.28	-
Previously unrecognised tax loss, tax credit or temporary difference of a prior period that is used to reduce deferred tax expense	(144.12)	(120.41)
Previously unrecognised tax loss, tax credit or temporary difference used to reduce current tax expense	(123.19)	-
Others	9.24	(30.62)
Income tax expense reported in statement of profit and loss	167.80	4.02

Note:
The Company in its Income-tax Return filed on 29th November 2022 for AY 2022-23, has opted for the New Tax Regime under section 115BAA of the Income-tax Act, 1961 ('the Act') w.e.f FY 2022 onwards and accordingly applied the tax rates as prescribed in section 115BAA of the Act in the financial statements for the year ended March 2024 and March 2023.

(c) Significant components of deferred tax assets and liabilities for the year ended March 31, 2024 are as follows:

(₹ in crores)

	Opening balance	Recognised in statement of profit and loss	Recognised in/reclassified from OCI	Closing balance
Deferred tax assets:				
Unabsorbed depreciation	-	144.16	-	144.16
Expenses deductible in future years:				
- provisions, allowances for doubtful receivables and others	11.00	2.25		13.25
Compensated absences and retirement benefits	18.54	(3.61)	6.04	20.97
Others	(0.34)	29.51	0.55	29.72
Total deferred tax assets	29.20	172.31	6.59	208.10
Deferred tax liabilities:				
Property, plant and equipment	129.97	(19.50)	-	110.47
Intangible assets	(100.77)	288.84	-	188.07
Land - Sanand	-	69.97	-	69.97
Total deferred tax liabilities	29.20	339.31	-	368.51
Net Deferred tax assets / (liabilities)	-	(167.00)	6.59	(160.41)

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

(₹ in crores)

	Opening balance	Recognised in statement of profit and loss	Recognised in/reclassified from OCI	Closing balance
Deferred tax assets:				
Expenses deductible in future years:				
- provisions, allowances for doubtful receivables and others	-	11.00		11.00
Compensated absences and retirement benefits	-	14.18	4.36	18.54
Intangible assets	-	100.77	-	100.77
Total deferred tax assets	-	125.95	4.36	130.31
Deferred tax liabilities:				
Property, plant and equipment	-	129.97	-	129.97
Others	-	-	0.34	0.34
Total deferred tax liabilities	-	129.97	0.34	130.31
Net Deferred tax assets / (liabilities)	-	(4.02)	4.02	-

26 Other non-current liabilities

(₹ in crores)

		As at March 31, 2024	As at March 31, 2023
(a)	Contract liabilities (refer note (a))	341.85	325.18
(b)	Employee benefit obligations - Funded	3.85	4.88
(c)	Liability For MOOWR*	49.20	22.50
	Total	394.90	352.56

* The Manufacturing and Other Operations in Warehouse (MOOWR)

27 Other current liabilities

(₹ in crores)

		As at March 31, 2024	As at March 31, 2023
(a)	Contract liabilities (refer note (a))	373.00	466.32
(b)	Statutory dues (GST,Property tax,TDS,TCS etc.)	438.96	438.40
(c)	Others	16.95	15.00
	Total	828.91	919.72

Note:

(₹ in crores)

		As at March 31, 2024	As at March 31, 2023
(a)	**Contract liabilities**		
	Opening contract liabilities	791.50	801.93
	Amount recognised in revenue	(224.31)	(480.34)
	Amount received in advance during the year	147.66	469.91
	Closing contract liabilities	714.85	791.50

(₹ in crores)

		As at March 31, 2024	As at March 31, 2023
Advances received from customers	Current	168.41	346.38
Deferred revenue	Current	204.59	119.94
	Non-current	341.85	325.18
		714.85	791.50

Performance obligations in respect of amount received in respect of future maintenance service and extended warranty will be fulfilled over a period of 5 years from year ending March 31, 2025 till March 31, 2030.

28. Revenue recognition

(a) Accounting policy

The Company generates revenue principally from-

i) Sale of products - passenger vehicles and vehicle parts.

The Company recognises revenues from sale of products measured at the amount of transaction price (net of variable consideration), when it satisfies its performance obligation at a point in time which is when products are delivered to dealers or when delivered to a carrier for export sales, which is when control including risks and rewards and title of ownership pass to the customer, collectability of the resulting receivables is reasonably assured and when there are no longer any unfulfilled obligation. The transaction price of goods sold is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. The Company operates predominantly on cash and carry basis.

The Company offers sales incentives in the form of variable marketing expense to customers, which vary depending on the timing and customer of any subsequent sale of the vehicle. This sales incentive is accounted for as a revenue reduction and is constrained to a level that is highly probable not to reverse the amount of revenue recognised when any associated uncertainty is subsequently resolved. The Company estimates the expected sales incentive by market and considers uncertainties including competitor pricing, ageing of retailer stock and local market conditions.

The consideration received in respect of transport arrangements for delivering of vehicles to the customers are recognised net of their costs within revenues in the income statement.

ii) Sale of services - maintenance service and extended warranties for passenger vehicles.

Income from sale of maintenance services and extended warranties are recognised as income over the relevant period of service or extended warranty.

When the Company sells products that are bundled with maintenance service or extended period of warranty such services are treated as a separate performance obligation only if the service or warranty is in excess of the standard offerings to the customer. In such cases, the transaction price allocated towards such maintenance service or extended period of warranty based on relative standalone selling price and is recognised as a contract liability until the service obligation has been met. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In the absence of such evidence, the primary method used to estimate standalone selling price is the expected cost plus a margin, under which the Company estimates the cost of satisfying the performance obligation and then adds an appropriate margin based on similar services.

The Company operates certain customer loyalty programs under which customer is entitled to reward points on the spend towards Company's products. The reward points earned by customers can be redeemed to claim discounts on future purchase of certain products or services. Transaction price allocated towards reward points granted to customers is recognised as a deferred income liability and transferred to income when customers redeem their reward points.

Sales of services include certain performance obligations that are satisfied over a period of time. Any amount received in advance in respect of such performance obligations that are satisfied over a period of time is recorded as a contract liability and recorded as revenue when service is rendered to customers. Please refer 27(a) for ongoing performance obligation.

Refund liabilities comprise of obligation towards customers to pay for discounts and sales incentives.

