TATA MOTORS

76th Integrated Annual Report 2020-21

Performance snapshot FY 21

OPERATING	FINANCIAL	ENVIRONMENTAL	SOCIAL
8,37,783 Sales Volume (Consolidated excluding CJLR)	2,49,795 Revenues (₹ crore) (Consolidated)	20% % of Renewable energy Consumption to Total Electricity Consumption (TML)	7,58,053 Total Community Outreach (TML)
	12.2% EBITDA Margin (Consolidated)	2,56,247 Scope 1+2 GHG Emissions (tCO_2e) JLR	

Resilience and Rebound

FY 21 was an extremely challenging year with the COVID-19 pandemic resulting in severe business disruptions.

Amid stringent restrictions on mobility and large-scale disruptions in supply chain, we demonstrated strong resilience, consolidated our core capabilities and stayed on course with our strategic objectives. Amid the lingering uncertainties in the operating environment, we staged a strong recovery, backed by our continued focus on operational efficiencies. As the restrictions eased, we swiftly shifted our gears, ramped up production and despite several challenges moved fast to serve consumer demand. Our strong financial performance amidst several headwinds truly reflects strong business fundamentals.

About the report

The 76th Integrated Annual Report 2020-21 of the Tata Motors Group outlines its financial and non-financial performance. The report narrates in detail how Tata Motors has delivered a resilient performance and recorded a sharp rebound while navigating strong economic and sectoral headwinds.

SCOPE AND BOUNDARY

The Report covers the performance of Tata Motors Limited and Jaguar Land Rover, for the period starting from April 1, 2020 to March 31, 2021. The Report aims to provide a holistic view on our ability to create long-term value through our value-creation model, strategy, and environmental, social and governance (ESG) focus.

REPORTING STANDARDS AND FRAMEWORKS

The Report has been prepared in accordance with the <IR> framework prescribed by the International Integrated Reporting Council. The financial and statutory information has been presented as per the requirements of the Companies Act, 2013 and the rules made thereunder, the Indian Accounting Standards, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards issued by the Institute of Company Secretaries of India.

INTEGRATED APPROACH

The Report showcases the initiatives undertaken across multiple capitals – financial, manufactured, human, intellectual, natural and social & relationship, and the value created under each of those capitals. We have also applied a sustainability lens (covering the environment, social and governance aspects) to evaluate our performance to better demonstrate our dependencies and impacts on each of these capitals.

MATERIALITY

The Report includes information that is material to our stakeholders and our value-creation abilities. We have also presented information on how we strategically approach these material issues. The material issues are reviewed by the Group management.

ASSURANCE

Assurance on financial statements has been provided by independent auditors BSR & Co. LLP and non-financial statements have been assured by TUV India Private Limited. The assurance has been given against the Report's adherence to the International <IR> Framework of the IIRC and the GRI's Sustainability Reporting Standards. The assurance report issued by TUV India Private Limited is available on our website www.tatamotors.com.

For further information, log on to www.tatamotors.com

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Company Profile

Delivering mobility solutions across the world

Tata Motors Group is one of the leading global automobile manufacturers with a diversified portfolio of commercial, passenger, and luxury vehicles. Part of the multi-national conglomerate, the Tata Group, we have operations in India, the UK, South Korea, South Africa, China, Brazil, Austria and Slovakia through a strong global network of subsidiaries, associate companies and Joint Ventures (JVs), including Jaguar Land Rover in the UK and Tata Daewoo in South Korea.

COUNTRIES OF OPERATION	MARKET CAPITALISATION*	CUSTOMER TOUCHPOINTS
125+	US$ 14.60 BN	8,800+

Tata Motors Limited

Tata Motors Limited (TML) is one of India's biggest automobile manufacturing companies with an extensive range of integrated, smart and e-mobility solutions in its portfolio. TML's strong presence over years is heralded by its ability to offer quality products by connecting customer aspirations with innovative mobility solutions.

Mission

We innovate mobility solutions with passion to enhance the quality of life

Vision

By FY 24, we will become the most aspirational Indian auto brand, consistently winning, by

- delivering superior financial returns
- driving sustainable mobility solutions
- exceeding customer expectations, and
- creating a highly engaged work force

Values

INTEGRITY

ACCOUNTABILITY

EXCELLENCE

TEAMWORK

CUSTOMER FOCUS

SPEED

*as on March 31, 2021

Jaguar Land Rover

Jaguar Land Rover (JLR) continues to shape the future of modern luxury vehicles globally built around its iconic brands: Jaguar and Land Rover. JLR, which became part of Tata Motors Group in 2008, exemplifies quality and sustainability. JLR's new strategy is reimagining the future of modern luxury by design through a canvas of true sustainability and a new benchmark in quality. Jaguar Land Rover aspires to become the creator of the world's most desirable, luxury vehicles and services for the most discerning of customers.

Other subsidiaries

TATA MOTORS FINANCE*

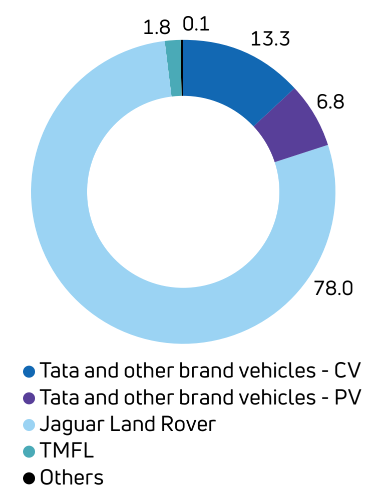
Tata Motors Finance Limited (TMFL) and Tata Motors Finance Solutions Limited (TMFSL) are Non-Banking Financial Companies (NBFCs). They are the subsidiaries of TMF Holdings Limited (TMFHL). TMFHL is a 100% subsidiary of TML and a Core Investment Company (CIC). TMFL facilitates new vehicle financing. TMFSL undertakes the dealer/ vendor financing business and the used vehicle refinance/repurchase business.

TATA DAEWOO & TATA TECHNOLOGIES LIMITED*

Tata Daewoo Commercial Vehicles (TDCV) and Tata Technologies Limited (TTL) are some of the key subsidiaries of Tata Motors Group. TDCV is Korea's second-largest truck maker, exporting to more than 60 countries across the world. Tata Technologies Limited is a leading company in engineering services outsourcing and product development IT services, providing a competitive edge to global manufacturers.

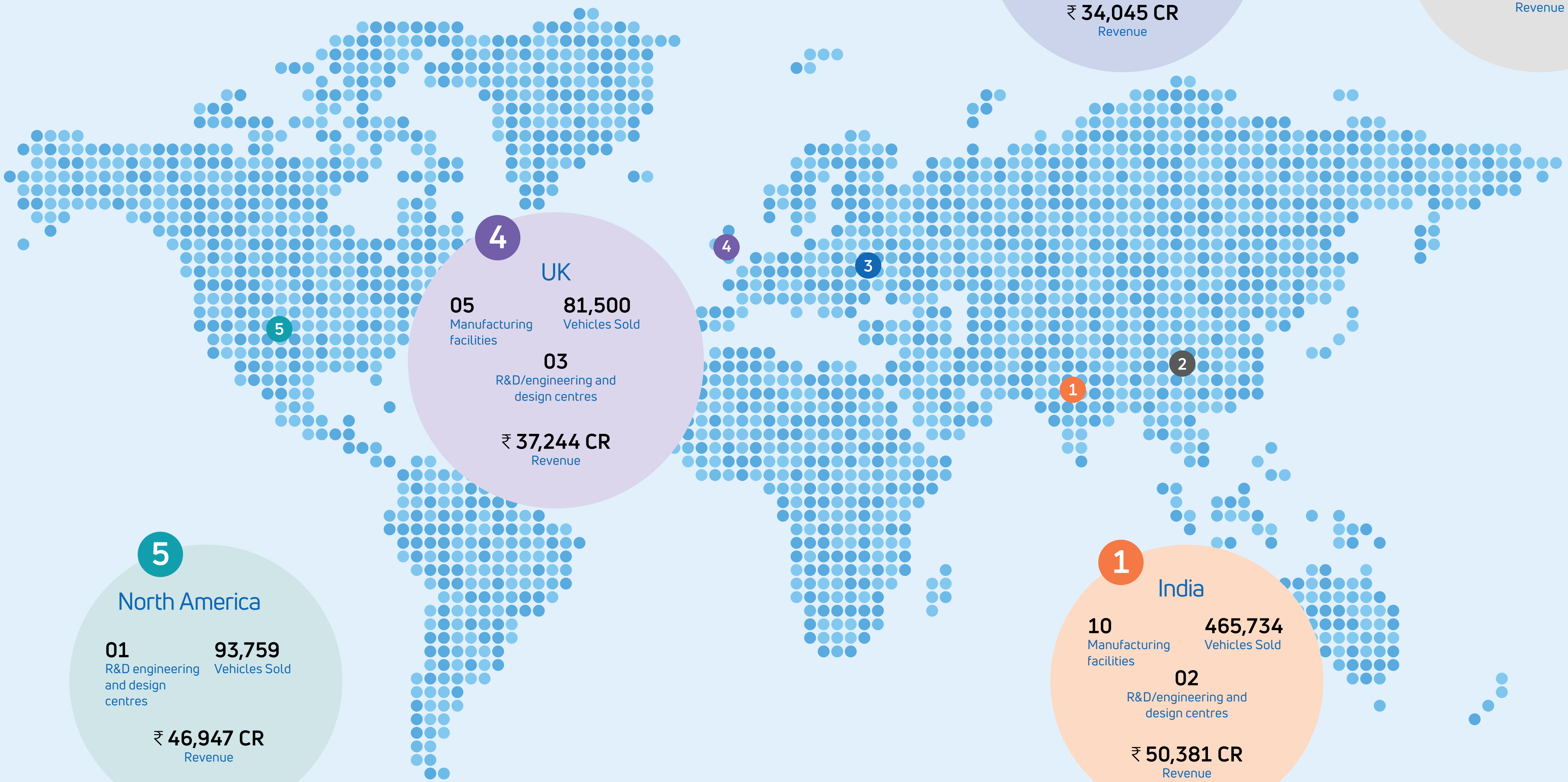
*The Integrated Report does not include information on these subsidiaries explicitly, except for the consolidated financial figures of the Tata Motors Group.

Revenue mix FY 21 (%)



Our Presence

Driving Change Across Geographies



3 Europe

02 Manufacturing facilities

76,606 Vehicles Sold

01 R&D/engineering and design centres

₹ 34,045 CR Revenue

2 China

01 Joint Manufacturing facility

112,424* Vehicles Sold

₹ 44,687 CR Revenue

* including CJLR

4 UK

05 Manufacturing facilities

81,500 Vehicles Sold

03 R&D/engineering and design centres

₹ 37,244 CR Revenue

5 North America

01 R&D engineering and design centres

93,759 Vehicles Sold

₹ 46,947 CR Revenue

1 India

10 Manufacturing facilities

465,734 Vehicles Sold

02 R&D/engineering and design centres

₹ 50,381 CR Revenue

Product Profile

Setting the trend, staying ahead

With the introduction of new architectural platforms and efficient engine options, we strive towards continuous improvement in our product portfolio across all segments – Commercial vehicles, Passenger vehicles and Electric vehicles.

Tata Motors Limited

Commercial vehicles

MHCV

SIGNA

PRIMA

ILCV

ULTRA

SCV + Pick-up

INTRA

ACE

YODHA

CV passenger

WINGER

MAGIC AMBULANCE

STAR BUS EV

ULTRA EV

Passenger vehicles

SAFARI

HARRIER

NEXON

ALTROZ

TIAGO

NEXON EV

Product Profile Contd.

Jaguar Land Rover

Jaguar

I-PACE

XE

XF

E-PACE

F-PACE

F-TYPE

Range Rover

RANGE ROVER

RANGE ROVER SPORT

VELAR

EVOQUE

Discovery

DISCOVERY

DISCOVERY SPORT

Defender

DEFENDER 90

DEFENDER 110

Key Highlights

Taking confident strides into the future

Tata Motors Limited

1. **Launched Click to Drive – a contactless sales platform**

   Allows customers to buy a car from the comfort of their homes.

2. **Introduced Fleet Edge, a next-gen digital solution for fleet management**

   A new benchmark for a connected vehicle eco-systems, relevant and beneficial across varied fleet sizes, Fleet Edge is uniquely positioned to enable our customers improve their operational efficiency and profitability.

3. **Tata Nexon became the first Indian car to be published on the International Dismantling Information System (IDIS)**

   This builds on TML's holistic commitment towards making the entire life cycle of its products sustainable.

4. **Order of 6,413 vehicles from Andhra Pradesh State Civil Supplies Corporation (APSCSC)**

   The largest order till date from APSCSC, these vehicles will be used for doorstep delivery of supplies in the state of Andhra Pradesh.

5. **Celebrated 4 million passenger vehicles on road**

   This was celebrated with the launch of the #WeLoveYou4Million campaign.

6. **Improvement in all 9 aspects of Dealer Satisfaction**

   Despite a challenging year, CV business retained its leading position and improved in all 9 aspects of Dealer Satisfaction Index.

7. **Introduced a slew of value added services for CV customers**

   These include - an uptime guarantee, industry first offering for productivity sensitive customers and extended warranty.

Jaguar Land Rover

1. **Launched new Reimagine strategy**

   At the heart of JLR's Reimagine plan will be the electrification of both Land Rover and Jaguar brands on separate architectures with two clear, unique personalities.

2. **Significantly expanded electrification across models.**

   Launched six new Plug-In Hybrid Electric Vehicle (PHEV) models and nine new Mild Hybrid Electric Vehicle (MHEV) models to electrify 12 out of our 13 nameplates.

3. **Developed contactless touchscreen to help fight COVID-19**

   JLR's patented technology offers the dual benefits of keeping drivers' eyes on the road and reducing the spread of bacteria and viruses in a post COVID-19 world.

4. **Reducing motion sickness in autonomous vehicles**

   JLR is pioneering software that will reduce motion sickness by adapting the driving style of future autonomous vehicles.

5. **Upcycled aluminium to cut carbon emissions by a quarter**

   JLR's REALITY project could help reduce aluminium production emissions by up to 26% across the value chain.

6. **Invested in blockchain technology firm Circulor**

   This investment by InMotion, JLR's venture capital and mobility services arm, will enable JLR to source premium materials with greater transparency.

7. **Future cabin air purification technology performs exceedingly well in independent test**

   JLR's future cabin air purification technology has proved effective in inhibiting in laboratory tests to inhibit viruses and airborne bacteria by as much as 97%.

8. **Five-star Euro NCAP rating for award-winning new Defender 110**

   Scored 85% for Child Occupant protection and 79% for Safety Assist on its way to a five-star overall score.

Awards

Tata Motors Limited

1. 3rd consecutive CV Manufacturer of the Year along with five other segmental awards at prestigious Apollo CV awards 2021
2. CII Customer Obsession award for 3rd year in row - CV Business
3. Car and Bike Awards 2021 - EV of the year, Green Car of the year - Nexon EV
4. Car and Bike Awards 2021 - Premium Hatchback of the year, Best Safety Tech - Tata Altroz
5. Indian Car of the Year Awards - Indian Car of the Year - Tata Altroz, Green Car Award - Nexon EV
6. Auto Car India Awards - Best Design & Styling - Tata Altroz, Green Car of the Year Award - Nexon EV
7. Won multiple Golden Peacock Awards - innovative product/service - customer care CVBU, environment management - Sanand, PVBU, Eco innovation - ERC Innovative Product/Service Award - DigiVOR and 9x9 electric bus
8. CII Design excellence award - Tata Nexon and Intra
9. National Energy Conservation Award (NECA) 2020 – TML bagged this award for its energy conservation measures, instituted by the Bureau of Energy Efficiency (BEE).
10. CII Energy Efficiency summit - National Energy Leader Award 2020 - Pune (CV) and Pantnagar plants, Energy Efficient Unit award for significant progress in energy efficiency - Jamshedpur, Lucknow and Pune (CV) plants
11. Rated amongst the top 10 companies in BSE 100 (companies evaluated by IiAS on the Indian Corporate Governance Scorecard) - Moved into the Leadership category in 2019-20.

Jaguar Land Rover

1. Land Rover Defender crowned 2021 World Car Design of the Year.
2. Land Rover Defender secures the overall 'Car of the Year' and the 'Unstoppable Force' award in the coveted annual TopGear.com Awards.
3. JLR's Pivi Pro infotainment system recognised by Autobest awards.
4. Land Rover Defender wins supreme winner award at Women's World Car of the Year 2021
5. Jaguar I-PACE wins Best Electric Luxury SUV award at What Car? Electric Car Awards

Performance Review

Powered by resilience and innovation

On a consolidated basis, we ended year on a strong note with EBITDA margins of 12.2% (8.5% in FY 20) and EBIT margins of 2.6% (0.0% in FY 20) and strong positive auto free cash flows of ₹ 5,317 crore (₹ (12,676) crore in FY 20).

For standalone business, there was strong performance in the business despite COVID-19 pandemic with EBITDA margin of 4.3% (0.5% in FY 20) and EBIT margin of (3.5%) (significant improvement as compared to (7.2)% in FY 20) and positive free cash flows of ₹ 2,730 crore (₹ (7,750) crore in FY 20). We continued to focus on operational efficiencies and delivered cash and cost savings of ₹ 9,300 crore against targets of ₹ 6,000 crore. Our new BSVI product range was well received by the customers and continued to create new paradigms of functionality, productivity, comfort, performance and connectivity, thereby bringing forth the core benefit of lower TCO (total cost of ownership) and enhanced returns on investment for customers. Leveraging the superior portfolio, CV business consistently posted sequential quarter on quarter growth and improved realization. A clear shift towards personal mobility and the rich preference for our 'New Forever' range of cars and SUVs led to the PV business recording its highest ever annual sales in 8 years and growing its market share to 8.2%.

Despite several headwinds, JLR ended the year with strong positive 12.8% EBITDA margin (8.9% in FY 20) , 2.6% EBIT margin (0.1% in FY 20) and positive free cash flows of £0.2 billion (£ (0.8) billion in FY 20) reflecting favorable mix, lower variable marketing expenses and other costs and Charge+ savings. Charge+ delivered £2.5 billion of savings in the year resulting in cumulative savings of £6 billion from Project Charge and Charge+. The successful launch of Land Rover Defender and the recovery of sales throughout the year including double digit sales growth in China have contributed to the strong performance for JLR in the year.

Chairman's Message

Charting a disciplined path for the future

Mr. N Chandrasekaran
Chairman and
Non-executive Director

Gradually, as demand started coming back from the second quarter of last year, the company swiftly shifted gear, significantly ratcheted up capacities, moved fast to serve customer demand and ended the year on a strong note.

Dear Shareholders,

The year gone by: The previous year has been amongst the most challenging to-date, with the COVID-19 pandemic causing a scale of suffering that is hard to comprehend. In some parts of the world, including India, the situation has deteriorated further in recent months.

The swiftness and intensity of the second and third waves have overwhelmed health systems, devastated lives and livelihoods. It is a health crisis of the kind we have not seen in generations. My heart goes out to everyone out there who has suffered the loss of loved ones. Given the scientific progress we have made over the past year, I am confident we will eventually get the pandemic under control. Until then, I urge you to stay safe, follow Covid discipline, and get vaccinated if you are eligible.

For your Company Tata Motors too, it was a challenging year. The pandemic resulted in muted consumer demand along with disruptions in production, supply chain and retail networks. I mentioned in my last year's report that against this volatile backdrop, your Company is charting out a disciplined path towards a robust and resilient future. Accordingly, the Company's key focus areas were:- securing the safety of our people; the viability of the ecosystem; and securing the health of the business through a laser focus on cash flows. This helped us navigate the crisis well. Gradually, as demand started coming back from the second quarter of last year, the company swiftly shifted gear, significantly ratcheted up capacities, moved fast to serve customer demand and ended the year on a strong note.

The resilient performance of the company is reflected in the business improving its EBIT margins by 260bps to ₹ 6,471crore and Auto Free Cash Flows of ₹ 5,317crore despite its volumes declining by 10.3% to 902,648 units and revenues declining by 4% to ₹ 2,49,795crore.

India business: The domestic business of Tata Motors scaled up capacity by proactively addressing several supply chain bottlenecks while maintaining the health, safety, and wellbeing of our employees as well as the supporting ecosystem. As a result, the domestic business grew volumes by 2%, revenues by 7% and improved its EBIT margins by 370bps with a strong cash flow of ₹ 2,730crore.

Our Passenger Vehicles segment was the standout performer during the year. The shift to personal mobility and preference for our 'New Forever' range of cars and SUVs led to the PV business recording its highest ever annual sales in 8 years and growing its market share to 8.2%. The "Reimagine PV" strategy to rejuvenate front-end sales and the retailer network network as well as customer engagement, has delivered excellent results. Within this, the performance of the EV business is noteworthy. We strengthened our market leadership to 71.4% led by sales of more than 4000 Nexon EV units since its launch last year.

The CV business posted sequential quarter on quarter growth on the back of improved consumer sentiment, buoyancy in E-Commerce, firming freight rates and higher infrastructure demand. The new BS VI range of vehicles have been well accepted in the market. We continue to improve our market shares in M&HCV to 58.1% (+410 bps vs FY 18), ILCV 45.9% (+90bps vs FY 18). Disappointingly, our SCV market shares was 37.5%, losing 250bps vs FY 18. We are committed to get back to winning in this segment and are taking concerted actions on this front. The launch of Tata Intra, Yodha BS VI, Ace Petrol are steps in this direction.

JLR: Jaguar Land Rover also delivered a resilient performance during the year. Despite a 14% drop in revenue to £19.7billion, the business improved its EBIT margins by 250bps to 2.6% and generated positive free cash flows of £185m. Retail sales declined 14% for the year with China being the exception growing at a strong 23%. The all new Land Rover Defender was a standout performer clocking a robust 45.2K units for the full year as well as winning the 2021 Word Car Design of the Year. Its financial and market performance notwithstanding, Jaguar Land Rover made a critical contribution to the Tata Group's worldwide efforts to help our communities and our people by producing protective visors for the frontline health care workers, loaning JLR vehicles to the Red Cross and Red Crescent to aid the COVID efforts and many more.

During the year, we had a smooth CEO transition, during which Mr Thierry Bollore took over as the CEO of Jaguar Land Rover from Professor Sir Ralf Speth. I would like to thank Ralf for his invaluable contributions to the company over the last decade. Under his leadership, Jaguar Land Rover has become a differentiated luxury OEM with iconic brands like Jaguar, Land Rover, and Range Rover, a talent base that is world class and a set of skills and capabilities that will serve us well for the future. Under Thierry's leadership, Jaguar Land Rover has now unveiled its Reimagine strategy to make the company a world leader in electrified luxury vehicles, sustainability, manufacturing efficiency and new automotive technologies.

Outlook and Our plans: In the near term, the impact of the pandemic is expected to gradually recede as more people get vaccinated. We expect demand to remain strong with consumer preferences shifting further towards personal mobility. However, the supply situation is expected to be adversely impacted for the next few months due to disruptions from COVID-19 lockdowns in India and semi-conductor shortages worldwide. Due to this, we anticipate a gradual improvement in performance during the year. The business has demonstrated steadfast resilience in the face of adversity last year and has strengthened its fundamentals. This track record gives me the confidence that the business will continue to build on its turnaround last year and deliver an even stronger performance in the coming years.

Over the longer term we anticipate significant changes in consumer behaviour — from demanding more integrated digital experiences to prioritising health and safety features across purchasing decisions. The urge to break free and have the freedom to move without fear or restrictions will shape future demand for passenger vehicles. Globally, greater emphasis and scrutiny will be placed on building environmental sustainability and climate resilience into the very core of business models.

To address and leverage these mega trends, we plan to make sustainable business models a bedrock of our strategy. At the Tata Group we would like to be amongst the world-leaders on sustainability. As a large and diverse conglomerate based in India, but with a global footprint, we are uniquely positioned for this leadership. Our companies are present in 150 countries, we employ over 750,000 people and touch the lives of 650 million consumers. I will be the first to say that we have a long journey ahead of us. But we are clear that this is the right journey we must undertake and have begun with pushing targets forward.

Tata Motors Group is in the process of pivoting its underlying business model towards sustainable mobility. Jaguar Land Rover is targeting 100% zero tail pipe emissions for the portfolio it sells by 2036. Jaguar will become fully electric by 2025. 60% of Jaguar Land Rover's volumes will be pure BEV vehicles by 2030. In India, EV penetration in our portfolio has now doubled to 2% this year and we expect penetration to increase exponentially in the coming years. Tata Motors will lead this change in the Indian market. By 2025, Tata Motors will have 10 new BEV vehicles and as a Group we will invest proactively to set up charging infrastructure across the country. In addition, the Tata Group is actively exploring partnerships in cell and battery manufacturing in India and Europe to secure our supplies of batteries. We are also evaluating an automotive software and engineering vertical within the Group that will help us lead in a new world of connected and autonomous vehicles. We are clear that this shift to sustainable mobility is an idea whose time has come, and the Tata Group will move forward with speed and scale to seize this and proactively drive the change in consumer behaviour in India and beyond.

Tata Motors Group is in the process of pivoting its underlying business model towards sustainable mobility.

In summary: With these moves, Tata Motors will be well placed to meet the opportunities that arise from these fundamental shifts. Your company will be the torch-bearer for green mobility in the automotive world and create a virtuous cycle of growth and returns for our shareholders too. This exciting journey opens a new frontier, and I would like to welcome you on this journey.

Before I end, I would like to take this opportunity to thank all our employees and their families for their profound contributions in these trying times. I would also like to thank you shareholders for your continued trust, confidence, and support in the coming years.

Best regards,

N Chandrasekaran
Mumbai, May 18, 2021

TML CEO and MD's Message

Resilience and rebound in every step

Mr. Guenter Butschek
CEO and Managing Director,
Tata Motors Limited

Dear Shareholders,

I hope this letter finds you well and in good health.

Financial Year 2020-21 will be remembered as the year of COVID-19. With lockdowns and large scale disruptions across the world, survival and wellbeing rightfully became the foremost priority.

Tata Motors too was severely impacted but we resolved to emerge stronger by improving our market, operational and financial performance – a tough ask that was diligently fulfilled.

We took immediate measures to keep our people safe and protect their health. In the absence of any prior blueprint to manage such a crisis, we designed a comprehensive Business Continuity Plan that was purposefully executed by empowered, local cross-functional teams. Our ecosystem inclusive approach to calibrate shutdown, restart and revival, enabled fast track recovery and delivered sequential quarter on quarter growth.

The ongoing second wave of the pandemic has once again resulted in multiple lockdowns in Q1FY 22. Experienced from the past year, we are implementing a holistic Business Agility Plan to protect the interests of our business, customers, dealers and suppliers and to ensure a swift bounce back as the situation improves. Further, we are organising vaccination camps at our plants and offices for eligible employees and their family members to get conveniently vaccinated.

We used the pandemic to accelerate our transformation agenda for enhancing the organisation's agility and resilience to avail forthcoming opportunities:

Redefining Mobility – We used the mandate to migrate to BS VI norms to transcend beyond just emission compliance and set new paradigms of safety, design, quality, connectivity, comfort and performance in our vehicles.

Optimising More for Less – To offer more choice to customers, we successfully leveraged the power of modularity and commonalities to build scale, reduce complexity and costs, introduce more products in shorter time span, and improve overall engineering efficiency.

Embracing 'Bridgital' – With digital becoming the new language to engage with customers, a smart micro market strategy complementing a deft product strategy enabled better customer outreach and engagement.

In PV, the growing preference for our 'New Forever' range of cars and SUVs and rising popularity of EVs led the business to achieve its highest ever annual sales in 8-years. Further, the launch of the 'Altroz i-Turbo', the iconic 'Safari' in an all new avatar and other forthcoming vehicles endorses our commitment to enhance presence in the faster growing market segments.

The unveiling of an entire CV portfolio (SCV, ILCV and MHCV) with customised solutions to address industry specific applications announced our intent to redefine transportation. While the ultra-sleek 'T.Series' range established fresh benchmarks in urban and semi urban freight transportation, the 'Intra V30' launch set a new standard for last mile delivery amongst SCVs.

During this unprecedented fiscal, we delivered a healthy increase across key metrics – volume, revenue, cost reduction and profitability. Our intense efforts resulted in better than expected cash savings of ₹ 9,300 crore, positive free cash flows of ₹ 2,730 crore after interest and improvement in EBIT margin by 370bps despite a weak first quarter.

As the future often demands a different approach from the past, we have a set of high impact programmes underway aligned with key trends shaping the auto industry of tomorrow.

Future is Digital – Building on the early successes and learnings, we are now ideally poised to take the big leap in our digital journey to transform customer experience and provide a range of solutions for the entire ecosystem.

Future is Connected – Spotting this trend early, we have successfully developed a proprietary Connected Vehicle Platform. This customisable, scalable and adaptable platform is being effectively deployed across our range of smart and connected vehicles. It has received acclaim from customers for providing meaningful insights and easy to use features.

Future is Collaborative – We are refreshing our culture fundamentals and institutionalising benefits of working in purpose driven cross functional teams to build trust and transparency. Advances in technology are enabling us collaborate seamlessly across the value chain to deliver richer experiences.

Future is Green – As the leader in the electric car market, we are focussed on accelerating the adoption, access and use of environment friendly EVs. We are equally committed to strengthening our presence in the electric commercial vehicle domain across segments.

With these programmes, we are well positioned for the times ahead. Our emphasis remains on enhancing sales momentum, growing market share, maintaining leadership in sustainable mobility and delivering cash accretive growth.

I take this opportunity to express my deepest appreciation for all my colleagues and their families for their inspiring contribution amidst this difficult time. I also thank you for your continuing trust, support and commitment to Tata Motors.

Best regards,

Guenter Butschek
Ramsau am Dachstein, Austria, May 18, 2021

JLR CEO's Message

Transforming to lead, not to play catch up

Mr. Thierry Bolloré
CEO, Jaguar Land Rover

Reimagine will see us journey towards net zero carbon by 2039. Both our brands will be transformed by electrification, with six new all-electric Land Rover models in the next five years and Jaguar completely reimagined as a pure electric brand, from 2025.

Dear Shareholders,

In September 2020 it was my privilege to become Chief Executive Officer of Jaguar Land Rover.

My view of the company from afar was always one of uniqueness, of Britishness, and of immense brand equity. From inside, the clarity of that view is even sharper.

Nobody could have anticipated the tragic events of the past year. I'm deeply proud of our people and the way we worked together to support our communities throughout the year. The tremendous resilience of my Jaguar Land Rover colleagues is truly inspiring.

Even without the impacts of COVID-19, the business faced challenges that could be considered major risks. However, the pathway navigated during the final two quarters is evidence of our fundamentally strong, re-emerging business.

Of course, there are still many hurdles to overcome, including the current global shortage of semiconductors, but we now have a clear view of the road ahead with our Reimagine strategy; a future of modern luxury by design.

Reimagine allows us to confidently transform the business and its distinct brands, to over satisfy our customers, and reward both our investors and our people.

We will simplify our architecture strategy and reorganise our manufacturing footprint, placing quality and sustainability at the heart of everything we do. We are now becoming a more agile organisation that plays to our human-centric strengths.

We will create a knowledge-sharing collaborative ecosystem with the very best partners in global industry to leapfrog forward in clean energy, software, and digitalisation.

Jaguar Land Rover will focus on value creation through a profit-over-volume approach. Our goal is to deliver double-digit EBIT margin and become one of the world's most profitable luxury manufacturers.

Reimagine will see us journey towards net zero carbon by 2039. Both our brands will be transformed by electrification, with six new all-electric Land Rover models in the next five years and Jaguar completely reimagined as a pure electric brand, from 2025.

Reimagine is our clear strategy. Driving it forward is our Refocus programme, which will generate sustainable, long-term value through operational excellence.

To help deliver our vision, we have created four new roles on the Jaguar Land Rover Limited Board of Directors during the last financial year.

Nigel Blenkinsop joins as Executive Director of Company Quality & Customer Satisfaction; Dave Owen oversees a new Supply Chain function; and Nick Collins assumes responsibility for all programme development and product lifecycles, as Vehicle Programmes lead.

Finally, to reinforce the importance of carefully curated brand values and design excellence in the success of modern luxury, Professor Gerry McGovern joins the Jaguar Land Rover Limited Board of Directors for both brands as Chief Creative Officer.

Ultimately, our will is to become the creator of the world's most desirable luxury vehicles and products, for the most discerning of customers.

Our plan is not to catch up; our plan is to lead.

Best regards,

Mr. Thierry Bolloré
Gaydon, UK, May 18, 2021

Key Performance Indicators

Strong performance in a challenging environment

Our strong financial recovery since the beginning of the pandemic, matched with robust cost control, has resulted in a return to strong margins and positive cash flow through the year.

Financial

Sales volume (wholesale) (Units)
Consolidated (excluding CJLR*)

↓(12.9%)

FY 21	8,37,783
FY 20	9,61,463
FY 19	12,74,072

Volumes were impacted mainly in Q1 FY 21 on account of COVID-19 pandemic. Business witnessed strong sequential recovery thereafter.

PVs sold (wholesale) (Units)
Tata and other brand vehicles

↑61.4%

FY 21	2,22,638
FY 20	1,37,924
FY 19	2,34,500

Strong response to "New Forever Range", outperforming the industry.

CVs sold (wholesale) (Units)
Tata and other brand vehicles

↓(23.0%)

FY 21	2,67,513
FY 20	3,47,587
FY 19	5,27,286

Several headwinds including pandemic, lower capacity utilisations, rising costs, financing challenges impacted overall CV industry.

Sales volume (wholesale) (Units)
Jaguar Land Rover (excluding CJLR*)

↓(27.0%)

FY 21	3,47,632
FY 20	4,75,952
FY 19	5,07,895

Decrease in wholesale volumes reflecting lower retails due to pandemic and de-stocking efforts.

Revenue (₹ crore)
Consolidated

↓(4.3%)

FY 21	2,49,795
FY 20	2,61,068
FY 19	3,01,938

Adverse volume impact offset by strong product mix and price increases.

EBITDA margin (%)
Consolidated

↑370 bps

FY 21	12.2
FY 20	8.5
FY 19	9.0

Profitability improved due to improved product mix and reduction in costs.

Free Cash flow (automotive) (post interest) (₹ crore)
Consolidated

FY 21	5,317
FY 20	(12,676)
FY 19	(12,834)

Improvement in operational performance and strong cost saving actions resulting in positive free cash flow for year.

Net auto debt (including leases) (₹ crore)
Consolidated

FY 21	40,876
FY 20	48,282
FY 19	28,391

Deleverage plans on track, reduction in net auto debt in FY 21.

↑ Y-o-Y Growth *CJLR: Chery Jaguar Land Rover

Non-Financial

Specific (Scope 1+2) GHG emissions (tCO_2/vehicle)
Tata Motors Limited

↓(14.4%)

FY 21	0.59
FY 20	0.69
FY 19	0.69

Focus on enhancing energy efficiency at our facilities to reduce our GHG emissions.

Patents granted (Nos.)
Tata Motors Limited

↓(55.6%)

FY 21	79
FY 20	178
FY 19	104

Continue development work for patents.

Ratio of female employees to total employees (%)
Tata Motors Limited

↓(31bps)

FY 21	5.48
FY 20	5.79
FY 19	5.16

Make our workplaces inclusive and focus on building a diverse workforce.

Water withdrawal (m^3)
Jaguar Land Rover

↓(22%)

FY 21	13,36,479
FY 20	17,20,965
FY 19	14,06,350

Have flood protection, rainwater balancing ponds and other water, land and conservation initiatives across our sites.

Energy consumption (MWh)
Jaguar Land Rover

↓(16%)

FY 21	11,35,049
FY 20	13,58,225
FY 19	12,61,805

JLR facilities in the UK, Slovakia and Brazil are all powered 100% by renewable electricity. We generate over 13 MW of solar electricity at our sites, globally.

Scope 1 GHG emissions (tCO_2e) location based
Jaguar Land Rover

↓(18%)

FY 21	1,21,149
FY 20	1,48,753
FY 19	1,32,666

The decarbonisation of our global manufacturing is a fundamental part of our Reimagine strategy, building on our success to date.

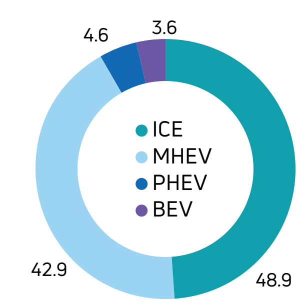
Operational waste generation (tonnes)
Jaguar Land Rover

↓(25%)

FY 21	27,638
FY 20	37,043
FY 19	38,023

All our facilities have waste segregation and management systems implemented. We follow the waste management hierarchy - reduce, reuse, recycle.

POWERTRAIN MIX FY 21 (%)
Jaguar Land Rover



Value-Creation Approach

Transforming the future sustainably

At Tata Motors, we understand the constantly evolving customer preferences and changing external environment. Our endeavor is to deliver technologically advanced world-class products and solutions by driving innovation across the mobility value chain, while also striving to reduce our environmental footprint and ensuring the viability of our ecosystem.

Operating Context

Driving through rapid change

The automotive industry is experiencing accelerated transformation. With increase in prices, customers are increasingly becoming focused on Total Cost of Ownership for CV's. There is growing demand for alternate fuel options in SCV's and ILCV's. Due to COVID-19 pandemic, personal mobility has gained traction. Fully build options, safety, connected services and better digital experience are gaining centre-stage. We are well positioned to capitalize on the emerging opportunities by delivering innovative, smarter and cleaner mobility solutions.

Connected Technology and Digital

The automotive industry has been witnessing a paradigm shift in the past few years with connectivity becoming a must-have feature in all vehicles. Organisations, while adapting to the new normal, have accelerated their digital transformation journey in every aspect of business.

TATA MOTORS Fleet Edge

TATA MOTORS iRA

Tata Motors Limited

Tata Motors has taken the connected vehicle solutions to the next level with the introduction of Fleet Edge. Build on our connected vehicle platform developed in-house, Fleet Edge enables customers to improve asset management and utilisation through real time tracking of vehicle health parameters and driver behaviour. The platform has garnered over 30,000 vehicles within six months of its launch.

Tata Motors iRA (iNTELLIGENT REAL-TIME ASSIST) offers a range of innovative features that are especially developed keeping in mind the needs of the Indian consumer. It redefines car connectivity to provide consumers with a suite of 27 connectivity features such as remote commands, vehicle security, location-based services, gamification and live vehicle diagnostics.

We also launched 'Click to Drive', which enables customers to buy a Tata Motors car with a click of a button from the comfort of their homes. This platform has been integrated with all Tata Motors dealer outlets. To improve internal process efficiency, we deployed GTME and e-Guru at more than 230 dealerships. Our product configurator helps customers choose aggregates best suited for their applications. We have also integrated financiers digitally, which reduced turnaround time from 7 days to less than 24 hours.

Jaguar Land Rover

JLR has developed a contactless touchscreen technology for its infotainment system to reduce the risk of virus spread against the backdrop of the pandemic. It will use 'predictive touch' technology to pre-empt user behaviour inside the vehicle. JLR's new prototype air filtration system, is lab-tested and certified to prohibit airborne bacteria and viruses up to 97%.

JLR also launched a new Pivi Pro touchscreen infotainment, which shares electronic hardware with the latest smartphones and allows customers to make full use of Software-Over-The-Air (SOTA) technology, without compromising its ability to stream music and connect to apps on the move. In addition, customers can connect two mobile devices to the infotainment head unit by simultaneously using Bluetooth and hands-free functionalities.

Further, JLR's Click and Deliver has enabled its retailers to drive sales during recent COVID-19 lockdowns. Combined with safe, sanitised click and collect delivery options, this gives Jaguar and Land Rover customers ultimate convenience and flexibility.

Electric Mobility

Electric mobility is gaining significant traction worldwide on account of need to reduce carbon emissions to avoid harmful effects of climate change. Further, automobile manufacturers are focusing on increasing the range with battery packs and on building electric cars suited to the needs of customers.

The UK government recently revised the phase-out date for the sale of new petrol and diesel cars and vans to 2030 from 2035, while the governments of other countries including Norway and the Netherlands announced goals of banning new petrol and diesel cars. Government of India has shown strong intent of driving EV adoption in last few years and have introduced several policy interventions.

Tata Motors Limited

Tata Motors has been at the forefront of providing electric mobility solutions in the market. The Nexon EV is driving the growth of EV industry in India with 65% share of total sales in FY 21. Tata Motors, with its wide range of mass mobility solutions, is the largest passenger commercial vehicle manufacturer in the country. Under FAME I and II schemes of the Government, we have already supplied more than 350 Electric buses to various STUs, and these buses have covered a cumulative distance of more than 10 Million Kms. Driven by early mover advantage and building compressive solutions customized to Indian needs, we are strategically well positioned to address the increased demand for clean mobility solutions in the country. Further, we have put in place the largest EV ready network in India. We are also deriving synergies from the ecosystem of Tata group companies comprising Tata Power, Tata Chemical, Tata Autocomp Systems, among others, to develop EV infrastructure in India.

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Jaguar Land Rover

JLR has significantly expanded electrification across its model range, with the launch of six new PHEV models and nine new MHEV models in FY 21. 12 out of 13 JLR nameplates offer an electrified option. In February 2021, JLR also unveiled its Reimagine strategy, under which the first all-electric Land Rover vehicle will be launched in 2024, followed by another 5 models with full battery electric option by 2026. Meanwhile, Jaguar will become a pure-electric only brand from 2025. With Reimagine, JLR has also set an ambitious goal of having a fully electric fleet of luxury vehicles by the end of the decade and 100% of sales from pure battery EVs by 2036.

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Risk management

Navigating headwinds with confidence

At Tata Motors, we monitor the external environment to capitalise on emerging opportunities and proactively undertake measures to mitigate associated risks. We have established a robust risk governance framework that not only evaluates the nature of risks, but also dynamically assesses their likelihood and significance on our value creation abilities.

Principal risks	Description	Consequences	Mitigations and opportunities
COVID-19 PANDEMIC, MANUFACTURING OPERATIONS AND GLOBAL ECONOMIC CONDITIONS Type of risk STRATEGIC Capitals impacted	We are exposed to changes in the global economic and geopolitical risks, as well as other factors such as wars, terrorism, natural disasters, humanitarian challenges and pandemics. There is still uncertainty around COVID-19 pandemic, with several countries witnessing subsequent waves and more importantly, India witnessing a major resurgence of COVID-19 cases.	Our international presence and global sales profile means that our business could be significantly impacted by changes in the external environment, globally or locally. Any disruptions to our manufacturing operations and losses in vehicle production could result in delays to both retailer and customer delivery, and potential delays or loss of revenue through loss of sales.	We continue to closely monitor and risk assess global developments, and maintain a balanced sales profile across our key sales regions. We ensure our manufacturing sites are COVID-19 safe; implement preventative measures and drive on-site testing and vaccinations. The shift towards new technologies, electrification and economic recovery post COVID-19 pandemic create strong opportunities.
SUPPLY CHAIN DISRUPTIONS Type of risk OPERATIONAL Capitals impacted	Our ability to supply components to our manufacturing operations at the required time is of importance in achieving production schedules and meeting consumer demand. Our supply chain could be severely disrupted as a result of external shocks, industry specific and company factors in the future.	Supply chain disruptions if not managed, could have adverse effect on satisfaction and reputation. Increasing commodity prices, especially in the recent past, pose significant challenges. In addition to the disruption caused by the pandemic, supply constraints of semi-conductors has impacted the automotive sector globally and we are also witnessing certain disruptions.	We operate an effective supply chain risk management framework which enables proactive engagement with our suppliers to diagnose and mitigating potential disruptions. We work closely with our suppliers to define inventory maintenance norms, build safety stocks, explore localisation and alternative sources, among others. We are mitigating semiconductor risk by engaging with suppliers, aligning production, altering designs and changing product configurations. JLR's Refocus transformation programme focuses specifically on its supply chain to enhance the efficiency of launching its models to market.
MANAGING GROWTH STRATEGY AND DELIVERING ON COMPETITIVE BUSINESS EFFICIENCY Type of risk FINANCIAL Capitals impacted	Delivering on our business and achieving Turnaround and Sustainable transformation is key to sustaining profitable and cash accretive growth. Furthermore, there are inherent risks to the successful implementation of the recently announced Reimagine strategy for JLR, including the launch of Jaguar as a BEV only brand, the significant ramp up of Land Rover BEVs as well as the migration to new architectures.	If we are unable to deliver these objectives, our ability to achieve our financial targets may limit our capability to invest and fund future products and technologies. Any uncertainties that materially compromise the achievement of our objectives could unfavourably impact our operational and financial performance	With Turnaround 2.0, we intend to drive towards competitive, consistent and cash-accretive growth. We also plan significantly deleverage group and achieve net zero auto debt in three years. TML achieved cash and cost savings of ₹ 9,300 crore against targets of ₹ 6,000 crore in FY 21. Project Charge and Project Charge+ delivered £6b of cost and cash savings for JLR since FY 19. The Refocus programme aims to enhance business efficiency and underpins the delivery of JLR's Reimagine strategy.
INTENSIFYING COMPETITION AND BRAND POSITIONING Type of risk STRATEGIC Capitals impacted	Brand positioning is becoming increasingly challenging in a dynamic automotive market with more intense competition from existing OEMs and new disruptive entrants.	Our potential inability to successfully position, maintain and articulate the strength of our brands as well as failing to develop new products/ technologies that meet customer preferences, suffering delayed product launches, or not being able to sufficiently invest in brand building, could impact demand for our products.	With key new launches across TML and JLR, we are reinforcing our brand strategy and making focused investments to set industry benchmarks. In addition, we regularly monitor the perception of our brands to quickly identify and address uncertainties that may arise. Jaguar is emerging as an all-electric brand from 2025 targeting a more luxurious segment of the market. The significant increase in the electrification of Land Rover products should enable the brand to capitalise on the fast growing BEV segment.
INNOVATION AND RAPID TECHNOLOGY CHANGE Type of risk STRATEGIC Capitals impacted	Our future success depends on our ability to stay attuned to evolving automotive trends and to satisfy changing customer demands by offering innovative products in a timely manner and maintaining product competitiveness and quality.	Delays in the launch of technologically intensive products, or the relative obsolescence of existing technology in our products could impact sales as customers may choose to purchase products from competitors and/or the sale of our products could be prohibited in certain markets.	We continue to invest in R&D and to prioritise the development of technology-enabled platforms and feature delivery. We engage with relevant industry partners and government agencies to support the efficient delivery of our products and cutting-edge technologies. Increasing partnerships and collaborations with the Tata Group and other companies is a key aspect of our strategy.