(b) Revenue from operations

(₹ in crores)

			Year ended March 31, 2024	Year ended March 31, 2023
(I)	**Revenue from contract with customers**			
(a)	Sale of products (refer note below)			
	(i)	Vehicles	41,586.03	39,767.47
	(ii)	Spare parts	2,586.43	2,154.09
	(iii)	Miscellaneous products	6,122.96	6,304.12
	Total Sale of products		50,295.42	48,225.68
(b)	Sale of services		581.23	520.73
	Revenue		50,876.65	48,746.41
(II)	**Other operating revenues**		104.23	120.65
	Total		50,980.88	48,867.06

Note:

Includes variable marketing expenses netted off against revenue	(1,157.80)	(1,317.95)

29. Other income

(₹ in crores)

		Year ended March 31, 2024	Year ended March 31, 2023
(a)	Interest income on financial assets carried at amortised cost	224.41	195.89
(b)	Government incentives	-	5.99
(c)	Profit on sale of investments	1.03	-
	Total	225.44	201.88

30 Employee benefit expenses

(₹ in crores)

	Year ended March 31, 2024	Year ended March 31, 2023
(a) Salaries, wages and bonus	1,219.82	1,091.24
(b) Contribution to provident fund and other funds	71.94	66.66
(c) Staff welfare expenses	160.58	150.61
Total	1,452.34	1,308.51

(A) Employee benefits

(a) Accounting policy

(i) Gratuity

Tata Motors Passenger Vehicle Limited have 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 to 30 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. Tata Motors Passenger Vehicle Limited makes annual contributions to gratuity funds established as trusts. Tata Motors Passenger Vehicle Limited account for the liability for gratuity benefits payable in the future based on an actuarial valuation.

(ii) Superannuation

Tata Motors Passenger Vehicle Limited have two superannuation plans, a defined benefit plan and a defined contribution plan. An eligible employee on April 1, 1996 could elect to be a member of either plan.

Employees who are members of the defined benefit superannuation plan are entitled to benefits depending on the years of service and salary drawn. The monthly pension benefits after retirement range from 0.75% to 2% of the annual basic salary for each year of service. Tata Motors Passenger Vehicle Limited account for superannuation benefits payable in future under the plan based on an actuarial valuation.
The Company maintains a separate irrevocable trust for employees covered and entitled to benefits. The Company contributes up to 15% or ₹1,50,000 whichever is lower of the eligible employee's salary to the trust every year. The Company recognises such contribution as an expense when incurred and has no further obligation beyond this contribution.

(iii) Bhavishya kalyan yojana (BKY)

Bhavishya Kalyan Yojana is an unfunded defined benefit plan for employees of Tata Motors Passenger Vehicle 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 salary drawn at the time of death or accident or a specified amount, whichever is greater. Tata Motors Passenger Vehicle Limited account for the liability for BKY benefits payable in the future based on an actuarial valuation.

(iv) Provident fund and family pension

In accordance with Indian law, eligible employees of Tata Motors Passenger Vehicle Limited 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, were made to the respective Regional Provident Fund Commissioner and the Central Provident Fund under the State Pension scheme.

(v) Post-retirement medicare scheme

Under this unfunded scheme, employees of Tata Motors Passenger Vehicle Limited (except for new joinees joined on or after January 1, 2024) 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. Tata Motors Passenger Vehicle Limited account for the liability for post-retirement medical scheme based on an actuarial valuation.

(vi) Compensated absences

The Company provides for the encashment of leave or 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 unutilised leave at each balance sheet date on the basis of an independent actuarial valuation.

(vii) Remeasurement gains and losses

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 recognised 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.
Actuarial gains and losses relating to long-term employee benefits are recognised in the statement of Profit and Loss in the period in which they arise.

(viii) Measurement date

The measurement date of retirement plans is March 31.
The present value of the defined benefit liability and the related current service cost and past service cost are measured using projected unit credit method.
The present value of the post-employment benefit obligations depends on a number of factors, it is determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/(income) for pensions include the discount rate, inflation and mortality assumptions.Any changes in these assumptions will impact upon the carrying amount of post-employment benefit obligations. Key assumptions and sensitivities for post employment benefit obligations are disclosed in note below.

(b) Employee benefits consists of the following:

(i) Defined Benefit Plan

Pension (Gratuity, Supperanuuation and BKY) and post retirement medical plans

The following table sets out the funded and unfunded status and the amounts recognised in the financial statements for the pension and the post retirement medical plans in respect of Tata Motors Passenger Vehicles Limited:

(₹ in crores)

	Pension Benefits		Post retirement medical Benefits	
	As at March 31,		As at March 31,	
	2024	2023	2024	2023
Change in defined benefit obligations :				
Defined benefit obligation, beginning of the year	305.52	248.99	35.15	18.56
Defined benefit obligation of superannuation	(3.98)	-	-	-
Current service cost	20.86	17.25	2.35	2.00
Interest cost	21.29	17.99	2.56	1.42
Remeasurements (gains) / losses	-			
Actuarial (loss)/gain arising from changes in demographic assumptions	1.11	(0.41)	2.52	0.15
Actuarial gain arising from changes in financial assumptions	7.30	3.22	12.12	1.61
Actuarial gain/(loss) arising from changes in experience adjustments	7.18	14.63	(0.86)	1.01
Transfer in/(out) of liability	(1.95)	9.12	(0.23)	1.34
Benefits paid from plan assets	(9.55)	(5.12)	-	-
Benefits paid directly by employer	(0.50)	(0.15)	(0.05)	-
Past service cost- plan amendments	-	-	0.12	9.06
Defined benefit obligation, end of the year	347.28	305.52	53.68	35.15
Change in plan assets:				
Fair value of plan assets, beginning of the year	267.50	219.57	-	-
Fair value of plan assets of superannuation	(4.70)	-	-	-

Interest income	18.53	16.70	-	-
Remeasurements losses	-	-	-	-
Return on plan assets, (excluding amount included in net Interest expense)	5.28	3.07	-	-
Employer's contributions	37.00	25.56	-	-
Transfer in/(out) of liability	(1.60)	7.72	-	-
Benefits paid	(9.55)	(5.12)	-	-
Fair value of plan assets, end of the year	312.46	267.50	-	-

	Pension Benefits		Post retirement medical Benefits	
	As at March 31,		As at March 31,	
	2024	2023	2024	2023
Amount recognised in the balance sheet consists of				
Present value of defined benefit obligation	347.28	305.52	53.68	35.15
Fair value of plan assets	312.45	267.50	-	-
	34.83	38.02	53.68	35.15
Asset ceiling	-	(0.72)	-	-
Net liability	34.83	38.74	53.68	(35.15)
Amounts in the balance sheet:				
Non–current assets	10.21	-	-	-
Non–current provisions	(45.04)	(38.74)	(53.68)	(35.15)
Net current liabilities	(34.83)	(38.74)	(53.68)	(35.15)

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

(₹ in crores)

	Pension Benefits	
	As at, March 31, 2024	As at, March 31, 2023
Defined benefit obligation	-	263.56
Fair value of plan assets	-	262.80

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

	Pension Benefits	
	As at, March 31, 2024	As at, March 31, 2023
Defined benefit obligation	302.19	3.98
Fair value of plan assets	312.46	4.70

Information for unfunded plans:

	Pension Benefits		Post retirement medical Benefits	
	As at March 31,		As at March 31,	
	2024	2023	2024	2023
Defined benefit obligation	45.09	37.98	53.68	35.15

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

	Pension Benefits		Post retirement medical Benefits	
	Year ended March 31,		Year ended March 31,	
	2024	2023	2024	2023
Service cost	20.86	17.25	2.35	2.00
Net interest cost	2.76	1.29	2.56	1.42
Past service cost- plan amendments	-	-	0.12	9.06
Net periodic cost	23.62	18.54	5.03	12.48

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

	Pension Benefits		Post retirement medical Benefits	
	Year ended March 31,		Year ended March 31,	
	2024	2023	2024	2023
Remeasurements				
Return on plan assets, (excluding amount included in net Interest expense)	(5.28)	(3.07)	-	-
Actuarial (loss)/gain arising from changes in demographic assumptions	1.11	(0.41)	2.52	0.15
Actuarial gain arising from changes in financial assumptions	7.30	3.22	12.12	1.61
Asset ceiling	-	0.20	-	-
Actuarial gain/(loss) arising from changes in experience adjustments on plan liabilities	7.18	14.63	(0.87)	1.01
Total recognised in other comprehensive income	10.31	14.57	13.77	2.76
Total recognised in statement of comprehensive income	33.93	33.11	18.80	15.25

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,		As at March 31,	
	2024	2023	2024	2023
Discount rate	7%	7.10% - 7.20%	7%	7.3%
Rate of increase in compensation level of covered employees	6% - 9%	6.00% - 12.00%	NA	NA
Increase in health care cost	NA	NA	7.0%	6.00%

Plan assets

The fair value of Company's pension plan asset as of March 31, 2024 and 2023 by category are as follows:

	Pension Benefits	
	As at March 31,	
	2024	2023
Asset category:		
Cash and cash equivalents	7.3%	10.8%
Debt instruments (quoted)	69.7%	68.5%
Debt instruments (unquoted)	0.0%	0.5%
Equity instruments (quoted)	11.4%	8.6%
Deposits with Insurance companies	11.6%	11.6%
	100.0%	100.0%

The Company's policy is driven by considerations of maximising 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, 2024 is **9.74** years (March 31, 2023 : 10.3 years).

The Company expects to contribute **₹8.64** crores to the funded pension plans in the year ending March 31, 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 service cost and interest cost
Discount rate	Increase by 1%	**Decrease by ₹ 40.19 crores**	**Decrease by ₹ 8.06 crores**
	Decrease by 1%	**Increase by ₹ 47.42 crores**	**Increase by ₹ 8.80 crores**
Salary escalation rate	Increase by 1%	**Increase by ₹ 32.38 crores**	**Increase by ₹ 7.06 crores**
	Decrease by 1%	**Decrease by ₹ 28.86 crores**	**Decrease by ₹ 6.24 crores**
Health care cost	Increase by 1%	**Increase by ₹ 12.28 crores**	**Increase by ₹ 2.56 crores**
	Decrease by 1%	**Decrease by ₹ 9.67 crores**	**Decrease by ₹ 1.99 crores**

31 Finance costs

(₹ in crores)

		Year ended March 31, 2024	Year ended March 31, 2023
(a)	Interest and finance charges on financial liabilites mesured at amortised cost	23.32	21.76
	Interest on lease liabilities	68.70	62.92
	Unwinding of discount on provisions/ liabilities	12.12	5.58
	Interest Others	14.86	20.89
	Less: Transferred to capital account	(20.86)	(18.90)
		98.14	92.25
(b)	Discounting charges	138.97	133.11
	Total	237.11	225.36

Note:
The weighted average rate for capitalisation of interest relating to general borrowings were approximately **9.69%** and 9.73% for the years ended March 31, 2024 and 2023, respectively.

32 Other expenses

(₹ in crores)

		Year ended March 31, 2024	Year ended March 31, 2023
(a)	Processing charges	704.60	434.53
(b)	Consumption of stores and spare parts	165.70	126.25
(c)	Power and fuel	217.04	225.00
(d)	Freight, transportation, port charges etc.	259.12	203.59
(e)	Publicity	454.60	607.97
(f)	Warranty expenses^	260.21	335.15
(g)	Information Technology/Computer expenses	238.14	169.37
(h)	Allowances for trade and other receivables (net)	11.24	21.30
(i)	Works operation and other expenses (note below)	1,174.60	1,011.80
	Total	3,485.25	3,134.96
^	Net of estimated recovery from suppliers	(20.10)	(12.70)

Note:
Works operation and other expenses includes:

	Year ended March 31, 2024	Year ended March 31, 2023
Auditors' Remuneration (excluding GST)		
(i) Audit Fees	5.56	4.70
(ii) Tax Audit	0.31	0.31
(iii) Other Services	0.52	0.18
(iii) Cost audit	0.10	0.00

Corporate Social Responsibility (CSR) expenditure

	Year ended March 31, 2024	Year ended March 31, 2023
Amount required to be spent by the Company during the year	2.39	-
Amount of expenditure incurred on*		
(i) Construction/acquisition of any assets - -	-	
(ii) On purposes other than (i) above	2.63	
Shortfall at the end of the year - -	-	
Total of previous year shortfall - -	-	
Reason for shortfall	NA	