Financial | Manufacturing | Intellectual | Human | Social and relationship | Natural

Risk management Contd.

Principal risks	Description	Consequences	Mitigations and opportunities
DISTRIBUTIONAL CHANNELS AND RETAILER NETWORK Type of risk OPERATIONAL Capitals impacted	Sales and service performance directly impacts the satisfaction and retention of existing customers and the attraction of new customers. In addition, inadequate sales and service performance could negatively impact the reputation of our brands.	Failure to deliver superior sales service through our retailer channels will lead to a weakening in our competitive advantage potentially impacting our business and financial performance. COVID-19 has and continues to impact our retailer network with new lockdown measures causing or likely to cause showroom closures and such external shocks could similarly impact our distribution network in the future	Market and retailer demand is closely monitored in order to optimise production, sales and inventory. We engage closely with dealers on several fronts to ensure dealer profitability, health and providing support. We have launched the click to drive platform for online sales and integrated all dealers on this platform. JLR is enabling its retailers drive online sales with 'click and deliver' services through lockdowns.
ENVIRONMENTAL REGULATIONS AND COMPLIANCE Type of risk LEGAL & COMPLIANCE Capitals impacted	We are subject to a rapidly evolving regulatory landscape with associated laws, regulations and policies that all impact the production facilities and vehicles we produce. The transition away from traditional fossil fuels to more renewable energy sources and the increasing pace of that transition creates particular compliance challenges, in particular tailpipe emissions for automotive companies and wider compliance requirements for carbon emissions produced during manufacturing and other operations.	We may incur additional compliance costs to avoid facing significant civil and regulatory penalties, and our competitors may gain an advantage by adopting new emissions-reducing and fuel-efficient technologies before we do. Furthermore, we may incur significant reputational damage, which could materially impact our brands and sales, if we fail to maintain and improve our environmental, social and governance practices.	Sustainability is being brought to the centre of our business strategy. As a responsible business and being part of the Tata Group, TML is committed to significantly reduce its GHG emissions to ultimately achieve net zero emissions. TML is one of the front runners in the EV industry today. JLR has significantly expanded electrification across its model range. Furthermore, JLR continues to target lower carbon emissions at its sites and has achieved carbon neutral certification by the Carbon Trust. JLR launched its Reimagine Strategy, which clearly lays out electrification roadmap and JLR aims to achieve net zero carbon emissions across its supply chain, products and operations by 2039.
CREDIT RATING AND LIQUIDITY RISKS Type of risk FINANCIAL Capitals impacted	Credit rating agencies continually review the assigned ratings and these ratings may be subject to revision, suspension or withdrawal by the agency at any time. Maintaining adequate liquidity is critical to our business for running day-to-day operations and servicing our short-term obligations.	A downgrade in our credit rating may negatively affect our ability to obtain financing and may also increase our financing costs. The COVID-19 pandemic may continue to increase pressure on liquidity of the Group and its subsidiaries.	We routinely engage with credit agencies. Significant efforts have been made to shore up liquidity. We have sufficient liquidity to meet the unprecedented challenges. Strong operational performance and cash and cost savings initiatives resulted in reduction in net auto debt by ₹ 7,300 crore in FY 21.
WRITE-OFFS, IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS Type of risk FINANCIAL Capitals impacted	Designing, manufacturing and selling vehicles requires substantial investments in tangible and intangible assets. Due to market challenges, our growth strategy may not materialise and investments made do not yield the intended results or certain projects may have to be discontinued.	If the carrying amount of tangible and intangible assets exceeds their recoverable value, it could have a material adverse effect on our financial condition and the results of operations.	Focused action plans including Reimagine and Refocus for JLR and Turnaround 2.0 for TML aim at improving operational, financial performance and achieving sustainable transformation. We have taken steps towards rationalisation of capital expenditure and we critically monitor our capex plans.
IT SYSTEMS AND SECURITY Type of risk OPERATIONAL Capitals impacted	As a global enterprise with leading brands and a strong reputation, we are an attractive target for cyber criminals. Information technology is at the heart of our business, safeguarding our information assets and maintaining privacy and reducing human risk are paramount.	Failing to safeguard personal data could result in regulatory censure, fines with consequential reputational and financial damage. Cyber attacks could compromise or significantly disrupt our core capabilities to deliver products for our customers, and In some cases, compromise the safety of our customers and colleagues.	Information risk and security are managed strategically, through a security programme and roadmap. This is recalibrated periodically. The programme includes key themes: strengthening security culture to reduce human information risk; proactive and robust cyber defence; supply chain security assurance; maintaining rigorous controls and managing enterprise information risks to acceptable levels.
HUMAN, CAPITAL Type of risk OPERATIONAL Capitals impacted	Our business requires an engaged workforce with core capabilities in new and emerging skill areas and a collaborative and innovative culture for our transformation to be successful.	If we fail to develop new skills and capabilities in our workforce and attract key talent, our business will lose the ability to remain flexible in a dynamic automotive industry.	A key aspect of the Turnaround 2.0 and Refocus transformation programme is to develop an agile, capable organisation and culture to support the business. Under a more efficient, focused target operating model our workforce will help drive this transformation by leveraging our digital capability and solutions.

Financial | Manufacturing | Intellectual | Human | Social and relationship | Natural

Value-creation model

Designed to deliver profitable growth

At Tata Motors, our business model is designed to deliver sustained performance. We focus on managing our financial and non-financial resources efficiently to create long-term value for all our stakeholders.

Inputs

Capitals	TML	JLR
Financial	– ₹19,056 crore equity – ₹2,586 crore investment spending – ₹22,439 crore debt	– £5,254 million equity – £2,343 investment spending – £6,697 million debt
Manufacturing	– 9 manufacturing units – 2 design and engineering centres	– 12 manufacturing and engineering facilities – 7 technology hubs
Intellectual	– 11 design applications filed – 89 patents filed	– 124 foreign design applications – 184 foreign patent applications
Human	– 50,837 total employees – 3,649 employees in R&D	– 36,174 employees
Social and relationship	– ₹23.33 crore spent on CSR – 10,146 hours volunteered by employees	– 12,375 hours volunteered by employees
Natural	– 1.39 Gj/vehicle specific direct energy consumed – 2.75 Gj/vehicle specific indirect energy consumed – 4.14 Gj/vehicle specific total energy consumed – 39,91,290 Water Withdrawal (m3)	– 11,35,049 MWh energy consumed – 13,36,479 m³ water consumed

Value-chain

Innovation and technology

Design and engineering

Mobility service

Customer service network

Global sales network

Strategic sourcing

Manufacturing operations

Financial services

Logistics

Outputs

Capitals	TML	JLR
Financial	– ₹47,031 crore revenue – 4.3% EBITDA margin – (3.5%) EBIT margin – ₹2,730 crore free cash flow	– £ 19,731 million revenue – 12.8% EBITDA margin – 2.6% EBIT margin – £ 185 million free cash flow
Manufacturing	– 4,58,512 units produced (including Joint Operations)	– 4,02,420 units produced
Intellectual	– 47 design applications granted – 79 patents granted	– 226 designs approved – 648 patents granted
Human	– 5.8 % gender diversity – 8.70% Total Employee Turnover Rate – 3.70% Voluntary Employee Turnover Rate – 0.26 LTIFR	– 17.49 % gender diversity – 0.16 LTIFR
Social and relationship	– 7,58,053 lives impacted through CSR initiatives – 388 suppliers covered in total under the Sustainable Supply Chain Initiative – 31 more dealerships covered under the Dealers Sustainability Initiative, taking the total to 98	– 21,11,015 lives impacted through CSR initiatives
Natural	– 0.09 tCO_2/vehicle specific Scope 1 emissions – 0.51 tCO_2/vehicle specific Scope 2 emissions – 4,208.5 tonnes of Hazardous Waste Disposed	– 2,56,246 tCO_2e Scope 1 emissions – 100% facilities powered by renewable energy powered facilities in UK, Slovakia and Brazil. – 27,638 tonnes operational waste produced

Stakeholder engagement and materiality

Troubleshooting through dynamic engagement

During the year under review, TML engaged with various stakeholders groups to identify their grievances. Further, we focused on incremental engagement with the stakeholder groups to address the identified issues.

Engaging proactively

Stakeholder group	Key issues in 2020-21	Engagement platforms
EMPLOYEES	– Growth opportunities – Skill upgradation – Learning and development – Technical and functional knowhow – Grievance redressal – Occupational health and safety – Employee wellbeing	Weekly/monthly reviews, hr forum, townhalls, focused group discussions
CUSTOMERS	– Quality and safety – After-sales servicing – Pricing – Complaint resolution	Customer meets, key account process, surveys, feedback calls, training forums, direct visits
DEALERS AND SERVICE CENTRES	– Financing opportunities – Knowledge transfer – Complaint resolution – Digitalisation and improving CRM system	Dealer meets, joint programmes, special training programmes, dealers council, dealer visits, audits, dealers sustainability initiative
SUPPLIERS / SERVICE PROVIDERS	– Inventory planning – Quality compliance – Closer engagement and exchange of technology transfer on quality, safety and sustainability	Sustainable supply chain initiative, technology days, supplier meets, vendor council, audits
INVESTORS AND SHAREHOLDERS	– Financial performance – Transparency – Compliance – Timely communication on strategy and performance	Investor meets, investor calls, road shows
COMMUNITIES	– Meeting specific local requirement – Community safety – Engagement and communication	Need-assessment surveys, frequent meetings
REGULATORS/ GOVERNMENT	– Relationship building – Thought leadership and advocacy in the industry	One-on-one meetings, meetings in industry forums
EXPERTS/ ACADEMIC AND RESEARCH INSTITUTIONS	– Ensuring technical alignment with customer requirement and regulatory needs – Product and process innovation to ensure resource efficiency and sustainability – Product development and capex management	Case-based meetings
MEDIA	– Marketing communication – Constant liaising	Interactions at regular intervals

Materiality assessment

The expectations and concerns of our identified stakeholders help us in prioritisation of strategy, policies and action plans in the area of economy, environment and society.

TML revisited the materiality assessment done during FY 18 and once again conducted the stakeholder engagement and materiality assessment process in FY 21 to identify and prioritise focus areas as per their strategic importance.

Materiality process

1. Identification of topics relevant to the Company
2. Assessment against six materiality filters of financial impacts and risks, legal drivers, internal policy drivers, peer performance, stakeholder concerns and opportunity for innovation with inputs from the senior management
3. Aggregation of inputs from all the stakeholders through focused discussion and questionnaires
4. Categorisation of relevant topics based on important criteria, such as 'How impactful is a topic to TML's business and sustainability?' and 'How important is a topic to stakeholders in assessing of TML's performance?'
5. Measurement on the criticality scale (High-Medium-Low) which helps in isolating and prioritising key material topics
6. Review of material topics by TML's senior management post prioritisation

Material topics

HIGH

- Adoption of Clean Technology
- Vehicle Life Cycle Analysis
- Greenhouse Gas Emissions
- Energy Management
- Customer Health & Safety
- Occupational Health & Safety
- Ethical Business Conduct
- Governance
- Stakeholder Centricity

MEDIUM

- Value Chain Environment Management
- Water & Effluents
- Fleet Fuel Economy
- Air Emissions
- Vehicle Use Phase Emissions
- Environmental Management Systems
- Waste Management
- Labor practices
- Employment & Welfare
- Human Capital Development
- Socio-Economic Impacts
- Automotive Cyber Security
- Community Welfare
- Research & Development
- Tax
- Economic Performance

LOW

- Biodiversity
- Material Management
- Marketing & Labelling
- Supplier Social Assessment
- Public Policy
- Freedom Of Association & Collective Bargaining

In the materiality matrix of FY 21, there are 31 material topics, wherein new material topics have emerged such as ethical business conduct, governance, vehicle life cycle analysis, stakeholder centricity, automotive cyber security, tax and socio-economic impact.

Strategic roadmap

Driven by agility, Inspired by transformation

Our operating environment remains challenging with the pandemic continuing to weigh on consumer sentiments.

At TML, we have implemented a strategic Business Agility Plan to address the short-term challenges by keeping our costs low and ecosystem viable while delivering innovative mobility solutions across product customer segments. Strong transformative actions and proactive measures across various segments have supported our business continuity endeavours.

With structured product intervention and timely upgradation, the strategy is to enhance targeted markets and strengthen customer association through stylish design, safety and new technology driven products. In the EV segment, cost optimisation, newer models and infrastructure development pave the way for TML to consolidate its position as the market leader in India.

We remain committed to delivering consistent, competitive, cash accretive growth while deleveraging our balance sheet.

Strategic roadmap – TML

Winning with perseverance and prudence

Bracing the COVID-19 storm

The COVID-19 pandemic, in 2020, brought with it an unprecedented impact across businesses and countries. Our operations were also impacted, as the nationwide lockdowns, disrupted supply chains and dampened demand. TML instantly took measures to maintain Business Continuity with a three-pronged approach of Survival-Recovery-Growth.

Surviving the Challenges

Our initial response to the pandemic was of maintaining business continuity and standing along with our stakeholders staying connected to them virtually.

RESPONSE TO THE PANDEMIC

CUSTOMERS
- Virtual connect with customers/ stakeholders
- Capturing new trends of safe, convenient mobility

EMPLOYEES
- Ensuring health, safety and well-being of our employees
- Strong focus on employee engagement and upskilling

DEALERS
- Interacting continuously to address pain points
- Briefing and aligning to our Business Continuity Plan (BCP)

COMMUNITY RESPONSE
- Enabling safety kids and essentials
- Supporting driver's livelihood

GOVERNMENT & LOCAL AUTHORITIES
- Strong alignment on SOPs and ensuring safety

MANUFACTURING AND SUPPLY CHAIN
- Rigorous cost reduction and cash conservation
- Showing agility in supply chain management

Accelerating the Recovery

With robust action plans in place, we moved fast to serve customer demand as economy opened up. Our upgraded BS VI range of Commercial Vehicles and "New Forever" range of Passenger Vehicles witnessed strong demand. With strong actions focused to ensure ecosystem viability and focussed structural cost reductions, we ended the year on a strong positive note with improvement in EBITDA and EBIT margins and positive free cash flows.

Key Highlights

EBITDA MARGINS	IMPROVEMENT IN EBIT MARGINS	FREE CASH FLOWS	CASH AND COST SAVINGS
4.3%	370 bps	₹2,730 cr.	₹9,300cr.

Building the future comprehensively

Our strategy is not just about accelerating the turnaround and meeting challenges – but about building the future comprehensively and achieving a structural transformation. Our strategy revolves around following aspects:

DESIGN
Taking TML design language to a higher level. Augmented focus in the commercial vehicles segment, with cutting-edge designs reflecting a sense of purpose coupled with strength and quality.

MANUFACTURING
Improving manufacturing process leveraging technology with application of Industry 4.0 and Logistics 4.0. Taking integrated sales and operating plans to the next level to drive efficiency along the value chain.

SALES & MARKETING, SERVICE
Digitally transforming stakeholder engagement through tech-driven sales, marketing and service. Taking efforts to increase dealer profitability and decrease breakeven volume point.

SUPPLY CHAIN
Focussing on connected supply chain with an online defined system providing increased visibility and integration leading to improved efficiencies and significantly rationalised supplier base. Ensuring strategic sourcing and early supplier involvement for better supply chain management.

ENGINEERING
Improving engineering efficiency with a more for less strategy to leverage cost benefits. Adoption of ACES* and making technology affordable and introducing new features for the benefit of customers

PEOPLE AND RESOURCES
Co-creating the future culture for people and resources using mainstream data analytics tools for building data-driven decision making.

*Autonomous, Connected, Electric and Shared Vehicles

Win Decisively in CV

The commercial vehicle industry witnessed major headwinds with volumes falling to the lowest over last decade, reaching the FY 10 levels. We undertook a number of measures to navigate the downturn and ensure our readiness for quick response during subsequent recovery phase. We prioritised strategic actions to rationalise our costs, to enhance our product performance to boost adaptability of BS VI vehicles, to expand our product and service offerings and to strengthen our S&OP process for tighter inventory control . Our Cost reduction initiatives included additional measures related direct material cost reduction, fixed cost restructuring and judicious deployment of CAPEX. Similarly to drive better realisation, we also offered a number of value added services such as Fleet Edge (our next generation connected vehicle solution) and uptime guarantee to deliver greater benefits to our customers. We undertook extensive ecosystem engagement actions, including channel partner engagement initiatives, extended financial tie ups, product demos to establish superiority of our BS VI range and focussed on green-shoot microsegments. As a result, our widest range of BS VI vehicles, offering best in class TCO and profitability, was well received in the market with strong response. In parallel, we ramped up our supplies in line with the market recovery, strengthened S&OP to cater to volatile demand situation and focused on viability of the overall ecosystem. This resulted in us being able to complete the year on a strong positive note.

Key Highlights

EBITDA MARGINS
5.3%
↑130 bps

EBIT BREAK EVEN REDUCED
25%

MHCV MARKET SHARE
58.1%
↑70 bps

SALES TOUCHPOINTS
1,553

SERVICE TOUCHPOINTS
2,892

NET PROMOTER SCORE (NPS)*
68
*11 pts improvement in 3 years

DEALER SATISFACTION INDEX
722

Future focus areas

Looking beyond the short-term challenges, we continue to focus on the megatrends impacting the CV industry and our strategic actions are aligned to leverage the emerging opportunities and to counter the potential threats. Our future focal points include increasing efficiency, market development and exploration of new opportunity as we prepare the business to leverage the upcoming market trends.

EFFICIENCY
- PRODUCTION COST OPTIMISATION
- OPERATIONAL EFFICIENCY

MARKET DEVELOPMENT
- TIGHTER EMISSION REGULATION
- ELECTRIFICATION
- AFTER SALES SERVICE

NEW OPPORTUNITY
- CONNECTIVITY
- ALTERNATE POWERTRAINS

DRIVING EFFICIENCIES

We continue to work on optimising our input costs through sustained efficiency improvement actions across our value chain. Our cost optimisation efforts are pivoted to customer value addition, while we critically review each cost element for potential optimisation opportunity. As we continue on this journey with a systematic value management approach, we remain focused to sustain the cost reduction benefits and maintain breakeven point at lower levels.

MARKET DEVELOPMENT

Further to our successful transition to BS6 in FY 21, we are continuing with our actions on new product development and infrastructure enhancement to meet the upcoming stringent Real Driving Emissions (RDE) norms. We continue with our focus on delivering enhanced value to our customers by bringing innovative solutions and enhancing customer satisfaction. Our aim continues to go beyond mere compliance, to enhance the product performance and thus to improve the overall competitiveness.

Our aftersales and service offerings through 'Sampoorna Seva' initiative continue to provide holistic support to our customers delivering enhanced productivity and earnings. Our aim is to constantly enhance our Sampoorna Seva offering through expanded scope and features.

NEW OPPORTUNITIES

We endeavour to deliver on the continuously rising customer expectations for improved performance, better turnaround time, lower cost of ownership and refinements. We aim to leverage on the success of our connected solution "Fleet edge" and have strong a digital roadmap which will improve customers' business.

We are continuing with our Research and Development activities related to advanced propulsion systems and are committed to drive actions in the areas related to alternate fuel options for the sustainable future. We are exploring solutions on alternative fuels such as Ethanol E10/E20, Bio-diesel blends, LNG, H-CNG as well as zero emission Battery Electric Vehicles and Fuel Cell Electric vehicles.

CONTINUED SUCCESS IN COMMERCIAL EV SEGMENT

With Electrification picking up progressively in India, we have made significant progress on developing comprehensive EV bus solution for public transport application. We currently have 350+ Buses deployed on Indian roads under FAME-I and II scheme which have cumulatively covered distance of more than 10 million kms demonstrating strong performance. We have already received orders for another 500 Buses under GCC model (FAME- II). To enable faster adoption of EVs across emerging segments, we have embarked on a journey to create EV ecosystem through Tata Group synergies. Going forward, in addition to the Bus segment, we continue to engage with key customers for deployment of EVs in last mile transport application. As part of our commitment and journey towards zero emission transport solutions, we are also participating in FCEV bus tenders by leveraging our in-house capabilities and leveraging support from ecosystem partners.

Future financial targets

We have activated the Business Agility Plan to navigate the challenges of recent COVID-19 pandemic wave in India. We remain committed and focussed to Win Decisively with our extensive product range and continue to lead the market developments.

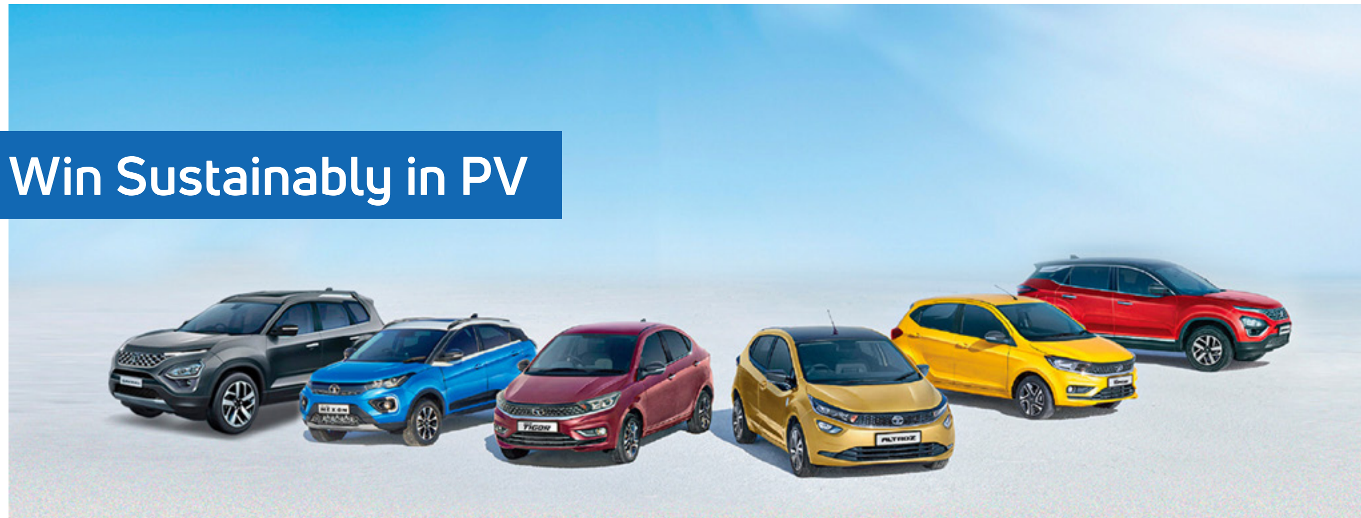
ACHIEVING DOUBLE-DIGIT EBITDA

LONG-TERM CAPEX AT 3-4% OF REVENUE

STRONG POSITIVE FCF

Strategic roadmap – TML Contd.

Win Sustainably in PV



The passenger segment has seen a very strong rebound in demand post opening up of the lockdown. Our strategic intervention to reposition our brand, expand capacity and launch of New Forever range placed us well to capitalise on the revival in demand. Going forward also TML is well positioned to grow across segments with a strong portfolio of stylish and exquisite design, best in class safety, superior driveability and features.

Strong transformation actions undertaken over the past years have aided the robust turnaround in the PV business.

AGILE MARKETING ACTIONS

CHANNEL MARKET TRANSFORMATION

SMART PRODUCT INTERVENTION

DEMAND-SUPPLY SYNCHRONISATION

FOCUSED ACTION IN IDENTIFIED MICRO-MARKETS

SALES TEAM EMPOWERMENT

Key Highlights

HIGHEST SALES IN
8 years

VOLUME GROWTH (AGAINST INDUSTRY DECLINE OF 2%.)
69%

MARKET COVERAGE
63%

EBITDA
2.2%
↑1160 bps

ABSOLUTE EBITDA IN LAST 10 YEARS
Highest Ever

SALES TOUCHPOINTS
906

SERVICE TOUCHPOINTS
608

Pillars of future success plan

Our future growth amidst increased competition will be driven by the five core pillars.

BRAND

There has been strategic focus to consistently increase brand health indicators. There has been increase in the NPS with sharp decrease in detractors and passives. NPS increased from 23 in 2019 to 30 in 2021. The brand has grown consistently on both Awareness and Consideration scores. Enhancing brand continues to be a key strategic initiative and it will play pivotal role in driving aspirational quotient of products in the minds of new age customers.

PRODUCT STRATEGY

TML product approach ensures comprehensiveness and competitiveness of portfolio with new products with smart product intervention and timely refreshes. The strategy is to enhance targeted market and strengthen customer association through stylish design, safety and new technology features driven products. The recently launched New Forever range has seen excellent market response and the portfolio of products is well positioned in the growing segments.

RE-IMAGINING FRONT END

TML front-end is being given an image overhaul and repositioned across the four key planks of customer-facing product life cycle - sales, dealer processes and resources, after sales and, customer experience. Digital technology will be extensively used for seamless and best-in-class experience by creating an emotional and lasting connect with customer, while alternative channel will be used in rural areas. Micro-market strategy, continuous dealer monitoring and support, increased channel partner competitiveness will also be used for better customer management. The process will not only provide an overall enhanced customer experience but will also establish strong foundations for next evolution in sales formats and service models.

STRUCTURAL MARGIN IMPROVEMENT

We will continue to implement multiple initiatives undertaken in recent past to structurally improve margins and strengthen profitability. This includes, Value Analysis and Value Engineering (VAVE) process implemented to optimise outputs by crafting a mix of function performance and costs. Initiatives like feature rationalisation, alternate sourcing, and so on used to consistently deliver margin improvement. Our focus has been on product innovation, optimisation of product mix for increased contribution and growth in the non-vehicle segment performance. We will achieve economies of scale with increased modularity and localisation of key components will also be enhanced for increased margins.

MANUFACTURING AND QUALITY LEADERSHIP

We will leverage existing assets to cater to increasing demand, while ramping up production aligned to future market demand with proactive debottlenecking actions to maintain market dominance. We will adopt Industry 4.0, robust software maturation to reduce defects and attain flawless launch. We will deploy specialised teams for quick-turnaround in customer and supplier problem resolution, and regular supplier quality check for an enhanced in-service experience.

Future financial targets

We remain committed to navigate short term challenges, and focussed to Win Sustainably and securing Podium finish in PV's. We are unswerving in our resolve to achieve our financial working plans.

HIGH SINGLE DIGIT EBITDA IN THE NEXT 3 YEARS

LONG-TERM CAPEX AT 5-6% OF REVENUE

FCF BREAKEVEN BY FY 23 & POSITIVE FCF THEREAFTER

Strategic roadmap – TML Contd.

Win Proactively in EV

TML is strategically placed to benefit from the increased demand of personal mobility, with an early mover advantage in the segment and has already having established itself as a market leader. Nexon EV has established a niche for itself, having changed the perception of EVs among Indian customers. Nexon EV is driving the growth of EV industry in India with 65% of total sales in FY 21.

Key Highlights

MARKET SHARE
71.4%

VOLUME GROWTH
218%

NEXON EV SALES SINCE LAUNCH
4,000

CAPTIVE CHARGING POINTS
100+

CHARGERS (PUBLIC CHARGING NETWORK)
355+

AC CHARGERS
3,000+

PRESENCE ACROSS CITIES
50+

SALES TOUCHPOINTS
93

SERVICE TOUCHPOINTS
97

Tata UniEVerse

A comprehensive EV ecosystem Tata UniEVerse was launched in FY 20 providing a unique collaboration platform ('One Tata') for Tata companies to leverage mutual competencies to support e-mobility in India. There have been significant efforts made to accelerate the EV adoption and lot of actions are underway.

TATA POWER

- 355+ public chargers inter and intra-cities have been setup, the plan is to expand to 700 public chargers by mid of FY 22
- Home charging installation support is being provided across all cities to support TML EV customers

TATA CHEMICALS

- Evaluating technical partners for establishing Lithium-ion cell manufacturing plant
- Pilot plant is operational for Lithium-ion battery recycling

TATA AUTOCOMP SYSTEMS LTD

- Battery Manufacturing plant operational for Nexon and Tigor
- Exploring EV Motor manufacturing facility in India with global partner

TATA Motorsfinance

- Structured solutions for large fleets being made to adopt EVs
- Low risk offerings due to increased financing risk of customers during COVID-19

Retaining Competitive advantage in EVs

Driven by cost structure optimisation, increased number of models and infrastructure growth, TML aspires to strategically retain its dominant share in EVs in the Indian market.

OUR STRATEGY FOCUSES AROUND 4 KEY AREAS:

PRODUCT

- Widening portfolio offering with different body styles and focus on driving ranges
- India specific product specifications with a differentiated value proposition
- Transitioning toward a modular multi-energy platform

SALES & MARKETING

- Driving higher penetration in micro markets
- Brand building for awareness creation and driving aspiration

CAPACITY BUILDING

- Acquiring capabilities in-line with strategic planks
- Leveraging Tata Group EV Ecosystem

ECOSYSTEM SOLUTIONS

- Exploring partnerships to enable comprehensive charging offering
- Localising and aligning with government mandate

Strategic roadmap – JLR

Reimagining modern luxury

With Reimagine, we will transform Jaguar Land Rover, with a value creation approach, delivering quality and profit, over volume. The Reimagine strategy has been designed to address the key challenges facing the business. We will become a more agile business, with a simplified manufacturing operation. We will deliver a new benchmark in environmental, societal and community impact for a luxury business, creating the world's most desirable luxury vehicles, against a canvas of true sustainability. This will generate double-digit EBIT margins and positive cashflow, with an ambition to achieve positive cash net-of-debt by 2025. Ultimately, by reimagining the future of modern luxury by design, our ambition is to be one of the most profitable luxury manufacturers in the world.

Sustainability rich reimagination of modern luxury

NET-ZERO CARBON BY 2039

- ZERO TAILPIPE EMISSIONS BY 2036
- CLEAN HYDROGEN FUEL CELL TEST MULES
- REDUCTION IN OPERATIONAL CO_2
- RESPONSIBLE SOURCING

REIMAGINE FOCUS AREAS

BRANDS RESPONSIBLE MODERN LUXURY BY DESIGN	**PRODUCTS** WORLD'S MOST DESIRABLE LUXURY CARS AND SERVICES	**ARCHITECTURES & POWERTRAIN** ELECTRIFIED, SIMPLIFIED, FLEXIBLE
COLLABORATION SYNERGIES WITH TATA AND OTHER EXTERNAL PARTNERS	**FOOTPRINT** RETAIN, RIGHT-SIZE, REPURPOSE AND REORGANISE	**REFOCUS** FOCUS ON QUALITY, SALES, COSTS, DIGITAL TRANSFORMATION

Strategic roadmap – JLR Contd.

BRANDS

Responsible modern luxury by design

Jaguar and Land Rover are distinct British brands steeped in a history of timeless designs that emotionally resonate with their customers; brand equity built over decades. The Reimagine strategy allows JLR to enhance and celebrate its uniqueness like never before. The Reimagine strategy with rapid electrification at its core will release the full potential of the brands, by leapfrogging forward in technology, placing quality and sustainability at the heart of everything it does.

VISION

TO BECOME THE CREATOR OF THE WORLD'S MOST DESIRABLE LUXURY VEHICLES AND SERVICES FOR THE MOST DISCERNING OF CUSTOMERS.

PRODUCTS

World's most desirable luxury cars and services

At the heart of the Reimagine plan will be the electrification of both Land Rover and Jaguar brands on separate architectures with two clear, unique personalities.

In the next five years, Land Rover will welcome six pure electric variants as it continues to be the world leader of luxury SUVs through its three families of Range Rover, Discovery and Defender. The first all-electric variant will arrive in 2024.

By the middle of the decade, Jaguar will have undergone a renaissance to emerge as a pure electric luxury brand with a dramatically beautiful new portfolio of emotionally engaging designs and pioneering next-generation technologies.

JAGUAR TO BECOME ALL ELECTRIC BRAND BY 2025.

FIRST BEV LAND ROVER IN 2024.

50TH
Anniversary Celebrating of Range Rover

73 years
of iconic Land Rover Defender

60TH
Anniversary celebrating E-TYPE

ARCHITECTURES & POWERTRAIN

Electrified, simplified, flexible

To enable this accelerated shift in electrification, JLR will establish new benchmark standards in quality and efficiency for the luxury sector and central to this is the JLR's new architecture strategy. JLR will migrate from six different architectures today, to just three by the end of the decade.

Land Rover will use the forthcoming Flexible Modular Longitudinal Architecture (MLA-Flex). This will deliver electrified Internal Combustion Engines (plug-in hybrids and mild-hybrids) initially, but also allows for full battery-electric capability, as future product line-up evolve. Joining MLA will be the new Electric Modular Architecture (EMA), which is born from an obsession for simplicity from native-BEV and agnostic to battery chemistry, to advance with future technology. It has also been engineered to accommodate small capacity, high performance electrified ICE – true electric-first flexibility, allowing JLR to offer BEV, PHEV and MHEV vehicles with exceptional range and performance.

For Jaguar, a radically new market position is being created, one that is aspirational and technologically engaging for the discerning modern luxury customer. Thus, all new Jaguars will be created on a completely separate architecture, from 2025 and for this, JLR is consulting with potential partners.

BEV AVAILABLE ON ALL JLR MODELS BY 2030

60%
sales from BEV by 2030

COLLABORATION

Synergies with Tata Group and other external partners

JLR is aiming to increase its collaboration and partnerships both within the Tata Group and with external organisations in a number of areas, including ADAS and battery technologies, services, and connectivity. JLR is also exploring collaborations and partnerships for vehicle architectures, most notably for Jaguar's new dedicated BEV architecture. Being part of the Tata Group offers significant advantages to JLR such as, frictionless access to some of the world's leading players in technology, software and clean energy that allows JLR to lean forward with confidence and at speed.

Beyond the design of its vehicles, the other significant strategic pillar in Reimagine is a radical digital transformation of the business. Data is the backbone of every vehicle JLR creates, the quality of manufacturing, supply chain and the support and services it provides to the customers.

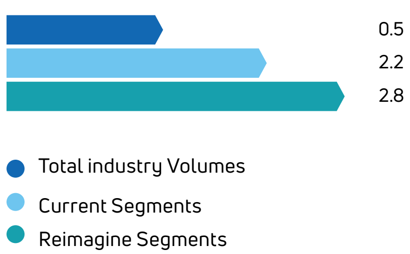
FOOTPRINT

Retain, right-size, repurpose and reorganise

JLR's Reimagine strategy looks to right-size, reorganise and repurpose the global footprint to become a more agile business. JLR will retain all its core global manufacturing plants, with a simple vision: to design new benchmark quality standards for the luxury sector. JLR will rationalise sourcing and accelerate investments in local circular economy supply chains, by consolidating the number of platforms and models being produced per plant. Agility will not just be based on size: flatter management structures will empower employees to create and deliver at speed and with clear purpose.

REIMAGINE WILL TARGET FASTER GROWING GEOGRAPHIES WITH A FOCUS ON INCREASING SHARE IN THESE MOST PROFITABLE SEGMENTS, WITH NEW MODERN LUXURY CARS EXPECTED TO DRIVE GROWTH IN THESE SEGMENTS.

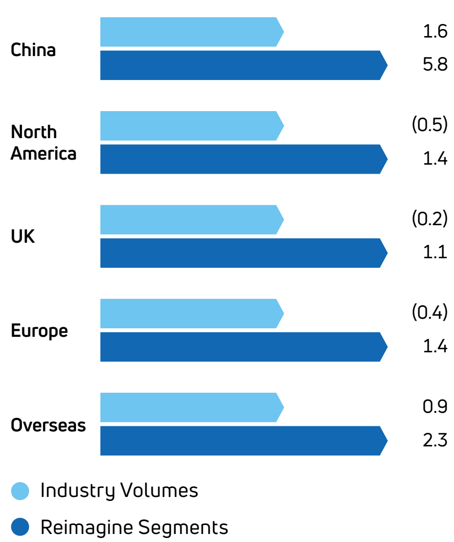
Targeting Faster Growing Segments (Global CAGR FY 19-27 in %)



* JLR Reimagine segments include SUV 3-5 and other future Jaguar target segments

Source: IHS December 2020

Targeting Faster Growing Segments (Regional CAGR FY 19-27 in %)



* JLR Reimagine segments include SUV 3-5 and other future Jaguar target segments

Source: IHS December 2020

REFOCUS

Focus on quality, sales, costs, digital transformation

Refocus combines existing initiatives such as Charge+, Accelerate and Ignite with new additional activity into one clear program. Refocus brings together existing and additional activity from across the organisation to deliver value, address pain points and find efficiencies. Refocus is more than an efficiency programme: it will move JLR from a functional silo driven method of working, to a more agile organisation generating more value. It will change the way JLR leads, and the way it is organised and structured.

The Refocus programme consists of six separate pillars, supported by three cross-functional enablers.

1	2	3	4	5	6
QUALITY	PROGRAMME DELIVERY & PERFORMANCE	DELIVERED COST PER CAR	END-TO-END SUPPLY CHAIN	CUSTOMER & MARKET PERFORMANCE	CHINA
Reduced Warranty Spend	Efficient Programme Delivery	Reduction In Vehicle Cost	Faster Vehicle Delivery Times	Increased Profitable Market Share	Increased Profitable Market Share

7 AGILE ORGANISATION & CULTURE
Agile Organisation, Leadership, Capability, Culture

8 INDIGITAL
Powering the transformation

9 RESPONSIBLE SPEND
Sustaining and increasing cost efficiency

Each of the six pillars is led by a member of the Jaguar Land Rover Limited Board of Directors, supported by dedicated teams of experienced, senior leaders and 35 workstreams are already established. Refocus will drive further profitability in JLR's business, achieving £4 billion of value within five years and 3% incremental EBIT margin by FY 25/26, on its journey to double-digit margins.

ESG approach

Sustainability means positive impact

We believe in delivering high quality vehicles with a focus on sustainability. Quality and sustainability are the driving force underlying our strategic actions, decisions and operations. We reduce our footprint by reusing and recycling parts under our take-back programme. JLR has set an ambitious target to achieve a net zero carbon position. Our employees are part of TATA group and we are committed to extend a safe, encouraging, and inclusive work environment for them to accelerate their career growth. Staying true to the legacy of our company, we constantly endeavour to support the communities we are part of. Our focus areas for community efforts are Health, Education and Employability and Rural Development. As the fight against COVID-19 pandemic continues, we extend our support in various forms including the production of protective gear and medical kits.

TML

1.1
Lakh saplings planted

21,574
Engines reused or recycled

Environment – TML

Towards a low-carbon tomorrow

We strive to deliver operational excellence by optimising resource efficiency and minimising the negative impact on people, planet and communities. Our operations are carried out under the aegis of the foundational principles of Reduce, Recycle, Recover and Refurbish to deliver innovative and sustainable mobility solutions globally.

Tata Motors Limited

TML has embarked on a journey of conserving energy across its operations by improving processes, replacing instruments and installing energy-efficient equipment, among others. Being a part of a materials-intensive industry, we responsibly manage our resource consumption to drive overall operational efficiency.

Energy and GHG emissions management

Energy efficiency is at the forefront of our efforts. Further, being a manufacturer of vehicles, reducing GHG emissions and ensuring our products also have reduced carbon footprint plays a pivotal role.

Read more of Annexure 3

Absolute Emissions (tCO_2e)

SCOPE 1

FY 21	41,882
FY 20	60,533
FY 19	1,05,318

Absolute Emissions (tCO_2e)

SCOPE 2

FY 21	2,43,125
FY 20	2,66,200
FY 19	3,85,002

SCOPE 3

31,781 tCO_2e
Purchased goods and services*

12,100 tCO_2e
Employee commuting

1,598 tCO_2e
Waste generated in operations$

1,184 tCO_2e
Franchise (TML downstream value chain)**

976 tCO_2e
Upstream Leased Assets#

698 tCO_2e
Business travel

2,699 tCO_2e
Upstream transportation and distribution@

69,515 tCO_2e
Fuel and energy related activities

42,86,029 tCO_2e
Use of sold products^

*Purchased Goods & Services : Based on the engagement with 30 suppliers in FY 21
@Upstream transportation & distribution: Based on the engagement with 30 suppliers in FY 21
$Waste generated in operations: Includes emissions from composting of biodegradable waste, incineration & landfill of hazardous waste
#Upstream leased assets: Emissions from Company offices (rented)
^Use of sold products: Emissions from PVs
**Franchises: Based on the engagement with 31 Channel partners in FY 21

Environment – TML Contd.

Water conservation

We are at the forefront of water conservation efforts. Our focus is efficient and optimal utilisation of water by minimising leakage and wastage. We ensure water recycling and effluent treatment and re-use at our manufacturing plants.

39,91,290 m^3

Fresh Water Withdrawal

Waste management

We have been working on the three major pillars of reduce, reuse and recycle to minimise waste and increase resource efficiency.

Through the use of innovative measures to limit and control waste generation, we ensure that our practices adhere to the various applicable environmental guidelines.

1,85,758.5 Tonnes

Total Non-Hazardous Waste Disposed

4,208.5 Tonnes

Total Hazardous Waste Disposed

Increasing green awareness, enhancing community engagement

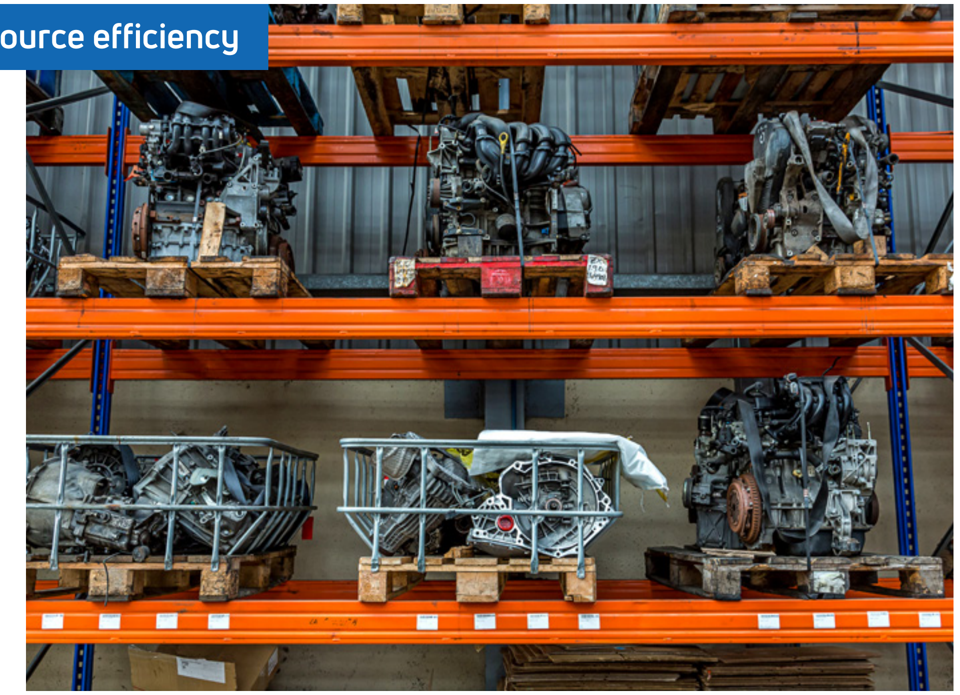
As part of our Environmental stewardship, we are making concentrated efforts to increase the green cover through sapling plantation on one hand and enhancing the environmental awareness levels in the community on the other hand. We planted 1.1 Lakh saplings (of indigenous varieties) and ensured their survival rate is as high as 87%. At few locations, these places have turned into microhabitats which host varied species of flora and fauna. Our environmental awareness programmes aim to sensitise young children and we have been able to reach to 0.91 Lakh persons.

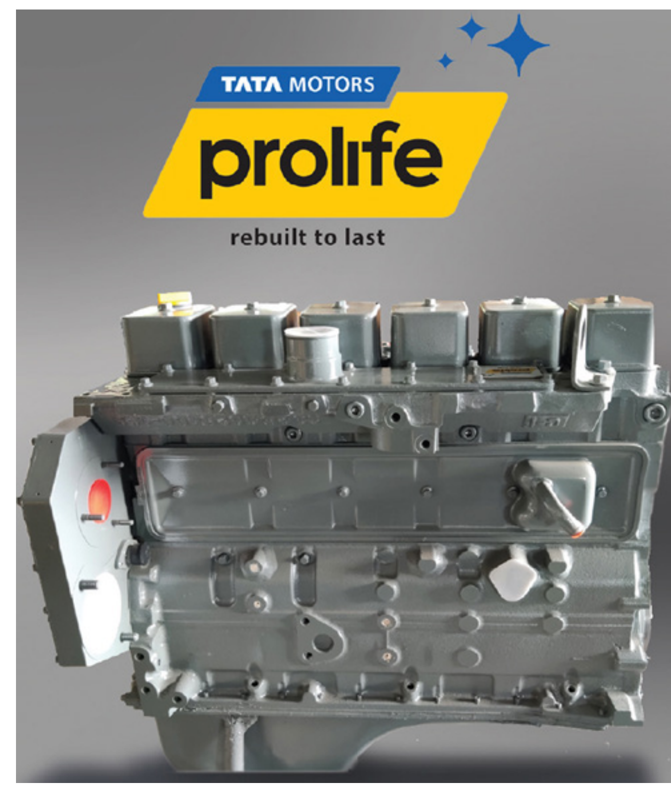
91,000

People sensitised on environmental issues

Circular economy and resource efficiency

In India, our efforts towards minimising waste and improving resource efficiency rest on three key pillars – reduce, recover and recycle. Tata Nexon became the first Indian car to be featured in the International Dismantling Information System (IDIS), which tracks the entire product life cycle, from sourcing to development of zero or low emission vehicles to responsible dismantling and recycling of vehicles at the end of life (ELV) stage.





Extending the life of commercial vehicles

Aimed at commercial vehicles, Tata Prolife works towards extending the life of vehicles and aggregates through systematic overhaul, leading to optimum performance. The Salvaging department carries out remanufacturing of vehicular aggregates that have expended one useful life while the Remanufacturing department restores factory-like settings for aggregates to operate with designed efficiency levels. Engines, clutch pressure plates, truck cabins, among others, are remanufactured. In FY 21, an equivalent of 21,574 engines were reused or recycled under our take-back programme, resulting in revenue generation of ₹ 164 crore.

Year Equivalent Engines Remanufactured (No.)

FY 21	21,574
FY 20	33,615
FY 19	32,092

Environment – JLR

Working for a net zero carbon position

Jaguar Land Rover's Reimagine strategy has three key themes modern luxury by design, true sustainability and a new benchmark in quality. We are focused on a sustainability-rich reimagination of modern luxury, unique customer experiences and positive societal impact. Our aim is to achieve net zero carbon emissions across our supply chain, products and operations by 2039.