33 Amount transferred to capital and other accounts

(₹ in crores)

		Year ended March 31, 2024	Year ended March 31, 2023
(a)	Capital work in progress	(6.47)	(6.52)
(b)	Product development/Engineering expenses	(231.90)	(169.37)
	Total	(238.37)	(175.89)

		Year ended March 31, 2024	Year ended March 31, 2023
(a)	Product development costs capitalised	1,039.67	896.76
(b)	Product development costs expensed	861.95	826.26
	Total Product Development cost	1,901.62	1,723.02

34. Commitments and contingencies

The Hon'ble Supreme Court in a recent judgement concluded that if a manufacturer issues a credit note to a dealer who has serviced vehicles under a warranty issued by the manufacturer pursuant to a sale of an automobile, it is a valuable consideration for transfer of property and hence would qualify as 'sale' within the meaning of the Sales Tax Legislations in India under consideration. The value of the credit note is thus eligible to sales tax levy under the respective sales tax enactments and accordingly the dealers are liable to pay sales tax under the relevant State sales tax laws. The Company has assessed this and believes that no further provision is required in the financial statements.

Other Contingent Liability of the company as at March 31, 2024 **₹8.04 crores** (₹Nil as at March 31, 2023)

Commitments

The Company has entered into various contracts with vendors and contractors for the acquisition of plant and machinery, equipment and various civil contracts of a capital nature amounting to **₹ 1,542.84 crores** as at March 31, 2024 (₹ 1,837.02 crores as at March 31, 2023), which are yet to be executed.

The Company has entered into various contracts with vendors and contractors for the acquisition of intangible assets of a capital nature amounting to **₹ 296.96 crores** as at March 31, 2024, (₹ 252.28 crores as at March 31, 2023), which are yet to be executed.

The Company has contractual obligation towards Purchase Commitment (net of provisions) for **₹ 3158.12 crores** as at March 31, 2024 (₹ 4109.00 crores as at March 31, 2023).

35. Earnings/(loss) 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 - Continuing operations

			Year ended March 31, 2024	Year ended March 31, 2023
(a)	Profit / (Loss) after tax	₹ crores	**1,403.99**	612.05
(b)	The weighted average number of Ordinary shares for Basic EPS	Nos.	**9,417,150,000**	9,417,150,000
(c)	The nominal value per share (Ordinary)	₹	**10.00**	10.00
(d)	Earnings Per Ordinary share (Basic)	₹	**1.49**	0.65
(e)	Earnings Per Ordinary share (Diluted)	₹	**1.49**	0.65

36. 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.

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial instruments are initially recognised 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.

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.

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.

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

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 decrecognised 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.

v) Hedge accounting:

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable forecast transactions. The Company designates these forward contracts in a cash flow hedging relationship by applying the hedge accounting principles.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

At inception of the hedge relationship, the Company documents the economic relationship between the hedging instrument and the hedged item, including whether changes in the cash flows of the hedging instrument are expected to offset changes in the cash flows of the hedged item. The Company documents its risk management objective and strategy for undertaking its hedging transactions. The Company designates amounts excluding foreign currency basis spread in the hedging relationship for both foreign exchange forward contracts. Changes in the fair value of the

derivative contracts that are designated and effective as hedges of future cash flows are recognised in the cash flow hedge reserve within other comprehensive income (net of tax), and any ineffective portion is recognised immediately in the statement of profit and loss.

Amounts accumulated in equity are reclassified to the statement of Profit and Loss in the periods in which the forecasted transactions occurs.

For forwards, the time value are not considered part of the hedge. These are treated as cost of hedge and the changes in fair value attributable to forward premium is recognised in the other comprehensive income along with the changes in fair value determined to be effective portion of the hedge.
Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Amounts accumulated in equity are reclassified to the statement of profit and loss in the periods in which the forecast transactions affect profit or loss or as an adjustment to a non-financial item (e.g. inventory) when that item is recognised on the balance sheet. These deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss (for example through cost of goods sold). For forecast transactions, any cumulative gain or loss on the hedging instrument recognised in equity is retained there until the forecast transaction occurs.
If the forecast transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is immediately transferred to the statement of Profit and Loss for the year.

(b) Disclosures on financial instruments

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

(a) Financial assets and liabilities

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities as at March 31, 2024.

(₹ in crores)

	Financial assets	Cash and other financial assets at amortised cost	Investments - FVTPL	Derivatives other than in hedging relationship (at fair value through profit or loss)	Derivatives in hedging relationship (at fair value)	Total carrying value	Total fair value
(a)	Investments	33.14	-	-	-	33.14	33.14
(b)	Trade receivables	397.52	-	-	-	397.52	397.52
(c)	Cash and cash equivalents	119.49	-	-	-	119.49	119.49
(d)	Other bank balances	25.13	-	-	-	25.13	25.13
(e)	Loans and advances	3,662.52	-	-	-	3,662.52	3,662.52
(f)	Other financial assets	164.32	-	19.95	-	184.27	184.27
	Total	4,402.12	-	19.95	-	4,422.07	4,422.07

	Financial liabilities	Other financial liabilities (at amortised cost)	Derivatives other than in hedging relationship (at fair value)	Derivatives in hedging relationship (at fair value)	Total carrying value	Total fair value
(a)	Long-term borrowings	233.43	-	-	233.43	260.58
(b)	Lease liabilities	794.25	-	-	794.25	794.25
(c)	Trade payables	6,832.71	-	-	6,832.71	6,832.71
(d)	Other financial liabilities	652.65	13.14	0.87	666.66	666.66
	Total	8,513.04	13.14	0.87	8,527.05	8,554.20

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities as at March 31, 2023.