Jaguar Land Rover

Jaguar will be an all-electric luxury brand from 2025 onwards, to 'realise our unique potential'. In the next five years, six pure electric variants will be developed by Land Rover. We aim to move to clean energy, connected services, data and software development leadership with collaborations within TATA group and industry leaders.

Energy and GHG emissions

We are exploring new technologies, with Hydrogen fuel-cell technology currently being tested. For all the UK operations, JLR continues to purchase 100% Renewable Energy Guarantee of Origin (REGO) backed zero carbon electricity and utilises renewable electricity across facilities in Slovakia, Brazil and Austria, among many more energy conservation initiatives. With all our efforts our tailpipe CO_2 emissions, were reduced by 15% as compared to FY 20.

Operational Energy Consumption (Mwh)

FY 21	1,135,049
FY 20	1,358,225
FY 19	1,261,805

Operational GHG Emissions (tCO_2e)

	SCOPE 1	SCOPE 2	TOTAL*
FY 21	121,149	135,098	256,246
FY 20	148,753	157,316	306,070
FY 19	132,666	170,743	303,409

* TOTAL = SCOPE 1 + 2 GHG Emissions (tCO_2e)

Electric vehicles and hybrid vehicles

Please amend to 'With the introduction of our 21 Model Year we have added more electrified options to our vehicle line-up'. In September 2020, we introduced the first Jaguar PHEV models - F-PACE and E-PACE with plug-in hybrid technology (PHEVs). We also introduced plug-in hybrid technology to the Range Rover Velar & Evoque, Land Rover Discovery Sport and Defender. Mild hybrid technology (MHEVs) was also introduced across a broad range of models, including Jaguar XF, F-PACE and E-PACE, and Land Rover Discovery and Range Rover Velar.

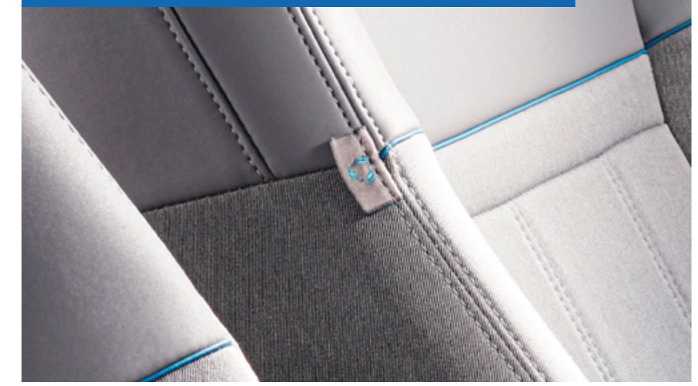
All Jaguar and Land Rover nameplates will be available in pure electric form by end of the decade.

Electric and hybrid models portfolio: 8 PHEVs, 11 MHEVs and all electric Jaguar I-PACE.

Material Traceability

We are investing in start-ups like Circulor, which helps us in material traceability. We are able to trace our materials back to the source of origin and ensure they are not associated with human rights issues such as child labour, slavery, theft of natural resources, environmental damage.

Contributing to circular economy



We value the circular economy approach and aim to use recycled materials. We are working with Kvadrat, Europe's leading supplier of premium textiles, and offering recycled and plant-based material choices in the highest luxury specifications of our vehicles, as alternatives to traditional leathers. We are also investing in research with Aquafil for developing high-end interiors using recycled ocean and landfill waste through production of ECONYL® nylon fibres and carpets. With this technology, nylon waste, such as fishing nets or textile production scraps, can be transformed into a new yarn, with similar characteristics.

Resource Efficiency

We efficiently manage water and waste at our manufacturing plants. We put in efforts to reduce our water consumption and waste generation. We follow reduce, reuse and recycle process to minimise waste generation. We have created rainwater harvesting ponds at our plants and encourage water conservation techniques.

Operational Water Consumption (M^3)

FY 21	1,336,479
FY 20	1,720,965
FY 19	1,406,350

Operational Waste (Tonnes)

FY 21	27,638
FY 20	37,043
FY 19	38,023

Social - People – TML

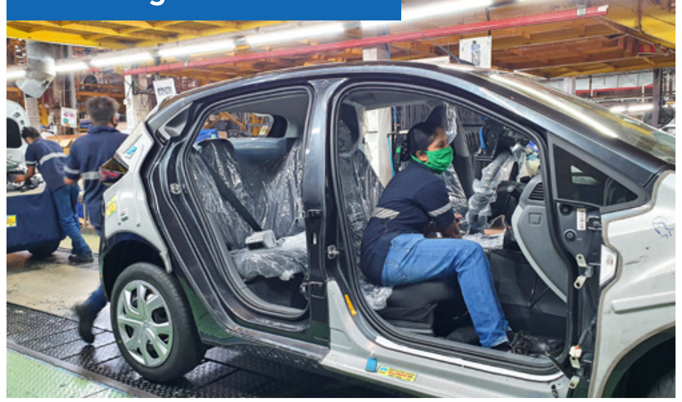
Inculcating a culture of safety and inclusion

Tata Motors Group treats people as one of the biggest assets and believe that the people play a pivotal role not just in everyday operations and supply chain, but also by creating a better community at large. We undertake extensive measures to ensure that we engage proactively with our employees, customers, supply chain partners and create a better community for its people to prosper.

Tata Motors Limited

For TML, its people are its principal assets. The company endeavors to build livelihoods and change lives across the globe. TML is home to with the brightest talent around the world and will continue to support and empower its people. It is committed to offer safe and healthy workspaces for its people along with promoting diversity and equal opportunity for all.

Diversity and inclusion



At Tata Motors, we strive to create a conducive work environment. We ensure that our employees, potential hires, third-party support staff are not discriminated against, directly or indirectly, as a result of their colour, nationality, gender, trade union membership, among others, and have a zero tolerance towards any form of harassments. Our Diversity Council, at apex and unit levels, is tasked with increasing gender diversity in the organisation through various initiatives and actions. The leadership reviews progress of these initiatives and suggests corrective actions, when required.

INITIATIVES FOR A CONDUCIVE WORKPLACE FOR WOMEN

In addition to offering all eligible female employees the legally mandated 182 days of paid maternity leave, we have put in place several initiatives to promote gender diversity

Adoption leave
Paid leave up to 90 calendar days post legally adoption of child

Work-life balance
Flexible work hours, work from home or part-time work

Celebrating motherhood
Crèche facility

Sabbatical
To help fulfil personal or professional aspirations

Second Career Inspiring Possibilities
Enabling women with good work experience to find their way back after a career break

5.23% of females in management positions in revenue generating functions

7.20% of women in all management positions (including junior, middle and senior roles)

1.5% Women in top management positions (at most 2 levels away from CEO or comparable positions)

50,837 Total Employee Strength

26,254 Number of permanent employees

24,583 Number of Temporary Employees

5.5% Percentage of Women in the total workforce

Wheels of Love

In 2021, we launched Wheels of Love, a holistic programme that supports new parents in their exciting journey while promoting a progressive culture of care, inclusion and sensitisation within the organisation across levels.

Training and Development

We have introduced a comprehensive functional skill training programme at each plant. A National Employability Enhancement Mission (NEEM) agent conducts the training and deveopment sessions training and enhance knowledge. By monitoring the improvement in the performance and the knowledge, we assesses the effectiveness of the training and skill development exercise.

Our Chief Learning Officer is responsible for managing the skill development and training needs of our corporate employees. Specific training needs are identified based on inputs from people managers on leadership behaviour and various sessions with managers on strategy and technology. The programme covers four major functional areas: Operational Excellence, Product Leadership, Customer Excellence and Management Education. We assess the effectiveness of the programme through feedback from participants, instructors, and superiors. The Learning Management System (LMS) platform facilitates the management of the overall training and skill development.

2,33,102 Person hours of training provided during FY 21

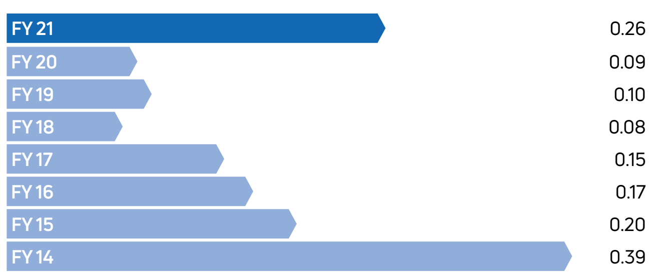
Average training hours

Male	18.8
Female	19.0

Social - People – TML Contd.

Occupational health and safety

Safety performance (LTIFR)*



26	138	1.39
LTI	**TRC**	**TRCFR**

*LTIFR has increased in FY 21 from last year owing to high employee turnover, higher displacement of people from one job to another and restriction of physical training of employees due to COVID-19 pandemic. However, we have already taken actions in all plants by restarting physical training for all employees as well as contractors. Also, displacement of people has also been managed through effective on job training.

We are committed to providing a safe and healthy work environment for our employees and associates. For this, we have built safe practices in all our business processes. With a robust safety management system in place, all our manufacturing sites are certified for ISO 45001:2018 – Occupational Health & Safety Management System.

We follow Dupont Safety Culture where safety is monitored at all important levels.

- Safety standards and procedures
- Contractors and vendors safety management
- Safety observations
- Incident investigations
- Training and capability building

Safety considerations are taken care into account at the conceptualisation and design phase, even in new offices, establishments, and warehouses. The Management of Change (MOC) standard, Hazard Identification & Risk Assessment (HIRA), and findings of the incident investigation feed into designing a project. HIRA and programmes like Work Permit System, JSA, Hot Work, LOTO, Confined Space, Electrical safety and Road safety are practised to ensure that the exposure to risks are eliminated, minimised and managed properly to avoid any incidents. These standards and procedures are common across all plants/sites and incidents.

We have well-defined communication channels at various levels and functions. For example, plant level townhalls are led by plant heads, shop level meetings are led by shop heads. Every meeting starts with a safety contact and sharing of safety incidences across plants. For contract workers, every day starts with a safety tool box talk. SAFE 20 sessions, i.e., 20 minutes with 20 employees on a specific topic of need are conducted regularly. People visiting the factories have to undergo a brief safety orientation session at the security control room, where they are apprised of the hazards associated with our operations and are provided a list of 'Dos and Don'ts'.

Workers participation and consultation are ensured through various forums such as shop level safety committees, safety action meetings (SAM), AECT forum (action employees can take), and HIRA committee. Safety performance is reviewed by all levels of management.

Training and awareness is considered as a key element of our safety strategy. We commemorate the National Safety Month and Road Safety Month where we engage not only with our shop floor colleagues, but also our associates in a social set-up. Posters and banners on safety, and various contests and interactive engagement campaigns are organised to create awareness.

The key leaders are trained on various aspects such as Safety Management Fundamentals, Incident Investigations, Contractor Safety Management, AECT, among others. To sustain this drive, 500+ internal trainers from different functions have undergone the requisite certification to deliver safety trainings. Videos and e-learning modules. E-modules complement the overall safety training programme.

Safety is a part of the induction programme for all employees engaged in operations. As part of statutory requirements, personnel involved in hazardous operations are sent to the Regional Labour Institute (RLI) for training. On the Health & Safety management system ISO 45001, identified employees are trained as lead auditors and internal auditors.

Job Qualification training

Job Qualification is an exercise aimed at training employees on job-specific procedures. Through Job Qualification, we ensure that every employee is effectively trained beforehand.

- Provides an overview of job-specific legal and safety requirements
- Helps identify hazards, assess risks and implement controls
- Reduces the likelihood of being injured at work
- Reduces the likelihood of others being injured by their actions

Tata Motors embarked on a safety excellence journey, engaging with DuPont in 2011. With a very high level engagement for the next 4 years, we have taken significant strides to improve safety organisation structure, build strong safety system and processes, and ultimately imbibe a safety culture with a vision of achieving 'Zero Injury at Workplace'.

Value chain partners

We believe that to realize the true essence of sustainability it needs to be integrated not only in our own operations but also across our supply chain. We rely on a huge network of suppliers and dealers.

Sustainable Supply Chain Initiative

We have put in place a Supplier and Dealer Codes of Conduct to ensure ethical and sustainable practices across the value chain. We have developed vendor parks at new manufacturing locations to ensure logistics emissions reduction and to enhance local employment.

Our Sustainable Supply Chain Initiative was implemented systematically and phase-wise in FY 17. It began by shortlisting suppliers based on ESG criticality. Then, sustainability guidelines were developed, and capacity building workshops and sustainability assessments of suppliers were conducted.

These learnings were shared with all the suppliers and improvement in their sustainability performance was rewarded and recognised. Due to the COVID-19 pandemic, we carried out only virtual workshops and assessments during the year under review.

Dealers Sustainability Initiative

We also extended this initiative to our downstream channel partners and authorised service stations in FY 19. Sustainability guidelines were developed, and sensitisation sessions for dealers across locations in India were conducted.

Under the initiative, data templates were developed and detailed site assessments were conducted to build capacities, with the objective of motivating channel partners and authorised service stations to integrate sustainability into their business practices. The guidelines, workshops and assessments cover topics related to TCoC, management system certification, transparency and reporting, Occupational Health and Safety, and labour and human rights. As of March 31, 2021, we have sensitised 237 channel partners and assessed 98 dealers.

Social - People – JLR

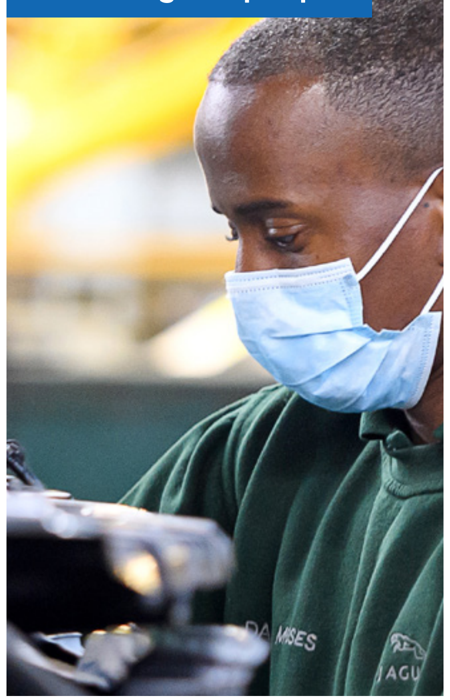
Inspiring workforce and communities for a better future together

At Jaguar Land Rover we are passionate about its people and believes they are our most valuable asset. We are committed to fostering a diverse, inclusive culture where everyone can flourish. As the UK's largest investor in automotive research, development and engineering, JLR's people are at the forefront of technical innovation, and by nurturing their talent and ideas, we aims to tackle some of the biggest challenges facing society. From global projects benefiting millions, to local initiatives helping individuals and communities around their facilities, we are committed to delivering impactful and sustainable initiatives that support communities across the globe.

Jaguar Land Rover

Our people are our greatest asset and that has been evidenced through their response to the global COVID-19 pandemic, both individually and supporting our efforts as a company.

Nurturing our people



Throughout the year, our priority was health, wellbeing and safety of our people. We worked with Public Health England, and were one of the first & largest business to introduce on-site COVID-19 testing. All of our facilities followed social distancing, hygiene and health monitoring protocols and every one of our UK employees has been equipped with reusable face coverings.

We took part in a ground breaking pilot scheme in partnership with Public Health England. Approximately 4,500 employees were vaccinated against COVID-19 over a 10-day period. This gave employees the convenience of the vaccination at their workplace, rather than visiting another centre. This scheme was carried out at the Solihull manufacturing site.

In our home country, we provided research and engineering support, committing 3D printing technology and over 50 volunteers to producing over 100,000 reusable face visors for use in the UK National Health Service. At a local level, employees across our sites have supported their communities, fundraising through the pandemic, to support their local hospitals and community groups.

Supporting communities during COVID-19

To provide further community support during COVID-19, we loaned New Defenders to front line emergency response organisations. The fleet supported the British Red Cross in delivering medicine and food to vulnerable people, as well as helping the NHS Birmingham and Solihull Clinical Commissioning Group to deliver their COVID-19 vaccination programme across the Midlands region.

We also initiated a '12 days of Christmas' campaign, whereby we encouraged our employees to support their local communities during the festive season. Activities included the collection of hundreds of Christmas presents for vulnerable children, as well as the donation of over 16,000 items of food which were delivered to local food banks.

People-First Approach

373
JLR vehicles deployed globally to assist in the COVID-19 emergency response

258
Vehicles loaned to the International Federation of Red Cross and Red Crescent societies.

8 MILLION ¥
Jointly donated by Jaguar Land Rover China and Chery Jaguar Land Rover to support local COVID-19 relief efforts

1,00,000+
Protective face visors produced by us for frontline health professionals

1,000 UNITS
Medical protective clothing donated to Shanghai hospitals

£37,000+
Employee-generated funds donated to local charities

1,00,000
Face masks distributed to Jaguar Land Rover China retailers and employees

35
Ventilators repaired and returned to local hospitals

500
Overalls and 300 respirators and masks donated to Nitra hospitals

Supporting the Korean Red Cross with the Land Rover Blood Donation Campaign

Social – Community

Promoting inclusive and sustainable development

Being a responsible corporate citizen, 'driving inclusive growth, social equity, sustainable development and nation-building' is the commitment Tata Motors has made to society and to the communities it operates in.

In the last year, the Company successfully demonstrated the ability to remain steadfast on this promise, despite challenging circumstances. In navigating the challenges the TML team, its partners and most importantly the community, not only demonstrated resilience but also unexpected creativity and spontaneity, relinquishing well-worn paths to embrace a gratifying level of empowerment, which not only led to the projects staying well on track but also the dramatic scaling up of some initiatives

Tata Motors Limited

The Covid -19 has created unprecedented impact globally. To strengthen the nation's resolve to fight the pandemic, we undertook various initiatives across India, providing relief to people during these challenging times.

AT TATA MOTORS, WE UNDERTOOK A THREE-PRONGED APPROACH:

- Supply of essentials to those at ground-zero and to the economically weaker sections that are most impacted by the lockdown
- Equipping ground-zero heroes
- Create awareness on preventive measures to contain the virus spread

Extending support to those most in need

We organised food supplies for migrants and stranded communities, urban slums, transit camps and villagers across the country. Further, we set up two helpline numbers for temporary and contractual workmen for food-related queries in Lucknow. We also provided water supply to 19 police chowkis and traffic posts in Pune. We partnered with Indian Oil Corporation to distribute food packets and personal protective kits to truck drivers in Narsapura (near Bangalore) and Bawal (near Gurgaon).

Educating masses for containment and prevention

The Company is emphasising on good health practices and spreading awareness for COVID-19 through social media and in market areas in the vicinity of the company's plants. Through public address system, we made the communities aware of safe practices, banner's, pamphlet's and other related information material is being used to spread awareness amongst slums and low income group communities.

Equipping ground-zero heroes

We enabled self-help groups to manufacture home-made certified masks and sanitisers to be distributed to hospitals, vendors, health workers, police stations, and army personnel. We also conducted health check-ups and provided basic medication to truck drivers and co-drivers in Belur, Dharwad.

Health

Our community health initiative, Arogya focuses on addressing malnutrition in children aged between 0-6 years. Apart from providing supplementary diet and supplements, we enable behavioural changes in communities, especially among young mothers and parents through awareness sessions, ante-natal and post-natal services. We also facilitate curative health care services for diagnosis, administration of generic medicines and consultations. We ensure access to safe drinking water through our Amrutdhara initiative.

Our health programme has benefitted 3.8 Lakh people. Over 73% of the malnourished children are in the healthy category along with positive change in the knowledge, attitude and behaviour of the communities towards health.

AWARENESS ON ROAD SAFETY AND TRAUMA CAUSED BY ACCIDENTS

On the World Mental Health Day, we launched a special campaign, 'Stop the endless accident' with MindPeers, a mental health tech service platform, to raise awareness on road safety and the trauma caused by vehicular accidents. Under this campaign, we focused on counselling survivors of such accidents on Post Traumatic Stress Disorder (PTSD). It also provided the survivors with a platform to narrate their stories to motivate others going through the same ordeal.

Education

We aspire to drive holistic development among students at the secondary school level. Our targeted programmes include need-based rolling scholarships/financial support for economically disadvantaged students, organising support classes for difficult subjects, value-based life skills, and sports and other co-curricular activities. Leveraging infrastructure, technology and our innovation capabilities, we made these programmes easily accessible. An innovative partnership has been worked out with government schools – Jawahar Navodaya Vidyalaya (JNVs) – for JEE and NEET aspirants.

We have touched the lives of 1.2 Lakh students so far. These initiatives have led to an improvement in the pass percentage of Class X board examination for government school students - from 55% in 2015 to 93% in FY 20.

At TML centre in Puducherry, among the students undergoing JEE/NEET coaching, 43% scored above 90% in their board examinations; 81% qualified for JEE Mains; 59% for JEE Advanced and 80% of them got into IITs, NIITs and other medical institutes.

Rural Development Programme

Employability

Our Skill Development programme provides training to unemployed youth under three segments – auto trades, non-auto trades, and agriculture and allied activities. In auto trades, we leverage our domain expertise and business connect to impart training on driving and motor mechanic. On the completion of training, most of which are NSDC certified, they find ready employment either in Tata Motors' ecosystem or in the open market. We also engage with community-based groups of women and farmers and help them earn supplementary income through our programme on agriculture and allied activities. During the year under review, we trained 17,661 youth and farmers; of which 69% have found employment (or are self-employed), resulting in an annual increase in family income by 1 lakh.

Tata Motors believes in creating an inclusive society through Adhaar, the Affirmative Action Programme. Continuing the spirit of inclusion, the Integrated Village Development Programme IVDP aims at delivering holistic development to a village through an integrated approach. We partner with government agencies in driving village development; the government provides 70% of the programme resources.

Our partnership with the CSR Cell of the Maharashtra government has helped improve the quality of life of 8,876 tribal people of Pathardi, Shiroshi and Chauk gram panchayat in Palghar, an aspirational district with 100% rribal population, and Devadthal village of the Ahemadabad district, Gujarat.

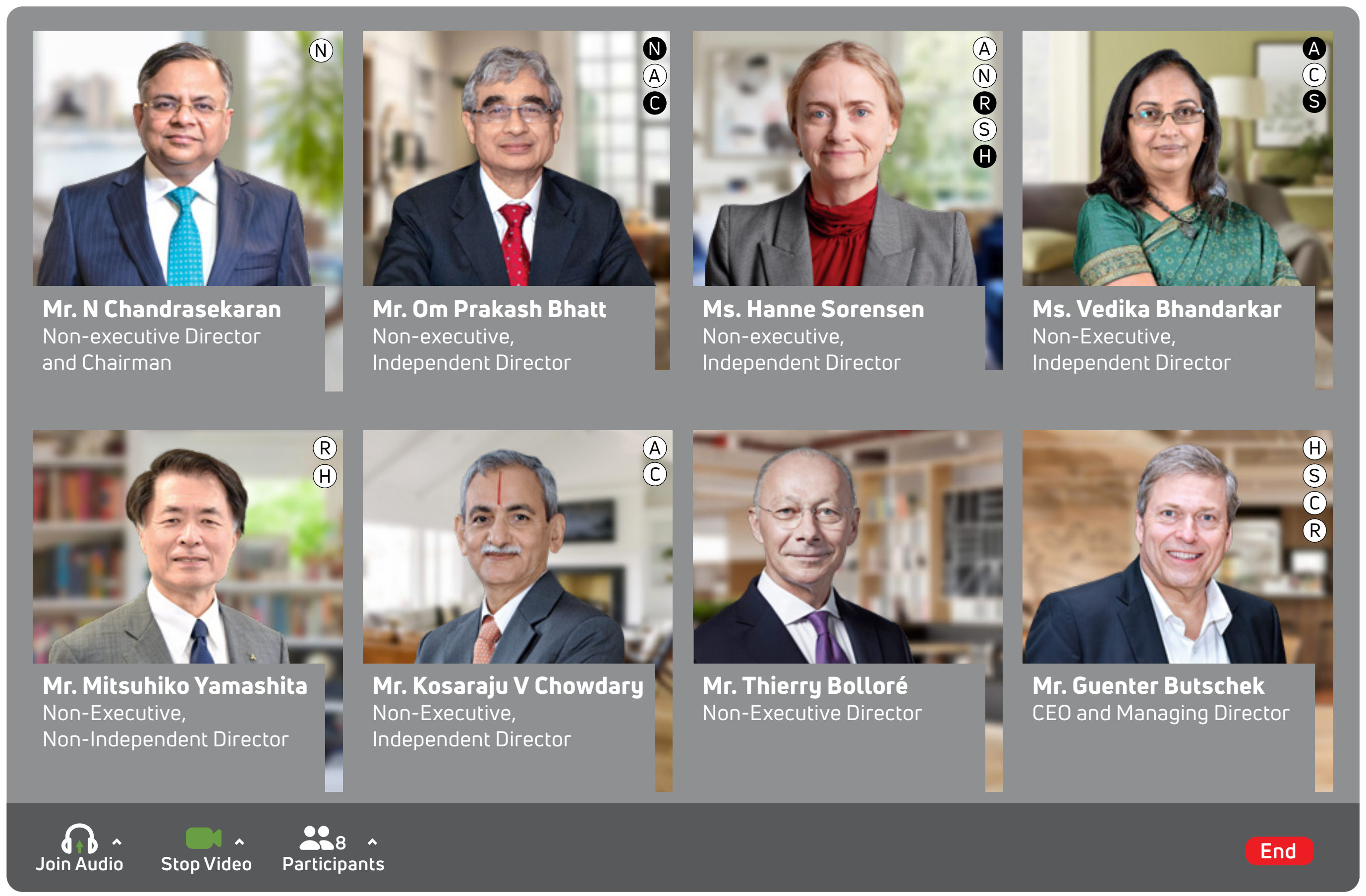
Governance

Reflecting transparency and accountability

Governance is the building blocks on which the entire Tata Motors Group is built. We have been increasingly focusing on creating an organisational structure which is not only simple but also efficient and transparent, with the Board of Directors being at the centre of the Tata Motors universe.

Mr. Ratan N Tata
(Chairman Emeritus)

Our Board of Directors



COMMITTEES Ⓐ Audit Ⓝ Nomination and Remuneration Ⓢ Stakeholders' Relationship Ⓒ Corporate Social Responsibility Ⓡ Risk Management* Ⓗ Safety, Health and Sustainability

● Chairperson ○ Member

*Note: Group Chief Financial Officer, Mr. P B Balaji is a member of the Risk Management Committee as well.
Mr. M Yamashita attends as an Invitee, Audit Committee Meetings held for considering of Financial Statements.

Please visit www.tatamotors.com/about-us/leadership/ for the detailed profiles of the Board members.

DIVERSE EXPERIENCES AND EXPERTISE

Our Board is diversified in true sense with people from varied experiences, ranging from automobile engineering, business & economics to banking & finance and legal affairs. Not only in terms of experience, but also in terms of gender neutrality, we have a diversified Board.

Board diversity

2 **FEMALE**

6 **MALE**

Executive Directors	1
Non-executive Directors	3
Independent Directors	4

Board experience

61 years **AVERAGE AGE OF BOARD MEMBERS**

2 years **AVERAGE NUMBER OF YEARS SERVED BY BOARD MEMBERS**

OVERSIGHT OF THE VALUE-CREATION PROCESS

The Board plays a formidable role in directing our value-creation process. The key areas of focus are:

- Directing, supervising and controlling the performance of the Company
- Reviewing whether the Company is progressing as per the strategic plans
- Monitoring the responsibilities delegated to the Board Committees, to ensure proper and effective governance and control of the Company's activities
- Establishing and closely monitoring the risk management process of the organisation
- Closely monitoring the financial as well non-financial or ESG performance aspects of the Company

EVALUATION OF EFFECTIVENESS

Adhering to the global best practices of internal controls and governance, our Board of Directors are also subject to evaluation and the criteria that are used for evaluating their performance are enumerated here.

- Composition and structure
- Effectiveness of Board meetings, processes, information flow and coordination with executive management
- Individually Directors are evaluated as per their –
  - Contribution to the Board and Board Committee meetings
  - Preparation on the issues to be discussed
  - Not just number of meetings but the nature of contributions to the meetings

GOVERNANCE STRUCTURE

Board of Directors

Tata Motors Limited
Mr. N Chandrasekaran
Mr. Om Prakash Bhatt
Ms. Hanne Sorensen
Ms. Vedika Bhandarkar
Mr. Kosaraju V Chowdary
Mr. Mitsuhiko Yamashita
Mr. Thierry Bolloré
Mr. Guenter Butschek

Jaguar Land Rover Automotive PLC
Mr. N Chandrasekaran
Prof. Sir Ralf D Speth
Mr. Andrew M. Robb
Ms. Hanne Sorensen
Mr. P B Balaji
Mr. Nasser Munjee
Mr. Thierry Bolloré

Members common to both the Boards
Mr. N Chandrasekaran
Mr. Thierry Bolloré
Ms. Hanne Sorensen

BOARD COMMITTEES AND THEIR RESPONSIBILITIES

The **Audit Committee** reviews quarterly/annual financial statements, adequacy of internal control systems, internal audit reports and ensure independence of auditors. The **Nomination and Remuneration Committee** provides various recommendations to the Board including the set up and composition of the Board and its Committees, the Remuneration Policy, HR Policies and culture. The **Stakeholders' Relationship Committee** reviews statutory compliances and services relating to security holders, dividend payments and performance of Registrar and Transfer Agents. The **Corporate Social Responsibility Committee** formulates and recommends the CSR policy to the Board and monitors CSR budget, activities and expenditure. **The Risk Management Committee** assists the Board in overseeing the risk management process, controls, risk tolerance, mitigation and reviewing the Company's risk governance. The **Safety, Health and Sustainability Committee** reviews the Company's performance on SHS aspects, including ESG and oversees the implementation of relevant policies and strategies.

Board's Report

TO THE MEMBERS OF TATA MOTORS LIMITED

The Directors present their Seventy Sixth Annual Report along with the Audited Financial Statement of Accounts for the FY 2020-21.

FINANCIAL RESULTS

(₹ in crores)

PARTICULARS	Standalone*		Consolidated	
	FY 2021	FY 2020	FY 2021	FY 2020
Revenue from operations	47,031.47	43,928.17	2,49,794.75	2,61,067.97
Total expenditure	44,629.62	43,510.11	2,14,012.84	2,37,153.67
Operating profit	2,401.85	418.06	35,781.91	23,914.30
Other Income	842.96	1,383.05	2,643.19	2,973.15
Profit before interest, foreign exchange, depreciation, amortization, exceptional item and tax	3,244.81	1,801.11	38,425.10	26,887.45
Finance cost	2,358.54	1,973.00	8,097.17	7,243.33
Profit before depreciation, amortization, exceptional item, foreign exchange and tax	886.27	(171.89)	30,327.93	19,644.12
Depreciation, amortization and product development/ engineering Expenses	4,589.25	4,205.53	28,773.34	25,613.92
Foreign exchange (gain)/loss (net)	1.67	239.00	(1,732.15)	1,738.74
Profit/(loss) before exceptional items and tax	(3,704.65)	(4,616.42)	3,286.74	(7,708.54)
Exceptional Items - (gain) / loss (net)	(1,392.08)	2,510.92	13,761.02	2,871.44
Profit/(loss) before tax	(2,312.57)	(7,127.34)	(10,474.28)	(10,579.98)
Tax expenses/ (credit) (net)	82.87	162.29	2,541.86	395.25
Profit/(loss) after tax	(2,395.44)	(7,289.63)	(13,016.14)	(10,975.23)
Share of profit of joint venture and associates (net)	-	-	(378.96)	(1,000.00)
Profit/(loss) for the year	(2,395.44)	(7,289.63)	(13,395.10)	(11,975.23)
Other comprehensive income/(loss)	442.99	(378.72)	2,919.34	11,504.47
Total Other comprehensive income/(loss) for the year	(1,952.45)	(7,668.35)	(10,475.76)	(470.76)
Attributable to:				
Shareholders of the Company	-	-	(10,551.20)	(578.88)
Non-controlling interest	-	-	75.44	108.12

* These include the Company's proportionate share of income and expenditure in its two joint operations, namely Tata Cummins Pvt. Ltd. and Fiat India Automobiles Pvt. Ltd.

DIVIDEND

In view of losses for FY 2020-21, we regret that no dividend can be paid to the Members as per the provisions of the Companies Act, 2013 ('the Act') and the Rules framed thereunder.

TRANSFER TO RESERVES

Due to losses in FY 2020-21, no amount has been transferred to Reserves. An amount of ₹134 crores was transferred from Debenture Redemption Reserve to Retained earnings.

FINANCIAL PERFORMANCE AND STATE OF THE COMPANY'S AFFAIRS

Operating Results and Profits

Tata Motors Limited consolidated revenue from operations was ₹2,49,795 crores in FY 2020-21, 4.3% lower than ₹2,61,068 crores in FY 2019-20.

The consolidated EBITDA margin was at 12.2% in FY 2020-21 as compared to 8.5% in FY 2019-20. EBIT margin stood at 2.6% in FY 2020-21 as compared to (0.04)% for FY 2019-20. Loss for the period (including share of associates and joint ventures) stood at ₹13,395 crores in FY 2020-21 as compared to ₹11,975 crores in FY 2019-20.

The free cash flow (auto) was inflow of ₹5,317 crores in FY 2020-21 compared to outflow of ₹12,676 crores for FY 2019-20.

Refer Management Discussion and Analysis (MD&A) Report para Operating Results for detail analysis.

Tata Motors Limited recorded revenue from operations (including joint operations) of ₹47,031 crores in FY 2020-21, 7.1% higher than ₹43,928 crores in FY 2019-20. Loss before and after tax (including joint operations) for FY 2020-21 were at ₹2,313 crores and ₹2,395 crores, respectively as compared to Loss before and after tax (including joint operations) of ₹7,127 crores and ₹7,290 crores, respectively for FY 2019-20. The financial performance improved mainly due to better volumes, improved product mix, lower VME and cost savings offset partially by commodity inflation and impact of COVID-19 pandemic.

Jaguar Land Rover ('JLR'), (as per IFRS) recorded revenue of GB£19.7 billion in FY 2020-21 compared to GB£23.0 billion in FY 2019-20, down by 14.2%. Wholesales (excluding CJLR) declined by 27.0% year-on year, primarily as a result of the impact of coronavirus affecting all key regions except for China where wholesales grew 23.1% year on year. The reduction in revenue was much lower than the decline in wholesales, reflecting the strong favourable sales mix and higher average revenue per vehicle during the year. Profit before tax and exceptional items was £662 million in FY 2020-21, significantly improved on the loss before tax and exceptional items of £393 million in FY 2019-20, reflecting the higher EBIT as well as favourable revaluation of unrealised hedges JCR's foreign currency debt, partially offset by higher net finance expense as a result of the increase in indebtedness. The announcement of our Reimagine Strategy in February 2021 triggered £1.5 billion of total exceptional charges in the fourth quarter comprising one-time non-cash write downs of £952 million for products that will not now be completed and £534 million of restructuring and other costs. After exceptional charges, the loss before tax for FY 2020-21 was £861 million, compared to the loss before tax of £422 million in FY 2019-20, which included £29 million of exceptional charges.

VEHICLE SALES AND MARKET SHARES

The Tata Motors Group sales for the year stood at 8,37,783 vehicles, down by 12.9% as compared to FY 2019-20. Global sales of all Commercial Vehicles were 2,67,513 vehicles, while sales of Passenger Vehicles were at 5,70,270 vehicles.

Refer MD&A para Overview of Automotive Operations for detail analysis.

TATA MOTORS

Tata Motors recorded sales of 4,63,742 vehicles, a growth of 4.4% over FY 2019-20, whereas the Indian Auto Industry volumes declined by 6.1%. The Company's market share (calculated on wholesales) increased to 14.1% in FY 2020-21 from 12.7% in FY 2019-20.

Commercial Vehicles ('CV')

The domestic CV industry volume experienced a drop of 21.7% in FY 2020-21, after shrinking by 30.0% in FY 2019-20. The successive drop in FY 2019-20 and FY 2020-21 is attributed to a slew of challenges that included tapering of overall economic growth, increased axle load norms, BS4 to BS6 transition and the pandemic-induced lockdown. After hitting the bottom in H1 FY 2020-21, the CV industry demonstrated a good rebound in Q3 and Q4 FY 2020-21, led by M&HCVs and ILCVs with economy picking up gradually.

Amidst industry-wide shortage of semiconductors and steel price increase in H2 FY 2020-21, the Company's CV business managed to ramp up volumes and improve market share in H2 FY 2020-21. Overall Tata Motors CV Business sales in the domestic market for FY 2020-21, witnessed a decline of 22.6% with 2,41,668 units sold. All the four segments saw a decline in volume with the CV passenger segment being the worst hit. TML CV Business improved its Net promoter score ('NPS'), a customer loyalty and satisfaction measurement, from a high base of 65 in FY 2019-20 to 68 in FY 2020-21.

Refer MD&A para Commercial Vehicles in India for detail analysis.

Passenger Vehicles ('PV')

Domestic PV industry witnessed a decline of 2% in FY 2020-21 as compared to FY 2019-20. Lockdown imposed by Government of India to arrest the spread of COVID-19 had deeply impacted the Industry which de-grew by 78% in Q1 FY 2020-21. Markets started opening up post partial lifting of lockdown in May 2020. Post unlock 1.0, Industry has witnessed a consistent growth on account of pent-up demand, increasing preference for personal mobility, good traction from rural sector owing to good rabbi harvest post festive season, new launches and continued financing support with attractive interest rates and innovative financing schemes.

The Company registered growth of 68.5% in FY 2020-21 vis-à-vis FY 2019-20 with a total volume of 2,22,074 units. The market share (calculated on wholesales) for FY 2020-21 was 8.2%, an increase of 340 basis points from FY 2019-20. The Company posted its highest ever sales in 9 years, for both the month as well as the quarter ended March 31, 2021. For FY 2020-21, the business registered its highest ever annual sales in 8 years. The growth has come on the back of phenomenal response received for the 'New Forever' range and series of transformative actions taken including, focused and agile marketing to improve the share of voice, channel management transformation to earn dealer trust and revamp dealer profitability, introduction of variants of existing models with aspirational features at accessible price points to expand the customer base, synchronization of daily retail, offtake and production enabling fast cash rotation for channel partners and for Company, focused actions in identified micro-markets to achieve step jump in market share. In addition, expeditious ramping up of supplies by debottlenecking of capacities, sweating of in-house as well as supplier end assets and augmenting of supplier capacity supported the growth.

In January 2021, the Company launched its premium flagship SUV – the all-new Safari. An arresting design, unparalleled versatility, plush and comfortable interiors and powerful performance of the Safari perfectly cater to the modern, multifaceted lifestyle of the new age SUV customers and their desire for the perfect combination of prestige and sophistication along with expression and thrill. Safari had received excellent response from the market with 9,000 bookings till March 2021. Launch of Safari had a positive rub-off on the demand of Harrier which has witnessed consistent increase in bookings from 3,536 in January 2021 to 3,655 in March 2021.

Exports

CV exports for the month of March 2021 closed at 3,654 units, highest since September 2019. FY 2020-21 exports closed at 20,283 units, 31.6% below previous year. Lockdowns imposed in all export markets to arrest the spread of COVID-19 deeply impacted the overall commercial vehicle Industry. Retails for FY 2020-21 closed at 24,105 units, a decline of 35% with respect to previous year. However the Company gained market share in almost all it its major markets, including Bangladesh, Nepal, key markets of Sub Saharan Africa and Middle East region compared to the previous year.

Passenger Vehicle exports for FY 2020-21 closed at 566 units, decline of 61.8% w.r.t. previous year, largely impacted due to COVID-19 pandemic. Retails for FY 2020-21 closed at 980 units, decline of 39.9% with report to previous year.

Refer MD&A para Tata Commercial Vehicles and Tata Passenger Vehicles — Exports for detail analysis.

JAGUAR LAND ROVER ('JLR')

JLR retail sales were 4,39,588 vehicles in FY 2020-21, down 69,071 vehicles (13.6%) year-on-year. The decline in retails was primarily the result of the initial COVID-19 lockdown impacting the first quarter, with a recovery in sales thereafter. Retail sales in China increased by 23.4% year-on-year, as the region continued to recover strongly from the impact of COVID-19 following easing of strict lockdown measures from early 2020. Retails across all other regions declined significantly year-on-year, including Overseas (26.8%), Europe (26.0%), the UK (22.2%) and North America (14.3%), as strict social distancing measures were enforced through the first quarter and subsequently reintroduced in many markets through the third and fourth quarters. Furthermore, COVID-19 impacted sales of every model in FY 2020-21, apart from the newly introduced Land Rover Defender which retailed a total of 45,244 vehicles in FY 2020-21. JLR wholesales (excluding the China joint venture) were 3,47,632 vehicles in FY 2020-21, down 27.0% compared to FY 2019-20.

Refer MD&A para JLR for detail analysis on wholesale and retail sales volumes.

Some of the key highlights of FY 2020-21 were:

- The new Land Rover Defender went on sale at the beginning of the year with retails reaching 45,244 vehicles in FY 2020-21. In addition to the 110 wheelbase variant, launched first, a shorter wheelbase 90 is also now on sale with commercial variants and a V8 derivative also launched this fiscal year.
- The new Land Rover Defender won a number of awards during the year including the coveted 2021 World Car Design of the year, Top Gear car of the year and Production Car design of the year.
- A number of 2021 model year upgrades were launched in the year including special edition Range Rover and Range Rover Sport, Range Rover Velar, Land Rover Discovery, Jaguar XE, XF, F-PACE and E-PACE.
- Twelve of JLR's models now have an electrified option, including eight with plug-in hybrid, 11 with mild hybrid and the all-electric Jaguar I-PACE. Furthermore, 51% of retails in FY 2020-21 were electrified.
- Production of a 6 cylinder Ingenium 3.0-litre diesel engine (including with mild hybrid technology) started during the year at the EMC in Wolverhampton (UK).
- New Jaguar F-TYPE heritage 60 edition launched to celebrate the diamond anniversary of the legendary Jaguar E-TYPE.
- A number of initiatives during the year to support the fight against COVID-19 including the production of protective visors for the NHS, deployment of over 350 vehicles to support the emergency responses, provision of extensive onsite testing and the ongoing NHS Workplace Vaccination Programme pilot at the Solihull plant.

Tata Daewoo Commercial Vehicle Company Limited ('TDCV')

The consolidated revenue of TDCV was increased by 5.8% to ₹3,316 crores in FY 2020-21 from ₹3,134 crores in FY 2019-20. Overall sales decreased by 1.21% to 5,127 units in FY 2020-21 from 5,190 units in FY 2019-20 mainly due to lower export sales which was largely affected by worldwide disruption hit by COVID-19 pandemic.

Refer MD&A para Tata Commercial Vehicles and Tata Passenger Vehicles — Exports for detail analysis.

TMF Holdings Limited ('TMFHL')

Despite FY 2020-21 witnessing several challenges including transition to BS6, low growth in rural wages and the crippling impact of COVID-19 pandemic from mid-March, TMF Group Assets Under Management (AUM) grew by 16% Y-o-Y to ₹42,810 crores, as against ₹36,882 crores in the year earlier. CV market share improved by 201 bps to 33% in FY 2020-21. Consolidated Profit Before Tax for FY 2020-21 grew by 78% to ₹266 crores as against ₹149 crores in FY 2019-20.

Refer MD&A para Tata and other brand vehicles - Vehicles Financing for detail analysis.

SHARE CAPITAL

The Company in FY 2019-20 allotted 20,16,23,407 Ordinary Shares at a price of ₹150 per Ordinary Shares aggregating to ₹3,024 crores and 23,13,33,871 Convertible Warrants ("Warrants"), each carrying a right to subscribe to one Ordinary Share per Warrant, at a price of ₹150 per Warrant ("Warrant Price"), aggregating to ₹3,470 crores on a preferential basis to Tata Sons Private Limited and an amount equivalent to 25% of the Warrant price was paid at the time of subscription. During FY 2020-21, balance 75% of the Warrant Price was paid by the Warrant Holder against each Warrant pursuant to exercise of the options attached to the Warrants and 23,13,33,871 Ordinary Shares were allotted to Tata Sons Private Limited. As at March 31, 2021, an amount of ₹2,602.51 crores has been received and is to be utilized for repayment of debt, meeting future funding requirements and other general purposes of the Company and its subsidiaries.

ISSUE OF DEBENTURES

During the year, the Company has issued and allotted on private placement basis, secured, listed, redeemable, non- convertible Debentures (NCDs) aggregating ₹1,000 crores.

FINANCE

Amid the challenging environment, further impacted by COVID-19 pandemic, the Company and JLR maintained its finances prudently, meeting the business needs as well as ensuring reduction of net debt. The Company has sufficient liquidity to weather the demand shocks. As at March 31, 2021, the Company's liquidity (including Joint operations) was ₹7,897 crores (including undrawn credit facility of ₹1,000 crores), while JLR's liquidity was at £ 6.7 bn (including unutilized credit facility of £ 1.9 bn).

On account of general economic downturn and several headwinds, including COVID-19 pandemic, both the Company and JLR witnessed certain revisions in credit ratings.

Refer MD&A para Liquidity and Capital Resources for detail analysis.

Material Changes and Commitment affecting the Financial Position

The impact of COVID-19 on the Company's financial statements has been given in Note 2(d) of the Notes to financial statements for the year ended March 31, 2021 and the Company's response to the situation arising from this pandemic has been explained in the MD&A, which forms part of the Annual Report.

CONSOLIDATED FINANCIAL STATEMENT

The consolidated financial statements of the Company and its subsidiaries for FY 2020-21 are prepared in compliance with the applicable provisions of the Act and as stipulated under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI Listing Regulations] as well as in accordance with the Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015. The audited consolidated financial statement together with the Independent Auditor's Report thereon form part of this Annual Report. Pursuant to Section 129(3) of the Act, salient features of the financial statements of the Company's subsidiaries, associates and joint ventures is attached to the financial statements in Form no. AOC-1 which is also available on the Company's website. Pursuant to the provisions of Section 136 of the Act, the Company will make available the said financial statements of the subsidiary companies upon a request by any member of the Company or its subsidiary companies. The members can send an e-mail to inv_rel@tatamotors.com upto the date of the AGM and the financial statements of the Company, Consolidated financial statements along with other relevant documents and the financial statements of the subsidiary companies would also be available on the Company's website URL: https://www.tatamotors.com/investors/annual-reports/

SUBSIDIARY, JOINT ARRANGEMENTS AND ASSOCIATE COMPANIES

The Company has 103 subsidiaries (14 direct and 89 indirect), 9 associate companies, 4 joint ventures and 2 joint operations as at March 31, 2021, as disclosed in the accounts.