	Financial assets	Cash and other financial assets at amortised cost	Investments - FVTPL	Derivatives other than in hedging relationship (at fair value through profit or loss)	Derivatives in hedging relationship (at fair value)	Total carrying value	Total fair value
(a)	Trade receivables	262.48	-	-	-	262.48	262.48
(b)	Cash and cash equivalents	541.36	-	-	-	541.36	541.36
(c)	Loans and advances	2,765.64	-	-	-	2,765.64	2,765.64
(d)	Other financial assets	111.66	-	37.90	2.29	151.85	151.85
	Total	3,681.14	-	37.90	2.29	3,721.33	3,721.33

	Financial liabilities	Other financial liabilities (at amortised cost)	Derivatives other than in hedging relationship (at fair value)	Derivatives in hedging relationship (at fair value)	Total carrying value	Total fair value
(a)	Long-term borrowings	212.71	-	-	212.71	208.25
(b)	Lease liabilities	736.00	-	-	736.00	736.00
(c)	Trade payables	7,123.03	-	-	7,123.03	7,123.03
(d)	Other financial liabilities	598.01	38.27	0.96	637.24	637.24
	Total	8,669.75	38.27	0.96	8,708.98	8,704.52

Fair Value Hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below.

Quoted prices in an active market (Level 1): This level of hierarchy includes financial instruments that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of mutual fund investments and treasury bills.

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e; as prices) or indirectly (i.e; derived from prices). This level of hierarchy include Company's over-the-counter (OTC) derivative contracts.

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

There has been no transfers between level 1, level 2 and level 3 for the year ended/year ended March 31, 2024 and March 31, 2023.

Derivatives are fair valued using market observable rates and published prices together with forecast cash flow information where applicable.

(₹ in crores)

	As at March 31, 2024

		Level 1	Level 2	Level 3	Total
Financial assets measured at fair value					
(a)	Investments	33.14	-	-	33.14
(b)	Derivative assets	-	19.95	-	19.95
	Total	33.14	19.95	-	53.09
Financial liabilities measured at fair value					
(a)	Derivative liabilities	-	14.01	-	14.01
	Total	-	14.01	-	14.01

		As at March 31, 2023			
		Level 1	Level 2	Level 3	Total
Financial assets measured at fair value					
(a)	Derivative assets	-	40.19	-	40.19
	Total	-	40.19	-	40.19
Financial liabilities measured at fair value					-
(a)	Derivative liabilities	-	39.23	-	39.23
	Total	-	39.23	-	39.23

The following table provides an analysis of fair value of financial instruments that are not measured at fair value on recurring basis, grouped into Level 1 to Level 3 categories:

(₹ in crores)

	As at March 31, 2024			
	Level 1	Level 2	Level 3	Total
Financial liabilities not measured at fair value				
Long-term borrowings	-	260.58	-	260.58
Total	-	260.58	-	260.58

	As at March 31, 2023			
	Level 1	Level 2	Level 3	Total
Financial liabilities not measured at fair value				
Long-term borrowings	-	212.71	-	212.71
Total	-	212.71	-	212.71

The fair value of borrowings which have a quoted market price in an active market is based on its market price and for other borrowings the fair value is estimated by discounting expected future cash flows, using a discount rate equivalent to the risk-free rate of return, adjusted for the credit spread considered by the lenders for instruments of similar maturity.

Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, substantially for all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each period end.

(b) Offsetting :

Certain financial assets and financial liabilities are subject to offsetting where there is currently a legally enforceable right to set off recognised amounts and the Company intends to either settle on a net basis, or to realise the asset and settle the liability, simultaneously.

Certain derivative financial assets and financial liabilities are subject to master netting arrangements, whereby in the case of insolvency, derivative financial assets and financial liabilities will be settled on a net basis.

The following table discloses the amounts that have been offset, in arriving at the balance sheet presentation and the amounts that are available for offset only under certain conditions as at March 31, 2024:

(₹ in crores)

	Gross amount recognised	Gross amount recognised as set off in the balance sheet	Net amount presented in the balance sheet	Amounts subject to an enforceable master netting arrangement		Net amount after offsetting
				Financial instruments	Cash collateral (received/ pledged)	
Financial assets						
(a)Derivative financial instruments	19.95	-	19.95	(11.58)	-	8.37
(b)Trade receivables	1,136.78	(739.26)	397.52	-	-	397.52
Total	1,156.73	(739.26)	417.47	(11.58)	-	405.89
Financial liabilities						
(a)Derivative financial instruments	14.01	-	14.01	(11.58)	-	2.43
(b)Trade payables	7,571.97	(739.26)	6,832.71	-	-	6,832.71
Total	7,585.98	(739.26)	6,846.72	(11.58)	-	6,835.14

The following table discloses the amounts that have been offset in arriving at the balance sheet presentation and the amounts that are available for offset only under certain conditions as at March 31, 2023:

(₹ in crores)

	Gross amount recognised	Gross amount recognised as set off in the balance sheet	Net amount presented in the balance sheet	Amounts subject to an enforceable master netting arrangement		Net amount after offsetting
				Financial instruments	Cash collateral (received/ pledged)	
Financial assets						
(a)Derivative financial instruments	40.19	-	40.19	(19.50)	-	20.69
(b)Trade receivables	916.82	(654.34)	262.48	-	-	262.48
Total	957.01	(654.34)	302.67	(19.50)	-	283.17
Financial liabilities						
(a)Derivative financial instruments	39.23	-	39.23	(19.50)	-	19.73
(b)Trade payables	7,777.37	(654.34)	7,123.03	-	-	7,123.03
Total	7,816.60	(654.34)	7,162.26	(19.50)	-	7,142.76

(c) Financial risk management :

In the course of its business, the Company is exposed primarily to fluctuations in foreign currency exchange rates, interest rates, equity prices, liquidity and credit risk, which may adversely impact the fair value of its financial instruments.

The Company has a risk management policy which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the board of directors. The risk management framework aims to:

- Create a stable business planning environment by reducing the impact of currency and interest rate fluctuations on the Company's business plan.
- Achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

(i) Market risk

Market risk is the risk of any loss in future earnings, in realisable 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, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

Foreign currency exchange rate risk:

The fluctuation in foreign currency exchange rates may have potential impact on the income statement, 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.

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 U.S. dollar, Euro and GBP against the respective functional currencies of the Company.

The Company, as per its risk management policy, uses foreign exchange and other derivative instruments primarily to hedge foreign exchange and interest rate exposure. Any weakening of the functional currency may impact the Company's cost of exports and cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures.

The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in accordance with its risk management policies.

The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of each currency and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates of each currency by 10% while keeping the other variables as constant.

The exposure as indicated below is mitigated by some of the derivative contracts entered into by the Company as disclosed in (iv) derivative financial instruments and risk management below.

The following table sets forth information relating to foreign currency exposure (other than risk arising from derivatives disclosed at clause (iv) below) as of March 31, 2024:

(₹ in crores)

	U.S. dollar	Euro	GBP	Others 1	Total
Financial assets	0.09	-	-	-	0.09
Financial liabilities	29.11	54.65	365.28	1.46	451.34

1. Others mainly include currencies such as the Japanese yen, Swiss franc,, Danish Krone and Canadian dollar.

10% appreciation/depreciation of the respective foreign currencies with respect to functional currency of the Company would result in decrease/increase in the Company's net profit/(loss) and equity before tax by approximately **₹0.01 crores** and **₹45.05 crores** for financial assets and financial liabilities respectively for the year ended March 31, 2024.

The following table sets forth information relating to foreign currency exposure (other than risk arising from derivatives disclosed at clause (iv) below) as of March 31, 2023:

(₹ in crores)

	U.S. dollar	Euro	GBP	Others 2	Total
Financial assets	-	-	-	-	-
Financial liabilities	86.72	93.57	282.09	8.99	477.61

2. Others mainly include currencies such as the Russian ruble, Japanese yen, Swiss franc, Indonesian Rupiahs, Thai bahts and Korean won.

10% appreciation/depreciation of the respective foreign currencies with respect to functional currency of the Company would result in decrease/increase in the Company's net profit/(loss) before tax by approximately ₹Nil crores and ₹47.14 crores for financial assets and financial liabilities respectively for the year ended March 31, 2023.

(Note: The impact is indicated on the profit/(loss) before tax basis.)

(ii) 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 fair value through profit and loss, trade receivables, loans and advances and derivative financial instruments. The Company strives to promptly identify and reduce concerns about collection due to a deterioration in the financial conditions and others of its main counterparties by regularly monitoring their situation based on their financial condition. 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 **₹ 4,411.73 crores** and ₹ 3,721.33 crores as at March 31, 2024 and 2023, respectively, being the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables, finance receivables, margin money and other financial assets excluding equity investments.

Financial assets that are neither past due nor impaired

None of the Company's cash equivalents, including short term deposits with banks, are past due or impaired. Regarding trade receivables and other receivables, and other loans or receivables that are neither impaired nor past due, there were no indications as at March 31, 2024, and March 31, 2023, that defaults in payment obligations will occur.

Credit quality of financial assets and impairment loss

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)

	Trade receivables	As at March 31,													
		2024							2023						
					Overdue							Overdue			
		Not due	Up to 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total	Not due	Up to 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
	Undisputed														
(a)	Considered good	**379.33**	**15.71**	**0.54**	**0.44**	**0.40**	**1.11**	**397.53**	221.10	22.12	3.28	9.26	1.81	4.91	262.48
(b)	Which have significant increase in credit risk	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-	0.05	0.21	0.09	0.15	66.48	66.98
(c)	Credit impaired	**-**	**0.03**	**20.58**	**1.48**	**0.86**	**9.30**	**32.25**	-	-	-	-	-	-	-
	Disputed														
(a)	Considered good	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-	-	-
(b)	Which have significant increase in credit risk	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-	-	-
(c)	Credit impaired	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-	-	-
	Total	**379.33**	**15.74**	**21.12**	**1.92**	**1.26**	**10.41**	**429.78**	221.10	22.17	3.49	9.35	1.96	71.39	329.46
	Less: Allowance for credit impaired balances							**(32.26)**							(66.98)
	Total							**397.52**							262.48

Trade receivables overdue more than six months include **₹0.18 crores** as at March 31, 2024 (₹0.40 crores as at March 31, 2023) outstanding from Government organizations in India, which are considered recoverable.

Trade receivables consist of a large number of various types of customers, spread across geographical areas. Ongoing credit evaluation is performed on the financial condition of these trade receivables and where appropriate allowance for losses are provided. Further the Company, groups the trade receivables depending on type of customers and accordingly credit risk is determined.

(iii) Liquidity risk

Liquidity risk refers to the risk that the Company will encounter difficulty to meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company has obtained fund and non-fund based working capital lines from various banks. Further, the Company has access to funds from debt markets through commercial paper programs, non-convertible debentures, senior notes and other debt instruments. The Company invests its surplus funds in bank fixed deposit and liquid and liquid plus schemes of mutual funds, which carry no/low mark to market risks.

The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

The table below provides undiscounted contractual maturities of financial liabilities, including estimated interest payments as at March 31, 2024:

(₹ in crores)

	Financial liabilities	Carrying amount	Due in 1st Year	Due in 2nd Year	Due in 3rd to 5th Year	Due after 5th Year	Total contractual cash flows
(a)	Trade payables	6,832.71	6,832.71	-	-	-	6,832.71
(b)	Borrowings and interest thereon	233.43	-	-	-	598.82	598.82
(c)	Other financial liabilities	652.65	598.05	17.70	51.69	9.16	676.60
(d)	Lease liabilities	794.25	198.92	188.30	487.28	109.67	984.17
(e)	Derivative liabilities	14.01	14.01	-	-	-	14.01
	Total	8,527.05	7,643.69	206.00	538.97	717.65	9,106.31

The table below provides details regarding the contractual maturities of financial liabilities, including estimated interest payments as at March 31, 2023:

	Financial liabilities	Carrying amount	Due in 1st Year	Due in 2nd Year	Due in 3rd to 5th Year	Due after 5th Year	Total contractual cash flows
(a)	Trade payables	7,123.03	7,123.03	-	-	-	7,123.03
(b)	Borrowings and interest thereon	212.71	-	-	-	212.71	212.71
(c)	Other financial liabilities	637.24	577.05	17.23	53.85	15.89	664.02
(d)	Lease liabilities	736.00	161.71	166.69	405.20	211.00	944.60
(e)	Derivative liabilities	39.23	39.23	-	-	-	39.23
	Total	8,748.21	7,901.02	183.92	459.05	439.60	8,983.59

(iv) Derivative financial instruments and risk management

The Company has entered into a variety of foreign currency and commodity forward contracts and options to manage its exposure to fluctuations in foreign exchange rates and commodity price risk. The counterparty is generally a bank. These financial exposures are managed in accordance with the Company's risk management policies and procedures.