During FY 2020-21, the following changes have taken place in subsidiary / associates / joint venture companies:

- JT Special Vehicles Private Limited, ceased to be joint venture and became a wholly-owned subsidiary, consequent to 50% share transfer from Jayem Automotive Private Limited w.e.f August 11, 2020.
- In-Car Ventures Limited [Name changed from Lenny Insurance Limited w.e.f. February 2, 2021]. 100% shareholding transferred from InMotion Ventures Limited to Jaguar Land Rover Holdings Limited on February 18, 2021.
- Shareholding of InMotion Ventures Limited in InMotion Ventures 4 Limited, wholly owned subsidiary have reduced from 100% to 15% w.e.f December 1, 2020.
- Tata Technologies Europe Limited, 100% shareholding transferred from INCAT International PLC to Tata Technologies Pte. Limited (Singapore) w.e.f. May 27, 2020.
- Escenda Engineering AB name changed to Tata Technologies Nordics AB w.e.f. November 2, 2020. 100% shareholding transferred from Tata Technologies Europe Limited (UK) to Tata Technologies Pte. Limited (Singapore) w.e.f. August 26, 2020.
- Cambric GmbH was liquidated w.e.f September 17, 2020.

Transfer of Defence Undertaking to Tata Advanced Systems Limited: The Company transferred the Defence Undertaking pursuant to a Scheme of Arrangement as a going concern on a slump sale basis to Tata Advanced Systems Limited at an enterprise value of ₹209.27 crores ('the Scheme'). In FY 2019-20, the Company had received requisite approvals from the shareholders and National Company Law Tribunal. After meeting the pre-conditions prescribed under the Scheme, the Scheme became effective on April 1, 2021.

Transfer of Passenger Vehicles Undertaking to TML Business Analytics Services Limited: The Company proposes to transfer and vest of the Passenger Vehicles Undertaking Business ('Passenger Vehicle Undertaking') pursuant to a Scheme of Arrangement as a going concern on a slump sale basis to TML Business Analytics Services Limited ('TBASL'), who holds directly or indirectly, 100% equity interest in TML Business Services Limited, for a lump sum consideration of ₹9,417 crores; and reduction of share capital of the Company without extinguishing or reducing its liability on any of its shares by writing down the securities premium account in part, which is lost or is unrepresented by available assets, with a corresponding adjustment to the accumulated losses amounting to ₹11,173.59 crores. The consideration shall be settled by TBASL through issuance of 941,70,00,000 equity shares of TBASL of ₹10 each. Your Company has received No Objection from the Stock Exchanges, Securities Exchange Board of India and requisite approvals from the Company's shareholders, secured creditors, etc. for the said transfer. Approvals from the National Company Law Tribunal ('NCLT') and other statutory authorities are under process.

There has been no material change in the nature of business of the subsidiary companies.

The policy for determining material subsidiaries of the Company is available on the Company's website URL: https://investors.tatamotors.com/pdf/material.pdf

RISK MANAGEMENT

The Risk Management Committee is constituted to frame, implement and monitor the risk management plan of the Company.

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 involvement and communication across businesses. The results of the risk assessment are presented to the senior management.

INTERNAL FINANCIAL CONTROL SYSTEMS AND ADEQUACY

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

Refer MD&A para Internal Control Systems and their Adequacy for detail analysis.

HUMAN RESOURCES

Refer MD&A para Human Resources / Industrial Relations for detail analysis.

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 5.48% women employees in FY 2020-21 vis- à-vis 5.79% in FY 2019-20.

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 Committee is in place for all works and offices of the Company to redress complaints received regarding sexual harassment.

During FY 2020-21, the Company had received 1 complaint on sexual harassment which was subsequently withdrawn basis request from the complainant. The Company organized 95 instructor led awareness workshops across locations. In addition, certain employees were covered through e-module program of the Company.

Tata Motors Limited Employees Stock Option Scheme ('the Scheme')

During FY 2020-21, there has been no change in the Scheme. There were no Options granted or vested or any shares issued on vesting during the year. There were 4,18,894 options which got forfeited / lapsed during the year. The Scheme is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014. Appropriate disclosure prescribed under the said Regulations with regard to the Scheme is available on the Company's website URL: https://www.tatamotors.com/investors/ESOP/

Particulars of Employees

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 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 in the 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.

BUSINESS RESPONSIBILITY REPORT

Pursuant to Regulation 34(2)(f) of the SEBI Listing Regulations, the Business Responsibility Report (BRR) on initiatives taken from an environmental, social and governance perspective, in the prescribed format is available as a separate section of the Annual Report and is also available on the Company's website URL: https://www.tatamotors.com/investors/annual-reports/

SAFETY & HEALTH – PERFORMANCE & INITIATIVES

In continuation of Safety Excellence Journey at the Company, the Organization achieved its 2nd consecutive Fatality Free Year in FY 2020-21.

During the year several proactive initiatives were undertaken by the Company viz. proactive monitoring of Leading Indicators (also known as Proactive Safety Index), focused training sessions on Risk perception and behaviour based safety, I-care for shop floor employees and Safety felt leadership for middle management. The Company also focused on identification of Critical to Safety workstations to target areas with high potential for accidents. In order to protect its employees, Company undertook Kaizen events to reduce driving related incidents across its Plant locations in FY 2020-21, which ultimately contributed in drastic reduction of driving related incidents at Company's Plant locations. Also, during the FY 2020-21, the Company strengthened its focus on Safety Processes of its Contractors and Vendors Employees, which resulted in reduction in number of Lost Time Injuries to Contractors and Vendor Employees. Due to exhaustive Safety review measures being undertaken by the Company before commencing its Plants operations which were closed due to COVID-19 outbreak, lead into smooth re-start of operations without any incidents.

In FY 2020-21, the Company's 7 Manufacturing Plants in India, Safety Performance reported were higher with Total Recordable Case Frequency Rate being 1.39, against 0.40 reported in FY 2019-20. Lost Time Injury Frequency Rate for the Company's 7 plants in FY 2020-21 was 0.26 as against 0.09 in FY 2020-21.

The Company has robust governance mechanism for safety, health, environment and sustainability where reviews are undertaken at multiple levels. The Safety, Health and Sustainability (SHS) Committee of Board is an apex review body, which reviews performances quarterly, followed by Business Unit (BU) Head level SHE Council which reviews monthly which percolates down to factory level by Apex Committee, various Sub-committees for Safety Standards and then the Factory Implementation committees (FIC). Also for Non-manufacturing areas, focused monthly reviews happen at regional offices with Customer Service and Warehouse teams.

During FY 2020-21, the Company rose through various challenges posed by COVID-19 pandemic. During the onset itself, the Company initiated a robust response to safeguard employees at its plants, offices and warehouses. Social distancing and sanitization norms were established as per World Health Organization (WHO) guidelines and comprehensive employee awareness programs were initiated. During the lockdown, Management engaged with its employees by creating awareness on COVID -19, preventive measures to be undertaken and facilities available for help by the Company. The management stayed in touch with its employees through health surveys, virtual meetings and interactive sessions on social media platforms, Employees Assistance Program' - a confidential personalized self-help counselling service by qualified professional counsellors was launched in April 2020 by the Company, which could be availed by its employees and their family members free of cost. The objective of said program was to support employees and dependents to cope up with the physical and mental challenges created by COVID-19. 670 employees contacted counsellors to address their issues. On-line sessions on emotional wellbeing were organized and approx. 3400 employees were benefitted. Robust surveillance diagnostic testing program with Rapid Antigen Test and RT-PCR for employees were carried out and maintained throughout pandemic within Company's Plant premises. Also several Company's HR policies on sickness benefits, Insurance benefits and leave policy were modified suitably in view of helping employees and dependents during epidemic.

The Company also collaborated with several Government hospitals, to provide COVID-19 vaccine free of cost to all its eligible employees, including third party contract employees. Due to Company's said initiative, till date approx. 10,000 people are vaccinated, which includes its employee and their family members, ex-employees, employees of Service Providers and employees of Suppliers. The Company's medical teams located at Plants supported employees and their dependents during COVID-19 pandemic by arranging beds/ medicines in hospitals and co-ordinated for plasma donation. The Company also donated medical equipment to Government healthcare providers through CSR program.

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 2020-21, ENCON efforts contributed to energy savings of 1,16,000 GJ, avoided emission of 22,352 tCO_2e and cost savings of ₹21.15 crore to the Company. In FY 2020-21, the Company generated / sourced 73.33 million kWh of renewable electricity for its manufacturing operations, which amounts to 20% of the total power consumption as compared to 21.6% in FY 2019-20 and also contributed in avoidance of emission of 60,860 tCO_2e and financial saving of ₹21.10 crores. This is a significant achievement, considering disruptions in Plant operations due to COVID-19. 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 2020-21, the Company at its Pantanagar Plant enhanced its in-house RE capacity by 2MWp by rooftop Solar PV installation.

In FY 2020-21, the Company conserved a total of 11.47 lakh m^3 of water through recycling effluent and rainwater harvesting, which is 27.1% of total water consumption as compared to 16.4% in FY 2019-20. In FY 2020-21, 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.

CORPORATE SOCIAL RESPONSIBILITY

The brief outline of the Corporate Social Responsibility (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) Amendment Rules, 2021 are set out in **Annexure - 2** of this Report. The policy is available on Company's website at URL: https://investors. tatamotors.com/pdf/csr-policy.pdf

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNING 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**.

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 2020-21 is available on Company's website at https://www.tatamotors.com/investors/annual-reports/

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Appointment / Re-appointment

The Board of Directors on the recommendation of Nomination and Remuneration Committee ('NRC') and in accordance with provisions of the Act and SEBI Listing Regulations, subject to the approval of Members' at the Annual General Meeting ('AGM'), appointed:

- Mr Thierry Bolloré (DIN:08935293) as an Additional and Non-Executive (Non Independent) Director on the Board w.e.f October 27, 2020, liable to retire by rotation.
- Mr Kosaraju V Chowdary (DIN:08485334) as an Additional and Non-Executive (Independent) Director on the Board for a tenure of 5 years w.e.f October 27, 2020. He shall hold office as Additional Director upto the date of the forthcoming AGM and is eligible for appointment as a Director.
- Mr Mitsuhiko Yamashita (DIN:08871753) as an Additional and Non-Executive (Independent) Director on the Board w.e.f September 16, 2020. Mr Yamashita underwent change in designation from Non-Executive (Independent) Director to Non-Executive (Non Independent) Director w.e.f October 27, 2020.

Dr Ralf Speth (DIN:03318908) consequent to retirement from services of Jaguar Land Rover Automotive PLC ('wholly owned subsidiary'), tendered his resignation *vide* letter dated October 27, 2020 as the Non-Executive (Non Independent) Director of the Company. The Board of Directors places on record its appreciation for his invaluable contributions during his tenure as a Director.

In accordance with provisions of the Act and the Articles of Association of the Company, Mr N Chandrasekaran, (DIN: 00121863) Non-Executive, Chairman is liable to retire by rotation and is eligible for re-appointment.

Mr Guenter Butschek, (DIN:07427375) Chief Executive Officer and Managing Director is being re-appointed w.e.f February 15, 2021 upto June 30, 2021 upon termination of the existing contract, subject to Central Government and shareholders' approval.

The disclosures required pursuant to Regulation 36 of the SEBI Listing Regulations and the SS-2 on General Meeting are given in the Notice of Annual General Meeting ('AGM'), forming part of the Annual Report.

Independent Directors

In terms of Section 149 of the Act and the SEBI Listing Regulations, Mr Om Prakash Bhatt, Ms Hanne Sorensen, Ms Vedika Bhandarkar and Mr Kosaraju V Chowdary are the Independent Directors of the Company as on date of this report.

All Independent Directors of the Company have given declarations under Section 149(7) of the Act, that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations. In terms of Regulation 25(8) of the SEBI Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence. The Company has received confirmation from all the existing Independent Directors of their registration on the Independent Directors Database maintained by the Institute of Corporate Affairs pursuant to Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

In the opinion of the Board, the Independent Directors possess the requisite expertise and experience and are persons of high integrity and repute. They fulfill the conditions specified in Act as well as the Rules made thereunder and are 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 2020-21 are:

- Mr Guenter Butschek, Chief Executive Officer and Managing Director
- Mr Pathamadai Balachandran Balaji, Group Chief Financial Officer
- Mr Hoshang K Sethna, Company Secretary

CORPORATE GOVERNANCE

Pursuant to Regulation 34 of the SEBI Listing Regulations, Report on Corporate Governance along with the certificate from a Practicing Company Secretary certifying compliance with conditions of Corporate Governance is part to this Report.

MEETINGS OF THE BOARD

During the year, the Board of Directors met 9 times. For details, please refer to the Report on Corporate Governance, which forms part of this Annual Report.

COMMITTEES OF THE BOARD

The Committees of the Board focus 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
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee
- Stakeholders' Relationship Committee
- Risk Management Committee
- Safety Health and Sustainability Committee

Details of composition, terms of reference and number of meetings held for respective committees are given in the Report on Corporate Governance, which forms a part of this Annual Report. During the year under review, all recommendations made by the various committees have been accepted by the Board.

BOARD EVALUATION

The annual evaluation process of the Board of Directors, Individual Directors and Committees was conducted in accordance with the provisions of the Act and the SEBI Listing Regulations.

The Board evaluated its performance 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 performance of the Committees was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc. The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India.

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

In a separate meeting of Independent Directors, performance of Non- Independent Directors and the Board as a whole was evaluated. Additionally, they also evaluated the Chairman of the Board, taking into account the views of Executive and Non-Executive Directors in the aforesaid meeting. The Board also assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties. The above evaluations were then discussed in the Board meeting and performance evaluation of Independent directors was done by the entire Board, excluding the Independent Director being evaluated.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

Refer Report on Corporate Governance para on Familiarisation Programme.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Company's policy (salient features) on Directors' remuneration and other matters provided in Section 178(3) of the Act has been briefly disclosed hereunder and in the Report on Corporate Governance, which is a part of this Report.

Selection and procedure for nomination and appointment of Directors

The NRC 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, financial condition and compliance requirements.

The NRC conducts a gap analysis to refresh the Board on a periodic basis, including each time a Director's appointment or re- appointment is required. The NRC reviews and vets the profiles of potential candidates vis-à-vis the required competencies, undertakes due diligence and meeting potential candidates, prior to making recommendations of their nomination to the Board.

Criteria for determining qualifications, positive attributes and independence of a Director

In terms of the provisions of Section 178(3) of the Act, and Regulation 19 of the SEBI Listing Regulations, the NRC has formulated the criteria for determining qualifications, positive attributes and independence of Directors, the key features of which are as follows:

- Qualifications - The Board nomination process encourages diversity of thought, experience, knowledge, age and gender. It also ensures that the Board has an appropriate blend of functional and industry expertise.
- Positive Attributes - Apart from the duties of Directors as prescribed in the Act the Directors are expected to demonstrate high standards of ethical behaviour, communication skills and independent judgment. The Directors are also expected to abide by the respective Code of Conduct as applicable to them.
- Independence - A Director will be considered independent if he/she meets the criteria laid down in Section 149(6) of the Act, the Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations.

The Directors affirm that the remuneration paid to Directors, KMPs and employees is as per the Remuneration Policy of the Company.

The remuneration policy is also available on the Company's website URL: https:// investors.tatamotors.com/pdf/directors-appointment-remuneration.pdf

VIGIL MECHANISM

The 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 vigil mechanism provides a mechanism for employees of the Company to approach the Chairperson of the Audit Committee of the Company for redressal. No person has been denied access to the Chairperson of the Audit Committee. In addition to the above, the employee also has an option to approach the Chief Ethics Counsellor (CEC).

The policy of vigil mechanism is available on the Company's website at URL: https://investors.tatamotors.com/pdf/whistle-blower-policy.pdf

AUDIT

Statutory Audit

M/s B S R & Co. LLP, Chartered Accountants (ICAI Firm No. 101248W/ W–100022), the Statutory Auditors of the Company, hold office until the conclusion of Seventy Seventh AGM to be held in the year 2022. Pursuant to Section 141 of the Act, the Auditors have represented that they are not disqualified and continue to be eligible to act as the Auditor of the Company.

The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the ensuing AGM. The Statutory Auditors were present in the last AGM.

The Report of the Statutory Auditor forming part of the Annual Report, contains an emphasis of matter as under:

(a) the managerial remuneration paid to the CEO and Managing Director amounting to ₹2.22 crores for the period February 15, 2021 to March 31, 2021, exceeds the prescribed limits under Section 197 read with Schedule V to the Act, by ₹1.89 crores. The said amount excludes performance and long term incentives, which will be accrued post determination and approval by the Board of Directors of the Company, and such amounts will also exceed the prescribed limits. Further, the Company is also in the process of obtaining Central Government approval since the CEO and Managing Director is a non-resident.

(b) Further, the remuneration payable to non- executive independent directors aggregating ₹1.70 crores is subject to approval of the shareholders.

The management's response is as follows:

The term of Mr Guenter Butschek, CEO and Managing Director, has been extended from February 15, 2021 to June 30, 2021. Pursuant to the provisions of Section 197 read with Schedule V of the Act, Members' approval at the upcoming AGM is sought for re-appointment as CEO and Managing Director and payment of minimum remuneration to Mr Butschek as per the terms of his appointment and remuneration for the period February 15, 2021 upto the remainder of his current tenure in case of no profits / inadequate profits for FY 2021-22. The resolution approving the above proposal is being placed for approval of the Members in the Notice for this AGM.

In view of the valuable services being rendered and significant contributions of the Non-Executive Directors (including Independent Directors) to the Company and pursuant to the recently amendments in Sections 149(9), 197(3) and Section II of Part II of Schedule V of the Act, the Board of Directors on the recommendations of the NRC, approved payment of remuneration to the Non-Executive Directors (including Independent Directors) of the Company within the limits prescribed under Schedule V of the Act for the Financial Years 2020-21, 2021-22 and 2022-23 in case of no / inadequate profits in each of these years, subject to the approval of the Members at this AGM. The details of the remuneration to be paid for FY 2020-21 are captured in the Corporate Governance Report. The resolution approving the above proposal is being placed for approval of the Members in the Notice for this AGM.

The Statutory Auditor's report does not contain any other qualifications, reservations, adverse remarks or disclaimers.

Branch Audit

The resolution authorizing the Board of Directors to appoint Branch Auditors for the purpose of auditing the accounts maintained at the Branch Offices of the Company abroad is being placed for approval of the Members in the Notice for this AGM.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Director appointed M/s Parikh & Associates, (Registration No. - P1988MH009800), a firm of Company Secretaries in Practice to conduct the Secretarial Audit of the Company for year ended March 31, 2021. The Report of the Secretarial Audit is annexed herewith as **Annexure - 4**. The said Secretarial Audit Report does not contain any qualification, 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, 2022. 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.

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.

OTHER DISCLOSURES

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All contracts/ arrangements/ transactions entered by the Company during the FY 2020-21 with related parties were on an arm's length basis and in the ordinary course of business. There were no material Related Party Transactions (RPTs) undertaken by the Company during the year that require shareholders' approval under Regulation 23(4) of the SEBI Listing Regulations or Section 188 of the Act. The approval of the Audit Committee was sought for all RPTs. Certain transactions which were repetitive in nature were approved through omnibus route. All the transactions were in compliance with the applicable provisions of the Act and SEBI Listing Regulations.

Given that 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.

During the FY 2020-21, the Non-executive Directors of the Company had no pecuniary relationship or transactions with the Company other than sitting fees, remuneration payable to non executive directors (subject to members' approval) and reimbursement of expenses, as applicable.

The RPT Policy is available on the Company's website URL: https:// investors.tatamotors.com/pdf/rpt-policy.pdf

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

As per Section 186, the details of Loans, Guarantees or Investments made during FY 2020-21 are given below:

(₹ in crores)

Name of Companies	Nature of Transactions	Loans	Investments
JT Special Vehicle Pvt Ltd	Equity Infusion	-	0.02
Tata Steel Limited	Equity investment pursuant to first and final call made by Tata Steel towards partly paid equity shares	-	16.35
Tata International Limited	Equity investment pursuant to rights issue	-	41.25
Tata Hispano Carrocera	Loan	9.68	-
Trilix SRL	Loan	13.37	-
Tata Marcopolo Motors Limited	Inter Corporate Deposits	70.00	-
JT Special Vehicle Pvt Limited*	Inter Corporate Deposits given as subvention	4.13	-
Brabo Robotics and Automation Limited *	Inter Corporate Deposits given as subvention	26.86	-

* Both are wholly owned subsidiaries of the Company (TML) and are in the process of shut down of operations and not in a position to meet its external liabilities. Thus, amount paid as subvention.

TMF Holdings Limited, wholly owned subsidiary of the Company has issued perpetual debt of ₹1,350 crores with call/put option provided by the Company to the investors after 4 years and up to 6 years from the deemed date of allotment.

During FY 2020-21, the Company has not given guarantee to any of its subsidiaries, joint ventures, associates companies and other body corporates and persons.

DEPOSITS FROM PUBLIC

The Company has not accepted any deposits from public during the year under review, and as such, no amount of principal or interest on deposits from public was outstanding as on the date of the balance sheet, except for unclaimed and unpaid deposits pertaining to previous years.

DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, cost, secretarial auditors and external agencies, including audit of internal controls over financial reporting by the Statutory Auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2020-21.

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 such systems are adequate and operating effectively.

Refer MD&A para on 'Internal Control Systems and their Adequacy' for detail analysis.

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.

DIVIDEND DISTRIBUTION POLICY

Pursuant to Regulation 43A of SEBI Listing Regulations, the Board of Directors of the Company have formulated a Dividend Distribution Policy. The Policy is also available on the Company's website URL: https://investors.tatamotors.com/pdf/dividend-distribution-policy.pdf

INVESTOR EDUCATION AND PROTECTION FUND

Refer Report on Corporate Governance para on 'Transfer of unclaimed / unpaid amounts / shares to the Investor Education and Protection Fund (IEPF)' for detail analysis.

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.

ACKNOWLEDGEMENTS

The Directors regret the loss of life due to COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic. The Directors wish to convey their appreciation to all of the Company's employees for their contribution towards the Company's performance. The Directors would also like to thank the shareholders, employee unions, customers, dealers, suppliers, bankers, governments and all other business associates for their continuous support to the Company and their confidence in its management.

On behalf of the Board of Directors

N CHANDRASEKARAN
Chairman
DIN: 00121863

Mumbai, May 18, 2021

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 2020-21:

Sr No.	Names	Designation	Ratio of remuneration@ to median remuneration	% increase in the remuneration
I	Non-Executive Directors			
1	Mr N Chandrasekaran [1]	Chairman- Non-executive Director	-	-
2	Dr Ralf Speth[2]	Non-executive & Non-Independent Director	-	-
3	Mr Om Prakash Bhatt	Independent Director	7.03	-[3]
4	Ms Hanne Sorensen	Independent Director	6.47	-[3]
5	Ms Vedika Bhandarkar	Independent Director	6.68	-[3]
6	Mr Kosaraju V Chowdary[4]	Independent Director	-	-[7]
7	Mr Mitsuhiko Yamashita[5]	Non-executive & Non-Independent Director	-	-[7]
8	Mr Thierry Bolloré[6]	Non-executive & Non-Independent Director	-	-[7]
II	Whole-time Director			
9	Mr Guenter Butschek	CEO and Managing Director	237.10	24.89[8]
III	Key Managerial Personnel			
10	Mr P B Balaji	Chief Financial Officer	N.A	(21.21)
11	Mr Hoshang Sethna	Company Secretary	N.A	3.67

Notes:

(1) As a Policy, Mr N Chandrasekaran, Chairman, has abstained from receiving commission from the Company and hence not stated.

(2) Ceased to be a Non-executive & Non-Independent Director of the Company on October 27, 2020. Dr Speth was not paid any commission or sitting fees for attending Board and committee meetings of the Company in view of his appointment as Chief Executive Officer and Director of Jaguar Land Rover Automotive PLC.

(3) No Commission was paid to Mr Bhatt, Ms Bhandarkar and Ms Sorensen for FY 2019-20. Hence, percentage increase in remuneration is not comparable and not stated.

(4) Appointed as an Independent Director of the Company with effect from October 27, 2020.

(5) Appointed as an Independent Director of the Company with effect from September 16, 2020, but underwent change in designation to Non-executive & Non-Independent Director with effect from October 27, 2020.

(6) Appointed as a Non-executive & Non-Independent Director of the Company with effect from October 27, 2020. Mr Bolloré is not paid any remuneration or sitting fees for attending Board and Committee meetings of the Company in view of his role as Chief Executive Officer and Director of Jaguar Land Rover Automotive PLC.

(7) Mr Chowdary, Mr Yamashita and Mr Bolloré were appointed as Additional Directors w.e.f October 27, 2020, September 16, 2020 and October 27, 2020 respectively. Since their term was for part of the year, ratio of remuneration to median remuneration and percentage increase in remuneration are not comparable and hence not stated.

(8) This compensation for the year ended March 31, 2021, includes ₹2.83 crores of performance bonus and long term incentive for the year ended March 31, 2020, approved in the year ended March 31, 2021. The amount for the year ended March 31, 2021 excludes Performance and Long Term Incentives, which will be accrued post approval by the Board of Directors. Excluding above, the increase for the year ended March 31, 2021 is 7.7%, due to foreign exchange fluctuation between EURO and INR.

@ includes non executive remuneration which is payable on obtaining to shareholder's approval being sought at the ensuing Annual General Meeting

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	11.99	-0.33
Blue Collar	7.52	8.65

The Median Remuneration of employees for the FY 2021 is ₹8.68 lakhs

2. The number of permanent employees on the rolls of Company as at March 31, 2021: 26,254

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 2020-21 (in %)
All permanent (Blue Collar and White Collar)	3.71
White Collar	-0.71
Blue collar	9.96
Executive Directors / Managerial Remuneration	
Mr Guenter Butschek	24.89*

Note:

Salaries for blue collar includes only Total Fixed pay, 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 performance areas which are closely aligned to Company's objectives.

*This compensation for the year ended March 31, 2021, includes ₹2.83 crores of performance bonus and long term incentive for the year ended March 31, 2020, approved in the year ended March 31, 2021. The amount for the year ended March 31, 2021 excludes Performance and Long Term Incentives, which will be accrued post approval by the Board of Directors. Excluding above, the increase for the year ended March 31, 2021 is 7.7%, due to foreign exchange fluctuation between EURO and INR.

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

The remuneration for MD/KMP/rest of the employees is as per the remuneration policy of the Company.

On behalf of the Board of Directors

N CHANDRASEKARAN
Chairman
DIN: 00121863

Mumbai, May 18, 2021

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 CSR policy:

1. Overview:

(i) **Outline of CSR Policy -** As an integral part of our commitment to good corporate citizenship, we at Tata Motors 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, Employability and Enviornment interventions for relevant target groups, ensuring diversity and giving preference to needy and deserving communities inhabiting 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.

Weblink for Tata Motors India CSR Policy: https://investors.tatamotors.com/pdf/csr-policy.pdf

(ii) **CSR Projects:** 1. Aarogya (Health): Addressing child malnutrition; health awareness for females; preventive & curative health services and institutional strengthening, drinking water projects; 2. Vidyadhanam (Education): Scholarships; Special coaching classes for secondary school students; IIT-JEE & competitive exams coaching, school infrastructure improvement; co-curricular activities; financial aid to engineering students, 3. Kaushalya (Employability): Divers 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 partnership with district administration, Palghar, Maharahstra.

2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation (Nature of Directorship)	Number of meetings of CSR Committee during the year: held	Number of meetings of CSR Committee during the year: attended
1	Mr. Om Prakash Bhatt	Chairman (Independent Director)	2	2
2	Ms. Vedika Bhandarkar	Member (Independent Director)	2	2
3	Mr. Kosaraju V Chowdary*	Member (Independent Director)	2	1
4	Mr. Guenter Butschek	Member (CEO & Managing Director)	2	2

* appointed as member of the CSR Committee w.e.f January 4, 2021.

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company:

Weblink for Tata Motors India CSR Policy:

https://investors.tatamotors.com/pdf/csr-policy.pdf

Weblink for Tata Motors CSR Projects:

https://www.tatamotors.com/corporate-social-responsibility/

Weblink for CSR Board Committee:

https://www.tatamotors.com/about-us/leadership/

4. Provide the 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 (attach the report).

Impact assessment is to be carried out for projects above 1 crore/ per year. In year 2020-21 none of the CSR projects were falling under the value of ₹1 crore. Hence no impact assessment was undertaken:

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be setoff for the financial year, if any (in ₹)
Not Applicable			

6. Average Net Profit of the Company as per section 135(5): ₹(2,106) crores

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

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

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

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

8. (a) CSR amount spent or unspent for the financial year:

(₹ in crores)

Total Amount Spent for the Financial Year.	Total Amount transferred to		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.
23.99	Nil	-	-	Nil	-

(b) Details of CSR amount spent against ongoing projects for the financial year: Refer Table in Annexure I

1	2	3	4	5	6	7	8	9	10	11	12	
Sr. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	Location of the project. State	Location of the project. District	Project duration. (in years)	Amount allocated for the project (₹ in crore)	Amount spent in the current financial Year (₹ in crore)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in crore)	Mode of Implementa tion - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency: Name	Mode of Implementation - Through Implementing Agency: CSR Registration number.
1	Skill Development and vocational skills in Automotive and Non-Automotive Sector	Employability Enhancing Skill Development	Yes	Andhra Pradesh Chhattisgarh Goa – Gujarat - Jharkand - Karnataka - Kerala - Maharashtra Meghalaya - Odisha - Punjab - Tamil Nadu - Uttarakhand- Uttar Pradesh - West Bengal	Vishakapatnam, Vizianagaram Champa Goa Ahmedabad, Vadodara East Singhbum Bengaluru, Bijapur, Dharwad, Hassan, Honnavar, Mangalore Ernakulam, Kannur, Kottayam, Thrissur, Thiruvananthapuram Mumbai, Nashik, Pune, Palghar, Thane Shillong, West Jaintia Hills, West Khasi Hills Balasore, Mayurbhanj Jalandher Dindugal, Erode, Karur, Kumbakonam, Madurai, Thiruvallur, Nagapattinam, Thiruvannamalai, Tiruchirapalli, Villuppuram Udham Singh Nagar Barbanki, Lucknow Asansol, Bankura, Kolkata, Purba Medinipur	1 Yr	4.1	4.1	NA	NO	Helping hands, RABSONS Info World, JSS Shri Manjunatheshwara Pvt ITI College, Canara Bank Deshpande Rural Development Self Employment training Institute, Pratham Education Foundation, Ramkrishna Mission Sakwar, Skills for Progress, Fr Agnel, Dharti Charitable Trust, Sanand Education Trust, MITCON Foundation, Ador welding academy pvt. ltd., Yashaswi academy for skills, Ambika Motor Driving School, Fr Angel Institute of Technical Training & Entrepreneurship Development, Shaswat Trust Junnar, Ayush Motor Driving, Vikas Samities, Samaj Vikas Kendra, Institute of Social Development	NA
2	Promoting primary and secondary education in Rural and Socially/ Economically Backward communities	Promoting Education	Yes	Bihar - Delhi- Gujarat - Jharkand - Karnataka - Maharashtra Puducherry; Uttarakhand Uttar Pradesh – Pan India- JNV Schools	Patna New Delhi, Noida Ahmedabad, Gandhinagar East Singhbum Dharwad Mumbai, Kolhapur, Palgarh, Pune, Sindhudurg, Thane Nainital, Udham Singh Nagar Barbanki, Lucknow	1 yr	9.8	9.8	NA	NO	Swami Vivekananda Youth Movement, YMCA, Urmee Charitable Trust, Tata Institute of Social Sciences – Prayas, Tata Institute of Social Sciences – Fellowship Ramkrishna Mission, Sakwar, Foundation for Academic Excellence and Access (FAEA), Navneet Foundation, Indian Institute of Technology-Gandhinagar, Avanti Fellows, Ex Navodayan Foundation, Shaswat Trust Junnar, Ganatar, Astittva Welfare Foundation, Moinee Foundation, College of Engineering ,Pune, Swaroopwardhinee, Samata Shikshan Sanstha, Suprabhat Mahila Mandal, Sevasahyog Foundation,Youth Organization for Joining Action and Knowledge, Shaswat Trust Junnar Shiksha Prasar Kendra, Institute of Social Development	NA
3	Preventive and curative health services in Communities	Eradicating Hunger, Promoting preventive healthcare, Malnutrition, sanitation and safe drinking water	Yes	Bihar - Gujarat - Jharkand - Karnataka - Maharashtra Uttarakhand Uttar Pradesh -	Saran Ahmedabad East Singhbum Dharwad Mumbai, Palghar, Pune, Thane Udham Singh Nagar Barbanki, Lucknow	1yr	3.84	3.84	NA	NO	Family Planning Association Of India, Niramaya Health foundation, Ramkrishna Mission, Sakwar, LTH Silver Jubilee Research Foundation, Yugrishi Shriram Sharma Acharya Charitable Trust, Manav Seva Trust, Namaste Life, Dharti Charitable Trust, Sneh Foundation, Snehdeep Janklyan Foundation, Unik Medicare Solution, Parivar Kalyan Sansthan, Nav Jagrat Manav Samaj, Jan Parivar Kalyan Sansthan, Paryavaran evam jan kalyan samite, Institute of Social Development, Sumant Moolgaonkar Development Foundation,	NA

1	2	3	4	5	6	7	8	9	10	11	12	
				Location of the project.							Mode of Implementation - Through Implementing Agency	
Sr. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	State	District	Project duration. (in years)	Amount allocated for the project (₹ in crore)	Amount spent in the current financial Year (₹ in crore)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in crore)	Mode of Implementation - Direct (Yes/No).	Name	CSR Registration number.
4	Ensuring environmental sustainability through awareness and protection of natural habitats	Ensuring environmental sustainability	Yes	Gujarat - Jharkand - Karnataka Maharashtra Uttarakhand -	Ahmedabad East Singhbum Dharwad All district Udham Singh Nagar	1yr	1.6	1.6	NA	No	Bombay Natural History Society, Vasundhara Public Charitable Trust, Baif Institute For Sustainable Livelihood And Development, Manav Seva Trust, Dharti Charitable Trust, Astittva Welfare 1yrFoundation, Terre Policy Center, Wildlife research and Conservation Society, Institute of Social Development, PAN Himayalan grassroots Development foundation, Paryavaran evam jan kalyan samiti	NA
5	Rural Development	Rural development projects	Yes	Maharashtra Gujarat	Palghar Bavla- Ahemadabad	1 yr	1	1	NA	No	Baif Institute For Sustainable Livelihood And Development, Gram Vikas Kendra	NA

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

1	2	3	4	5	6	7	8	9	10	11	12	13
				Location of the project.							Mode of Implementation- Through Implementing Agency	
Sl. No.	Name of the Project.	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	State	District	Project Duration.	Amount allocated for the project (in ₹Crore).	Amount spent in the current financial Year (in ₹ Crore.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹ Crore).	Mode of Implementation - Direct (Yes/No).	Name	CSR Registration number.
1	COVID-19 relief activities	Item no (i) and (xii)- promoting health care including preventive health care, eradicating hunger, poverty and malnutrition,Sanitation, making available safe drinking water and disaster Managemen	Yes	Pan India	Pan India	1 year	3.34	3.34	NA	Yes	NA	NA

(d) Amount spent in Administrative Overheads: ₹0.31 crore

(e) Amount spent on Impact Assessment, if applicable- Not applicable

(f) Total amount spent for the Financial Year (8b+8c+8d): (20.34+ 3.34+ 0.31) = ₹23.99 crore

(g) Excess amount set off, if any

Sr. no.	Particular	Amount (₹ in crores)
(i)	Two percent of average net profit of the company as per Seciton 135(5)	Not applicable
(ii)	Total amount spent for the Financial Year	23.99
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(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

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl No	Preceding Financial Year.	Amount transferred to 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(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹).	Date of transfer.	
1				Nil.			

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

1	2	3	4	5	6	7	8	9
S no	Project ID.	Name of the Project.	Financial Year in which the project was Commenced.	Project Duration.	Total amount allocated for the Project (in ₹).	Amount spent on the project in the reporting Financial Year (in ₹).	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed / Ongoing.
1					Nil.			

All our projects are for one year timeline i.e. relevant for that particular year.

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

    (a) Date of creation or acquisition of the capital asset(s): None

    (b) Amount of CSR spent for creation or acquisition of capital asset: Nil

    (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc: Not applicable

    (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): There was no creation or acquisition of capital asset through CSR spent in FY 2020-21

11. 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 18, 2021

Guenter Butschek
CEO and Managing Director
DIN: 07427375

Om Prakash Bhatt
Chairman CSR Committee
DIN: 00548091

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. In FY 2020-21, 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 2020-21 include:

- Jamshedpur Plant: Reduction in fixed energy consumption in auto division, Optimizing energy consumption of compressed air, Optimizing the operating efficiency by shutdown of Forced Draft Ventilation Units (FDV) of various manufacturing divisions.
- Pimpri Plant: Heat treatment furnace optimization, High-bay LED & LED tube light installation, VFD installation for blower & pumps, Washing machine NG to electrical conversion, Shifting of engine assembly operations.
- Chinchwad Plant: Reduction in compressed air loss used to convey sand, Reduction in number of pumps in Al foundry, Stopping of paint booth conveyor in idle running conditions.
- Maval Foundry: Reduction of pumping losses by providing level sensors to storage tank and delivery valve adjustments, Optimization of compressed air pressure during non-production shifts.
- Lucknow Plant: Controlled use of canteen utilities, training centres, offices aligned to the plant operational condition, Reduction in total HVAC load, Switching off no-load transformer in paint shop.
- Pantnagar Plant: VFD installation in exhaust blowers in paint shop, HVAC frequency reduction at paint shop.
- Dharwad Plant: Savings through mini portable compressor in paint shop, Optimization of water rinse mixers during non-production hours in paint shop.
- Chikhali Plant: LED migration projects, Reduction in compressed air requirements across plants, Installation of HVLS fans.
- Sanand Plant: VFD implementation at Paint Shop, LED migration projects, Leakage elimination in underground compressed air line, Optimization of compressed air supply during non-production shifts.

These ENCON efforts in FY 2020-21 have resulted into: energy savings of 1,16,000 GJ (89,977 GJ from power + 26,023 GJ from fuel), avoided emission of 22,352 tCO_2e and cost savings of ₹2,115 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 2020-21, which brings the total installed capacity to:

- 4.3 MWp Roof-top Solar PV installation at Pune (Pimpri, Chinchwad & Chikhali)
- 4.07 MWp Roof-top Solar PV installation at Lucknow
- 3.77 MWp Roof-top Solar PV at Jamshedpur
- 3 MWp Solar PV installation at Pantnagar
- 1 MWp Solar PV installation at Dharwad
- 2 MWp Roof-top Solar PV installation at Sanand

The Company also sources off-site renewable energy at its Pune, Sanand and Dharwad Works through Power Purchase Agreements (PPA) with Third Party Wind and Solar Power Generators. 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 2020-21, the Company generated / sourced 73.33 million kWh of renewable electricity for its manufacturing operations which is 20.0% of the total power consumption. This contributed to avoidance of 60,860 tCO_2e and financial saving of ₹21.10 crores.

(iii) The capital investment on energy conservation equipment:

In FY 2020-21, the Company has invested ₹243 lakhs in various energy conservation projects.

Awards / Recognition received during the year is as below:

1. CV Pune and Pantnagar won the "National Energy Leader" and "Excellent Energy Efficient Unit" at the CII National Award for Excellence in Energy Management, Hyderabad, August 2020.
2. Jamshedpur, Lucknow and Pantnagar won "First Prize", "Second Prize" and "Merit Award", respectively, in Automotive (Manufacturing) Sector category at the National Energy Conservation Award (NECA) 2020, by the Bureau of Energy Efficiency (BEE).
3. Jamshedpur won "Energy Star rating 4.75/05" at the Annual Energy Conservation Awards by CII- Eastern Region, Kolkata in August 2020.
4. Jamshedpur was recognized as "Energy Efficient Unit" award at the CII National Award for Excellence in Energy Management, Hyderabad, August 2020.
5. Lucknow was recognized as "Energy Efficient Unit" at the CII National Award for Excellence in Energy Management, Hyderabad, August 2020.
6. PV Pune was recognized as "Excellent Energy Efficient Unit" at the CII National Award for Excellence in Energy Management, Hyderabad, August 2020

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

In the recent past the Company has had significant thrust and deployed its R & D focus towards electric mobility comprising of Battery Electric Vehicles (BEVs), Hybrids and Fuel Cell Technologies. Amongst other technologies, the prototypes of fuel cell buses are under technology evaluation.

In FY 2020-21, the Company prioritized its electric vehicles development capabilities and today is one of the frontrunners in this industry. The Company developed a comprehensive approach to address the barriers and 'Winning proactively in e-Mobility'. The Tata UniEVerse, is an entire electric mobility ecosystem—from charging infrastructure, battery cells, battery packs and electric motors, to financing options, customized for the needs of electric vehicle ownership. Tata Motors' foray into electric vehicles would certainly reduce its greenhouse gas (GHG) emissions which mostly originate during the operational phase.

The Company also launched a common Connected Vehicle Architecture through its Connected Vehicle Platform (CVP). This serves the entire portfolio across Commercial, Passenger and Electric Vehicles, to enable the extended digital eco-system for its customers. The CVP has many features which help to conserve energy and thereby has significant impact towards product sustainability.

The Company successfully delivered its BS6 range of products across all segments covering diesel, gasoline and CNG fuels as per market requirements. As a proactive step towards delivering the organizational vision, Tata Motors approached BS6 not as a hurdle, but to enhance and upgrade the entire product portfolio with technologies and features and further delight our customers by setting new benchmarks for performance, operating efficiency, comfort and safety.

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

With sustainability being part of its core agenda, the Company proactively published dismantling information system for Nexon MCE on IDIS (International Dismantling Information System) website as proactive compliance to ELV regulations. This meets with upcoming regulation on End of Life vehicles and the Company is the first Indian OEM to have this information in public domain.

In the PV arena, the Company introduced the new Altroz iTurbo, powered by new 1.2L Petrol iTurbo engine. The Tata Nexon EV was launched earlier in 2020. It is currently, the most accessible EV and won the 'EV 4 Wheeler of the year 2020' award. The Company from the last couple of years has been enjoying a leadership position through its philosophy of "safety – a prerogative for all". The first ever GNAP 5 star certified compact SUV (Nexon) and the first GNAP 5 star certified premium hatchback were delivered from the Company's stable. The other models Tiago and Tigor too enjoy the feat of being 4 star GNCAP certified cars in their respective segments.

In commercial vehicles business, the Company announced its "Future Ready" portfolio for BS6 in early FY 2021 and amongst a huge portfolio spread across SCV, ILCV, Buses and MHCV.

(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 in work place. For over a decade now, we have been running annual Imagineering and 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 while competing for handsome rewards and recognitions.
- The Company followed its Annual Technology Planning and Development cycle to manage its engineering and technology initiatives.
- The Company has been adapting to new trends like Artificial Intelligence, Augmented reality, Virtual reality, Immersive experience, Big data Analysis, Passenger wellness and well- being, Next generation connectivity disruptions (5G), Touchless interactions, Cabin air quality, HD navigation, Vehicle to vehicle communication, New materials for interiors , exteriors and light weighting, Higher efficiency components to sustain the customer, market and environmental demand.
- Recently launched variant of Altroz has been equipped with the iRA – the connected car technology deployed through its Connected Vehicle Platform approach. All the cars from the "New Forever" 2020 range namely Tiago, Tigor, Nexon, Harrier and Altroz are already compliant with the new pedestrian safety laws.

IPR Generation

- During FY 2020-21, the Company filed 89 patent applications and 11 design applications. With respect to applications filed in previous years, 79 patents were granted and 47 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.
  - 100% growth in patents for year 2020 and 2019 over the past two calendar years (2018 and 2017).
  - Winning CII's 6th Industrial IP Award for 'Best Patents Portfolio for a Large (Manufacturing/ Engineering) Organization' in December 2020.

(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. The Company also wishes to mitigate all future risks related to technology by timely having a basket of appropriate emerging technology solutions.

- Using digital technology, design, and ergonomics to take vehicular safety to the next level. This has led to the emergence of cars with global NCAP 4 and 5-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 and products through multiple awards and accolades. Few of them are listed below:
  - Tata Altroz won Best Indian car 2021 award by Motor Octane. Tata Altroz won the 'Car of the Year 2020' award.
  - Tata Nexon won 'Compact Sport Utility Vehicle' under & Tata Intra won 'Business Truck' under mobility design Four Wheeler Vehicle at 10th CII Design Excellence award 2020.
  - Tata Tiago won the Motor Vikatan 2021 Entry level Hatchback of the year.
  - Golden Peacock Innovative Product/Service Award for Tata Urban Electric Bus – Zero Emission Urban People Mover.
  - Golden Peacock Award – in Eco-Innovation category for enhanced TCO school bus "City Ride 4SPCR".
- The Company wins multiple awards at the EV Manufacturing and Design Show 2021 - Electric Car Manufacturer of the Year, Electric Bus Manufacturer of the Year – Tata Ultra 9/9, Electric Fleet Manufacturer of the Year, EV Solution Provider of the Year, Telematics – 4 wheeler, and Smart Technology Innovation of the Year – Ziptron technology.
- The Company bagged 3rd time in a row the 'The Economic Times Polymers Awards 2021' in the category of Recycling in March 2021 for enhancing Pre-consumer Waste Nylon for Automobile Structural Applications bagged.
- The Company has bagged the prestigious National Energy Conservation Award (NECA) 2020 for its energy conservation measures, instituted by the Bureau of Energy Efficiency (BEE).