Specific transactional risks include risks like liquidity and pricing risks, interest rate and exchange rate fluctuation risks, volatility risks, counterparty risks, settlement risks and gearing risks.

Fair value of derivative financial instruments are determined using valuation techniques based on information derived from observable market data.

The fair value of derivative financial instruments is as follows:

(₹ in crores)

		As at March 31, 2024	As at March 31, 2023
(a)	Foreign currency forward exchange contracts and options	2.87	13.25
(b)	Commodity Derivatives	3.07	(12.29)
	Total	5.94	0.96

The gain/(loss) due to fluctuation in foreign currency exchange rates on derivative contracts, recognised in the income statement was **₹1.53 crores** and (₹28.26 crores) for the years ended March 31, 2024 and 2023, respectively.

(v) Commodity Risk

The Company is exposed to commodity price risk arising from the purchase of certain raw materials such as aluminium, copper, platinum and palladium. This risk is mitigated through the use of derivative contracts and fixed-price contracts with suppliers. The derivative contracts are not hedge accounted under Ind AS 109 but are instead measured at fair value through profit or loss.

The (gain)/loss on commodity derivative contracts, recognised in the statement of profit and loss was **₹72.74 crores** and ₹50.78 crores for the years ended March 31, 2024 and 2023, respectively.

37. Related-party transactions

The Company's related parties principally includes holding company Tata Motors Limited and its subsidiaries, joint operations, associates and their subsidiaries. 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.

The following table summarises related-party transactions and balances for the year ended / as at March 31, 2024:

(₹ in crores)

	Parent Company	Fellow Subsidiaries	Joint Arrangements of parent company	Associates of parent company	Total
(A) Transactions					
Purchase of products	221.91	1,369.83	14,590.44	5,007.04	21,189.22
Sale of products	1,710.28	6,840.71	3,921.20	6.84	12,479.03
Services received including reimbursments	968.48	573.37	0.60	51.78	1,594.23
Services rendered including reimbursments	19.72	424.71	0.24	-	444.67
Bills discounted	-	741.93	-	-	741.93
Purchase of property, plant and equipment	12.20	34.52	-	154.74	201.46
Sale of property, plant and equipment	-	-	12.26	-	12.26
Finance given (including loans and equity)	13,268.00	-	-	-	13,268.00
Finance given, taken back (including loans)	12,360.00	-	-	-	12,360.00
Purchase of DEPB licences	18.74	-	-	-	18.74
Interest expense	0.20	5.81	48.98	-	54.99
Interest income	197.15	11.40	0.25	-	208.80
Repayment towards lease liability	2.42	-	120.48	-	122.90
Borrowig towords lease liability	-	24.95	-	-	24.95
Dividend Paid	150.67	-	-	-	150.67
(B) Balances					
Amount receivable in respect of Loans and interest thereon	3,643.00	-	-	-	3,643.00
Amount payable in respect of Lease Liability	-	25.05	555.07		580.12
Trade and other receivables	-	349.21	-	-	349.21
Trade payables	111.09	489.68	673.81	100.34	1,374.92
Lease receivable	-	86.40	-	-	86.40
Other liabilities	-	-	59.25	-	59.25

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

(₹ in crores)

	Parent Company	Joint Arrangements of parent company	Fellow Subsidiaries	Total
(A) Transactions				
Purchase of products	207.63	16,616.41	357.06	17,181.10
Sale of products	1,996.17	4,283.26	469.12	6,748.55
Services received	685.79	0.46	690.02	1,376.27
Services rendered	26.49	0.45	416.01	442.95
Bills discounted	-	-	436.93	436.93
Purchase of property, plant and equipment	33.73	-	27.74	61.47
Sale of investment in subsidiary	-	-	36.93	36.93
Finance given (including loans and equity)	13,775.00	-	-	13,775.00
Finance given, taken back (including loans)	12,810.00	-	-	12,810.00
Repayment towards lease liability	3.65	62.17	-	65.82
Interest expense	0.42	51.62	6.12	58.16
Interest income	169.98	1.50	13.54	185.02
(B) Balances				
Amounts payable in respect of loans and interest thereon	2,735.00	-	-	2,735.00
Amount payable in respect of Lease Liability	2.39	605.74	-	608.13
Trade and other receivables	74.46	-	221.65	296.11
Trade payables	68.39	1,264.89	379.74	1,713.02
Other liabilities		70.28	-	70.28

Details of significant transactions are given below (More than 10% of total transaction value with related parties) :

(₹ in crores)

	Name of Related Party	Nature of relationship	Year ended March 31, 2024	Year ended March 31, 2023
i)	**Services rendered**			
	Tata Passenger Electric Mobility Limited	Fellow Subsidiaries	416.58	409.51
ii)	**Services received**			
	Tata Motors Limited	Parent company	968.48	685.79
	Tata Motors European Technical Centre PLC	Fellow Subsidiaries	-	277.70
	Tata Technologies Limited	Fellow Subsidiaries	296.32	226.82
	Trilix S.r.l.	Fellow Subsidiaries	-	97.09
iii)	**Bill discounted**			
	TMF Business Services Limited	Fellow Subsidiaries	347.63	379.71
	Tata Motors Finance Ltd	Fellow Subsidiaries	394.30	57.22
iv)	**Sale of property, plant and equipment**			
	Fiat India Automobiles Private Limited	Joint Arrangements of parent company	12.26	-
v)	**Interest income**			
	Tata Motors Limited	Parent company	197.15	169.98
vi)	**Interest expense**			
	Fiat India Automobiles Private Limited	Joint Arrangements of parent company	48.98	51.62
vii)	**Dividend paid**			
	Tata Motors Limited	Parent company	150.67	-
viii)	**Finance given (including loans and equity)**			
	Tata Motors Limited	Parent company	13,268.00	13,775.00
ix)	**Finance given, taken back (including loans)**			
	Tata Motors Limited	Parent company	12,360.00	12,810.00
x)	**Repayment towards lease liability**			
	Fiat India Automobiles Private Limited	Joint Arrangements of parent company	120.48	62.17
xi)	**Borrowig towords lease liability**			
	Tata Motors Finance Ltd	Fellow Subsidiaries	24.95	-

xii)	**Purchase of property, plant and equipment**			
	Tata AutoComp Systems Limited	Associates of parent company	**108.98**	-
xiii)	**Purchase of products**			
	Fiat India Automobiles Private Limited	Joint Arrangements of parent company	**14,590.44**	16,616.41
xiv)	**Sale of products**			
	Fiat India Automobiles Private Limited	Joint Arrangements of parent company	**3,921.20**	4,283.26
	Tata Motors Limited	Parent company	**1,710.28**	1,996.17
	Tata Passenger Electric Mobility Limited	Fellow Subsidiaries	**6,009.11**	409.51
xv)	**Purchase of DEPB licences**			
	Tata Motors Limited	Parent company	**18.74**	-
xvi)	**Sale of Investment in subsidiary company**			
	Tata Passenger Electric Mobility Limited	Fellow Subsidiaries	**-**	36.93

Compensation of key management personnel:

	Year ended March 31, 2024	Year ended March 31, 2023
Short-term benefits	**1.18**	1.07
Post-employment benefits*	**0.04**	0.04
Employees stock option plan	**0.17**	0.12

* Provisions for contribution to gratuity, leave encashment and other defined benefit are determined by actuary on an overall Company basis at the end of each year and, accordingly, have not been considered in the above information. The amount is disclosed only at the time of payment.

The compensation of CEO and Managing Director is **₹ NIL** and ₹ NIL for the year ended March 31, 2024 and 2023, respectively.

Refer note 31(B) for information on transactions with post employment benefit plans.

38. Disclosures required by Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186 (4) of the Companies Act, 2013

(a) Amount of loans / advances in nature of loans outstanding from holding on a standalone basis.

	Outstanding as at March 31, 2024/ March 31, 2023	Maximum amount outstanding during the year
Name of the Company		
(i) Holding Company:		
Tata Motors Limited	**3,643.00**	**4,238.00**
(Inter corporate deposit utilised for working capital finance)	2,735.00	3,450.00

39. Transactions with struck off companies

There were 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 at March 31, 2024 and March 31, 2023.

40. Ratio

Sr No	Particulars	Year ended March 31, 2024	Year ended March 31, 2023	Change	Reason for change
a)	Debt Equity Ratio (number of times) [Total Debt(i)/ Shareholders' Equity(ii)]	**0.03**	0.03	0.00%	
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))]	**8.27**	3.23	156.04%	Due to increase in profit
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]	**0.78**	0.73	6.85%	Due to increase in trade receivables
d)	Trade receivable turnover (number of times) [Revenue from operations / Average Trade receivables]	**154.49**	218.46	(29.28%)	Due to increase in average trade receivables
e)	Inventory turnover (number of times) [Raw material consumed(v) / average inventory(vi)]	**19.05**	20.85	(8.63%)	
f)	Trade payable turnover (number of times) [Cost of material consumed / Average Trade payables]	**8.02**	8.75	(8.38%)	Due to increase in average trade payable
g)	Net capital turnover (number of times) [Revenue from operations / Working capital(iv)]	**(26.53)**	(20.31)	30.62%	Due to increase in trade receivables
h)	Net profit margin (%) [Net profit after tax / Revenue from operations]	**2.75%**	1.25%	119.88%	Due to increase in revenue
i)	Return on equity (number of times) [Net profit after tax / Average shareholders' equity]	**0.18**	0.09	102.18%	Due to increase in profit after tax
j)	Return on capital employed (number of times) [Profit before interest and tax / Capital employed(vii)]	**0.21**	0.10	111.92%	Due to increase in profit which has resulted into increase in shareholders equity
k)	Return on investments (number of times) [Net profit after tax / Average investments]	**Not Applicable**	Not Applicable		

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. Raw material consumed 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.

41. Other statutory information :

I. The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

II. The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

III. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

IV. the Company has not advanced or loaned or invested funds to any 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 has 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 does not have any 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 willful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or other lender in accordance with the guidelines on willful 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 has not revalued any of its Property, Plant and Equipment (including Right-of-Use Assets) and intangible assets during the year.

42. Other notes :

(i) Details of dues to 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 :

(₹ in crores)

	Particulars		As at March 31, 2024	As at March 31, 2023
(a)	Amounts outstanding but not due (including capital creditors) as at March 31,		**59.10**	23.30
(b)	Amounts due but unpaid as at March 31,	- Principal	**0.05**	-
(c)	Amounts paid after appointed date during the year	- Principal	**23.20**	30.25
(d)	Amount of interest accrued and unpaid as at March 31,	- Interest	**2.03**	1.66
(e)	Amount of estimated interest due and payable for the period from April 1,2024 to actual date of payment or May 2, 2024 (whichever is earlier)	- Interest	**0.01**	0.02

(ii) The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law/accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in books of account.

(iii) During the year ended March 31, 2023 the Company reassessed provision for onerous contracts and related supplier claims and accordingly taken a reversal of ₹ 122.06 crores.

See accompanying notes to financial statements
In terms of our report attached

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

RISHABH GYAN KUMAR Digitally signed by RISHABH GYAN KUMAR Date: 2024.05.02 23:47:11 +05'30'

RISHABH KUMAR
Partner
Membership No.402877
UDIN: 24402877BKFTJC7108
Place- Mumbai

Date: May 2, 2024

USHA SANGWAN Digitally signed by USHA SANGWAN Date: 2024.05.02 22:53:24 +05'30'

For and on behalf of the Board

USHA SANGWAN [DIN: 02609263]
Director
Place- Mumbai

ANINDYA KUMAR PAUL Digitally signed by ANINDYA KUMAR PAUL Date: 2024.05.02 23:13:21 +05'30'

ANINDYA PAUL
Chief Financial Officer
Place- Mumbai

SHAILESH CHANDRA Digitally signed by SHAILESH CHANDRA Date: 2024.05.02 23:07:53 +05'30'

SHAILESH CHANDRA [DIN: 07593905]
MD & Chief Executive Officer
Place- Mumbai

ANJALI SINGH Digitally signed by ANJALI SINGH Date: 2024.05.02 22:51:59 +05'30'

ANJALI SINGH [ACS: A26664]
Company Secretary
Place- Mumbai

Date: May 2, 2024