Major technology absorption projects undertaken during the last year includes:

Sr. No.	Technology for	Status
1	Composite Material Structural Technology	POC Ready
2	Active Safety systems / ADAS Technologies	POC Ready
3	Voice assistance features - Multi lingual/self-diagnostics-others	Under development
4	Connected Vehicle features – Next Phase (V2X)	Under development
5	Smart climate control / HVAC system	POC Ready
6	Driving dynamics technologies	Under development
7	Performance improvement for EV Powertrain Aggregates	Under development
8	Aggregates/Components for fuel cell technology	Under development
9	Advanced formulation of engine oil/lubricants	Developed
10	Advanced Auxiliary Systems for engines	Developed
11	Vehicle air conditioning using solar energy	POC Ready
12	Waste Heat Operated HVAC system	Under development

Major technology imports includes:

Sr. No.	Technology for	Year of Import	Status
1	New Chassis Dynamometer & upgradation of existing chassis dynamometer for BS-6 & beyond regulatory requirement and first of its kind multi-storey vehicle soaking facility	2018-19	Implemented
2	Software features such as cruise control, vehicle acceleration management, load based speed control & gear down protection in M&HCV trucks	2018-19	Implemented
3	2 Capability & capacity enhancement in ERC Engines for BS-6 Phase-1 and Phase-2 requirements	2018-19	Implemented
4	Focus on simulation capabilities through various software, Hardware-in-Loop (HiL) to reduce development timelines	2019-20	Implemented
5	Advanced Power Systems Engineering test facility for BS VI and beyond for all kinds of fuels including hybrids and EVs.	2019-20	Implemented
6	Technology for virtual validation of engines testing	2020-21	Developed
7	CTP based Battery technology which is high energy density LFP battery	2020-21	Under development
8	Hub wheel technology solution	2020-21	Developed

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

- The Company is 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 are in the domain of creating stunning design, pleasurable driving experience and connectivity. For commercial vehicles, in addition to design, the main focus areas are total cost of ownership, to be a market leader in application specific fuel efficiency and to deliver high performance and reliable products.
- On CV front too, for EV segment Tata Motors R&D team has been successful in developing affordable Electric products. The Company have been exclusively working in shared mobility space through gamut of vehicles needed for last mile connectivity ranging from small CV's to trucks and buses. On safety front, R&D team is working toward developing technology for enhancing Vehicle Safety such Advance Driver Assistance System (ADAS), driver health monitoring systems etc. In previous few years, Tata Motors have launched a range of several safety related technologies in its vehicle which includes Electronic Stability Control, Automatic Traction Control (ATC) and Hill Start Aid (HSA) for range of trucks.

Initiatives towards digital product development systems for road to lab approach & enhanced productivity

Continued the adoption of new digital technologies in the product development domain for improving design and development processes, primarily contributing to two key goals – Time to Market (TTM) and World Class Quality (WCQ). Front loading in design and development resulted in optimized process time. Niche integration tools, systems and processes continue to be qualitatively enhanced in the areas of CAx, Knowledge Based Engineering (KBE), Product Lifecycle Management (PLM) and Manufacturing Planning Management (MPM) for more efficient end-to-end delivery of the product development process. Achievements through various initiatives are listed below:

- IoT platform for connected vehicle (CVP) journey, started in 2019, crossed integrated platform milestones to reach a production level maturity and release of connected features on Nexon EV and Nexon MCE. The connected journey has progressed further and deployed on most of the new Passenger Vehicle programs and almost all Commercial Vehicle programs. Crossed a milestone of 1 Lakh vehicle onboarding onto CVP in March 2021.
- Latest technology of BOTs based apps are deployed to disseminate information/data available to right stakeholders at right time, to help them to verify data and take decisions. Deployment of Chatbot services for CAD applications helped to eliminate user awareness issues and non-value added administration and support activities.
- 'EGuru' product mobility application with enhanced features of Customer Configurator is deployed at MHCV, SCV, PICKUP dealerships across India helping dealers as a digital tool to configure the product for the customer.
- 6 Artificial Intelligence and Machine Learning based applications are introduced into various domains such as design, service, quality, manufacturing etc. To reduce physical testing cycles by building predictive models, Deep Learning (AI) based algorithms and apps are introduced into design process. Trained AI models help in synergy between physical and digital simulations and better co-relation.
- Digital Manufacturing predominantly used to simulate and validate process planning to anticipate potential problems to meet the production requirement for new vehicles. Plant digitization activities has helped to create digital factory models and ensure that they are operating under optimal layout, material flow and throughput before production ramp-up.

Competency Development

In our quest to ensure that the workforce remains fully engaged and relevant to the disruptions in the mobility industry, our thrust on development of unique competencies continued while ensuring the outreach of already deployed/sustenance competencies development for new technology adaptation & integration.

For e.g. In order to incubate electronics and software is to upscale competencies on Future Technologies, Disrupting Trends, Existing skill enhancement, Process improvement etc. These are addressed through our various academies like Product Leadership Academy. As part of this, various capability-building interventions are planned every year based on present skill gap analysis & are monitored through Learning Advisory Council (LAC).

Future Areas of Focus

The Company will continue its endeavor in the research and development space to develop vehicles with reduced cost, time to market and shorter product life cycles keeping in mind the sustainability goals. Tata Motors aims for timely and successful conclusion of technology projects so as to begin their induction into mainstream products, which will lead to a promising future. With the expansion of the digital mobility landscape, the Company will keep pursuing global disruptive mega trends of CESS (C connected, E electrified, and S safe & S shared mobility).

On powertrain development front, increase in the stringency of regulations is likely to continue in future as the company move towards lower CO_2 and other Engine out emissions. A slew of regulations like BS6 with On Board Diagnostics (OBD) Phase 2, In-Use Performance Ratio (IUPR), Idle Speed Control (ISC), Real Driving Emissions (RDE), Corporate Average Fuel Efficiency (CAFÉ), Heavy and Light Duty Fuel Efficiency & Engine – Brake (to meet Endurance braking regulation) are on the cards. These regulations are the necessities to remain in business and keep us going.

Apart from regulations, powertrains are also being developed with various alternative fuels such as Ethanol E10 / E20, Bio-diesel blends, LNG, H-CNG, BEV's, Fuel cell etc.

Company's focus is going to be building Technology, Capability, scale & capacities in R&D to able to ride the emerging trends. The Company is now focusing more on accelerated testing and validation and are using a lot of digital tools for the simulation process. Tata Motors has been able to stay ahead of the curve and create superior offerings for the customer. With keen eye for incorporating digitization, connectivity, automation and advanced regulations compliance has helped the Company deliver exciting innovations to customers worldwide. With a revitalized vision set for the Company, by FY 2024, the Company is poised to become the most aspirational Indian auto brand, consistently winning by delivering superior financial returns, driving sustainable mobility solutions, exceeding customer expectations and creating highly engaged work force.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange Earnings and Outgo in FY 2021	(₹ in crores)
Earning in Foreign Currency	2,181.66
Expenditure in Foreign Currency	2,159.77

On behalf of the Board of Directors

N Chandrasekaran
Chairman
DIN- 00121863

Mumbai, May 18, 2021

ANNEXURE - 4
FORM No. MR-3
Secretarial Audit Report

For the Financial Year ended March 31, 2021

(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 Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Tata Motors 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.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, to the extent the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

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

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(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;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (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; (Not applicable to the Company during the audit period);
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period); and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during the audit period).

(vi) Other laws applicable specifically to the Company namely:

1. The Motor Vehicle Act, 1988 and the Rules made thereunder.

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

   (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.

   (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

As regards SEBI matter reported in the previous report, the Company and SEBI have exchanged various correspondence in the last 3 years in respect of the steps taken by the Company to prevent leakages and assuring that the highest degree of importance was accorded to strict adherence of all applicable regulatory and legal requirements. There have been no further communication after November 20, 2020.

The re-appointment of the CEO and Managing Director and payment of remuneration to him for the period February 16, 2021 to June 30, 2021 and the waiver of excess remuneration of ₹1.89 crores paid for the period February 16, 2021 to March 31, 2021, are subject to approval of the shareholders pursuant to the provisions of section 196, 197 read with Schedule V of the Companies Act, 2013. Further, since the CEO and Managing Director is a non-resident the said reappointment is subject to the approval of Central Government.

The remuneration payable to non-executive independent directors aggregating ₹1.70 crores is subject to approval of the shareholders.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors subject to what is stated above. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice for which necessary consents have been sought at the meeting, 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.

Decisions at the Board Meetings were taken unanimously.

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.

We further report that during the audit period the Company had following events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

1) The Company redeemed unsecured listed Non-Convertible Debentures aggregating ₹1300 crores and has complied with the applicable laws.

2) The Company has allotted on 29.01.2021, 23,13,33,871 Ordinary Shares to Tata Sons Private Limited, the Promoter of the Company, pursuant to the complete exercise of 23,13,33,871 Convertible Warrants held by them against receipt of consideration of an amount of ₹2,602,50,60,487.50 paid for the exercise of such Warrants, along with the consideration of ₹867,50,20,162.50 paid by Tata Sons at the time of subscription of the Warrants (together aggregating ₹3,470,00,80,650).

3) The Hon'ble National Company Law Tribunal, Mumbai Bench ('NCLT') had, vide its Order No. C.P.(CAA)/2954/MB/2019 dated December 12, 2019 ('Order'), sanctioned the Scheme of Arrangement between the Company and Tata Advanced Systems Limited ('Transferee Company') for transfer of the Company's Defense Undertaking under Sections 230 to 232 of the Companies Act, 2013 and the rules made thereunder ('the Scheme'). The Effective Date of the Scheme is April 1, 2021. The Company has made requisite intimation to the Registrar of Companies, Mumbai about the Scheme becoming effective.

4) The Company has filed a Scheme of Arrangement with National Company Law Tribunal for the purpose of transfer its Passenger Vehicles Undertaking pursuant to a Scheme of Arrangement as a going concern on a slump sale basis to TML Business Analytics Services Limited ('TBASL'), a step down subsidiary, and reduction of Company's share capital without extinguishing or reducing its liability on any of its shares by writing down an amount of ₹11,173.59 crores from its Securities Premium Account, with a corresponding adjustment to the Accumulated Losses appearing in the Retained Earnings of the Company and modification to 'Tata Motors Limited Employees Stock Option Scheme 2018'.

5) The Company issued 8.80% rated listed redeemable secured non convertible debenture aggregating ₹1,000 crores.

6) During the year the Company issued 1,08,000 units of Commercial Papers aggregating to ₹5,400 crore and redeemed 1,16,000 units of Commercial Papers aggregating to ₹5,800 crores.

7) During the year, the Company brought the entire stake in the Joint Venture Company JT Special Vehicles Private Limited from the JV partner on August 12, 2020 and it became a WOS.

8) The Company sold it's Global Delivery Center (GDC) to M/s TML Business Services Limited a subsidiary of the Company April 30, 2020.

For Parikh & Associates
Company Secretaries

P. N. Parikh
Partner
FCS No: 327 CP No: 1228
UDIN: F000327C000338104

Place: Mumbai
Date : May 18, 2021

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

'Annexure A'

To,
The Members
Tata Motors Limited

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 process 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 process 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 procedure 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 Parikh & Associates
Practicing Company Secretaries

P. N. Parikh
Partner
FCS No: 327 CP No: 1228
UDIN: F000327C000338104

Place: Mumbai
Date : May 18, 2021

Business Responsibility Report for FY 2020-21

(Pursuant to Regulation 34(2)(f) of SEBI Listing Regulations)

INTRODUCTION

The Company is amongst the globally leading manufacturers in the automobile segment and continues to be India's largest automobile Company with a consolidated revenue of ₹249,794.75 crores in FY 2020-21. Being the first Indian Company from the engineering sector to be listed on the New York Stock Exchange, the Company believes in the core philosophy of 'Good Corporate Citizenship', staying committed to sustainability and the spirit of 'giving back to society'. The Company is present across all segments of the commercial and passenger vehicles, with a widespread of over 8,800 dealerships offering sales and services and has well established spare parts network touch points.

The Business Responsibility Report highlights the approach of the Company towards creating long-term value for all its stakeholders. The Report is aligned with National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVG-SEE) released by Ministry of Corporate Affairs (MCA) and is in accordance with Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (SEBI Listing Regulations). This Report provides an overview of the activities carried out by the Company under each of the nine principles outlined in NVG.

Section A: General Information about the Company

1. **Corporate Identity Number (CIN) of the Company:** L28920MH1945PLC004520
2. **Name of the Company:** Tata Motors Limited
3. **Registered address:** Bombay House, 24, Homi Mody Street, Mumbai - 400001
4. **Website:** http://www.tatamotors.com/
5. **E-mail id:** inv_rel@tatamotors.com
6. **Financial Year reported:** 2020-21
7. **Sector(s) that the Company is engaged in (industrial activity code-wise)**

NIC Code	Description
2910	Manufacture of motor vehicles
2920	Manufacture of bodies (coachwork) for motor vehicles
2930	Manufacture of parts and accessories for motor vehicles
4530	Sale of motor vehicle parts and accessories
4510	Sale of motor vehicle
4520	Maintenance and repair of motor vehicles

8. **List three key products/ services that the Company manufactures/ provides (as in balance sheet)**
   1. Passenger Cars
   2. Commercial Vehicles
   3. Vehicles sales and service

   Please navigate to our website www.tatamotors.com for complete list of our products.

9. **Total number of locations where business activity is undertaken by the Company**
   i. **Number of International Locations (Provide details of major 5):** Through subsidiaries and associate companies, Tata Motors group has presence in over 125+ countries, with a worldwide network comprising over 8,800 touch points. The Company has manufacturing facilities in the UK, South Korea, Thailand, South Africa and Indonesia.

   ii. **Number of National Locations –** The Company's manufacturing locations in India are situated at Jamshedpur (Jharkhand), Pune (Maharashtra), Lucknow (Uttar Pradesh), Pantnagar (Uttarakhand), Sanand (Gujarat) and Dharwad (Karnataka).

   Please refer "Our Presence – Driving through change Globally" section of the Integrated Annual Report 2020-21.

10. **Markets served by the Company - Local/State/National/ International**

    The Company's automobiles and services predominates the Indian market as well as enjoys global presence across markets of the UK, South Korea, South Africa, China, Brazil, Austria and Slovakia through a strong global network of subsidiaries, associate companies and joint ventures including Jaguar Land Rover in the UK and Tata Daewoo in South Korea.

    Please refer "Our Presence – Driving through change Globally" section of the Integrated Annual Report 2020-21.

Section B: Financial Detail of the Company

1. **Paid up Capital (INR):** ₹765.76 crores
2. **Total Turnover (INR):** ₹47,031.47 crores (This is standalone figure)
3. **Total profit after taxes (INR):** Loss ₹2,395.44 crores (This is standalone figure)
4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):** Not applicable in view of loss. Please refer to Annexure 2 of the Board's Report in Integrated Annual Report 2020-21 for details on CSR initiatives and spending.
5. **List of activities in which expenditure in 4 above has been incurred: -**

   The Company has been committed to community engagement strategy which revolves around four focus themes:

   i. **Arogya (Health):** The focus of these initiatives is to work on addressing child malnutrition and health awareness for females. Statistics revealed that over 73% of the children community are malnourished, with these initiatives the Company strives to provide preventive and curative health services to these communities. Over the years, affirmative changes are experienced in the knowledge, attitude and behavior of these communities towards health awareness. During FY 2020-21, 3,82,888 members benefited from such health programmes. In times of COVID-19 pandemic distress effort were concentrated to strengthen the nation's resolve to fight towards COVID 19, and accordingly the Company carried out various relief activities PAN India which benefitted 1,41,160 people though relief activities.

   ii. **Vidyadhanam (Education):** This initiative aims to improve the quality of education in schools by offering scholarship to meritorious and needy secondary school students, organizing special coaching classes to improve academic performance in Class X Board exam, supporting school infrastructure and organizing co-curricular activities for well-rounded personality development. During FY 2020-21, 1,16,893 students benefited from the Company's education program.

   iii. **Kaushalya (Employability):** This initiative has been designed to enhance skill development amongst youth. It includes inculcating marketable skills in school dropout youth in auto sector, non-auto trades, agriculture and allied activities. It fortifies the Industrial Training Institutes which offers domain expertise of automotive skills through knowledge partnership. During FY 2020-21, the Company has trained 17,661 youth and farmers.

   iv. **Vasundhara (Environment):** The initiatives to improve the environment included promotion of renewable resources, creation of carbon sinks through large scale sapling plantation, construction of water conservation structure and build awareness amongst the member communities. During the year, the Company planted 1,10,101 saplings of indigenous varieties and fosters to maintain the survival rate as high as 87%. Over the period under such initiatives, a few locations have phenomenally converted into micro-habitats of varied species of flora and fauna. The Company's environmental awareness programmes aim to sensitize young children towards conservation of our environment and were able to actively reach out to 90,575 persons.

   v. **Rural Development Programmes:** The Company has collaborated with Sahabhag - the CSR Cell of Government of Maharashtra to improve the quality of life of the 8,876 tribal communities of Pathardi, Shiroshi and Chauk Gram Panchayats in Jawhar block of Palghar, 100% tribal populated and Devadthal village of Ahmedabad district in Gujarat. 70% of the resources for village development have been committed by the government.

   Please refer to Annexure 2 of the Board's Report in Integrated Annual Report 2020-21 and the Company's Annual CSR Report 2020-21 for detailed community engagement strategy and key initiatives at https://www.tatamotors.com/corporate-social-responsibility

Section C: Other Details

1. **Does the Company have any subsidiary company/ companies?**

   The Company has 103 direct and indirect subsidiaries in India and abroad as on year ended March 31, 2021.

2. **Do the subsidiary company/companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(ies)**

   The Company positively influences and encourages its subsidiaries to adopt Business Responsibility (BR) initiatives. All the Company's subsidiaries are guided by Tata Code of Conduct (TCoC) to conduct their business in an ethical, transparent and accountable manner. It covers suppliers, customers and other stakeholders. It also addresses key BR issues like Quality and Customer Value, Corruption and Bribery, Health and Safety, Environment, Human Rights and Employee Well-Being.

3. **Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]**

   The Company's suppliers and distributors are critical participants in supply chain operations and its sustainability issues can have glaring impact on overall operations. The Company engages with its suppliers and channel partners on BR initiatives through Sustainable Value Chain Program. The suppliers and dealers sustainability initiatives serve as a platform to raise awareness on sustainability topics such as health, safety, environment and community at large. The vendors and dealers situated across all locations participate in these sustainability initiatives. Nearly 100% of our critical suppliers have been covered under the sustainable supply chain initiative.

Section D: BR Information

1. **Details of Director/Directors responsible for BR**

   a) Details of the Director/Directors responsible for implementation of the BR policy/policies.

Sr. No.	Particulars	Details
1.	DIN Number (if applicable)	07427375
2.	Name	Mr. Guenter Butschek
3.	Designation	CEO and Managing Director
4	Telephone	022 6665 8282
5.	E-mail id	guenter.butschek@tatamotors.com

   b) Details of the BR head

Sr. No.	Particulars	Details
1.	DIN Number (if applicable)	N.A
2.	Name	Mr. Ravindra Kumar Godabanal Parameswarappa
3.	Designation	Chief Human Resources Officer
4	Telephone	022 62407101
5.	E-mail id	ravindrakumar.gp@tatamotors.com

Sr. No.	Particulars	Details
1.	DIN Number (if applicable)	N.A
2.	Name	Dr. Arun Kale
3.	Designation	Head – Safety, Health, Environment and Sustainability
4	Telephone	91-20-66132773
5.	E-mail id	arun.kale@tatamotors.com

2. **Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)**

The NVG on social, environmental and economic responsibilities of business released by MCA has adopted nine areas of business responsibility. These are as follows:

P1 – Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

P2 – Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

P3 – Businesses should promote the well-being of all employees.

P4 – Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

P5 – Businesses should respect and promote human rights.

P6 – Businesses should respect, protect, and make efforts to restore the environment.

P7 – Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner.

P8 – Businesses should support inclusive growth and equitable development.

P9 – Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Sr. No.	Questions	P 1	P 2	P 3	P4	P5	P6	P7	P 8	P 9
1.	Do you have policy/policies for?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national / international standards? If yes, specify? (The policies conformance to the spirit of international standards like ISO 9000, ISO 14000, OHSAS 18000, SA 8000, UNGC guidelines and ILO principles and meet the regulatory requirements such as SEBI Listing Regulations, Sarbanes Oxley Act etc. The policies reflects Tata group's commitment to improve the quality of life of the communities it serves and practice of returning to society what it earns)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?*	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies have been communicated to all internal stakeholders. TCoC and other policies are communicated to suppliers, vendors, dealers and channel partners based on their relevance.								
7.	Does the company have in-house structure to implement the policy/policies	The Company has established in-house structures to implement these policies.								
8.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	The Whistle Blower Mechanism provides employees to report any concerns or grievances pertaining to any potential or actual violation of TCoC, which covers all aspects of BRR. An Investor grievance mechanism is in place to respond to investor grievances. The Customer Complaints mechanism records the grievances of customers on product and service quality and other issues of interest to them. The supplier, vendor, dealer and channel partner forums and ongoing communication captures their concerns and grievances. The continual community engagement, needs assessments, impact assessment serve as a means for communities to represent their concerns and grievances.								
9.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The implementation of TCoC and other policies are reviewed through internal audit function/Ethics Counsellor. External assessment of Tata Business Excellence Model (TBEM) covered the review of implementation of all the Company policies. The Quality, Safety & Health and Environmental policies are subject to internal and external audits as part of certification process.								

* All the policies are signed by the Chairman and CEO & Managing Director of the Company. All the policies are carved from its guiding principles and core values. These policies are mapped to each principle hereunder:

Principle	Applicable Policies	Link for policies
Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability	Tata Code of Conduct Whistle Blower Policy	https://www.tatamotors.com/wp-content/uploads/2015/10/09042523/tata-code-of-conduct1.pdf http://investors.tatamotors.com/pdf/whistle-blower-policy.pdf
Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.	Sustainability Policy Environment Policy, Quality Policy Supplier Code of Conduct Dealer Code of Conduct Environmental Procurement Policy	https://www.tatamotors.com/investors/corporate-governance/policies/ https://www.tatamotors.com/investors/corporate-governance/policies/ https://www.tatamotors.com/investors/corporate-governance/policies/ https://www.tatamotors.com/wp-content/uploads/2019/05/21063650/supplier-code-of-conduct.pdf https://www.tatamotors.com/wp-content/uploads/2019/05/21063650/dealer-code-of-conduct.pdf https://investors.tatamotors.com/pdf/Enviro-Procur-Policy.pdf
Principle 3: Businesses should promote the well-being of all employees.	Sustainability Policy Safety & Health Policy	https://www.tatamotors.com/investors/corporate-governance/policies/ https://www.tatamotors.com/investors/corporate-governance/policies/
Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.	Corporate Social Responsibility Policy Tata Affirmative Action Policy Sustainability Policy	https://investors.tatamotors.com/pdf/csr-policy.pdf https://www.tatamotors.com/corporate-social-responsibility/affirmative-action/ https://www.tatamotors.com/investors/corporate-governance/policies/
Principle 5: Businesses should respect and promote human rights.	Tata Code of Conduct Sustainability Policy Whistle Blower Policy	https://www.tatamotors.com/wp-content/uploads/2015/10/09042523/tata-code-of-conduct1.pdf https://www.tatamotors.com/investors/corporate-governance/policies/ http://investors.tatamotors.com/pdf/whistle-blower-policy.pdf
Principle 6: Businesses should respect, protect, and make efforts to restore the environment.	Environment Policy Sustainability Policy Climate Change Policy	https://www.tatamotors.com/investors/corporate-governance/policies/ https://www.tatamotors.com/investors/corporate-governance/policies/ https://investors.tatamotors.com/pdf/Climate-Policy-Eng.pdf
Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.	Tata Code of Conduct	https://www.tatamotors.com/wp-content/uploads/2015/10/09042523/tata-code-of-conduct1.pdf
Principle 8: Businesses should support inclusive growth and equitable development.	Sustainability Policy Corporate Social Responsibility Policy	https://www.tatamotors.com/investors/corporate-governance/policies/ https://investors.tatamotors.com/pdf/csr-policy.pdf
Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.	Tata Code of Conduct Quality Policy	https://www.tatamotors.com/wp-content/uploads/2015/10/09042523/tata-code-of-conduct1.pdf https://www.tatamotors.com/investors/corporate-governance/policies/

3. **Governance related to BR**

1. **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, annually, more than 1 year**

A dedicated Safety, Health & Sustainability (SH&S) Committee at the Board level oversees the overall implementation of the BR practices and its performance on a quarterly basis. The Company follow a systematic, multi-tiered approach to review our SH&S performance - First review by the Factory Implementation Committee followed by Plant level Apex Committee/Sub-Committee; then by SH&S Council and finally by SH&S Committee.

Please refer "Corporate Governance" section of Integrated Annual Report 2020-21 for various Board Committees and their roles and responsibilities.

2. **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

The Company publishes the Annual Integrated Report and non-financial disclosures in this report in accordance with the Global Reporting Initiative (GRI) standards and a mapping was provided with principles of United Nations Global Compact (UNGC) and Sustainable Development Goals (SDGs). The Company also published the Annual CSR Report to highlight the community engagement strategy and performance. The Company's Annual CSR Report can be viewed at: https://www.tatamotors.com/corporate-social-responsibility

Section E: Principle-wise performance

Principle 1: Ethics, Transparency and Accountability

1. **Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/ NGOs/Others?**

The Company has adopted the TCoC to remain consistently vigilant and ensure ethical conduct of its operations. All internal and external stakeholders of the Tata Group are expected to work within boundaries of the TCoC. The Company ensures compliance of ethical standards by its vendors and contractors through appropriate clauses in their work contracts to which they are obligated. Generally, the contract includes clauses in relation to Human Rights Protection, Corruption practices and other topics related to ethics. Training and awareness on TCoC is provided to all employees and relevant stakeholders are also made aware of the same from time to time.

The Company has a 'Supplier Code of Conduct' and 'Dealer Code of Conduct' that guides our suppliers and dealers on topics such as regulatory compliances, prevention of bribery and corruption, protection of human rights, health and safety, environment, conflict of interest, reporting violations etc.

The Company also has a Whistle Blower Mechanism, which is governed by the Whistle Blower Policy. Through this it has placed mechanisms for ensuring confidentiality and protecting the whistle blower from any harassment/ victimization. The Policy covers instances pertaining to any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, or the like including any direct or indirect use of authority to obstruct the whistle blower's right to continue to perform his duties/functions including making of any further protected disclosure. The Policy is directly monitored by the Chairman of the Audit Committee and the Group Ethics Officer.

Ethics Helpline:

The Company has an ethics helpline where employees can place anonymous complaints against ethics violations as per the Policy of the Company. The ethics helpline can be reached in the following ways:

A Whistleblower can report his / her ethical concerns by using the "Speak Up" service by either calling on 1800 103 2931 or log on to the website www.speak-up.info/tatamotors and send the concerns.

Oral reports will normally be documented as a written transcription of the oral report by the Chief Ethics Counselor / Chairman of the Audit Committee by accessing the voice mail.

Written application:

All concerns can be reported to Chief Ethics Counselor / Chairman of the Audit Committee in Hindi, English or any regional language.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

Stakeholders Complaint Received	133
Stakeholders Complaint Resolved	95
Percentage of Stakeholders Complaint Resolved	71.42%

The above stakeholder complaints are related to TCoC concerns, investor complaints and POSH complaints. TCoC concerns included complaints on employee relations, financial impropriety, legal compliance and unfair business practices. The Company had setup an Investor Grievance Mechanism to respond to investor grievances in a timely and appropriate manner. The investor grievances are also reviewed at the Board level by the Investors' Grievance Committee and immediate action is taken to resolve the same. The TCoC concerns are resolved through internal review mechanism by Ethics Counselor and Senior Management.

Principle 2 : Product Life Cycle Sustainability

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

The Company has played a significant role over the years by contributing to the economic growth through its commercial and passenger vehicles which transport people and goods. The Company has always realized its responsibility as a growth enabler and endeavors to create vehicles which will promote entrepreneurship.

The Company delivered the first 26 of the 340 Tata Ultra Urban e-buses to the Brihanmumbai Electric Supply and Transport (BEST), which is the first ever Gross Cost Contract electric bus service to BEST. The 25-seater Tata Ultra Urban 9/9 electric AC buses were flagged off under the FAME II initiative. These buses have been designed for offering sheer comfort and convenience to passengers including a "lift mechanism" for differently abled travelers. Under the unique 'One Tata' initiative, the Company leveraged the core competences of various group companies, to elaborate, whilst Tata Power group would take responsibility for the complete bus charging facility including supplies, Tata Auto Components would undertake collaborations, design, development, sourcing and supply of select components to the Company under this initiative.

The Company delivered 25 ACE CNG models to Vijayawada Municipal Corporation, to support the Corporation's mission of using clean-fuel vehicles for municipal services. The Company has also partnered with the Department of New & Renewable Energy (DNRE), Government of Goa to deploy Tigor EVs throughout Goa, as a part of its tender with Energy Efficiency Services Limited (EESL).

The Government of Kerala selected the Nexon EV, for its Motor Vehicle Department (MVD), as part of its ambitious 'Safe Kerala Programme'. The Kerala MVD would lease 65 Nexon EVs for a period of 8 years from the EESL through the Agency for New and Renewable Energy Research and Technology (ANERT).

The Company has also supported the Nation's COVID-19 vaccination drive by providing refrigerated trucks solution Ultra 1918BS6 120 of these vehicles have already been sold, while 300+ vehicles are in pipeline.

The Government of India introduced BS-VI emission norms from April 2020, to match international standards such as Euro 6 for sustainable Automobile technology. The Company has taken the new emission norm as an opportunity to offer superior value to customers - with a whole new Intermediate and Light Commercial Vehicles (ILCV) range that's upgraded Bumper to Bumper. The new BS-VI range not just matches BS-VI emission norms, but delivers value in 6 key areas – known as the Power of 6. The Power of 6 focuses on improving profits for the customers even after the rise in fixed costs in BS-VI. The plethora of technological and performance changes done on the ILCV range opened the doors to a world of opportunities to generate higher revenue and profits through higher fuel efficiency, excellent driving comforts and world class connectivity features.

2. **For each such product, provide the following details in respect of resource use (Energy, water, raw material etc.) per unit of product (optional):**

   (a) **Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?**

   The Company has always focused on sustainable sourcing and reduced fuel consumption, which lead to research, design, development of newer and improved technologies, such as hybrid engines, electric cars, fuel-cell vehicles and implemented programmes for consumption of lightweight materials, reduced parasitic loses through driveline and improved aerodynamics.

   The Company has been extensively working on green and light weighing technologies in products by going beyond the basic environmental regulatory compliances. The Company continuously strives to improve the sustainability performance of its product on life cycle basis. At the sourcing stage, the Company works with its suppliers to reduce the environmental impacts by using returnable and recyclable packing solutions for majority of the components thereby managing the cost and quality, minimizing material utilization and waste generation. Through the Sustainable Supply Chain Initiative, the Company also encourages its suppliers to implement rainwater harvesting and install renewable energy at their facilities.

   (b) **Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

   The class leading fuel efficiencies of the Company's vehicles enable the customers to achieve reduction in fuel consumption which also translates into cost savings. The REVOTRON engine epitomizes the Fuel-Next philosophy of the Company, which is developed using a range of eco-friendly and future oriented technologies. It is also integrated with the latest know-how like multi drive modes, allowing the best of economy and driving pleasure. The Company's value proposition in the commercial vehicles is aimed to create vehicles with lowest overall cost of ownership.

3. **Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably?**

The Company has formulated the Environmental Procurement Policy and Sustainability Policy to engage with its value chain partners on sustainability. The Supplier Code of Conduct provides the foundation for inculcating sustainable business practices for suppliers and addresses topics such as regulatory compliance, prevention of bribery and corruption, protection of human rights, health and safety, environment etc. The Company continued to work with its vendors and suppliers to ensure sustainable sourcing and launched a Sustainable Supply Chain Initiative in FY 2017. Through this initiative the Company aimed to firstly create awareness on the subject, call for suppliers' sustainability data and subsequently conduct a site assessment for data verification. The Company has established 'Sustainability Guidelines for Suppliers' covering key topics like governance, legal compliance, TCoC, Management system certification, transparency & reporting, occupational health and safety, labour and human rights. As on 31st March 2021, 388 suppliers were covered under this initiative.

The Company further extended this initiative to the downstream and initiated the Dealers Sustainability Initiative in FY 2019. The Dealer Code of Conduct and the Dealer Sustainability Guidelines were developed to guide dealerships to improve their sustainability practices. A total of 237 dealers were covered and benefited from such workshops. As on March 31st 2021, 98 dealerships were assessed under this initiative.

The Company noted that significant initiatives have been taken to reduce the packaging impacts in the supply chain by using recycled/ returnable packaging solutions for various components.

4. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

During the year, the Company procured 67.49% of the materials (by value) from local sources, where local is defined as the State in which the manufacturing plant is established.

The Company took significant initiatives to enhance the capabilities of local and small vendors. As outlined in the Sustainable Supply Chain Guidelines, the Company expects all its suppliers & dealers to adopt the IATF Quality Management System, Environment Management Systems and Occupational Health & Safety Management Systems. As well as a part of the Sustainable Supply Chain Initiative, the suppliers are invited to capacity building workshops on sustainability that provide training on different topics such as governance, legal compliance, TCoC, Management system certification, transparency & reporting, Occupational Health and Safety, labour and human rights. The Company also encourages its suppliers to implement rainwater harvesting and install renewable energy at their facilities.

5. **Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

The Company adopted the principles of Reduce-Reuse-Recover to enable us to manufacture products with materials, 85% of which can be recycled thus minimizing the pressure on natural resources. The recyclability quotient of the products is continuously monitored by the Research and Development Team and verified by European VDA agency. The Teams monitor the supply chain and purchase work in tandem with the Company's Engineering and Research Team to identify and source materials that are more sustainable from total life cycle perspective i.e. recyclable and renewable. The waste generated during manufacturing was managed as per regulatory requirements.

The Company has embedded the principles of Circular Economy in its operations through Reduce-Reuse-Recover initiatives. Tata Prolife Business Division remanufactures auto components which have reached the end of their useful life. Aimed at commercial vehicles, Tata Prolife extends the life of engine long blocks through systematic overhaul which lead to optimum performance which also added to the life of the products. During FY 2020-21, a total of 21,574 engines were reconditioned. Remanufacturing not only leads to material savings but also reduces associated energy and water consumption as well as the emissions generated from procurement of raw material required for new engine.

Principle 3: Employee Wellbeing

1. **Please indicate the Total number of employees.**

   50,837 as on 31st March, 2021 (Includes Permanent, Temporary, trainee and contractual employees)

2. **Please indicate the Total number of employees hired on temporary/ contractual/ casual basis.**

   36,401 as on 31st March, 2021

3. **Please indicate the Number of permanent women employees.**

   1,034 as on 31st March, 2021

4. **Please indicate the Number of permanent employees with disabilities**

   98 as on 31st March, 2021. These employees represent self-disabilities and self-severe disabilities

5. **Do you have an employee association that is recognized by management?**

   Yes, the Company have employee associations in all plants/ commercial sites i.e., Pune, Lucknow. Jamshedpur, Sanand, Mumbai, Pantnagar, excluding Dharwad plant, for its permanent workmen.

6. **What percentage of your permanent employees is members of this recognized employee association?**

   99.50% of permanent workmen are part of employee associations recognized by Management. This does not include permanent white-collar staff.

7. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

Sr. No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1.	Child labour/forced labour/involuntary labour	Nil	Nil
2.	Sexual harassment	01	Nil
3.	Discriminatory employment	Nil	Nil

8. **What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year**

   a. **Permanent Employees**

   b. **Permanent Women Employees**

   c. **Casual/Temporary/Contractual Employees**

   d. **Employees with Disabilities**

   Safety has always been of paramount importance to the Company. Safety training formed part of the 'Induction Programme' and was provided to all employees. The safety induction programme is compulsory for contract workforce prior to their inducted into the system. Training and Capability Building across organization is considered as a key element of Safety Processes. During the year, aspects such as Safety Management Fundamentals, Incident Investigations, Contractor and Vendor Safety Management, Actions Employees Can Take ('AECT'), Safety Standards etc. were imparted through the training programme to all employees, contractors and vendors. The Company achieved 10.41 training man-hours per employee and 11.03 training man-hours per contractor in FY 2020-21 for 7 manufacturing plants.

   The belief to impart continual learning of its employees, had institutionalized continual learning model for skill upgradation, especially at the shop-floor level. The learning and development needs of Management cadre employees were met through the Company's L&D structure which included various training delivery mechanisms.

   Following are the details of the training provided on POSH, TCoC and Equal Opportunity policy:

Course Title	Number of employees covered	Total hours of training for FY 2020-21
Prevention of Sexual Harassment (POSH) e-learning module	13,162	26,208
Tata Code of Conduct_2015	203	452.5
Diversity & Inclusion (Equal Opportunity Policy)	90	16
Total	**134,55**	**26,676.50**

Principle 4: Stakeholder Engagement

1. **Has the company mapped its internal and external stakeholders?**

   Yes, the Company identified its internal and external stakeholders. Stakeholders' views and suggestions are incorporated into business strategies. The Company engages with different stakeholder groups which helps in identifying the critical issues that needed immediate attention. In FY 2020-21, a detailed stakeholder engagement was conducted to understand key material topics.

2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?**

   Yes. The Company's Affirmative Action (AA) Policy is specially designed to address the socially disadvantaged sections of the society i.e. Schedule Castes (SCs) and Schedule Tribes (STs). Within the broader stakeholder group of communities, the Company's programmes are mainly driven towards women empowerment and education of children. The Company participated in Tata Affirmative Action Program (TAAP) Assessment, developed on the lines of TBEM.

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.**

   The Company's CSR programmes and projects are aimed at serving the needy, deserving, socio-economically backward and disadvantaged communities, to improve the quality of their lives. Under TAAP, the Company continued to serve the SCs and STs communities inter alia in Education, Employability and Entrepreneurship.

   In FY 2020-21 the Company touched 7,53,694 lives of which 45% belong to the SCs and STs communities. The health initiatives touched 3,82,888 lives, Education 1,16,893 lives, Employability 17,661 lives, environment awareness touched 90,575 lives and Rural Development 8,876 lives. The Company also responded to COVID 19 pandemic by providing relief to 1.4 lakh vulnerable community across plant locations (beneficiary count included under health initiatives).

   The Company also planted 1,10,101 saplings. The Company's employees and their family members also volunteered 38,400 hours for social activities.

   The Company believes in creating an inclusive society and has instituted Affirmative Action under the brand called Adhaar. The AA Policy enables positive discrimination for SCs and STs in case of Employment and Entrepreneurship and higher coverage in CSR programmes. The CSR strategy clearly spells out a due share of 40% beneficiary coverage and budgetary allocation to AA communities. The initiative falls under the direct purview of the CSR Committee of the Board and is championed by Senior Management across all plants. In FY 2020-21, about 45% of the beneficiaries belong to the SCs and STs category.

Principle 5: Human Rights

1. **Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/Others?**

   The Company respects human rights, which is an integral part of TCoC. The Company has formulated a Policy on Human Rights. The Company encouraged and set expectations for its suppliers, vendors, contractors and other business partners associated to adhere to principles of human rights laid out in TCoC, Supplier Code of Conduct, and Sustainability Guidelines for Suppliers & Dealers.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

   In FY 2020-21, 133 concerns have been received towards actual or potential violation of TCoC, of which 95 of the complaints were satisfactorily resolved as at March 31, 2021.

Principle 6: Environment

1. **Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/ NGOs/others.**

   The Company has formulated an Environmental Policy which is available on the website for all stakeholders.

   The Company also has an Environmental Procurement Policy which is applicable to all its vendors, contractors and service providers.

   Sustainability has been built into the Company's business processes through the well-defined Sustainability Policy. This Policy reaffirms value system commitments to integrate environmental, social and ethical principles into the Company's business and innovated sustainable mobility solutions with passion to enhance quality of life of communities.

2. **Does the company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.**

   Yes, the Company has established a Climate Change policy which guides the organizational efforts towards mitigating and adapting to climate change. The Company's approach towards climate change mitigation and pursuing low carbon growth is three-folded – develop cleaner and more fuel-efficient vehicles, reduce environmental impacts of manufacturing operations and build awareness among stakeholders.

   The Company continuously contributed to develop alternate fuel technologies like electric vehicles, hybrid vehicles and fuel cell technologies. The Company has been working on mitigation of transition risk with climate scenario below 2ºC and plans to establish Science Based Targets. The climate change strategies, objectives and targets are aligned to minimize carbon emissions from the products, operations and value chain.

   i. **Product development:** Carbon emissions could be minimized from products by developing clean products running on alternative energy sources, as more than 70% of the carbon emissions are typically accounted during the use-phase of the automobile product. The CAFE (Corporate Average Fuel Efficiency) Regulations were implemented in all our vehicles, while being abreast with the latest technologies to meet the future regulatory changes. The Company has accelerated working on advance technology which would help reduce carbon emissions to a great extent. Introduction of hybrid buses, electric cars and other alternate fuel technologies are coherent with our ambitious plans to design and deliver smart and sustainable mobility solutions for the future.

   ii. **Manufacturing Operations:** The focus was on improving energy efficiency and maximizing use of renewable energy sources, thereby minimizing carbon emissions at the manufacturing plants

   iii. **Value Chain:** Through Sustainable Supply Chain Initiative and Dealers Sustainability Initiative, suppliers and dealers are encouraged to improve energy efficiency, reduce carbon emissions, and promote renewable energy at varied levels of the supply chain. The Company in collaboration with its suppliers endeavored for capacity building, sensitizing and reducing carbon emissions.

3. **Does the company identify and assess potential environmental risks? Y/N**

   Yes, the Sustainability Policy and Environmental Policy guides the efforts in minimizing environmental impacts and continually improve its environmental performance. Environment and climate related risks and impacts are key priorities to the business and the Company has comprehensive strategies in place.

   The Company has adopted a holistic Life Cycle Assessment approach to identify and minimize potential environmental risks and impacts across its lifecycle from sourcing to end of life. All Indian manufacturing plants have been certified to Environmental Management Systems (EMS) as per ISO 14001.

4. **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**

   None of our plants have undertaken Clean Development Mechanism projects during FY 2020-21.

5. **Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc.? Y/N. If yes, please give hyperlink for web page etc.**

   The Company continued to work on improving energy efficiency, clean technology and increased consumption of renewable energy in line with its aspiration to RE100 - a collaborative, global initiative of influential businesses committed to 100% renewable electricity.

The Company sources off-site renewable energy at its plants through Power Purchase Agreements (PPA) with Third Party Wind & Solar Power Generators. The Company plans to continue to source off-site renewable power in line with regulatory policies / frameworks and tariffs in the States of operation. These efforts will continue to help offset Green-House Gas (GHGs) emissions in the coming years.

The Company endeavors to enhance competitiveness of BS-VI vehicles by deploying well-crafted strategy and offer wide range of vehicles with best-in-class TCO (Total Cost of Ownership) and profitability to the customers. The Company is closely working with other Tata group companies to create an e-mobility ecosystem, Tata UniEVerse. The aim was to leverage the collective strengths and experiences to create a viable environment to drive the adoption of EVs in India.

Please refer to Annexure 3 of the Board's Report in Integrated Annual Report 2020-21 for details on the Company's energy efficiency and cleaner production initiatives.

6. **Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

- The manufacturing plants in India possess current and valid 'Consents to Operate' and 'Hazardous Waste Authorizations'. Out of 9 plants, 3 plants are in the process of renewing these operating permits from the respective Pollution Control Boards of the States where they operate.
- The Company has established robust systems for Operation & Maintenance of pollution control facilities and monitor compliance with permissible norms through in-house laboratories and also through Government Recognized and National Accreditation Board for Testing & Calibration Laboratories (NABL) approved laboratories. All the plants are compliant within the permissible limits prescribed by Central Pollution Control Board (CPCB) and State Pollution Control Boards (SPCBs) for air emissions, effluent quality and discharge, and hazardous waste disposal.
- SPCBs periodically monitor the pollution control facilities at the Company's plants.

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

There are no Show Cause Notices / legal notices from CPCB/SPCBs pending resolution by the Company as on end of FY 2020-21.

Principle 7: Policy Advocacy

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

i. The Company actively participate in all WP29 UNECE group activities.

ii. The Company also participated in the following National Committees which are working on formulating policies and regulations for improvement of environment including GHG reduction throughout the country;

I. Standing Committee on Emissions Legislation (SCOE)

II. Sub-committee on Idle (CO & HC) emission norms of Union Ministry of Shipping, Road Transport and Highways of India, along with Automotive Research Association of India (ARAI).

III. Expert committee to define "Heavy Duty Vehicle Fuel Economy Norms for India under Ministry of Shipping, Road Transport and Highways of Government of India (GoI) & Petroleum Conservation Research Association (PCRA).

IV. Expert Committee to define "Light & Medium Duty Vehicle Fuel Economy Norms for India under Ministry of Road Transport & Highways of Government of India, Ministry of Petroleum & Natural Gas (MoPNG) & Petroleum Conservation Research Association (PCRA)

V. Expert committee on Fuel Economy and Labeling of Passenger Cars under Bureau of Energy Efficiency under Ministry of Power (GoI) & Ministry of Road Transport & Highways.

VI. Interministerial committee for upcoming emission norms (BSVI) including Real World Driving Emissions (RDE) & Portable Emission Measurement System (PEMS) for Motor Vehicles of Ministry of Shipping, Road Transport and Highways, Ministry of Heavy Industries, Ministry of Petroleum & Natural Gas (GoI).

VII. Ministry of New & Renewable Energy, GoI, is promoting and assisting technology development for GHG reduction by way of increased usage of Biodiesel. The Company is engaged in this initiative of GoI and currently running number of engine and vehicle programs to commercialize usage of Biodiesel as soon as the same is made available to the general public by oil marketing companies.

VIII. Working Group on Energy for Sub-Group on DST's XIIth plan on Technology Development Program (TDP).

IX. National Electric Mobility Mission Plan - actively participating in forming hybrid performance criteria along with SIAM-FTG group and helped government to launch FAME scheme.

X. Participation in all the panel meetings pertaining to emissions, fuel economy, conventional & non-conventional fuels for rules and standards formulation.

iii. The Company also participated in following National committees/ Regulatory forums for improving the road safety perspectives including safety of driver, passengers and pedestrians

I. Meetings with Hon Minister, Ministries & Joint Secretary for finalizing/discussing the safety aspects of various vehicle categories like Buses, Trucks and Passenger Cars

II. Central Motor Vehicle Rules- Technical Standing Committee (CMVR TSC)

III. Automotive Industry Standards Committee (AISC)

IV. BIS TEDC /TED Committee Meetings

V. SIAM Council & various SIAM Group Meetings (e.g. CSR, EnC, IHG, NIRC and others)

VI. AISC/TED Panel Meetings on Individual Subjects

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

The Company through various industry associations participated in advocating matters relating to advancement of the industry and public good. The Company supported various initiatives of SIAM, to name a few included aspects of product safety, alternate fuel vehicles, environment, fuel policies, customer information and education. The Company's Sustainability Policy and AA Policy is a progressive step towards inclusive development.

Principle 8: Inclusive Growth

1. **Does the company have specified programmes/initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.**

Inclusive growth is at the core of the Company's community development strategy. Ankur, the Company's community engagement strategy, has been percolated to each manufacturing plant through a detailed community development plan. The Plant specific plan, addressed the local needs while the Corporate Cell addressed a few Company-wide strategic community development initiatives like driver training, etc. The initiatives were primarily focus on Arogya (Health), Vidyadhanam (Education), Kaushalya (Employability), Vasundhara (Environment) and Rural Development Plan. Seva, the Employee Volunteering Initiative provided the Company's employees with a platform to form part of such community initiatives. The Company along with its employees also supported Sumant Moolgaonkar Development Foundation (SMDF) towards implementation of Amurtdhara, a National Drinking Water Project to provide safe drinking water to communities. Through adoption of AA Policy, the Company direct efforts toward inclusion of socially disadvantaged and marginalized sections of society (SCs and STs), through focus on Education, Health, Employability and Entrepreneurship.

Please refer the Company's 'Annual CSR Report 2020-21 for detailed community engagement strategy and key initiatives.

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?**

The CSR programmes and projects are deployed by the Company directly; through its own company-promoted societies/ NGOS; partnering with the Government and collaborating with reputed, external non-profit organizations under different models.

Area	Partners Involved
Education	Swami Vivekananda Youth Movement, YMCA, Urmee Charitable Trust, Tata Institute of Social Sciences – Prayas, Tata Institute of Social Sciences - Fellowship, Ramkrishna Mission, Sakwar, Foundation for Academic Excellence and Access (FAEA), Navneet Foundation, Indian Institute of Technology- Gandhinagar, Avanti Fellows, Ex Navodayan Foundation, Shaswat Trust Junnar, Ganatar, Astittva Welfare Foundation, Moinee Foundation, College of Engineering ,Pune, Swaroopwardhinee, Samata Shikshan Sanstha, Suprabhat Mahila Mandal, Sevasahyog Foundation,Youth Organization for Joining Action and Knowledge, Shaswat Trust Junnar Shiksha Prasar Kendra, Institute of Social Development
Employability	Helping hands, RABSONS Info World, JSS Shri Manjunatheshwara Pvt ITI College, Canara Bank Deshpande Rural Development Self Employment training Institute, Pratham Education Foundation, Ramkrishna Mission Sakwar, Skills for Progress, Fr Agnel, Dharti Charitable Trust, Sanand Education Trust, MITCON Foundation, Ador welding academy pvt.ltd., Yashaswi academy for skills, Ambika Motor Driving School, Fr Angel Institute of Technical Training & Entrepreneurship Development, Shaswat Trust Junnar, Ayush Motor Driving, Vikas Samities, Samaj Vikas Kendra, Institute of Social Development
Health	Family Planning Association Of India, Niramaya Health foundation, Ramkrishna Mission, Sakwar, LTH Silver Jubilee Research Foundation, Yugrishi Shriram Sharma Acharya Charitable Trust, Manav Seva Trust, Namaste Life, Dharti Charitable Trust, Sneh Foundation, Snehdeep Janklyan Foundation, Unik Medicare Solution, Parivar Kalyan Sansthan, Nav Jagrat Manav Samaj, Jan Parivar Kalyan Sansthan, Paryavaran evam jan kalyan samite, Institute of Social Development, Sumant Moolgaonkar Development Foundation.
Environment	Bombay Natural History Society, Vasundhara Public Charitable Trust, BAIF INSTITUTE FOR SUSTAINABLE LIVELIHOOD AND DEVELOPMENT, Manav Seva Trust, Dharti Charitable Trust, Astittva Welfare 1yrFoundation, Terre Policy Center, Wildlife research and Conservation Society, Institute of Social Development, PAN Himayalan grassroots Development foundation, Paryavaran evam jan kalyan samiti
Rural Development	Baif Institute For Sustainable Livelihood And Development, Gram Vikas Kendra and Government of Maharashtra

Please refer the Company's 'Annual CSR Report 2020-21' for details on various community development programme partnerships.

3. **Have you done any impact assessment of your initiative?**

Yes. The Company periodically conducts impact assessments of implemented initiatives, which are conducted either by its NGO partners or third party such as BSILD (erstwhile BAIF), TISS and KPMG. Frameworks like Social Impact Assessment, Social Return on Investment (SROI) are conducted and the outcome forms a critical input to the community development plan preparation and implementation.

Please refer the Company's 'Annual CSR Report 2020-21' for details on community impacts created and assessed.

4. **What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?**

Total expenditure reported is ₹23.99 crores.

The actual spent towards CSR initiatives and programmes amounts to ₹23.68 crores and administrative overheads amounts to ₹31 lakhs.

The details of projects:

1. **Arogya (Health)** build awareness on malnourishment and other health problems in the community, provides ferry mobile medical van to look into curative and preventive health care.
2. **Vidyadhanam (Education)** support infrastructure development, skills development, training and institutionalized need-based scholarships.
3. **Kaushalya (Employability)** Industrial Training to school dropout youth in auto sector, non-auto trades, agriculture and allied activities.
4. **Vasundhara (Environment)** large scale sapling plantation, construction of water conservation structures and building awareness about environment and renewable energy sources.

   Please refer the Company's 'Annual CSR Report 2020-21' for details on various community development programme undertaken.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

   Yes. The Company adopted a collaborative and participatory approach with communities/beneficiaries in conceiving and deploying CSR projects. Partial beneficiary contribution were sought, wherever feasible, for project deployment / asset creation and maintenance to have greater ownership of the projects - which the Company believed was crucial for sustainability of these initiatives. Training and capacity building of communities and relevant stakeholders to successfully adopt and carry forward these initiatives was done from time to time.

   Please refer the Company's 'Annual CSR Report 2020-21' and 'Community Development' section of Tata Motors Sustainability Report 2020-21 for details on various community development programme undertaken.

Principle 9: Customer Value

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

   The Company has provided customers with the best in class after sales service. The Company heard its customers through various mode such as 24X7 call center toll free no., website, social media, Tata Motors Service Connect App.

   The Company's services are founded on three core 'Service Promises' – 'Responsive', 'Reliable' and 'Best value'. A host of distinctive facilities and services were being offered to deliver each of these promises to its customers across the worldwide service network.

	Passenger Vehicle Business Unit	Commercial Vehicle Business Unit	Total
Percentage of Consumer Cases Pending as on 31st March 2021	1.85	0.19	0.197

2. **Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/N.A./ Remarks (additional information)**

   The Owner's Manual document for all products contains important product information, instructions for safe and fuel efficient use of vehicle and customer support details. The Company also engages with its customers on fuel efficiency and fuel efficient driving practices during the use-phase. Safety Ratings of products are provided on brochures and on the Company's website.

   The Company has developed online resources for Channel Partners (Dealers, Distributors, TASS's, and Retailers etc.) and Key Account Customers to have access to Online Electronic Parts Catalogues to easily identify required spare parts.

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so**

   In the Auto Parts Case, the Company and the other Auto Manufacturers have filed SLPs in the Supreme Court (SC) against the order of the Delhi High Court. The SLPs have been admitted by the SC and there is an interim stay operating in the matter. The matter shall now be listed in due course before the SC for further hearing.

   A dealer of commercial vehicles from Varanasi viz. Varanasi Auto, whose dealership was terminated by the Company on the ground of non-performance has filed a petition before the Competition Commission of India (CCI). During the preliminary enquiries being made by CCI, another dealer from Nasik viz. Kanchan Motors also filed an information making the similar allegations. On May 05, 2021, CCI passed an order directing the investigation against the Company. The Company is reviewing the CCI's order and engaging with counsels to take steps suitably.

   The Company was asked to pay ₹3.5 lakh for misleading advertisement on mileage – the Company has filed an appeal before the SC against the order of National Commission (NCDRC). On December 11, 2020, the SC has granted a stay, on the ground that NCDRC had failed to take into account the fact that the customer in the said case was applying the certified mileage indicated for diesel vehicles to petrol vehicle purchased by him which was factually incorrect. The matter shall now be listed in due course before the SC for further hearing.

4. **Did your company carry out any consumer survey/ consumer satisfaction trends?**

   Regular customer satisfaction surveys are conducted to assess customer satisfaction levels. Customer Centricity has been intrinsic to our culture. The Company continuously strived to provide best services to enhance our customer engagement. Customer service quality is met through integration of our Customer Relationship Management and Dealer Management System (CRM – DMS).

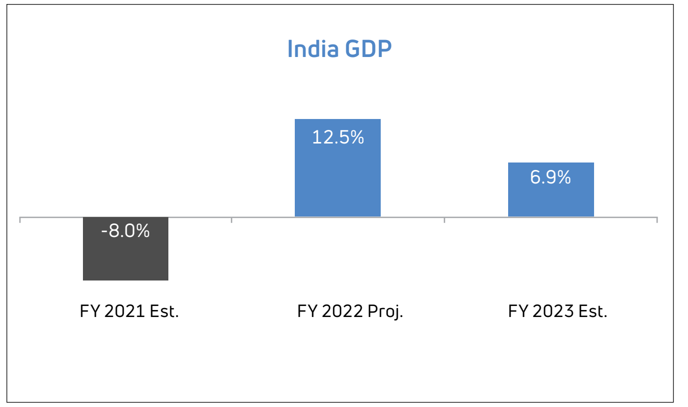
   Internal customer satisfaction surveys are conducted for all the commercial vehicle channel partners across the country. Feedback is captured for repair quality, staff behavior, cost efficiency and timely delivery. During the year, a satisfaction score of 92.37% was achieved.

   Post Service Feedback surveys are also conducted for the passenger vehicles customers who visit workshop for service. Feedback is captured through Call center calling, TMSC App and Khushi BOT. Surveys are carried to capture service quality, service initiation, facility, manpower behavior, timely delivery and cost efficiency. During the year, the score was 898/1000.

MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMY OVERVIEW

INDIA



According to the National Statistical Office ("NSO"), India's GDP is estimated to contract by 8.0% in FY 2020-21. To control the spread of the COVID-19 pandemic, India had imposed severe lockdowns in April and May 2020 resulting in curtailment of economic activities. As a result of the lockdowns, India's GDP contracted by 24.4% in the first quarter of FY 2020-21. As lockdown restrictions were gradually eased from June 2020, the economy witnessed a strong V-shaped recovery. The recovery in economy is resilient with sustained improvement in majority of high frequency indicators. The Purchase Manager's Index manufacturing index was at 55.4 in March 2021 compared to 51.8 in March 2020. Based on data provided by the NSO, gross value added at basic prices for FY 2020-21 from the manufacturing sector is estimated to decline by 6.4% compared to FY 2019-20. Sector-wise, agriculture has remained the silver lining while contract-based services, manufacturing, construction were hit hardest, and have been recovering steadily. Government consumption and net exports have further provided support in the recovery. As per International Monetary Fund ("IMF") projections in March 2021, Indian economic growth is estimated at 12.5% in FY 2021-22 and 6.9% in FY 2022-23.

India has been severely affected by a second wave of the COVID-19 and hospitals in several states are, as of the state of this annual report, still reeling under the shortage of health workers, vaccines, oxygen, medicines and beds. Several states have introduced varying levels of curbs on economic activity and public movement to stop the spread of the virus, which are mostly being reviewed and extended on a weekly or fortnightly basis. The respective state governments are imposing restrictions as they are witnessing surges in the COVID-19 cases. We are expecting a weaker first quarter in FY 2021-22 on account of supply disruptions and COVID-19 pandemic in India. We expect gradual sequential recovery as supply chain and COVID-19 situations improve.

The RBI announced rate cuts in FY 2019-20 to revive growth and mitigate economic impact of the COVID- 19 pandemic. The repo rate remains unchanged at 4% and the RBI is continuing with its accommodative stance and will continue if necessary, to sustain growth on a durable basis and continue to mitigate the impact of the COVID-19 pandemic on the economy, while ensuring that inflation remains within the target going forward. To provide liquidity support and strengthen public in general in their fight against COVID-19 pandemic, the RBI Governor announced "on tap liquidity" to the public in general. Considering the present situation of the medical infrastructure in the country, banks are encouraged to provide fresh lending support to a wide range of entities including vaccine manufactures, importers and suppliers of vaccines and priority medical devices, hospitals/dispensaries, pathology labs, manufactures and suppliers of oxygen and ventilators, importers of vaccines and COVID-19 related drugs, logistics firms and patients for treatment. The RBI also announced certain relaxations in overdraft ("OD") facilities of state governments to better manage their fiscal situation in terms of their cash-flows and market borrowings. Accordingly, the maximum number of days of OD in a quarter is being increased from 36 to 50 days and the number of consecutive days of OD from 14 to 21 days will be available until September 30, 2021.

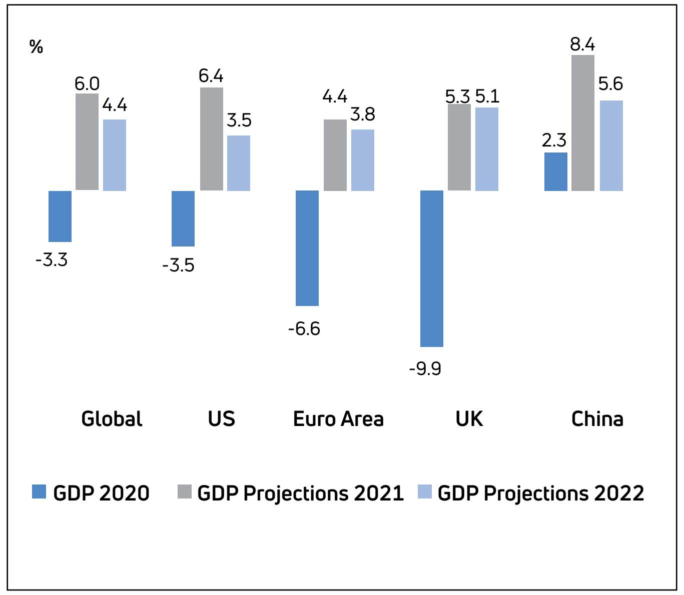
The automobile industry recovered slightly in FY 2020-21 due to the resurgence of the economy. According to data released by SIAM, in FY 2020-21, the Indian automotive industry recorded a 6.1% decline in domestic sales compared to a 20.3% decline in FY 2019-20. The Passenger Vehicle segment declined 2.0% in FY 2020-21, compared to a 17.3% decline in FY 2019-20. While overall industry sales were lower than in FY 2019-20, the trend of preference towards personal mobility reduced the overall impact of the slowdown. The Commercial Vehicle industry in India registered a 21.7% decline in FY 2020-21 compared to a 30.0% decline in FY 2019-20, because of the COVID-19 pandemic, lower freight utilizations, difficulties in obtaining financing and some hesitation due to rising costs for BS VI vehicles.

The demand for Passenger Vehicles has grown in FY 2020-21 on the back of some pent-up demand but more importantly a structural shift in personal mobility preference arising out of an urge to break free in the aftermath of the restrictions in travelling during the COVID-19 pandemic situation as well as resurgence in the rural markets. Passenger car sales are dominated by small and mid-sized cars. With the shutdown of all non-essential services accompanied by liquidity and cash crunch, the demand for Commercial Vehicles was severely impacted in the first half of FY 2020-21.

While there are short term challenges on account of COVID-19 pandemic, Commercial Vehicle industry is likely to rebound and show recovery after witnessing two consecutive years of double digit de-growth. Demand for Commercial Vehicles, particularly Medium and Heavy Commercial Vehicles, is likely to also benefit from various government initiatives to help revive the economy. Demand for Commercial Vehicles, particularly Medium and Heavy Commercial Vehicles, is likely to also benefit from various government initiatives to help revive the economy.

The Government of India has encouraged foreign investment in the automobile sector and has allowed 100% foreign direct investment ("FDI") under the automatic route. Focus is now shifting to electric vehicles to reduce emissions. Under union budget 2019-20, the Government of India has also provided an income tax deduction of ₹1.50 lakhs on interest paid on loan taken for purchase of electric vehicles. Government of India has shown strong intent of driving EV adoption in last few years and have introduced several policy interventions.

WORLD



Economic Growth: Global activity is estimated to have contracted 3.3% in 2020 because of COVID-19 pandemic. Given the unprecedented nature of the pandemic, prospects for the global economy are uncertain, and several growth outcomes are possible. Global growth is estimated at 6.0% in 2021 and is projected to stabilize further at 4.4% in FY 2022. Among advanced economies, the United States is expected to surpass its pre-COVID GDP level this year, while many others in the group will return to their pre-COVID levels only in 2022. Similarly, among emerging market and developing economies, China had already returned to pre-COVID GDP in 2020, whereas many others are not expected to do so until well into 2023. Most commodity prices rebounded in the second half of FY 2020-21. However, the pickup in oil prices lagged the broader recovery in commodity prices due to the prolonged impact of the pandemic on global oil demand. Oil demand fell 9% last year, the steepest one-year decline on record because of pandemic-control measures and the associated plunge in global demand, which was partly offset by historically large production cuts among OPEC+ (Organization of the Petroleum Exporting Countries), as well as Russia and other non-OPEC oil exporters.

Commodities: There has been significant increase in steel prices over the last one year. Base metal prices were, on net, broadly flat in the calendar year 2020, as sharp falls in the first half of the year were followed by a strong recovery in the second half due to rising demand from China. Prices of commodity items used in manufacturing automobiles, including steel, aluminium, copper, zinc, rubber, platinum, palladium and rhodium, have become increasingly volatile in recent years. Semiconductor shortages have also impacted the auto industry adversely. Many major automotive companies have been experiencing a shortage of semiconductors, used in the production of automotive chips and charging or other components of electric vehicles.

Major semi-conductor suppliers have been operating at reduced capacity for the past year due to proactive local government actions in response to the spread of COVID-19, causing a global shortage of semiconductors supply.

Post COVID-19 pandemic, automakers reduced their production and semi-conductor orders too, which also worsened the situation.

China: Growth in China decelerated to 2.3% in year 2020 which was still above the previous projections helped by the country's effective control of the COVID-19 pandemic and public investment-led stimulus. For most of last year, China's import growth lagged a rebound in exports, contributing to a widening current account surplus. Accommodative fiscal and monetary policies led to a sharp increase in the government deficit and total debt. Fiscal policy support, which initially focused on providing relief and boosting public investment, is starting to moderate. Growth in China is forecast to pick up to 8.4% in 2021 which is above previous projections due to the release of pent-up demand, lower base and moderate to 5.6% in 2022 as deleveraging efforts resume. Even as GDP growth returns to its pre-pandemic level in FY 2021, it is still expected to be approximately 2% below its pre-pandemic projections by 2022, with the crisis accentuating pre-existing vulnerabilities and imbalances. Following a sharp contraction, the Chinese economy returned to growth during the middle of 2021, albeit at an uneven pace. Industrial production has recovered much faster than consumption and services. Import growth has lagged, but there was a rebound in exports, which also contributed to a widening of the trade and current account surpluses. Industrial profits have improved, and government revenue has been strengthening.

Tensions between the United States and China remain elevated on numerous fronts, including on international trade, intellectual property, and cybersecurity. Domestic economic disparities arising from the pandemic downturn may also prompt new trade barriers, motivated by the need to protect domestic workers. Furthermore, risks of protectionist tendencies surrounding technology are emerging. Protectionist tendencies could extend to medical supplies and COVID-19 pandemic related pharmaceutical APIs, which would impede the global supply of vaccines and medicines.

United States: The decline in the U.S economy in the first half of year 2020 was nearly three times as large as the peak decline during the global financial crisis, underscoring the depth of the recession. U.S output fell by 3.5% in 2020. Although the COVID-19 pandemic's economic impact was not as severe as envisioned in previous projections, last year's contraction was more than one percentage point larger than that of 2009. Substantial fiscal support to household incomes far exceeding similar measures delivered during the global financial crisis contributed to a robust initial rebound in the third quarter of 2020, which was subsequently cut short by a broad resurgence of the pandemic. Growth in the U.S is forecast to recover to 6.4% in FY 2021, held down in the early part of the year by subdued demand amid renewed restrictions and a broad-based resurgence of the COVID-19, pandemic. Activity is expected to strengthen in the second half of this year and firm further next year, as improved COVID-19 management aided by ongoing vaccination allows for an easing of pandemic-control measures. At $1.9 trillion, the Biden administration's new fiscal package is expected to deliver a strong boost to growth in the United States in FY 2021 and provide sizable positive spillovers to trading partners. Debt service costs are expected to remain manageable across advanced economies, thanks to the relatively large fraction of their debt burden covered by long-term and sometimes negative-yielding bonds. Fiscal support in emerging market and developing economies has been more limited, and deficits are generally expected to decline as revenues improve and crisis-related expenditures unwind with the projected economic recovery. Higher debt service costs are also expected to constrain their ability to address social needs, including rising poverty and growing inequality, or to correct the setback in human capital accumulation during the crisis.

Europe: Economic activity in Europe has deteriorated significantly due to the widespread virus outbreak. In Europe, following the historic pandemic-induced collapse, an emerging rebound in economic activity in the third quarter of last year was cut short by a sharp resurgence of the COVID-19 pandemic, which prompted many member countries to re-impose stringent lockdown measures. Against the backdrop of a historic recession, the policy response has been far-reaching and sustained. National fiscal support packages were bolstered by grants from the European Union to the hardest-hit member countries, which are expected to support activity starting in FY 2021. The European economy declined by 6.6% in 2020 and growth is expected to rebound to 4.4% in 2021 owing to improved COVID-19 management, an initial vaccine rollout, and rising external demand, particularly from China.

United Kingdom: The International Monetary Fund ("IMF") raised its forecast for British economic growth which is set to outpace the euro zone this year after its slump in 2020 but is unlikely to regain its pre-pandemic size until sometime in 2022. The IMF said the UK economy would grow by 5.3% in 2021, up from a previous forecast of 4.5% it made in January 2021, helped by the country's fast COVID-19 vaccination program and a latest round of stimulus by the government. The UK has suffered Europe's highest COVID-19 death toll and its economy shrank by almost 10% last year, the worst performance among the region's big economies except for Spain. But it has moved more quickly than almost all other countries with its coronavirus vaccination program. Almost half the total population of the United Kingdom had a first jab of the vaccine. For 2022, the IMF raised its forecast to British economic growth slightly to 5.1% which would be the strongest expansion among Europe's big economies next year, according to the IMF.

(Source: RBI, World bank, IMF, etc.)

COVID-19 Pandemic and managing workforce

At Tata Motors, the health and safety of our employees has always been our top priority. We have taken several proactive measures to ensure the safety of our employees and their families and offer them support as we navigate the COVID-19 pandemic. We moved our office operations into work from home model and enabled employees with all the tools to keep up their productivity. We launched a health portal where in employees' check in and declare the status on their and their family's' health. This information has enabled our Medical team to reach out to those who needed help and provide them support. In addition to this, we have also launched 'Employee Assistance Program', a confidential counselling service for employees and members of their families to foster their emotional well-being.

During Restart phase, dedicated 'Restart' teams at each location curated detailed guidelines and conducted intensive trainings for maintaining social distancing at all workplaces, shop floors and canteen facilities. We restarted our operations at select plants and dealership with limited, essential staff in each plant, adhering to all mandated safety norms while efficiently meeting operational requirements. Gradually we scaled up our operations with entire ecosystem of suppliers, vendors, dealers and customers coming up to speed.

At Jaguar Land Rover, the health, wellbeing and safety of its people and partners remains their utmost priority. Working with Public Health England, JLR were one of the first businesses and the largest in the UK, to introduce on-site Covid-19 testing. All of JLR's facilities benefit from effective social distancing, hygiene and health monitoring protocols and every one of its UK employees has been equipped with reusable face coverings. Furthermore, Jaguar Land Rover took part in a ground-breaking pilot scheme in partnership with Public Health England, where approximately 4,500 JLR employees were vaccinated against Covid-19 over a 10 day period, at JLR's Solihull manufacturing site in the West Midlands. Jaguar Land Rover's global retailer network were inevitably impacted during the pandemic but maintained sales channels through innovative remote solutions such as a 'click and delivery' arrangements.

COVID-19 Pandemic and its impact on Financials

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, the Company's manufacturing plants and offices had to be closed down / operate under restrictions for a considerable period of time during the year and post year end. Lockdowns / restrictions have impacted the Company operationally including on commodity prices, supply chain matters (including semiconductor supplies), consumer demand and recoveries of loans under its vehicle financing business. More recently, the next wave of the pandemic has impacted India and 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 the COVID-19 pandemic in the preparation of the financial results including but not limited to its assessment of the Company's liquidity and going concern, recoverable values of its property, plant and equipment, intangible assets, intangible assets under development, allowances for losses for finance receivables ,product warranty, residual value risk, lease payments, employee benefits, government grants and the net realisable values of other assets including inventory and Deferred tax asset.

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 the COVID-19 pandemic on the financial statement is subject to significant estimation uncertainties due to its nature and duration and, accordingly, the actual impacts in the 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.

Automotive Operations

Automotive operations is the Company's most significant segment, which include:

- All activities relating to the development, design, manufacture, assembly and sale of vehicles as well as related spare parts and accessories;
- distribution and service of vehicles; and
- financing of the Company's vehicles in certain markets.

The automotive operation is further divided into four reporting segments:

(i) Tata and other brand vehicles - Commercial vehicles;

(ii) Tata and other brand vehicles – Passenger vehicles;

(iii) Jaguar Land Rover; and

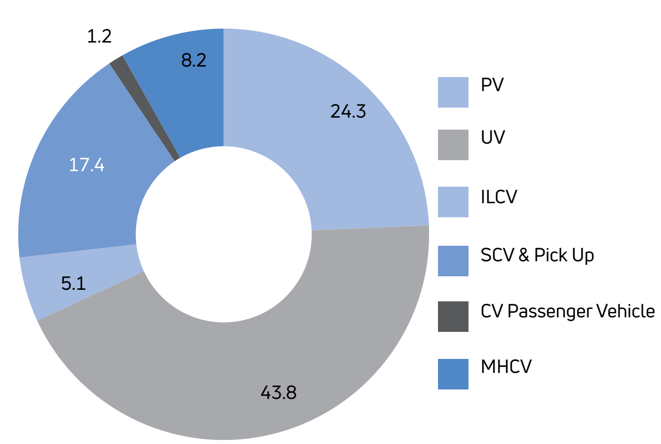
(iv) Vehicle Financing

Overview of Automotive Operations

The total sales (excluding China joint venture) for FY 2020-21 and FY 2019-20 are set forth in the table below:

	FY 2020-21	FY 2019-20
	Units	Units
Passenger cars	2,03,361	2,02,010
Utility vehicles	3,66,909	4,11,866
Intermediate and Light Commercial Vehicles	42,386	47,406
SCV & Pick Up	1,46,174	1,67,639
CV Passenger Vehicle	10,377	44,335
Medium and Heavy Commercial Vehicles	68,576	88,207
Total	**8,37,783**	**9,61,463**

Share of volumes % (FY 2020-21)



Tata and other brand vehicles

India is the primary market for Tata and other brand vehicles (including vehicle financing). During FY 2020-21, the Indian automotive sector was impacted by several challenges, including COVID-19 pandemic, subdued demand, weak consumer sentiment and supply disruptions. The COVID-19 pandemic significantly impacted our sales in India in the first quarter of FY 2020-21, although some recovery was observed beginning with the second quarter of FY 2020-21.

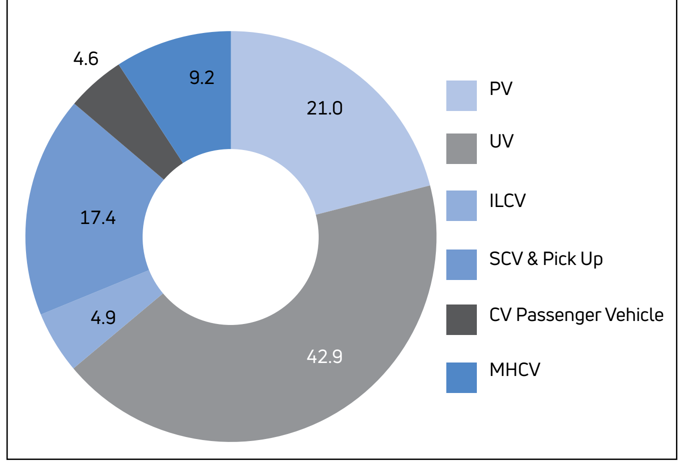
The following table sets forth our total wholesale sales worldwide of Tata Commercial Vehicles and Tata Passenger Vehicles:

	FY 2020-21		FY 2019-20	
	Units	%	Units	%
Tata Passenger Vehicles	2,22,638	45.4%	1,37,924	28.4%
Tata Commercial Vehicles	2,67,513	54.6%	3,47,587	71.6%
Total	**4,90,151**	**100.0%**	**4,85,511**	**100.0%**

Of the 4,90,151 units sold overall in FY 2020-21, the Company sold 4,63,736 units of Tata and other brand vehicles in India and 26,415 units outside India, compared to 4,48,614 units and 36,897 units, respectively in FY 2019-20.

We sold 4,90,151 units of Tata Commercial Vehicles and Tata Passenger Vehicles and 3,47,632 units (excluding wholesales from the China Joint Venture) of Jaguar Land Rover vehicles in FY 2020-21. In terms of units sold, our largest market was India where we sold 4,63,736 and 4,48,614 units during FY 2020-21 and FY 2019-20, respectively (constituting 55.4% and 46.7% of total sales in FY 2020-21 and FY 2019-20, respectively), followed by North America, where we sold 93,759 units and 1,35,766 units in FY 2020-21 and FY 2019-20, respectively (constituting 11.2% and 14.1% of total sales in FY 2020-21 and FY 2019-20, respectively).

Share of volumes % (FY 19-20)



We maintained our leadership position in the Commercial Vehicle category in India, which was characterized by increased competition during the year. The Passenger Vehicle market also continued to be subject to intense competition.

The following table sets forth our market share in various categories in the Indian market based on TML wholesale volumes:

Category	FY 2020-21	FY 2019-20
Passenger Cars	8.8%	4.2%
Utility Vehicles	7.4%	5.6%
Total PV	**8.2%**	**4.8%**
Medium and Heavy Commercial Vehicles	58.1%	57.4%
Intermediate and Light Commercial Vehicles	45.9%	47.2%
SCVs and Pick Ups	37.5%	37.9%
CV Passenger Vehicles	40.6%	40.9%
Total CV	**42.4%**	**43.0%**
Total Four-Wheel Vehicles	**14.1%**	**12.7%**

Source: Society of Indian Automobile Manufacturers Report and our internal analysis.

The following table sets forth TML total domestic wholesales and retails of Tata Commercial Vehicles and Tata Passenger Vehicles

	Wholesale Volume (in units)			Retail Volume (in units)		
	FY 2020-21	FY 2019-20	% change	FY 2020-21	FY 2019-20	% change
Tata Commercial vehicles	2,41,668	3,12,267	(22.6)	2,08,437	3,60,787	(42.2)
Tata Passenger vehicles	2,22,074	1,31,796	68.5	2,28,863	1,48,789	53.8
Total	**4,63,742**	**4,44,063**	**4.4**	**4,37,300**	**5,09,576**	**(14.2)**

Passenger Vehicles in India

Industry sales of Passenger vehicles (including vans) decreased by 2.0% to 27,09,936 units in FY 2020-21 from 27,66,512 units in FY 2019-20. The following table sets forth the breakup of the wholesale sales in various categories of TML.

	Industry Sales			Tata Passenger Vehicles Sales		
	FY 2020-21 (in units)	FY 2019-20 (in units)	% change	FY 2020-21 (in units)	FY 2019-20 (in units)	% change
Passenger Cars	15,41,968	16,95,344	(9.0)	1,35,680	71,719	89.2
Utility Vehicles	10,62,887	9,52,764	11.6	86,394	60,077	43.8
Total	**26,04,855**	**26,48,108**	**(1.6)**	**2,22,074**	**1,31,796**	**68.5**

Industry-wide sales of Passenger cars in India decreased by 9.0% in FY 2020-21, compared to a 23.6% decline in FY 2019-20, while Utility Vehicles sales increased by 11.6% in FY 2020-21 compared to marginal increase in FY 2019-20. While overall industry sales were lower than in FY 2019-20, the trend of preference towards personal mobility reduced the overall impact of slowdown. TML Passenger vehicle sales increased by 68.5% to 2,22,074 units in FY 2020-21 compared to 1,31,796 units in FY 2019-20. Tata Passenger Vehicle sales in India increased by 62.8% to 2,22,075 units in FY 2020-21 from 1,36,446 units reflecting a strong response for the New Forever Range. Retail sales marginally outnumbered wholesale sales, thereby reaffirming strong demand and thin pipeline inventory at our dealers.

In Passenger cars category, TML sales increased by 89.2% to 1,35,680 units in FY 2020-21 compared to 71,719 units in FY 2019-20. Tata-brand vehicles sales increased to 1,35,681 units in FY 2020-21, compared to 75,781 units in FY 2019-20. During FY 2020-21, we launched refreshed variants of products, including Altroz I Turbo, Altroz XM and Tiago XTA. Our market share for Passenger Cars in India was higher at 8.8% in FY 2020-21, compared to 4.2% in FY 2019-20.

In the Utility Vehicles category, TML sales increased by 43.8% to 86,394 units in FY 2020-21 compared to 60,077 units in FY 2019-20 and Tata-brand vehicles sales increased to 86,394 units in FY 2020-21 compared to 60,665 units in FY 2019-20 representing a strong demand for Tata Nexon and Tata Harrier. Our market share of Utility Vehicles in India has increased and stands at 7.4% in FY 2020-21, compared to 5.6% in FY 2019-20. In FY 2020-21, we launched Tata Safari and refreshed variants for Tata Nexon and Harrier. We launched Tata Safari in January 2021 and sold 3,855 units in FY 2020-21.

Tata Motors continued to remain market leader in electric vehicles in FY 2020-21 with a 71% share due to a strong response for Nexon EV.

Commercial Vehicles in India

Industry sales of commercial vehicles decreased by 21.7% to 5,69,307 units in FY 2020-21 from 7,26,762 units in FY 2019-20. The following table sets forth the breakup of the wholesale sales in various categories on standalone basis.

Category	Industry Sales			Tata Commercial Vehicle Sales		
	FY 2020-21 (in units)	FY 2019-20 (in units)	% change	FY 2020-21 (in units)	FY 2019-20 (in units)	% change
Medium and Heavy Commercial Vehicles	1,00,712	1,32,272	(23.9)	58,528	75,918	(22.9)
Intermediate and Light Commercial Vehicles	82,386	89,066	(7.5)	37,826	42,077	(10.1)
SCVs and Pick Ups	3,65,347	4,11,352	(11.2)	1,36,835	1,55,790	(12.2)
CV Passenger Vehicles	20,862	94,072	(77.8)	8,479	38,482	(78.0)
Total	**5,69,307**	**7,26,762**	**(21.7)**	**2,41,668**	**3,12,267**	**(22.6)**

The Commercial Vehicle industry continued to be impacted in FY 2020-21, because of the COVID-19 pandemic, lower freight utilizations, difficulties in obtaining financing and some hesitation due to rising costs for BS VI vehicles.

MHCVs in India

Sales of TML in the MHCVs category in India decreased by 22.9% to 58,528 units in FY 2020-21 compared to 75,918 units in FY 2019-20 and Tata-brand vehicle sales decreased to 58,521 units in FY 2020-21, compared to 75,848 units in FY 2019-20. The MHCV segment witnessed a sharp decline in first quarter of FY 2020-21, thereby sequentially improving quarter-on-quarter, as the economy unlocked and infrastructure projects, housing construction and mining segment picked up. We continued to witness strong demand in this segment and increased our market share by 70 bps to 58.1% in FY 2020-21.

ILCVs in India

Sales of TML in the ILCVs category in India decreased by 10.1% to 37,826 units in FY 2020-21 compared to 42,077 units in FY 2019-20 and Tata-brand vehicle sales decreased to 37,826 units in FY 2020-21, from 42,052 units in FY 2019-20.

SCVs and Pickups in India

Sales in SCVs & Pick Ups category in India of Tata-brand vehicle decreased by 12.2% to 1,36,835 units in FY 2020-21 from 1,55,790 units in FY 2019-20. Amongst all segments in commercial vehicles, the SCV and Pick Up category witnessed a lower decline because of increased demand from e-commerce players and necessity for last mile distribution. TML received a significant order of 6,413 Tata Ace Gold vehicles from Andhra Pradesh State Civil Supplies Corporation.

CV Passenger Vehicles in India

Sales in CV Passenger Vehicles category in India of TML decreased by 78.0% to 8,479 units in FY 2020-21 compared to 38,482 units in FY 2019-20 and Tata-brand vehicle sales decreased to 8,479 units in FY 2020-21 from 38,478 units in FY 2019-20. CV Passenger segment was impacted the highest because of the COVID-19 pandemic, with work from home protocols, schools not reopening and lower demand from State Transport Undertakings.

Tata Commercial Vehicles and Tata Passenger Vehicles — Exports

International business is a key part of our portfolio since its inception in 1961. We have a global presence in more than 46 countries, including all South Asian Association for Regional Cooperation countries, South Africa, Africa, Middle East and Southeast Asia. We market a range of products including M&HCV trucks, LCV trucks, buses, pickups and small commercial vehicles.

Our overall sales in international markets decreased by 32.0% to 20,849 units in FY 2020-21, compared to 31,144 units in FY 2019-20. Commercial vehicles exports were 20,283 units in FY 2020-21, as compared to 29,664 units in FY 2019-20. In Africa, Tanzania clocked the highest retails since September 2018, while both Congo and Ghana recorded highest retails after five years. Saudi Arabia also clocked its highest retails in the last two years and the entire Middle East buses closed the year with a 12% higher market share than the previous year. Passenger Vehicles exports were at 566 units in FY 2020-21, compared to 1,480 units in FY 2019-20. Sales were substantially impacted by the COVID-19 pandemic.

Tata Daewoo Commercial Vehicle Co. Ltd or TDCV's, our subsidiary company that engages in the design, development and manufacturing of MHCVs and LCVs, witnessed a marginal decrease in overall sales by 1.2% to 5,127 units in FY 2020-21 from 5,190 units in FY 2019-20. In its domestic market (South Korea), TDCV's sales increased by 3.4% from 3,581 units in FY 2019-20 to 3,701 units in FY 2020-21. The market share for this segment was 20.1% in FY 2020-21, compared to 20.5% in FY 2019-20. Apart from MHCV, TDCV also launched new product range of LCV vehicles in the fourth quarter of FY 2020-21 which accounted 241 units of sales in the FY 2020- 21. Due to the product range expansion total domestic sales increased by 10.1% from 3,581 units in FY 2019-20 to 3,942 units in FY 2020-21. The export market was severely impacted by the COVID-19 pandemic and experienced a reduction of 26.4% from 1,609 units in FY 2019-20 to 1,185 units in FY 2020- 21.

Tata Commercial Vehicles and Tata Passenger Vehicles - Sales and Distribution

Our sales and distribution network in India as at March 31, 2021 comprised approximately over 5,959 touch points for sales and service for its Passenger Vehicles and Commercial Vehicles businesses. We use a network of service centers on highways and a toll-free customer assistance center to provide 24-hour roadside assistance including replacement of parts, to vehicle owners.

We have customer relations management system at all of our dealerships and offices across India, which supports users both at our company and among our distributors in India and abroad.

We market our Commercial Vehicles and Passenger Vehicles in several countries in Africa, the Middle East, Southeast Asia, South Asia, Australia, Latin America, Russia, and the Commonwealth of Independent States countries. We have a network of distributors in all such countries, where we export our vehicles. Such distributors have created a network of dealers and branch offices and facilities for sales and after-sales servicing of our products in their respective markets. We have also stationed overseas resident sales and service representatives in various countries to oversee our operations in the respective territories.

Tata Commercial Vehicles and Tata Passenger Vehicles - Competition

We face competition from various domestic and foreign automotive manufacturers in the Indian automotive market. Improving infrastructure and robust growth prospects compared to other mature markets have attracted strong international companies to India that have either formed joint ventures with local partners or have established independently owned operations in India. Global competitors bring with them their international experience, global scale, advanced technology, and significant financial resources, and as a result, competition is likely to further intensify in the future. We have designed our products to suit the requirements of the Indian market based on specific customer needs, such as safety, driving comfort, fuel-efficiency and durability. By moving to BS VI successfully we have demonstrated our ability to compete with the global players successfully. We believe that our vehicles are suited to the general conditions of Indian roads and the local climate. We also offer a wide range of optional configurations to meet the specific needs of our customers. We intend to and are developing products to strengthen our product portfolio in order to meet the increasing customer expectation of owning world-class products.

Tata Commercial Vehicles and Tata Passenger Vehicles - Seasonality

Demand for our vehicles in the Indian market is subject to seasonal variations. Demand generally peaks between January and March each year, although there tends to be a decrease in demand in February just before release of the Government of India's fiscal budget. Demand is usually lean from April to July and gains momentum again in the festival season from September onwards, with a decline in December due to year-end.

Tata and other brand vehicles – Vehicle Financing

Through our wholly-owned subsidiary TMF Holdings Ltd and its step-down subsidiaries Tata Motors Finance Ltd ("TMFL") and Tata Motors Finance Solutions Ltd ("TMFSL"), we provide financing services to purchasers of our vehicles through independent dealers, who act as our agents for financing transactions, and through our branch network. TMF group disbursed ₹13,258 crores and ₹15,029 crores in vehicle financing during FY 2020-21 and FY 2019-20, respectively. Approximately 33% and 31%, of our commercial vehicle unit sales in India were made by the dealers through financing arrangements with the Company's captive financing subsidiary during FY 2020-21 and FY 2019-20, respectively. As at March 31, 2021 and 2020, TMF group's customer finance receivable portfolio comprised 7,18,149 and 6,24,354 contracts, respectively. We follow specified internal procedures, including quantitative guidelines, for selection of our finance customers and assist in managing default and repayment risk in our portfolio. We originate all the contracts through our authorized dealers and direct marketing agents with whom we have agreements. All our marketing, sales and collection activities are undertaken through dealers or by TMF group.

TMFL securitizes or sells its finance receivables based on the evaluation of market conditions and funding requirements. The sell down happens either through Securitization Pass Through Certificates ("PTC") or through direct assignment route. Securitization PTC is backed by credit enhancement where certain percentages of losses are protected to the extent of credit enhancement. The PTC route is one of the most prominent sources of fund raising in the market. We also do securitization by way of direct assignment where there is no support provided to the pool in the form of credit enhancement. Significantly, these assets are Priority Sector Loan assets because of which demand for direct assignment is good with Public Sector Banks. The constitution of these pools is based on criteria that are decided by credit rating agencies and/or based on the advice that we receive regarding the marketability of a pool. TMFL undertakes these securitizations of our receivables due from purchasers by means of private placement.

TMFL acts as the collection agent on behalf of the investors, representatives, special purpose vehicles or banks, in whose favor the receivables have been assigned, for the purpose of collecting receivables from the purchasers on the terms and conditions contained in the applicable deeds of securitization, in respect of which pass-through certificates are issued to investors in case of special purpose vehicles, or SPVs. TMFL also secures the payments to be made by the purchasers of amounts constituting the receivables under the loan agreements to the extent specified by rating agencies by any one or all of the following methods:

- furnishing collateral to the investors, in respect of the obligations of the purchasers and the undertakings to be provided by TMFL;
- furnishing, in favor of the investors, certain percentages of the future principal in the receivables as collateral, for securitizations done through FY 2020-21, either by way of a fixed deposit or bank guarantee or subordinate tranche to secure the obligations of the purchasers and our obligations as the collection agent, based on the quality of receivables and rating assigned to the individual pool of receivables by the rating agencies; and
- by way of over-collateralization or by investing in subordinate pass-through certificates to secure the obligations of the purchasers.

Jaguar Land Rover

Total wholesale and retail volume of Jaguar Land Rover vehicles with a breakdown between Jaguar and Land Rover brand vehicles, in FY 2020-21 and FY 2019-20 are set forth in the table below:

	Wholesale Volume (in units excluding CJLR)			Retail Volume (in units including CJLR)		
	FY 2020-21	FY 2019-20	% change	FY 2020-21	FY 2019-20	% change
Jaguar	**67,333**	**1,25,820**	**(46.5)**	**97,669**	**1,40,593**	**(30.5)**
UK	22,305	35,033	(36.3)	22,529	32,533	(30.8)
North America	13,450	30,514	(55.9)	18,186	30,095	(39.6)
Europe	20,693	36,158	(42.8)	20,578	35,335	(41.8)
China	4,603	7,162	(35.7)	28,181	26,061	8.1
Overseas	6,282	16,953	(62.9)	8,195	16,569	(50.5)
Land Rover	**2,80,299**	**3,50,132**	**(19.9)**	**3,41,919**	**3,68,066**	**(7.1)**
UK	59,195	75,034	(21.1)	60,466	74,079	(18.4)
North America	80,309	1,05,252	(23.7)	92,619	99,251	(6.7)
Europe	55,913	77,112	(27.5)	58,682	71,702	(18.2)
China	42,542	31,150	36.6	83,025	64,063	29.6
Overseas	42,340	61,584	(31.2)	47,127	58,971	(20.1)
Jaguar Land Rover	**3,47,632**	**4,75,952**	**(27.0)**	**4,39,588**	**5,08,659**	**(13.6)**
UK	81,500	1,10,067	(26.0)	82,995	1,06,612	(22.2)
North America	93,759	1,35,766	(30.9)	1,10,805	1,29,346	(14.3)
Europe	76,606	1,13,270	(32.4)	79,260	1,07,037	(26.0)
China	47,145	38,312	23.1	1,11,206	90,124	23.4
Overseas	48,622	78,537	(38.1)	55,322	75,540	(26.8)
CJLR	**65,279**	**49,450**	**32.0**			

Jaguar Land Rover's performance on a wholesale basis:

In FY 2020-21, Jaguar Land Rover wholesale volumes (excluding our China Joint Venture) were 3,47,632 units down 27.0% compared to FY 2019-20, primarily reflecting the disruption in sales and production because of the COVID-19 pandemic. Wholesale volumes from the China Joint Venture were 65,279 units, reflecting a 32.0% increase compared to the 49,450 units in FY 2019-20. Wholesale volumes (excluding our China Joint Venture) in China strongly grew year-on-year in FY 2020-21, up 23.1% reaching 47,145 vehicles as the region continued to recover strongly from the pandemic. However, as a result of COVID-19-related impacts on society and business, Jaguar Land Rover wholesales declined in other regions including in Overseas markets (down 38.1% year-on-year), Europe (down 32.4%), North America (down 30.9%) and in the UK (down 26.0%). Wholesale volumes of all models declined due to the impact of the COVID-19 pandemic in FY 2020-21, apart from the new Land Rover Defender which wholesaled 53,501 vehicles reflecting the strong reception in the market for an anticipated model.

Jaguar Land Rover's performance on a retail basis:

Jaguar Land Rover retail sales were 4,39,588 vehicles in FY 2020-21, down 69,071 vehicles (13.6%) from FY 2019-20. The decline in retail sales was primarily the result of the initial COVID-19 lockdown impacting the first quarter sales, with some recovery in sales thereafter. Retail sales in every region and on every model declined as a result of the COVID-19 pandemic with the exception of retail sales in China, which were up 23.1% year-on-year and sales of the newly introduced Land Rover Defender, which reached 45,244 vehicles in the period. In addition to the COVID-19 pandemic, other factors that impacted the sales in the industry during FY 2020-21 included ongoing in the UK and Europe related to Brexit related developments (in spite of a trade agreement between the UK and the EU being reached in December 2020) and more generally regulatory and emissions challenges as well as continuing trade tensions and other geopolitical pressures.

Retails by powertrain

Jaguar Land Rover continued to roll out electrification technology across its model range in FY 2020-21. Twelve of the JLR's 13 nameplates are now available with an electrified option, with plug-in hybrids ("PHEV") available in eight models and mild hybrids ("MHEV") in 11 models. As a result, the mix of electrified vehicles retailed in the full year was 51%, including 3.6% for the all-electric Jaguar I-PACE, 4.6% PHEV and 42.9% MHEV, with the remaining 48.9% of retail sales from traditional diesel and petrol internal combustion engines.

Jaguar Land Rover's Sales & Distribution

As at March 31, 2021, Jaguar Land Rover distributed its vehicles in 118 markets for Jaguar and 123 markets for Land Rover globally. Sales locations for vehicles are operated as independent franchises. Jaguar Land Rover is represented in its key markets through its National Sales Company's ("NSC's") as well as third-party importers. Jaguar and Land Rover has regional offices in certain select countries that manage customer relationships and vehicle supplies and provide marketing and sales support to its their regional importer markets. The remaining importer markets are managed from the United Kingdom.

Jaguar Land Rover products are sold through a variety of sales channels: through its dealerships for retail sales, for sale to fleet customers, including daily rental car companies, commercial fleet customers, leasing companies and governments. Jaguar Land Rover does not depend on a single customer or small group of customers to the extent that the loss of such a customer or group of customers would have a material adverse effect on its business.

As at March 31, 2021, the Jaguar Land Rover global sales and distribution network comprised 23 NSCs, 78 importers, one export partner and 2,839 franchise sales dealers in 1,513 sites, of which 1,326 are joint Jaguar and Land Rover dealers.

Jaguar Land Rover — Competition

Jaguar Land Rover operates in a globally competitive environment and faces competition from established premium and other vehicle manufacturers who aspire to move into the premium performance car and premium SUV markets, some of which are much larger than they are. Jaguar vehicles compete primarily against other European brands such as Audi, Porsche, BMW and Mercedes Benz as well as Tesla. Land Rover and Range Rover vehicles compete largely against SUVs from companies such as Audi, BMW, Infiniti, Lexus, Mercedes Benz, Porsche, Volvo and Volkswagen.

Jaguar Land Rover — Seasonality

Jaguar Land Rover volumes are impacted by the biannual change in age related registration plates of vehicles in the United Kingdom, where new age-related plate registrations take effect in March and September each year. This has an impact on the resale value of the vehicles because sales are clustered around the time of the year when the vehicle registration number change occurs. Seasonality in most other markets is driven by the introduction of new model year vehicles and derivatives. Furthermore, Western European markets tend to be impacted by summer and winter holidays, and the Chinese market tends to be affected by the Lunar New Year holiday in either January or February, the PRC National Day holiday, and the Golden Week holiday in October. The resulting sales profile influences operating results on a quarter-to-quarter basis.

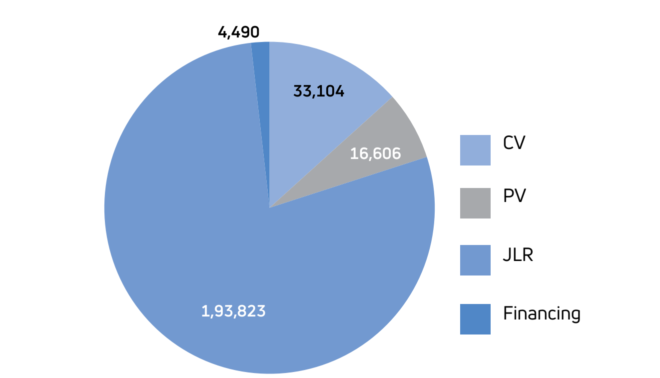
Other Operations

In addition to our automotive operations, we are also involved in other business activities, mainly information technology services. The Company's revenue from other operations before inter-segment eliminations was ₹2,612 crores in FY 2020-21, a decrease of 14.3% from ₹3,047 crores in FY 2019-20. The decrease in revenue of Tata Technologies due to the COVID-19 pandemic. Revenues from other operations represented 1.0% and 1.2% of total revenues, before inter-segment eliminations, in FY 2020-21 and FY 2019-20, respectively.

A. Operating Results

All financial information discussed in this section is derived from our Audited Consolidated Financial Statements.

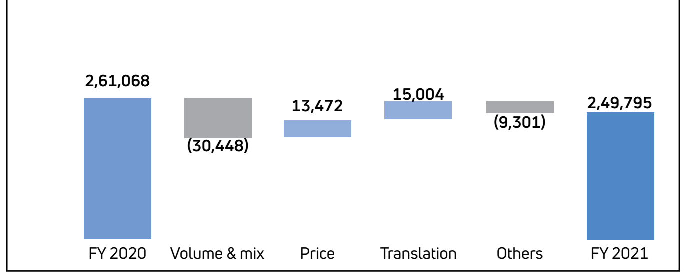
Revenue FY 2020-21



Overview

In FY 2020-21 income from operations including finance revenues decreased by 4.3% to ₹2,49,795 crores in FY 2020-21 from ₹2,61,068 crores in FY 2019-20. This decrease was mainly attributable to lower sales volumes from both Tata Motors and Jaguar Land Rover and partially offset by a favorable currency translation from GBP to INR and increase in average selling price per unit under BS VI norms.

Revenue walk (₹ in crores)



The net loss (attributable to shareholders of our Company) was ₹13,451 crores in FY 2020-21, compared to a loss of ₹12,071 crores in FY 2019-20. In FY 2020-21 we have taken a charge of ₹14,994 crores for our Jaguar Land Rover business due to the Reimagine strategy, reversal of impairment charge and onerous contract of ₹1,959 crores, as against provision of ₹2,549 crores in FY 2019-20 for our passenger vehicle business of Tata Motors Ltd. Excluding the exceptional items, profit before tax was ₹2,908 crores in FY 2020-21, compared to a loss of ₹8,709 crores in FY 2019-20, attributable to better product mix and cost reduction measures.

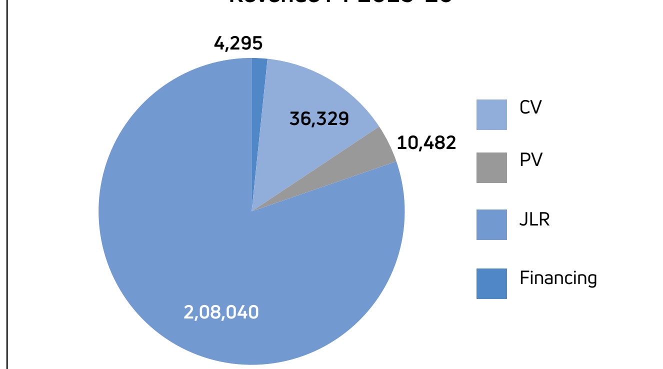
Automotive operations

Automotive operations are our most significant segment, accounting for 99.4% and 99.3% of our total revenues in FY 2020-21 and FY 2019-20, respectively. In FY 2020-21, revenue from automotive operations before inter-segment eliminations was ₹2,48,181 crores compared to ₹2,59,292 crores in FY 2019-20.

	FY 2020-21	FY 2019-20	Change %
Total revenue (₹ in crores)	248,181	259,292	(4.3)
Earning before other income, interest and tax (₹ in crores)	8,541	(43)	20,008
Earning before other income, interest and tax (% to total revenue)	3.4	(0.0)	

Our automotive operations segment is further divided into four reporting segments: Tata Commercial Vehicles, Tata Passenger Vehicles, Jaguar Land Rover and Vehicle financing.

Revenue FY 2019-20



	Total Revenues (₹ crores)		Earnings/(loss) Before Other Income, Interest and Tax (₹ crores)		Earnings Before Other Income, Interest and Tax (% of revenue)	
	FY 2020-21	FY 2019-20	FY 2020-21	FY 2019-20	FY 2020-21	FY 2019-20
Tata Commercial Vehicle	33,104	36,329	(305)	(368)	(0.9)	(1.0)
Tata Passenger Vehicle	16,606	10,482	(1,564)	(2,868)	(9.4)	(27.4)
Jaguar Land Rover	1,93,823	2,08,040	7,691	594	4.0	0.3
Vehicle Financing	4,490	4,295	2,794	2,855	62.2	66.5
Unallocable	284	216	(75)	(256)	(26.5)	(118.7)
Intra- segment elimination	(126)	(71)	-	-	-	-
Total	**2,48,181**	**2,59,292**	**8,541**	**(43)**		

In FY 2020-21, Jaguar Land Rover contributed 78% of our total automotive revenue compared to 80% in FY 2019-20 (before intra-segment elimination) and the remaining 22% was contributed by Tata and other brand vehicles and Vehicle Financing in FY 2020-21, compared to 20% in FY 2019-20. The following table sets forth selected data from Tata and other brand vehicles (including vehicle financing) and Jaguar Land Rover in FY 2020-21 and FY 2019-20 and the percentage change from period to period (before intra-segment eliminations) are set forth in the table below.

	FY 2020-21	FY 2019-20	Change
	(₹ in crores)		%
Tata and other brand vehicles including vehicle financing	54,484	51,322	6.2
Jaguar Land Rover	1,93,823	2,08,040	(6.8)
Intra-segment elimination	(126)	(71)	77.5
Total	**2,48,181**	**2,59,291**	**(4.3%)**

The Tata and other brand vehicles including vehicle financing consists of following categories:

	FY 2020-21	FY 2019-20	Change
	(₹ in crores)		%
Commercial Vehicles	33,104	36,329	(8.9)
Passenger Vehicles	16,606	10,482	58.4
Vehicle Financing	4,490	4,295	4.5
Unallocable	284	216	31.4
Total	**54,484**	**51,322**	**6.2**

Other operations

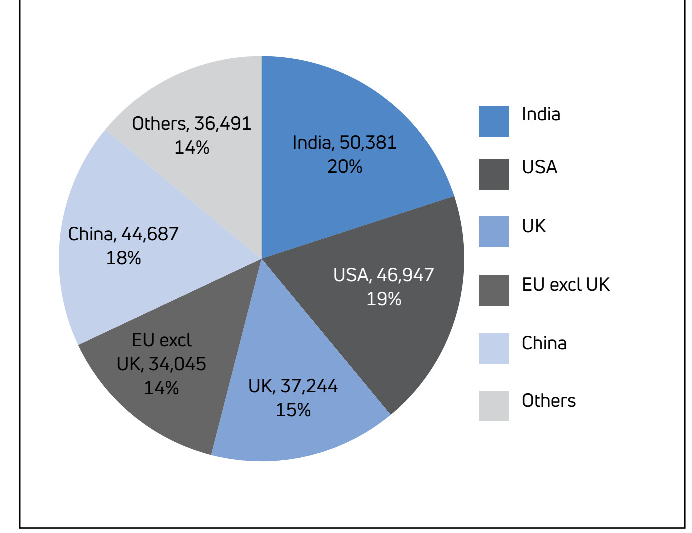
Our other operations business segment mainly includes information technology services, machine tools and factory automation solutions. The following table sets forth selected data regarding our other operations for the periods indicated and the percentage change from period to period (before inter-segment eliminations).

	FY 2020-21	FY 2019-20	Change %
Total revenue (₹ in crores)	2,612	3,047	(14.3)
Earning before other income, interest and tax (₹ in crores)	319	382	(16.4)
Earning before other income, interest and tax (% of revenue)	12.2%	12.5%	

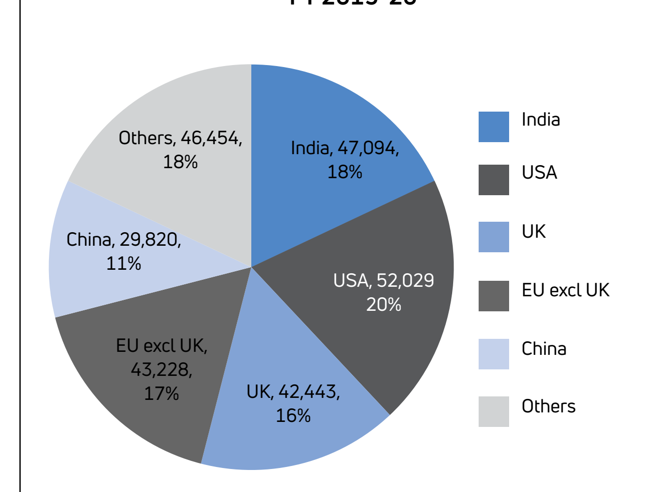
Geographical Breakdown

As a result of the COVID-19 pandemic in FY 2020-21, there is a reduction in revenue across most geographical markets except China and India. In FY 2020-21 volume and percentage of revenues in China and India have improved from FY 2019-20 levels. China witnessed a double-digit growth in volumes in FY 2020-21 as the region continued to recover strongly from the pandemic. However, as COVID-19 pandemic spread globally, many government authorities were forced to introduce and re-introduce strict social distancing measures over the course of the year, as a result, Jaguar Land Rover wholesale volumes declined in other regions including in Overseas markets (down 38.1% year-on-year), Europe (down 32.4%), North America (down 30.9%) and in the UK (down 26.0%). In addition to COVID-19 pandemic, other factors impacting automotive industry sales during FY 2020-21 included Brexit uncertainty for the UK and Europe, although a trade agreement was reached between the UK and the EU in December 2020, and more generally regulatory and emissions challenges as well as continuing trade tensions and other geopolitical pressures. The following chart sets forth our revenue from key geographical markets:

FY 2020-21



FY 2019-20



The "Rest of Europe" market is geographic Europe, excluding the United Kingdom and Russia. The "Rest of World" market is any regions not included above.

The following table sets forth selected items from our consolidated statements of income for the periods indicated and shows these items as a percentage of total revenue:

	FY 2020-21 (%)	FY 2019-20 (%)
Revenue from operations	100.0	100.0
Expenditure:		
Cost of material consumed (including change in stock)	63.4	64.0
Employee Cost	11.1	11.7
Product development/Engineering expenses	2.1	1.6
Other expenses (net)	16.4	21.8
Amount transferred to capital and other accounts	(5.1)	(6.7)
Total Expenditure	87.8	92.4
Profit before other income, Depreciation and amortization, Finance costs, Foreign exchange (gain)/loss, exceptional item and tax	12.2	7.6
Other Income	1.1	1.1
Profit before Depreciation and Amortization, Finance costs, Foreign exchange (gain)/loss, exceptional item and tax	13.3	8.7
Depreciation and Amortization	9.4	8.2
Finance costs	3.2	2.8
Foreign exchange loss (net)	(0.7)	0.7
Exceptional Item (gain)/loss (net)	5.5	1.1
Profit/(loss) before tax	(4.2)	(4.1)
Tax expense / (credit)	1.0	0.1
Profit/(loss) after tax	(5.2)	(4.2)
Share of profits/(loss) of equity accounted investees (net)	(0.2)	(0.4)
Minority Interest	-	-
Profit/(loss) for the year	(5.4)	(4.6)
EBITDA	12.2	8.5
EBIT	2.6	(0.0)

EBITDA is defined to include the product development expenses charged to P&L and realised FX and commodity hedges but excludes the revaluation of foreign currency debt, revaluation of foreign currency other assets and liabilities, MTM on FX and commodity hedges, other income (except government grant) as well as exceptional items.

EBIT is defined as reported EBITDA plus profit from equity accounted investee less depreciation and amortization.

Revenue Analysis:

Our total consolidated revenue from operations including finance revenue, decreased by 4.3% to ₹2,49,795 crores in FY 2020-21 from ₹2,61,068 crores in FY 2019-20. Revenue from the sale of vehicle decreased to ₹2,06,419 crores in FY 2020-21, compared to ₹2,18,983 crores, a decrease of 5.7%. We sold 8,37,783 vehicles in FY 2020-21, compared to 9,61,463 vehicles in FY 2019-20.

The revenue of our Tata brand vehicles including vehicle finance increased by 6.2% to ₹54,484 crores in FY 2020-21 from ₹51,322 crores in FY 2019-20, mainly due to increased volumes in passenger car segment. The revenue from Tata commercial vehicle was ₹33,104 crores in FY 2020-21, compared to ₹36,329 crores in FY 2019-20, a decrease of 8.9%. The revenue from Tata Passenger Vehicles was ₹16,606 crores in FY 2020-21, compared to ₹10,482 crores in FY 2019-20, an increase of 58.4%. Our revenues from sales of vehicles and spare parts manufactured in India increased by 7.2% to ₹47,033 crores in FY 2020-21 from ₹43,865 crores in FY 2019-20.

The revenue from Passenger Cars in India has increased by 105.9% to ₹5,832 crores in FY 2020-21 from ₹2,833 crores in FY 2019-20, Electric vehicle increased to ₹571 crores in FY 2020-21 from ₹152 crores in FY 2019-20 and Utility Vehicles increased by 56.7% to ₹6,534 crores in FY 2020-21 from ₹4,169 crores in FY 2019-20. The increase in Passenger Vehicles was mainly on account of pent-up demand, better products and safety features of our New forever range of vehicles. The revenue from Commercial Vehicle in ILCVs category increased by 9.6% to ₹4,047 crores in FY 2020-21 from ₹3,693 crores in FY 2019-20. The SCVs and Pickups category in India increased by 26.1% to ₹4,824 crores in FY 2020-21 from ₹3,826 crores in FY 2019-20. However, revenues from MHCVs category decreased by 1.4% to ₹13,808 crores in FY 2020-21 from ₹14,006 crores in FY 2019-20 and CV Passenger Vehicles category revenue decreased by 72.6% to ₹1,078 crores in FY 2020-21 from ₹3,936 crores in FY 2019-20. The revenue of commercial vehicle at overall level decreased mainly due to the COVID-19 pandemic, lower freight utilizations, difficulties in obtaining financing and some hesitation due to rising costs for BS VI vehicles. There is a reduction in sales volume which was partially offset by increase in average selling price per unit under BS VI norms.

Revenue attributable to TDCV, increased marginally by 5.8% to ₹3,316 crores in FY 2020-21 from ₹3,134 crores in FY 2019-20. Domestic (South Korea) sales witnessed a 10.1% increase from 3,581 units in FY 2019-20 to 3,942 units in FY 2020-21 due to product range expansion. The export market was severely impacted by COVID-19 and experienced a reduction of 26.4% from 1,609 units in FY 2019-20 to 1,185 units in FY 2020- 21.

Revenue from our Vehicle Financing operations increased by 4.5% to ₹4,490 crores in FY 2020-21, compared to ₹4,295 crores in FY 2019-20. This is mainly due to increase in average loan book and upfront recognition of excess interest spread on the direct assignment transaction undertaken during FY 2020-21.

The revenue of our Jaguar Land Rover business decreased by 6.8% to ₹1,93,823 crores in FY 2020-21 from ₹2,08,040 crores in FY 2019-20. This was partially offset by a favorable translation of ₹14,994 crores from GBP to Indian rupees in FY 2020-21. Excluding currency translation, the revenue of Jaguar Land Rover decreased by 14.2% to GB£19,731 million in FY 2020-21 from GB£22,984 million in FY 2019-20. Jaguar Land Rover wholesale volumes (excluding China joint venture) declined across all key regions in FY 2020-21, down 27.0% year on year compared to FY 2019-20, except in China where wholesales grew 23.1% year-on-year. The reduction in revenue was much lower than the decline in wholesales, reflecting the strong favorable sales mix, higher average revenue per vehicle and much lower incentive spending during the year. Jaguar brand vehicles sales were 67,333 units in FY 2020-21 from 1,25,820 units in FY 2019-20, a decrease of 46.5%, and Land Rover vehicles sales from 3,50,132 units in FY 2019-20 to 2,80,299 units in FY 2020-21, a decrease of 19.9% (volumes excluding the China Joint Venture).

Revenue from other operations (before inter-segment eliminations) decreased by 14.3% to ₹2,612 crores in FY 2020-21 compared to ₹3,047 crores in FY 2019-20. This is mainly on account of decrease in revenue of Tata Technologies due to the COVID-19 pandemic.

Cost and Expenses

Raw Materials, Components and Purchase of Products for Sale (including change in inventories of finished goods and work-in-progress)

Material costs decreased by 5.3% to ₹1,58,292 crores in FY 2020-21 from ₹1,67,131 crores in FY 2019-20, in line with reduction in revenue. As a percentage of revenue material costs are 63.4% in FY 2020-21, compared to 64.0% in FY 2019-20.

Material costs for Tata Commercial Vehicles and Tata Passenger Vehicles increased by 9.5% to ₹37,603 crores in FY 2020-21 from ₹34,353 crores in FY 2019-20, due to increased volumes. The material costs as a percentage of total revenue increased to 75.6% in FY 2020-21, compared to 73.4% in FY 2019-20, primarily due to a change in product mix and increase in commodity prices specially steel and other precious metal.

For our India operations, material costs of Passenger Cars segment increased to ₹5,274 crores in FY 2020-21, compared to ₹2,471 crores in FY 2019-20, electric vehicles increased to ₹504 crores in FY 2020-21, compared to ₹142 crores in FY 2019-20 and Utility vehicles increased by 57.3% to ₹5,271 crores in FY 2020-21, compared to ₹3,354 crores in FY 2019-20. The increase in material cost is mainly due to increased sales volumes and increase price under BS VI. Material costs for ILCVs category increased by 15.4% to ₹3,119 crores in FY 2020-21, compared to ₹2,702 crores in FY 2019-20 and for SCVs and Pickups increased by 33.0% to ₹3,917 crores in FY 2020-21, compared to ₹2,946 crores in FY 2019-20 mainly due to increase in volumes and increase in commodity prices. Material costs for MHCVs category decreased by 4.7% to ₹10,191 crores in FY 2020-21, compared to ₹10,688 crores in FY 2019-20 and for CV Passenger Vehicles category substantially decreased to ₹828 crores in FY 2020-21, compared to ₹3,222 crores in FY 2019-20 mainly due to decrease in volumes which was partially offset by increase in commodity prices. The material costs as a percentage of revenue increased to 77.4% in FY 2020-21, compared to 75.5% in FY 2019-20.

Material costs increased by 8.2% to ₹2,319 crores in FY 2020-21, compared to ₹2,144 crores in FY 2019-20 for TDCV, primarily due to higher volumes, particularly in the domestic (South Korea) market. As a percentage of total revenue, material cost increased to 69.9% in FY 2020-21, compared to 68.1% in FY 2019-20, primarily due to product mix (introduction of LCVs).

At our Jaguar Land Rover operations, material costs in FY 2020-21 decreased by 9.1% to ₹1,20,335 crores, from ₹1,32,408 crores in FY 2019-20. The decrease was partially offset by an unfavourable currency translation from GBP to Indian rupees of ₹9,102 crores. Excluding currency translation, material costs attributable to our Jaguar Land Rover operations decreased by 16.0% to GB£12,335 million in FY 2020-21 from GB£14,684 million in FY 2019-20, mainly due to a 27.0% decrease in sales volume and change in product mix. Material costs at our Jaguar Land Rover operations as a percentage of revenue decreased to 62.5% in FY 2020-21, from 63.6% in FY 2019-20 (in GBP terms).

Employee Costs

Our employee costs decreased by 9.2% in FY 2020-21 to ₹27,648 crores from ₹30,439 crores in FY 2019-20, including the foreign currency translation impact from GBP to Indian rupees as discussed below.

Our permanent employee headcount decreased by 4.6% as at March 31, 2021 to 75,278 employees from 78,906 employees as at March 31, 2020, primarily due to voluntary early separations that commenced in third quarter of FY 2020-21 at Tata Motors and Jaguar Land Rover and in FY 2019-20 at Tata Daewoo in FY 2019-20. The average temporary headcount has increased to 28,291 employees in FY 2020-21 from 19,169 employees in FY 2019-20, due to increase in productions, mainly passenger vehicles.

The employee costs for Tata Commercial Vehicles and Tata Passenger Vehicles decreased by 4.3% to ₹5,517 crores in FY 2020-21 from ₹5,767 crores in FY 2019-20. For our India operations, employee costs decreased by 3.6% to ₹4,632 crores in FY 2020-21 from ₹4,807 crores in FY 2019-20, mainly due to reduction in permanent employee headcount, reduction in staff welfare expenses due to nationwide lockdown in Q1 and lower production in first quarter of FY 2020-21 at TML. The permanent headcount decreased by 4.4% as at March 31, 2021 to 37,301 employees from 39,012 employees as at March 31, 2020 mainly due to voluntary early separations commenced in third quarter of FY 2020-21 at Tata Motors. Employee cost at Tata Motors Limited, the parent company, decreased by 3.9% to ₹4,213 crores in FY 2020-21, compared to ₹4,384 crores in FY 2019-20. The employee cost as a percentage of revenue decreased to 9.0% in FY 2020-21 from 10.0% in FY 2019-20, mainly due to increase in revenue.

Employee costs at TDCV were decreased to ₹687 crores in FY 2020-21, compared to ₹759 crores in FY 2019-20 primarily due to abolishment of certain overtime and voluntary early separation that was given during FY 2020-21.

The employee costs at Jaguar Land Rover decreased by 10.1% to ₹20,873 crores (GB£2,141 million) in FY 2020-21 from ₹23,206 crores (GB£2,568 million) in FY 2019-20, primarily due to average headcount reduction of 5.8% (FY21 average 37,500 vs FY 20 average 39,800) and furlough grant of ₹1,824 crores (GB£188m) received under the UK governments Coronavirus Job Retention Scheme. This decrease was partially offset by an unfavourable foreign currency translation impact from GBP to Indian rupees of ₹1,527 crores. The employee costs as a percentage of revenue decreased to 10.9% in FY 2020-21 from 11.2% in FY 2019-20 (in GBP terms).

Product development/Engineering expenses

Product development/Engineering expenses represent research costs and costs pertaining to minor product enhancements, refreshes, and upgrades to existing vehicle models. These represented 2.1% and 1.6% of total revenues ₹5,227 crores and ₹4,188 crores for FY 2020-21 and FY 2019-20, respectively.

Other Expenses

Other expenses decreased by 28.3% to ₹40,922 crores in FY 2020-21 from ₹57,087 crores in FY 2019-20. There was an unfavourable foreign currency translation of GBP to Indian rupees of ₹2,493 crores. As a percentage of total revenues, these expenses decreased to 16.4% in FY 2020-21 from 21.9% in FY 2019-20. The major components of expenses are as follows:

	FY 2020-21	FY 2019-20	% Change	Percentage of Total Revenue FY 2020-21	Percentage of Total Revenue FY 2019-20
	(₹ In crores)				
Freight and transportation expenses	5,716	6,484	(11.8)	2.3	2.5
Works operation and other expenses	14,230	17,847	(20.3)	5.7	6.8
Publicity	4,385	7,614	(42.4)	1.8	2.9
Allowance for trade and other receivables and finance receivables	979	763	28.3	0.4	0.3
Warranty and product liability expenses	7,609	10,885	(30.1)	3.0	4.2
Processing charges	965	1,070	(9.8)	0.4	0.4
Stores, spare parts, and tools consumed	1,279	1,501	(14.8)	0.5	0.6
Power and fuel	1,113	1,265	(12.0)	0.4	0.5
Information technology/computer expenses	2,720	2,372	14.7	1.1	0.9
Engineering expenses	3,308	6,598	(49.9)	1.3	2.5
MTM (gain)/loss on commodity derivatives	(1,382)	688	300.9	(0.5)	0.3
Total	**40,922**	**57,087**	(28.3)	**16.4**	21.9

1. Freight and transportation expenses decreased by 11.8% to ₹5,716 crores in FY 2020-21. This is partially offset by an unfavourable currency translation of ₹370 crores from GBP to INR. At Jaguar Land Rover freight and transportation expenses decreased by 18.3% from GB£611 million in FY 2019-20 to GB£499 million in FY 2020-21, mainly due to lower sales volumes. At Tata Motors standalone level, expenses decreased by 26.2% from ₹1,066 crores in FY 2019-20 to ₹787 crores in FY 2020-21 on account of lower production, mainly for commercial vehicles in first quarter of FY 2020-21 due to nationwide lockdown.

2. Our works operation and other expenses represented 5.7% and 6.8% of total revenue in FY 2020-21 and FY 2019-20, respectively. Other expenses mainly relate to volume-related expenses at Jaguar Land Rover and Tata Motors Limited. On absolute terms, the expenses decreased to ₹14,230 crores in FY 2020-21 from ₹17,847 crores in FY 2019-20, mainly on account of miscellaneous contract job/outsourcing expenses decreased due to the COVID-19 pandemic lockdown.

3. Publicity expenses were 1.8% and 2.9% of our total revenues in FY 2020-21 and FY 2019-20, respectively. The publicity expenses at Jaguar Land Rover decreased to GB£397 million (2.0% of the revenue) in FY 2020-21, compared to GB£733 million (3.2% of revenue) in FY 2019-20. Marketing activity was limited early in the year due to the ongoing impact of the COVID-19 pandemic, though routine product and brand campaigns increased expenditure through to the end of March 31, 2021, particularly in China, US, and UK. In addition to routine product and brand campaigns, we incurred expenses relating to new product introduction campaigns in FY 2020-21, mainly the new Land Rover Defender at Jaguar Land Rover and the new Safari at Tata Motors India operations.

4. The allowances for finance receivables related to Vehicle Financing segment. These mainly reflect provisions for the impairment of vehicle loans of ₹958 crores for FY 2020-21, compared to ₹660 crores in FY 2019-20. The increase was mainly on account of additional provisions carried on account of uncertainty involved due to the second wave of the COVID-19 pandemic. The allowances for trade receivables were ₹21 crores in FY 2020-21, compared to ₹104 crores in FY 2019-20, due to better collections.

5. Warranty and product liability expenses represented 3.0% and 4.2% of our total revenues in FY 2020-21 and FY 2019-20, respectively. The warranty expenses at Jaguar Land Rover decreased to GB£706 million (3.6% of the revenue) in FY 2020-21, compared to GB£1,131 million (4.9% of revenue) in FY 2019-20, mainly due to increased retailer guidance, guided diagnostics enhancement, proactive issue detection, prioritisation and resolution coming from charge+ initiatives, significant quality improvements in vehicles and the implementation of other business enhancement activities. For Tata Motors' Indian operations, these represent 0.9% and 1.2% of the revenue for FY 2020-21 and FY 2019-20, respectively, due to quality improvements and product mix.

6. Engineering expenses decreased by 49.9 % to ₹3,308 crores in FY 2020-21, compared to ₹6,598 crores in FY 2019-20. These expenses represents 1.3% and 2.5% of our total revenues in FY 2020-21 and FY 2019-20, respectively and are attributable mainly to decreased expenditure at Jaguar Land Rover. A significant portion of these costs are capitalized and shown under the line item "expenditure capitalized" discussed below.

7. There has been MTM gain on commodity derivatives of ₹1,382 crores in FY 2020-21, compared to loss of ₹688 crores in FY 2019-20.

Expenditure capitalized

This represents employee costs, stores and other manufacturing supplies and other work expenses incurred mainly toward product development projects. Considering the nature of our industry, we continually invest in the development of new products to address safety, emission, and other regulatory standards. The expenditure capitalized decreased by 26.6% to ₹12,849 crores in FY 2020-21 from ₹17,503 crores in FY 2019-20. The decrease includes favourable foreign currency translation impact from GBP to Indian rupees of ₹852 crores pertaining to Jaguar Land Rover.

Other income

There was a net gain of ₹2,643 crores in FY 2020-21, compared to ₹2,973 crores in FY 2019-20, representing decrease of 11.1%.

- Interest income decreased to ₹493 crores in FY 2020-21, compared to ₹1,170 crores in FY 2019-20, mainly decreased short term fixed deposit at both Tata Motors Limited and Jaguar Land Rover. Further, at Tata Motors Limited, most of the dealers were Cash and carry, reducing the credit period.
- Incentive from government has marginally decreased to ₹1,918 crore in FY 2020-21, compared to ₹1,984 crores in FY 2019-20. Government incentive includes exports and other incentives of ₹548 crores and ₹1,370 crores received by foreign subsidiaries on Tax credit on qualifying expenditure for research and development in FY 2020-21.
- MTM gain on investments fair valued through profit or loss of ₹20 crores in FY 2020-21, compared to loss of ₹389 crores in FY 2019-20, loss in FY 2019-20 was primarily driven by fair value reduction of Lyft investment at Jaguar Land Rover.
- Profit on sale of investments measured at fair value through profit or loss is ₹194 crores in FY 2020-21, compared to ₹187 crores in FY 2019-20.

Depreciation and Amortization

Our depreciation and amortization expenses increased by 9.9% in FY 2020-21, the breakdown of which is as follows:

	FY 2020-21	FY 2019-20
		(₹ in crores)
Depreciation	10,873	10,610
Amortization	11,502	9,699
Amortization of Leased Assets (RTU)	1,172	1,116
Total	**23,547**	**21,425**

The increase in depreciation and amortization expenses is mainly due to an unfavourable foreign currency translation from GBP to Indian rupees of ₹1,420 crores. This is further increased due to Job 1 programs in the year, Velar and 20MY Range Rover & Range Rover sport at Jaguar Land Rover and at TML by ₹203 crores due to Capitalization of Altroz and BSVI projects.

Finance Cost (interest expenses)

Our interest expense (net of interest capitalized) increased by 11.8% to ₹8,097 crores in FY 2020-21 from ₹7,243 crores in FY 2019-20. As a percentage of total revenues, interest expense represented 3.2% and 2.8% in FY 2020-21 and FY 2019-20, respectively. The interest expense (net) for Jaguar Land Rover was GB£251 million (₹2,425 crores) in FY 2020-21, compared to GB£209 million (₹1,880 crores) in FY 2019-20. The increase in interest expense primarily reflects interest accrued on increased indebtedness which included the RMB5 billion China loan completed in June 2020, the US$700 million 7.750% 5-year senior notes issued in October 2020 and the US$650 million 5.875% 7-year senior notes issued in December 2020. For Tata Commercial Vehicles and Tata Passenger Vehicles, interest expense increased by 5.4% to ₹5,669 crores in FY 2020-21 from ₹5,379 crores in FY 2019-20, mainly due to higher borrowings and lower interest capitalisation and warranty discounting. For the Vehicle Financing business, interest expense decreased by 7.4% to ₹2,851 crores in FY 2020-21 from ₹3,079 crores in FY 2019-20, mainly due to lower cost of borrowings.

Foreign exchange (gain)/loss (net)

We had a net foreign exchange gain of ₹1,732 crores in FY 2020-21, compared to loss of ₹1,739 crores in FY 2019-20.

- Jaguar Land Rover recorded an exchange gain of ₹1,787 crores in FY 2020-21, compared to loss of ₹1,252 crores in FY 2019-20. There was a net exchange gain on senior notes and other borrowings of GB£314 million in FY 2020-21, compared to a loss of GB£135 million in FY 2019-20, due to GBP strengthening against USD and EUR in FY 2020-21. There is a gain of GB£182 million in FY 2020-21, compared to a loss of GB£137 million in FY 2019-20, due to fluctuations in foreign currency exchange rates on derivatives contracts that are not hedge accounted and natural hedges of debt, mainly reflecting a stronger U.S. dollar and Euro. Furthermore, this also includes a loss on revaluation of other assets and liabilities of GB£2 million in FY 2020-21, compared to a loss of GB£23 million in FY 2019-20.
- For India operations, we incurred a net exchange loss of ₹25 crores in FY 2020-21, compared to ₹237 crores in FY 2019-20, mainly attributable to foreign currency denominated borrowings.
- There was a net exchange loss on revaluation of foreign currency loans at our subsidiary TML Holdings Pte. Limited of ₹25 crores in FY 2020-21, compared to ₹253 crores in FY 2019-20.

Exceptional Item (gain)/loss (net)

	FY 2020-21	FY 2019-20
		(₹ in crores)
Employee separation cost	460	436
Defined benefit pension plan amendment past service cost	85	-
Write off/provision (reversal) for tangible/intangible assets (including under development)	114	(73)
Charge associated with change in JLR Strategy	14,994	-
Impairment losses/(Reversal) in Passenger Vehicle Business	(1,182)	1,419
Provision/(Reversal) for Onerous Contracts and related supplier claims	(663)	777
Provision for costs of closure of operation of a subsidiary	(47)	(66)
Impairment in subsidiaries	-	353
Provision for loan given to a Joint venture	-	25
Total	**13,761**	**2,871**

Employee separation cost

During the year ended March 31, 2021, Tata Motors Limited, Jaguar Land Rover and Tata Motors European Technical Centre PLC (TMETC) had announced a voluntary redundancy programme and accordingly had a charge of ₹1,404 crores. This is partially offset by Tata Daewoo Commercial Vehicles has taken a reversal towards employee separation cost of ₹54 crores during FY 2020-21, which was provided in previous year.

Defined benefit pension plan amendment past service cost

Jaguar Land Rover had recognised a past service cost due to the requirement to equalise male and female members' benefits for the inequalities within guaranteed minimum pension ('GMP') earned in the year ended March 31, 2019. This assessment has been updated during the year ended March 31, 2021 based on new information and accordingly, a charge of ₹85 crores (GBP 9 million) has been recognised.

Write off/provision (reversal) for tangible/intangible assets (including under development)

Exceptional amount of ₹114 crores and ₹(73) crores is recognised during the year ended March 31, 2021 and 2020, respectively, related to write off/(reversal) of provision for impairment (net) of certain property, plant and equipment, capital work-in-progress and intangibles under development.

Charge associated with change in JLR Strategy

Project Reimagine was approved by the JLR board on February 11, 2021, which targets the production of more sustainable and fully electric luxury vehicles including the goal of having a fully electric fleet of luxury vehicles by the end of the decade and 100% of sales from pure battery electric vehicles by 2036, as well as striving towards achieving net zero carbon emissions across its supply chain, among other environmentally driven strategies by 2039. This revised strategy, particularly the cancellation of the MLA-Mid architecture, resulted in a charge being recognised comprising the following: a) Asset write-downs of GB£952 million (₹9,606 crores) in relation to models cancelled. b) Restructuring costs of GB£534 million (₹5,388 crores) includes costs of GB£526 million (₹5,312 crores) accruals to settle legal obligations on work performed to date and provisions for redundancies and other third-party obligations and defined benefit past service cost of GB£8 million (₹76 crores).

Impairment losses/(Reversal) in Passenger Vehicle Business

As at March 31, 2020, the Company assessed the recoverable value of Passenger vehicle business of Tata Motors Limited, which represent a single cash-generating unit (CGU), due to refresh of its strategy in response to change in market conditions on account of various factors (economic environment, demand forecasts etc.) including the COVID 19 pandemic. The recoverable value determined by Fair Value less Cost of Disposal ('FVLCD') was lower than the carrying value of the CGU and this resulted in an impairment charge of ₹1,419 crores for FY 2019-20. As at March 31, 2021, the Company identified certain triggers for reversal of the previously recorded impairment based on both external and internal indicators. Accordingly, the Company reassessed its estimates and determined the recoverable value for this CGU considering the significant improvement in absolute and relative performance and outlook of the business when compared with the assumed performance at the time when the impairment loss was recorded. Based on this reassessment, the Company has reversed the initially recognised impairment for this CGU.

Provision for Onerous Contracts and related supplier claims

During the year ended March 31, 2020, a provision had been recognized for certain supplier contracts ranging from five to ten years, which had become onerous, as the Company estimated that it will procure lower quantities than committed and the costs will exceed the future economic benefit. As at March 31, 2021, the Company has reassessed the onerous provision created and based on the revised volume outlook a reversal of provision aggregating ₹777 crores have been accounted. During the year the Company has also made provision for estimated supplier claims of ₹114 crores, which are under negotiations with supplier.

Provision for cost of closure of operation of a subsidiary

On July 31, 2018, we decided to cease current operations of Tata Motors (Thailand) Ltd. Accordingly, the relevant restructuring cost of ₹381 crores have been accounted during FY 2018-19. There is a reversal of restructuring cost of ₹52 crores during FY 2020-21, compared to ₹66 crores in FY 2019-20, basis actual cash outflow compared to estimates done earlier.

Provision for impairment in subsidiaries

As a result of change in market conditions, the Company performed an impairment assessment for assets forming part of wholly owned subsidiaries Tata Motors European Technical Centre PLC (TMETC) and Trilix S.r.l (Trilix). The recoverable amount of these assets was estimated to be lower than their carrying value and this resulted in an impairment charge of ₹297 crores and ₹56 crores in TMETC and Trilix, respectively during the year ended March 31, 2020.

Provision for loan given to Joint venture

During the year ended March 31, 2020, we created provision for loans given to certain Joint venture.

Tax expenses / (credit)

Our income tax expenses is ₹2,542 crores in FY 2020-21, compared to ₹395 crores in FY 2019-20, resulting in consolidated effective tax rates of 24.3% and 3.7%, for FY 2020-21 and FY 2019-20, respectively.

Tax rates applicable to individual entities decreased to 18.0% for FY 2020-21, compared to 25.7% in FY 2019-20, mainly on account of few subsidiaries and Joint Operations opting for lower tax regime.

There is significant increase in tax expense as referred to above due to the following reasons:

- During the year FY 2020-21, deferred tax assets not recognised of ₹3,682 crores (FY 2019-20: ₹3,192 crores) mainly comprises of Jaguar Land Rover ₹2,719 crores (FY 2019-20: ₹75 crores) and Tata Motors Ltd ₹788 crores (FY 2019-20 : ₹2,922 crores) due to uncertainty of future taxable profits. Further, the Minimum Alternate Tax credit of ₹72 crores (FY 2019-20: ₹22 crores) has not been recognised in the case of few Subsidiaries and Joint Operations due to uncertainty of realization.
- During the year, there is tax charge on Undistributed Earnings of Subsidiaries amounting to ₹311 crores as compared to tax credits of ₹86 crores arising out of losses in FY 2019-20.
- Additional cost in deduction for patent, research and product development cost of ₹2 crores in FY 2020-21, compared to additional deduction of ₹282 crores in FY 2019-20, was mainly due to non-availability of weighted deduction u/s 35(2AB) of the Act on R&D expenditure with effect from April 1, 2020, applicable for FY 2020-21, which was being claimed in Tata Motors Limited on a standalone basis.
- During the year, Jaguar Land Rover has written down its tangible assets under construction of ₹430 crores, which does not qualify for tax relief.

Profit/(loss) after tax

Our consolidated net loss in FY 2020-21, excluding shares of non-controlling interests, is ₹13,451 crores, increased from net loss of ₹12,071 crores in FY 2019-20. However, profit before interest and tax of ₹7,144 crore in FY 2020-21, compared to loss before interest and tax ₹555 crores in FY 2019-20. This was mainly the result of the following factors:

- Earnings before other income (excluding Incentives), finance cost, foreign exchange gain/(loss) (net), exceptional items and tax for Jaguar Land Rover of ₹7,691 crores in FY 2020-21, compared to profit of ₹594 crores in FY 2019-20. In FY 2020-21, Jaguar Land Rover charged ₹15,350 crores as exceptional item of which ₹14,994 crores under Reimagine strategy in fourth quarter.
- Earnings before other income (excluding Incentives), finance cost, foreign exchange gain/(loss) (net), exceptional items and tax for Vehicle Financing amounted to ₹2,794 crores in FY 2020-21, compared to ₹2,855 crores in FY 2019-20.
- Loss before other income (excluding Incentives), finance cost, foreign exchange gain/(loss) (net), exceptional items and tax for Tata Commercial Vehicles amounted to ₹305 crores in FY 2020-21, compared to earnings of ₹368 crores in FY 2019-20, primarily due to lower volumes and product mix.
- Loss before other income (excluding Incentives), finance cost, foreign exchange gain/(loss) (net), exceptional items and tax for Tata Passenger Vehicles amounted to ₹1,564 crores in FY 2020-21, compared to ₹2,868 crores in FY 2019-20, due to increased sales volume in cars and Utility Vehicle segment.

Share of profit/(loss) of equity-accounted investees and non-controlling interests in consolidated subsidiaries, net of tax

In FY 2020-21, our share of equity-accounted investees reflected a loss of ₹379 crores, compared to ₹1,000 crores in FY 2019-20. Our share of profit (including other adjustments) in the China Joint Venture in FY 2020-21 was loss of ₹363 crores, compared to loss of ₹1,016 crores in FY 2019-20. The decrease in losses was mainly due to increase in sales volumes and better business performance.

The share of non-controlling interests in consolidated subsidiaries was decreased to ₹56 crores in FY 2020-21 from ₹96 crores in FY 2019-20.

B.BALANCE SHEET

Below is a discussion of major items and variations in our consolidated balance sheet as at March 31, 2021 and 2020, included elsewhere in this annual report.

₹ in crores

		As at March 31, 2021	As at March 31, 2020	Change	Translation of JLR	Net Change
ASSETS						
(a)	Property, plant and equipment, right of use and intangible assets	1,58,868	1,61,952	(3,085)	9,233	(12,318)
(b)	Goodwill	804	777	27	-	27
(c)	Investment in equity accounted investees	4,201	4,419	(218)	229	(447)
(d)	Financial assets	1,28,648	98,922	29,726	4,688	25,038
(e)	Deferred tax assets (net)	4,520	5,458	(938)	287	(1,225)
(f)	Current tax assets (net)	1,869	1,295	574	58	516
(g)	Other assets	7,907	11,647	(3,740)	349	(4,089)
(h)	Inventories	36,089	37,457	(1,368)	2,185	(3,553)
(i)	Assets classified as held-for-sale	221	194	27	-	27
	TOTAL ASSETS	**3,43,126**	**3,22,121**	**21,005**	**17,029**	**3,976**
EQUITY AND LIABILITIES						
	EQUITY	56,820	63,892	(7,072)	3,805	(10,877)
	LIABILITIES					
(a)	Financial liabilities:	2,34,453	2,12,456	21,997	10,019	11,978
(b)	Provisions	26,455	25,066	1,389	1,699	(310)
(c)	Deferred tax liabilities (net)	1,556	1,942	(386)	84	(470)
(d)	Other liabilities	22,756	17,725	5,031	1,349	3,682
(d)	Current tax liabilities (net)	1,086	1,040	46	73	(27)
	TOTAL LIABILITIES	**2,86,306**	**2,58,229**	**28,077**	**13,224**	**14,853**
	TOTAL EQUITY AND LIABILITIES	**3,43,126**	**3,22,121**	**21,005**	**17,029**	**3,976**

Our total assets were ₹3,43,126 crores and ₹3,22,121 crores as at March 31, 2021 and 2020, respectively. The increase by 6.5% in assets as at March 31, 2021 considers a favourable foreign currency translation from GBP into Indian rupees as described below.

Our total current assets increased by ₹27,300 crores to ₹1,46,888 crores or 22.8% as at March 31, 2021, compared to ₹1,19,587 crores as at March 31, 2020.

Cash and cash equivalents increased by 71.7% to ₹31,700 crores as at March 31, 2021, compared to ₹18,468 crores as at March 31, 2020, which also includes a favourable foreign currency translation of ₹1,592 crores from GBP to Indian rupees. We hold cash and cash equivalents principally in Indian rupees, GBP, Chinese Renminbi, EURO and USD. Out of cash and cash equivalents as at March 31, 2021, Jaguar Land Rover held the GB£2,202 million equivalent of ₹22,190 crores, which consists of surplus cash deposits for future use.

As at March 31, 2021, we had short-term deposits of ₹14,346 crores, compared to ₹14,829 crores as of March 31, 2020, a marginal decrease of 3.3%, due to decrease in the value of deposits invested over a term of three months or longer mainly at Jaguar Land Rover.

As at March 31, 2021, we had finance receivables, including the non-current portion (net of allowances for credit losses), of ₹34,715 crores, compared to ₹31,079 crores as at March 31, 2020, an increase of 11.7%, due to lower run down of loan book on account of a moratorium in the first half of FY 2020-21 followed by a decent revival of pent-up demand in the second half of FY 2020-21. We had also extended Emergency Credit Line Guarantee Scheme loans to eligible customers which had a one-year principal repayment moratorium. Gross finance receivables were ₹35,963 crores as at March 31, 2021, compared to ₹31,730 crores as at March 31, 2020. Vehicle financing is integral to our automotive operations in India.

Trade receivables (net of allowance for doubtful receivables) were ₹12,679 crores as at March 31, 2021, representing an increase of ₹1,506 crores or 13.5% over March 31, 2020. The increase was partially due to favourable foreign currency translation of ₹624 crores from GBP to Indian rupees. Trade receivables at Tata and other brand vehicles (including vehicle finance) increased by 23.6% to ₹3,833 crores as at March 31, 2021 from ₹3,102 crores as at March 31, 2020, primarily on account of higher sales volume during the recovery phase after lockdown due to the COVID-19 pandemic. The trade receivables of Jaguar Land Rover were ₹8,501 crores as at March 31, 2021, compared to ₹7,586 crores as at March 31, 2020 and increase of 12.1%. The past dues for more than six months (gross) decreased from ₹1,744 crores as at March 31, 2020 to ₹1,679 crores as at March 31, 2021. These mainly represent dues from government-owned transport undertakings and Passenger Vehicle dealers, for which we are pursuing recovery.

As at March 31, 2021, inventories were at ₹36,089 crores, compared to ₹37,457 crores as at March 31, 2020, a decrease of 3.7%. The decrease in finished goods inventory was ₹2,319 crores from ₹29,632 crores as at March 31, 2020 to ₹27,313 crores as at March 31, 2021, mainly due to an increase in volumes at Tata Motors. This decrease was offset by a favourable currency translation of ₹2,185 crores from GBP to Indian rupees. In terms of number of days to sales, finished goods represented 42 inventory days in sales in FY 2020-21, compared to 43 inventory days in FY 2019-20.

Our investments (current and non-current investments) increased to ₹20,419 crores as at March 31, 2021 from ₹11,890 crores as at March 31, 2020, representing an increase of 71.7%. Our investments mainly comprise mutual fund of ₹19,051 crores as at March 31, 2021, compared to ₹10,862 crores as at March 31, 2020. Investments attributable to Jaguar Land Rover were ₹16,095 crores as at March 31, 2021, compared to ₹9,515 crores as at March 31, 2020, an increase of 48.2% mainly on account of mutual fund. Tata Motors Limited (Parent) on Standalone basis has investments in mutual funds of ₹1,578 crores as at March 31, 2021, compared to ₹885 crores as at March 31, 2020.

Our other assets (current and non-current) decreased by 32.1% to ₹7,907 crores as at March 31, 2021 from ₹11,646 crores as at March 31, 2020. The decrease is mainly attributable to pension assets which was recognized in FY 2019-20 for the surplus on the UK defined benefit pension scheme at Jaguar Land Rover consequent to changes in actuarial assumptions causing the defined benefit schemes moved to a net liability position as at March 31, 2021 from net asset position as at March 31, 2020.

Our other financial assets (current and non-current) increased to ₹11,088 crores as at March 31, 2021 from ₹9,336 crores as at March 31, 2020. Derivative financial instruments (representing options and other hedging arrangements, mainly related to the Jaguar Land Rover business) increased to ₹6,113 crores as at March 31, 2021 from ₹4,682 crores as at March 31, 2020, predominantly due to the strengthening of the GBP compared to EURO and therefore the increasing fair value of derivative contracts. This increase is partially offset by decrease in recoverable from suppliers to ₹1,546 crores as at March 31, 2021 from ₹1,917 crores as at March 31, 2020.

Income tax assets (both current and non-current) increased by 44.3% to ₹1,869 crores as at March 31, 2021 from ₹1,295 crores as at March 31, 2020 mainly at Jaguar Land Rover.

Property, plants and equipment (net of depreciation) marginally increased by 2.3% from ₹77,883 crores as at March 31, 2020 to ₹79,640 crores as at March 31, 2021. The increase is partly due to a favourable foreign currency translation of ₹4,237 crores from GBP to Indian rupees. After adjusting for the foreign currency translation impact, a decrease of ₹2,480 crores is mainly including depreciation charged during the year for property, plant and equipment and lower addition during the year as compared to previous year. This decrease excluding translation is partially offset by reversal of impairment charges taken in Passenger Vehicle business at Tata Motors Limited.

Goodwill as at March 31, 2021 was ₹804 crores, compared to ₹777 crores as at March 31, 2020. The increase was attributable to a favourable translation impact pertaining to software consultancy and the services of our subsidiary, Tata Technologies Limited.

Intangible assets decreased by 7.0% from ₹69,195 crores as at March 31, 2020 to ₹64,360 crores as at March 31, 2021. This decrease is mainly due to ₹7,279 crores impairment done under the Reimagine strategy at Jaguar Land Rover business and amortization charge for the year. This decrease was partially offset by reversal of ₹545 crores impairment charges taken in Passenger Vehicle business at Tata Motors Limited and a favourable foreign currency translation of ₹4,104 crores from GBP to Indian rupees. As at March 31, 2021, there were product development projects in progress amounting to ₹12,587 crores compared to ₹27,023 crores as at March 31, 2020.

The carrying value of investments in equity-accounted investees decreased by 4.9% to ₹4,201 crores as at March 31, 2021, from ₹4,419 crores as at March 31, 2020. The value of investments in equity-accounted investees decreased mainly due to loss for the year FY 2020-21 at China Joint Venture.

A deferred tax liability (net) of ₹832 crores was recorded in our income statement and deferred tax asset of ₹280 crores in other comprehensive income which mainly includes assets of ₹1,507 crores toward post-retirement benefits and liability of ₹1,175 million toward cash flow hedges in FY 2020-21. The net deferred tax asset of ₹2,964 crores was recorded as at March 31, 2021, compared to ₹3,516 crores as at March 31, 2020.

Accounts payable (including acceptances) were ₹76,040 crores as at March 31, 2021, compared to ₹66,398 crores as at March 31, 2020, an increase of 14.5%, reflecting an increase in operations and an unfavourable foreign currency translation of ₹4,195 crores from GBP to Indian rupees.

Other financial liabilities (current and non-current) were ₹37,411 crores as at March 31, 2021, compared to ₹40,402 crores as at March 31, 2020 (net of an unfavourable currency translation impact of ₹1,441 crores), reflecting liabilities toward current maturities of long-term borrowings, vehicles sold under repurchase arrangements, derivative instruments, and interest accrued but not due on loans and lease liabilities. Liability towards current maturities of long-term borrowings increased to ₹21,129 crores as at March 31, 2021 from ₹19,132 crores as at March 31, 2020 mainly due to higher repayment of long-term borrowings falling in FY 2021-22, compared to FY 2020-21. Liability toward vehicles sold under repurchasing arrangements decreased to ₹3,623 crores as at March 31, 2021 from ₹4,483 crores as at March 31, 2020, mainly due to decrease in the repurchase business at Jaguar Land Rover and this is partially offset by an unfavourable currency translation impact of ₹260 crores. Derivative financial instruments (representing options and other hedging arrangements, mainly related to Jaguar Land Rover) decreased by 40.6% to ₹4,480 crores as at March 31, 2021 from ₹7,536 crores as at March 31, 2020.

Provisions (current and non-current) increased by 5.5% to ₹26,455 crores as at March 31, 2021 from ₹25,066 crores as at March 31, 2020. This increase is mainly due to restructuring provision of ₹1,952 crores made at Jaguar Land Rover under the Reimagine strategy towards settling legal obligations on work performed to date and other third-party obligations and an unfavourable foreign currency translation impact of ₹1,699 crores from GBP to Indian rupees. Provisions for warranties decreased by 3.6% or ₹693 crores to ₹18,604 crores as at March 31, 2021, compared to ₹19,297 crores as at March 31, 2020 mainly at Jaguar Land Rover primarily due to lower retail sales. Furthermore, provisions for residual risk for Jaguar Land Rover decreased to ₹667 crores (GB£66 million) as at March 31, 2021, compared to ₹1,637 crores (GB£175 million) as at March 31, 2020. This is driven primarily by the resilience and recovery observed in the US economy and secondary vehicle market across FY 2020-21 following the anticipated impact of the COVID-19 pandemic as at March 31, 2020, further supported by Jaguar Land Rover's wider demand-led recovery.

Other liabilities (current and non-current) increased by 28.4% to ₹22,756 crores as at March 31, 2021, compared to ₹17,725 crores as at March 31, 2020. Employee benefit obligations increased to ₹4,092 crores as at March 31, 2021, compared to ₹342 crores as at March 31, 2020, mainly pertaining to the Jaguar Land Rover pension plan, consequent to changes in actuarial assumptions causing the defined benefit schemes to move to a net liability position as at March 31, 2021 from net asset position as at March 31, 2020.

Our total debt was ₹1,35,905 crores as at March 31, 2021, compared to ₹1,18,811 crores as at March 31, 2020, an increase of 14.4%, including an unfavourable currency translation of ₹4,438 crores from GBP to Indian rupees. Short-term debt (including the current portion of long-term debt) increased to ₹42,792 crores as at March 31, 2021, compared to ₹35,495 crores as at March 31, 2020. Long-term debt (excluding the current portion) increased by 11.8% to ₹93,113 crores as at March 31, 2021 from ₹83,316 crores as at March 31, 2020. Long-term debt (including the current portion) increased by 11.5% to ₹1,14,242 crores as at March 31, 2021, compared to ₹1,02,448 crores as at March 31, 2020.

Total equity was ₹56,820 crores as at March 31, 2021 and ₹63,892 crores as at March 31, 2020, respectively.

Equity attributable to shareholders of Tata Motors Limited decreased to ₹55,247 crores as at March 31, 2021, compared to ₹63,079 crores as at March 31, 2020. This decrease is mainly due to losses of ₹13,451 crores and actuarial losses in pension reserve of ₹5,901 crores, offset by hedging reserve gain of ₹4,147 crores, currency translation reserve gain of ₹3,853 crores and securities premium of ₹2,556 crores pursuant to conversion of share warrants.

C. CASH FLOW

The following table sets forth selected items from consolidated cash flow statement:

(₹ in crores)

	FY 2020-21	FY 2019-20	Change
Cash from operating activity	**29,001**	**26,633**	**2,368**
Profit/(Loss) for the year	(13,395)	(11,975)	
Adjustments for cash flow from operations	44,593	35,328	
Changes in working capital	(93)	5,065	
Direct taxes paid	(2,105)	(1,785)	
Cash used in investing activity	**(26,126)**	**(34,170)**	**8,044**
Payment for property, plant and equipment and other intangible assets (net)	(19,855)	(29,530)	
Net investments, short term deposit, margin money and loans given	(6,719)	(6,388)	
Dividend and interest received	447	1,748	
Net Cash from Financing Activities	**9,904**	**3,390**	**6,515**
Dividend Paid (including paid to minority shareholders)	(29)	(57)	
Interest paid	(8,107)	(7,518)	
Net Borrowings (net of issue expenses)	18,040	10,965	
Net increase / (decrease) in cash and cash equivalent	**12,778**	**(4,148)**	**16,926**
Cash and cash equivalent, end of the year	**31,700**	**18,468**	
Free Cash flow*	**1,452**	**(9,295)**	

*Free cash flow means cash flow from operating activities less payment for property, plant and equipment and intangible assets, add proceeds from sale of property, plant and equipment less interest paid add interest received, add dividend from equity accounted investees of core auto entities and less Investment in Equity Accounted investees of core auto entities.

Cash and cash equivalents increased by ₹13,232 crores in FY 2020-21 to ₹31,700 crores from ₹18,468 crores in FY 2019-20, including a favourable currency translation of ₹1,592 crores from GBP to Indian rupees. The increase in cash and cash equivalents (excluding currency translation) resulted from the changes to our cash flows in FY 2020-21 when compared to FY 2019-20 as described below.

Net cash provided by operating activities totalled ₹29,001 crores in FY 2020-21, an increase of ₹2,368 crores, compared to ₹26,633 crores in FY 2019-20. The net loss is ₹13,395 crores in FY 2020-21, compared to ₹11,975 crores in FY 2019-20. The cash flows from operating activities before changes in operating assets and liabilities is of ₹31,198 crores in FY 2020-21, compared to ₹23,352 crores in FY 2019-20. The changes in operating assets and liabilities resulted in a net outflow of ₹93 crores in FY 2020-21, compared to net inflow of ₹5,065 crores in FY 2019-20.

In FY 2020-21, the net outflow in vehicle finance receivables was ₹4,387 crores compared to inflow of ₹2,021 crores in FY 2019-20. For Tata Commercial Vehicles and Tata Passenger Vehicles there was an inflow of ₹4,226 crores in FY 2020-21 on account of changes in operating assets and liabilities, compared to ₹678 crores in FY 2019-20, which was mainly attributable to an increase in trade payables and acceptances. For Jaguar Land Rover brand vehicles, there was a net outflow of cash on account of changes in operating assets and liabilities accounting to ₹527 crores in FY 2020-21, compared to inflows of ₹2,462 crores in FY 2019-20. This is mainly due to provisions in FY 2020-21 compared to FY 2019-20.

Income tax paid has increased to ₹2,105 crores in FY 2020-21, compared to ₹1,785 crores in FY 2019-20, which was primarily attributable to tax payments by Jaguar Land Rover's foreign subsidiaries in their respective tax jurisdictions.

Net cash used in investing activities totalled of ₹26,126 crores in FY 2020-21, compared to ₹34,170 crores for FY 2019-20, a decrease of ₹8,044 crores or 23.5%, mainly due to decrease in cash outflows on capital expenditure, both at Jaguar Land Rover and Tata Motors Limited.

The following table sets forth a summary of our cash flow on property, plants and equipment and intangible assets for the periods indicated.

(₹ in crores)

	FY 2020-21	FY 2019-20
Tata Commercial Vehicles and Tata Passenger Vehicles	1,719	4,332
Jaguar Land Rover	18,123	25,139

Jaguar Land Rover achieved positive free cash flow of GB£185 million in FY 2020-21, after total investment spending of £2.3 billion. This is a significant improvement on the negative GB£759 million free cash flow in the prior year. In FY 2020-21, payments for capital expenditures at Jaguar Land Rover decreased by 27.9% to ₹18,123 crores from ₹25,139 crores in FY 2019-20. Investment spending in FY 2020-21 was GB£2.3 billion (11.9% of revenue), significantly lower than the GB£3.3 billion (14.3% of revenue) in the prior fiscal year, due to continued Charge+ savings. Of the GB£2.3 billion investment spending, £489 million was expensed through profit and loss statement and the remaining GB£1.9 billion was capitalised. Total research and development accounted for GB£1.2 billion (51.9%) of investment spending, while tangible and other intangible assets accounted for the remaining GB£1.1 billion (48.1%). Further, in FY 2020-21, payments for capital expenditures at Tata Commercial Vehicles and Tata Passenger Vehicles decreased to ₹1,719 crores from ₹4,332 crores in FY 2019-20. These capital expenditures are related to new products under development.

Our net investment in short-term deposit margin moneys and loans resulted in an outflow of ₹6,719 crores in FY 2020-21, compared to ₹6,389 crores in FY 2019-20. This is mainly due to higher investment of in FY 2020-21 towards mutual fund compared to FY 2019-20 which is partially offset by higher realisation of fixed deposit in FY 2020-21, compared to FY 2019-20.

Net cash inflow from financing activities totalled ₹9,904 crores in FY 2020-21, compared to ₹3,390 crores in FY 2019-20. Net Borrowings (net of issue expenses) done during FY 2020-21 of ₹18,057 crores, compared to ₹10,965 crores during FY 20219-20. For Tata Commercial Vehicles and Tata Passenger Vehicles excluding vehicle finance, the short-term debt (net) decreased by ₹3,864 crores, whereas long-term debt (net) increased by ₹2,054 crores, due to additional borrowings. There was an increase in debt (short-term and long-term) of ₹7,188 crores in FY 2020-21 at Vehicle

Financing, compared to decrease of ₹3,271 crores in FY 2019-20. For Jaguar Land Rover, short-term debt (excluding lease liabilities) increased to GB£1,206 million in FY 2020-21 (GB£526 million in FY 2019-20), primarily because of the CNY 5 billion China loan completed in June 2020. Long-term debt (excluding lease liabilities) increased to GB£4,972 million in FY 2019-20 (GB£4,817 million in FY 2019-20), including the new US$700 million 5 year and US$650 million 7 year unsecured bonds issued in third quarter of FY 2020-21, partially offset by a GB£300 million bond which matured in January 2021 and GB£125 million of the UKEF backed loan which amortised over the course of the year as well as a favourable revaluation of foreign currency debt as a result of the significantly stronger Pound at March 31, 2021 compared to March 31, 2020. Lease obligations totalled GB£519 million in FY 2020-21 compared to GB£541 million in FY 2019-20.

Interest paid in FY 2020-21 was ₹8,123 crores, compared to ₹7,518 crores in FY 2019-20. For Jaguar Land Rover, interest paid was ₹2,493 crores in FY 2020-21, compared to ₹1,863 crores in FY 2019-20 primarily because of the higher indebtedness as well as lower yield on cash balances, resulting from central banks interest rate cuts to help tackle the economic effects of COVID-19 pandemic. For Tata Commercial Vehicles and Tata Passenger Vehicles, interest paid was ₹2,735 crores in FY 2020-21, compared to ₹2,568 crores in FY 2019-20. For Vehicle Financing, interest paid was ₹2,892 crores in FY 2020-21, compared to ₹3,085 crores in FY 2019-20.

D. KEY FINANCIAL RATIOS

The details of significant changes (25% or more) in the key financial ratios in FY 2020-21 compared to FY 2019-20 is as follows:

	FY 2020-21	FY 2019-20	Formula used	Reason for change
Interest coverage ratio (in times)	1.10	0.04	EBIT / Interest expense	Due to higher Earnings before other income (excluding Incentives), finance costs, foreign exchange gain/(loss) (net), exceptional items and tax at both Tata motors and Jaguar Land Rover, in FY 2020-21 compare to FY 2019-20, the interest coverage ratio is high.
Debt Equity ratio	2.46	1.88	Debt (excluding leases)/ shareholders' equity	The consolidated gross debt has increased by 14.4% in FY 2020-21 compared to FY 2019-20. The net debt (net of cash and cash equivalent including bank balances, mutual fund and deposit with financial institution - current) equity ratio is increased by 7.3% to 1.25 as at March 31, 2021 compared to 1.16 as at March 31, 2020. Equity attributable to shareholders of Tata Motors Limited decreased to ₹55,247 crores as at March 31, 2021, compared to ₹63,079 crores as at March 31, 2020. This decrease is mainly due to losses of ₹13,451 crores and actuarial losses in pension reserve of ₹5,901 crores, offset by hedging reserve gain of ₹4,147 crores, currency translation reserve gain of ₹3,853 crores and securities premium of ₹2,556 crores pursuant to conversion of share warrants.

E. LIQUIDITY AND CAPITAL RESOURCES

We finance our capital expenditures and research and development investments through cash generated from operations, cash and cash equivalents, and debt and equity funding. We also raise funds through the sale of investments, including divestments in stakes of subsidiaries on a selective basis.

The key element of the financing strategy is maintaining a strong financial position that allows us to fund our capital expenditures and research and development investments efficiently even if earnings are subject to short-term fluctuations. Our treasury policies for liquidity and capital resources are appropriate for automotive operations and are set through business specific sensitive analysis and by benchmarking our competitors. These are reviewed periodically by the Board.

(i) Principal Sources of Funding Liquidity

Our funding requirements are met through a mixture of equity, convertible or non-convertible debt securities and other long- and short-term borrowings. We access funds from debt markets through commercial paper programs, convertible and non-convertible debentures, and other debt instruments. We regularly monitor funding options available in the debt and equity capital markets with a view to maintain financial flexibility.

See Note 41 to our audited consolidated financial statements included elsewhere in this annual report for additional disclosures on financial instruments related to liquidity, foreign exchange and interest rate exposures and use of derivatives for risk management purposes.

The following table sets forth our short- and long-term debt position:

(₹ in crores)

	As of March 31, 2021	As of March 31, 2020
Short-term debt (excluding current portion of long-term debt)	21,663	16,363
Current portion of long-term debt	21,129	19,132
Long-term debt net of current portion	93,113	83,316
Total Debt	**1,35,905**	**1,18,811**

During FY 2020-21 and FY 2019-20, the effective weighted average interest rate on our long-term debt was 5.1% and 5.9% per annum, respectively. The following table sets forth a summary of long-term debt (including current maturities of long-term borrowings) outstanding as of March 31, 2021.

Details of Long-term debt	Currency	Initial Principal amounts (millions)	Redeemable on	Interest Rate	Amount repaid during FY 2020-21 (₹ crores)	Outstanding (₹ crores)	
						31-Mar-21	31-Mar-20
Non-convertible debentures	₹			Various	3,500	13,740	11,899
Collateralized debt obligations	₹			Various	1,965	2,974	4,230
Buyers credit from bank	Various			Various	1,100	3,375	3,975
Loan from banks / financial institutions	Various			Various	7,497	40,958	37,051
Compulsory convertible Preference shares	₹			Various	458	337	789
Senior Notes							
Tata Motors Limited	US$	250	due 2024	5.750%		1,816	1,862
Tata Motors Limited	US$	300	due 2025	5.875%		2,181	2,270
Jaguar Land Rover	US$	500	due 2023	5.625%		3,646	3,775
Jaguar Land Rover	GB£	400	due 2023	3.875%		4,019	3,726
Jaguar Land Rover	GB£	400	due 2022	5.000%		4,023	3,725
Jaguar Land Rover	US$	500	due 2027	4.500%		3,876	4,235
TML Holdings Pte. Limited	US$	300	due 2021	5.750%		2,193	2,268
TML Holdings Pte. Limited	GB£	98	due 2023	4.000%		958	-
TML Holdings Pte. Limited	US$	300	due 2024	5.500%		2,176	-
Tata Motors Limited	US$	263	due 2020	4.625%	1,986	-	1,986
Jaguar Land Rover	US$	700	due 2025	7.750%		5,073	-
Jaguar Land Rover	US$	650	due 2028	5.875%		4,708	-
Jaguar Land Rover	EU€	500	due 2024	5.875%		4,266	4,139
Jaguar Land Rover	GB£	300	due 2021	2.750%	2,986	-	2,800
Jaguar Land Rover	EU€	650	due 2024	2.200%		5,563	5,398
Jaguar Land Rover	EU€	500	due 2026	4.500%		4,021	4,101
Jaguar Land Rover	EU€	500	due 2026	6.875%		4,339	4,219
Total Long-term debt					**19,492**	**1,14,242**	**1,02,448**

The following table sets forth a summary of the maturity profile for our outstanding long-term debt obligations (including current maturities of long-term borrowings) as of March 31, 2021.

Payments Due by Period[1, 2]	₹ in crores
Within one year	27,057
After one year and up to two years	27,800
After two year and up to five years	56,341
After five year and up to ten years	16,445
Total	**1,27,643**

1. Including interest.
2. As at March 31, 2021, Jaguar Land Rover's long-term debt obligations were senior notes and bank loans of ₹56,484 crores.

The following table sets forth our total liquid assets, namely cash and cash equivalents, short-term deposits and investments in mutual funds and money market funds (under other Investment—Current):

(₹ in crores)

	As of March 31, 2021	As of March 31, 2020
Total cash and cash equivalent	31,700	18,468
Total short-term deposits	14,346	14,829
Total mutual fund investments	19,051	10,862
Total liquid assets	**65,097**	**44,159**

These resources enable us to address business needs in the event of changes in credit market conditions. Of the above liquid assets, Jaguar Land Rover held ₹48,184 crores and ₹34,273 crores as of March 31, 2021 and 2020, respectively. Most of Jaguar Land Rover's liquid assets are maintained in GBP, USD, EUR and RMB with smaller balances maintained in other currencies to meet operational requirements in those geographic regions.

We expect total product and other investment spending to be around Rs. 28,900 crores in property, plants and equipment and product development during FY 2021-22.

We will continue to invest in new products and technologies to meet consumer demand and regulatory including to increase our range of electrified options (notably full battery electric) across our model range and on our vehicle architectures as recently announced as part of our Reimagine strategy We expect to satisfy our investments out of operating cash flows and additional funding through loans and other debt from time to time, as necessary but targeting a reduction in the coming years to achieve a net cash position from FY 2024-25.

Auto Free Cash Flow (cash flow from operating activities less payment for property, plant and equipment and intangible assets add proceeds from sale of property, plant and equipment less interest paid add interest received, add dividend from equity accounted investees core auto and less investment in equity accounted investees of core auto entities and less cash flow of TMF Group i.e., financing business) on consolidated basis was positive at ₹5,317 crores compared to negative ₹12,676 crores in FY 2019-20. This is mainly on account of improved operational and financial performance by reducing cost resultant into positive free cash flow for FY 2020-21, compared to FY 2019-20.

The following table provides information for the credit rating of Tata Motors Limited for short-term borrowing and long-term borrowing from the following rating agencies as of March 31, 2021: Credit Analysis &

Research Limited ("CARE"), Information and Credit Rating Agency of India Ltd. ("ICRA Limited" or "ICRA"), Credit Rating Information Services of India Ltd. ("CRISIL Ltd" or "CRISIL"), Standard & Poor's Ratings Group ("S&P") and Moody's Investors Service ("Moody's"). A credit rating is not a recommendation to buy, sell or hold securities. A credit rating may be subject to withdrawal or revision at any time. Each rating should be evaluated separately of any other rating. The credit rating of Tata Motors as at March 31, 2021 was as follows.

Rating agency	Long-term borrowings	Short-term borrowings
CARE	AA- / Stable	A1+
ICRA	AA- / Stable	A1+
CRISIL	AA- /Stable	A1+
S&P	B / Negative	-
Moody's	B1 / Negative	-

As at March 31, 2021, JLR's rating was "B1"/ Negative by Moody's, "B"/Negative by Standard & Poor's. Subsequently, Moody's revised the outlook of JLR to Stable and as of date of this annual report, credit rating of JLR stands at B1/Stable

As at March 31, 2021, for TMFHL and its subsidiaries, CRISIL, ICRA and CARE rating on long- term debt instruments and long-term bank facilities stood at "AA -/ Stable",

Subsequently, S&P and Moody's revised the outlook of Tata Motors Limited to Stable and as of the date of this annual report, the S&P credit rating of Tata Motors Limited stands at B / Stable and Moody's credit rating stands at B1/Stable.

We believe that we have sufficient liquidity available to meet our planned capital requirements. However, our sources of funding could be materially and adversely affected by an economic slowdown, as was witnessed in FY 2008-09, arising due to COVID-19 or other macroeconomic factors in India, the United Kingdom, the United States, Europe or China, which are beyond our control. A decrease in the demand for our vehicles could affect our ability to obtain funds from external sources on acceptable terms or in a timely manner.

The COVID-19 pandemic and resulting lockdowns may continue to impact our business. Given the significant uncertainties arising out of the COVID-19 pandemic, we assessed the cash flow projections and available liquidity for a period of eighteen months from the date of these financial statements. Based on this evaluation, our management believes that the Company will be able to continue as a 'going concern' in the foreseeable future. For further details kindly refer note 2 (e) in Significant accounting policies forming part of consolidated financial statement.

Our cash is located in various subsidiaries. The cash in some of these jurisdictions, notably South Africa and Brazil, is subject to certain restrictions on cash pooling, intercompany loan arrangements or interim dividends. However, annual dividends are generally permitted, and we do not believe that these restrictions have, or are expected to have, any impact on our ability to meet our cash obligations.

Long-term funding

To refinance our existing borrowings and support our long-term funding needs, we continued to raise funds during FY 2019-20 and FY 2020-21. Details of major funding during FY 2019-20 through FY 2020-21 are provided below.

During the year ended March 31, 2020, the Company has allotted 20,16,23,407 Ordinary Shares at a price of ₹150 per Ordinary Share aggregating to ₹3,024 crores and 23,13,33,871 Convertible Warrants ('Warrants'), each carrying a right to subscribe to one Ordinary Share per Warrant, at a price of ₹150 per Warrant ('Warrant Price'), aggregating to ₹3,470 crores on a preferential basis to Tata Sons Private Limited. An amount equivalent to 25% of the Warrant Price was paid at the time of subscription and the balance 75% of the Warrant Price was payable by the Warrant holder against each Warrant at the time of allotment of Ordinary Shares pursuant to exercise of the options attached to Warrant(s) to subscribe to Ordinary Share(s) by June 2021. The Company has fully utilised the amount of ₹3,892 crores towards repayment of debt, and other general corporate purposes of the Company and its subsidiaries.

During the quarter and year ended March 31, 2021, on exercise of options by Tata Sons Pvt Ltd and on receipt of the balance subscription money of ₹2,603 crores, the Company has fully converted 23,13,33,871 convertible warrants into Ordinary Shares, that were issued during the year ended March 31, 2020. The Company has not utilised any of this amount as at March 31, 2021.

During FY 2019-20, the Tata Motors raised unsecured term loans amounting to ₹1,500 crores from Banks for general corporate purpose and funding capital requirements. Tata Motors Limited raised unsecured, rated, listed NCD's amounting to ₹1,000 crores for utilisation towards capital expenditure including intangibles, refinancing of existing indebtedness and other general corporate purpose. In November 2019, Tata Motors Limited issued US$300 million bonds due 2025 at coupon rate of 5.875% for funding capital requirements and other permitted use as per ECB guidelines.

During FY 2019-20, TMFHL and its subsidiaries, raised ₹2,270 crores by issuing NCDs (including Sub Debt and Perpetual NCDs). Total issuance through Sub Debt and Hybrid Perpetual NCDs was ₹550 crores. Bank borrowings including ECB's continued to be a major source of funds for long-term borrowing and raised ₹4,320 crores during FY 2019-20.

In October 2019, Jaguar Land Rover Automotive PLC completed and drew down in full a GB£625 million five-year amortizing loan facility backed by a GB£500 million guarantee from UK Export Finance ("UKEF"), GB£448 million of this loan remained outstanding at 31 March 2021, after GB£125 million of the loan amortized during FY 2020-21. In addition, the Company signed a new GB£100 million working capital facility for fleet buybacks in October 2019, fully drawn in November 2019 (subsequently renewed and amended to a GB£113 million facility with GB£110 million drawn at 31 March 2021).

In November 2019, Jaguar Land Rover Automotive Plc issued EUR500 million senior notes due in 2024 at a coupon of 5.875% per annum and EUR300 million senior notes due in 2026 at a coupon of 6.875% per annum and an additional EUR200 million of senior notes in December 2019 due in 2026 also at a coupon of 6.875% per annum (the EUR300 million and EUR200 million senior notes due in 2026 are part of the same series of senior notes). The proceeds were for general corporate purposes, including support for Jaguar Land Rover's ongoing growth and capital spending requirements.

In November 2019, the US$500 million senior notes with a coupon of 4.250% issued by Jaguar Land Rover Automotive Plc in November 2014 matured and were fully repaid.

In March 2020, the US$500 million senior notes with a coupon of 3.500% issued by Jaguar Land Rover Automotive Plc in March 2015 matured and were fully repaid.

During FY 2020-21, the Tata Motors raised unsecured term loans amounting to ₹500 crores from Banks for general corporate purpose and funding capital requirements.

During FY 2020-21, Tata Motors Limited raised ₹1,000 crores through secured, rated, listed NCD's. Tata Motors Limited also raised ₹3,000 crores through secured term loan for utilization towards capital expenditure including intangibles, refinancing of existing indebtedness and other general corporate purposes.

During FY 2020-21, Jaguar Land Rover (China) Investment Co. Ltd signed a RMB 5 billion unsecured three-year revolving loan facility with a syndicate of five Chinese banks (fully drawn as at March 31, 2021) which is subject to an annual confirmatory review. In addition, Jaguar Land Rover (China) Investment Co., Ltd entered into a small parts factoring facility in first quarter of FY 2020-21, of which RMB167 million (GB£19 million equivalent) was drawn as at March 31, 2021.

In October 2020, Jaguar Land Rover Automotive Plc issued $700 million senior notes due in 2025 at a coupon of 7.75% per annum. In December 2020, Jaguar Land Rover Automotive Plc issued US$650 million senior notes due 2028 at a coupon of 5.875%. The proceeds were for general corporate purposes.

In January 2021, the GB£300 million senior notes with a coupon of 2.750% issued by Jaguar Land Rover Automotive Plc in January 2017 matured and were fully repaid.

During FY 2020-21, TML Holding Pte Limited has issued GB£98 million Credit Enhanced Notes at a coupon rate of 4% and US$ 300 million Senior notes at a coupon rate of 5.5%. The proceeds have been used towards refinancing and meeting general corporate purposes.

During FY 2020-21, TMFHL and its subsidiaries, raised ₹4,836 crores by issuing debentures (including Hybrid and non-hybrid Perpetual NCDs). Total issuance through Hybrid Perpetual NCDs was ₹2,063 crores. Bank borrowings continued to be a major source for long-term borrowing and TMFHL and its subsidiaries raised ₹6,891 crores during FY 2021. Out of this, ECB amounted to ₹110 crores.

We plan to refinance and raise long-term funding through borrowings or equity issuances, based on review of business plans, operating results and covenant requirements of our existing borrowings.

Short-term funding

We fund our short-term working capital requirements with cash generated from operations, overdraft facilities with banks, short- and medium-term borrowings from lending institutions, banks and commercial paper. The maturities of these short-term and medium-term borrowings and debentures are generally matched to particular cash flow requirements. We had borrowings of ₹21,664 crores and ₹16,363 crores as of March 31, 2021 and 2020, respectively.

Our working capital limit for our India operations is ₹10,000 crores. The working capital limit is secured by hypothecation of existing current assets of Tata Motors Limited, including stock of raw material, stock in process, semi-finished goods, stores and spares not relating to plants and machinery (consumable stores and spares), bills receivables and book debts, including vehicle financing receivables and all other moveable current assets, except cash and bank balances, loans and advances of Tata Motors Limited, both present and future. The working capital limit is renewed annually for Tata Motors Limited. Tata Motors Limited currently has ₹1,000 crores revolving credit facility which remained undrawn as of March 31, 2021.

In December 2020 Jaguar Land Rover Limited renewed its GB£113 million committed, secured revolving loan facility for fleet buybacks for another year, with GB£110 million drawn as at March 31, 2021. As at March 31, 2021, Jaguar Land Rover Limited had sold receivables of GB£278 million equivalent under the US$500 million committed invoice discounting facility, which was renewed for another 2 years in March 2021. Under the terms of this facility receivables are accounted as sold (through trade receivables in working capital) and therefore not accounted as debt under Ind AS.

At March 31, 2021 the unutilised working capital limits for Tata Motors Limited were at ₹6,826 crores. The unutilised revolving credit facility amounted to ₹1,000 crores. For Jaguar Land Rover the unutilised committed revolving credit facility of GB£1,935 million. In April 2021, Jaguar Land Rover Automotive plc concluded negotiations with 20 banks to extend £1.3 billion of its committed undrawn revolving credit facility out to March 2024. In our opinion, our working capital facilities and short-term borrowings are sufficient for the company's present requirements.

Loan Covenants

Some of our financing agreements and debt arrangements set limits on and/or require prior lender consent for, among other things, undertaking new projects, issuing new securities, changes in management, mergers, sales of undertakings and investments in subsidiaries. In addition, certain negative covenants may limit our ability to borrow additional funds or to incur additional liens, and/or provide for increased costs in case of breach. Certain financing arrangements also include financial covenants to maintain certain debt-to-equity ratios, debt-to-earnings ratios, liquidity ratios, capital expenditure ratios and debt coverage ratios.

We monitor compliance with our financial covenants on an ongoing basis. We also review our refinancing strategy and continue to plan for deployment of long-term funds to address any potential non-compliance.

On June 30, 2020, we notified one of our Indian lenders in respect of our ₹2,700 crores loan facility that as at June 30, 2020, the Company had failed to maintain one of the financial ratios under the terms of the loan facility. The Company received confirmation from the lender that it has approved an increase in such threshold and has given waiver of the Company's failure to maintain the relevant financial ratio for FY 2020-21 and FY 2021-22. Further, the Company has received confirmation from another lender on its ₹3,000 crores loan facility, that it has given a waiver of the Company's failure to maintain this ratio before March 31, 2023.

Certain debt issued by Jaguar Land Rover is subject to customary covenants and events of default, which include, among other things, minimum liquidity requirement in the case of the UKEF facility (and the £1.3 billion extended RCF, drawable from July 2022, when the current RCF matures), restrictions or limitations on the amount of cash that may be transferred outside of the Jaguar Land Rover Group in the form of dividends, loans or investments to TML and its subsidiaries. These are referred to as "restricted payments" in the relevant Jaguar Land Rover financing documentation. In general, the amount of cash which may be transferred as restricted payments from the Jaguar Land Rover Group to the Company and its subsidiaries is limited to 50% of its cumulative consolidated net income (as defined in the relevant financing documentation) from January 2011. As of March 31, 2021, the estimated amount that is available for distributions was approximately GB£4.4 billion.

(ii) Capital Expenditures

Capital expenditures totalled ₹18,729 crores and ₹31,222 crores during FY 2020-21 and FY 2019-20, respectively. Our automotive operations accounted for most of such capital expenditures. We currently plan to invest over ₹28,900 crores in FY 2021-22 in new products and technologies.

Our capital expenditures in India during FY 2020-21 related mostly to (i) the introduction of new products, such as the Tata Altroz i-turbo, Tiago XTA, Harrier XT and Nexon XM-S and Tata Safari (ii) the development of planned future products and technologies, and (iii) quality and reliability improvements aimed at reducing operating costs.

Total product and other investment for Jaguar Land Rover in FY 2020-21 was GB£2.3 billion, primarily reflecting the ongoing launch of the all-new Land Rover Defender, including the short wheelbase 90 and commercial derivatives, as well as the launch of new and refreshed 2021 model year products, including the significant increase in electrified options across our model range now consisting of 8 Plug in hybrids, 11 mild hybrids and the all-electric Jaguar I-PACE. The investment spending in FY 2020-21 also supported the production of the new 3-litre 6-cylinder Ingenium diesel engine manufactured at our engine manufacturing centre in Wolverhampton and for upcoming product launches in FY 2021-22.

We continue to focus on development of new products for our various markets. Through Jaguar Land Rover, we continue to make investments in new technologies through its research and development activities to develop products that meet the requirements of the premium market, including developing sustainable technologies to improve fuel economy and reduce carbon dioxide emissions, such as the expansion of electrification across 12 of Jaguar Land Rover's 13 nameplates, including eight plug-in hybrid and eleven mild hybrid models as well as the all-electric Jaguar I-PACE.

We intend to continue investing in our business units and research and development over the next several years, including capital expenditures for our ongoing projects, new projects, product development programs, mergers, acquisitions and strategic alliances in order to build and expand our presence in the Passenger Vehicle and Commercial Vehicle categories.

F. Critical Accounting Policies

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

Estimates and underlying assumptions are reviewed on an ongoing basis and on each balance sheet date. Revisions to accounting estimates are recognized in the period in which the estimate is revised, and future periods are 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:

Impairment of Goodwill

CGUs to which goodwill is allocated are tested for impairment annually on each balance sheet date, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to that unit and then to the other assets of the unit pro rata on the basis of carrying amount of each asset in the unit. Goodwill impairment loss recognized is not reversed in subsequent period.

Impairment

Property, plants and equipment and intangible assets

On each balance sheet date, we assess whether there is any indication that any property, plants 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, we estimate the recoverable amount of the CGU to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually on each balance sheet date, or earlier if there is an indication that the asset may be impaired.

The recoverable amount is the higher of fair value less costs to sell and VIU. In assessing VIU, 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 CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. If this occurs, an impairment loss is recognized immediately in the profit and loss account.

Finance receivables

We provide allowances for losses on portfolio of finance receivables on the basis of expected future collection from receivables. The future collection are estimated on the basis of past collection trend which are adjusted for changes in current circumstances as well as expected changes in collection based on expectations with respect to certain macro-economic factors, such as GDP growth, fuel price and inflation as well as management judgement regarding qualitative factors, including economic uncertainty, observable changes in portfolio performance, and other relevant factors.

Capitalization of internally generated intangible assets

We undertake significant levels of research and development activity and for each vehicle program periodic review is undertaken. We apply judgement in determining at what point in a vehicle programs lifecycle that recognition criteria under accounting standards is satisfied.

Product Warranty

Vehicle warranties are provided for a specified period of time. Our vehicle warranty obligations vary depending upon the type of the product, geographical location of its sale and other factors.

The estimated liability for vehicle warranties is recorded when the products are sold or when new warranty programs 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 complains. The timing of outflows will vary depending on when warranty claim will arise, being typically up to six years and for batteries in Electric Vehicles warranty period is typically up to eight years.

We also have back-to-back contractual arrangements with our suppliers in the event that a vehicle fault is proven to be a supplier's fault. Estimates are made of the expected reimbursement claims 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. Estimated supplier reimbursements are recognized as separate asset. Actual claims incurred in the future may differ from our original estimates, which may materially affect warranty expenses.

Employee Benefits

Employee benefit costs and obligations are dependent on assumptions used in calculating such amounts. These assumptions include salary increases, discount rates, health care cost trend rates, benefits earned, interest costs, expected return on plan assets, mortality rates and other factors.

While we believe that the assumptions used are appropriate, differences in actual experience or changes in assumptions may affect our employee benefit costs and obligations.

Recoverability/recognition of deferred tax assets

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carryforwards and tax credits. Such deferred tax assets and liabilities are computed separately for each taxable entity and for each taxable jurisdiction. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carryforwards and unused tax credits could be utilized.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

We have an adequate system of internal controls in place. We have documented policies and procedures covering all financial and operating functions. These controls have been designed to provide a reasonable assurance regarding maintaining of proper accounting controls for ensuring reliability of financial reporting, monitoring of operations, and protecting assets from unauthorized use or losses, compliances with regulations. We have continued our efforts to align all our processes and controls with global best practices.

Some significant features of the internal control of systems are:

- The Audit Committee of the Board of Directors, comprising of independent directors and functional since August 1988, regularly reviews the audit plans, significant audit findings, adequacy of internal controls, compliance with accounting standards as well as reasons for changes in accounting policies and practices, if any;
- Documentation of major business processes and testing thereof including financial closing, computer controls and entity level controls, as part of compliance programme towards Sarbanes-Oxley Act, as required by the listing requirements at New York Stock Exchange;
- An ongoing programme, for the reinforcement of the Tata Code of Conduct is prevalent across the organization. The Code covers integrity of financial reporting, ethical conduct, regulatory compliance, conflicts of interest's review and reporting of concerns.
- State-of-the-art Enterprise Resource Planning, supplier relations management and customer relations management connect our different locations, dealers and vendors for efficient and seamless information exchange. We also maintain a comprehensive information security policy and undertakes continuous upgrades to our IT systems;
- Detailed business plans for each segment, investment strategies, year-on-year reviews, annual financial and operating plans and monthly monitoring are part of the established practices for all operating and service functions;
- A well-established, independent, multi-disciplinary Internal Audit team operates in line with governance best practices. It reviews and reports to management and the Audit Committee about compliance with internal controls and the efficiency and effectiveness of operations as well as the key process risks. The scope and authority of the Internal Audit division is derived from the Internal Audit Charter, duly approved by the Audit Committee; and Anti-fraud programmes including whistle blower mechanisms are operative across the Company.

The Board takes responsibility for the overall process of risk management throughout the organization. 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 internal audit. The Business risk is managed through cross-functional involvement and communication across businesses. The results of the risk assessment are presented to the senior management. The Risk Management Committee reviews business risk areas covering operational, financial, strategic and regulatory risks.

There have been no changes in our internal control over financial reporting that occurred during the period covered by this annual report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. Although we have implemented various initiatives for continuous business operation in response to the COVID-19 pandemic, including enabling most of our employees to telework, apart from those who need to work at their office for smooth operations, we believe these initiatives have not had a significant impact on our internal control over financial reporting.

During FY 2020-21, we assessed the effectiveness of the Internal Control over Financial Reporting and has determined that our Internal Control over Financial Reporting as at March 31, 2021 is effective.

HUMAN RESOURCES / INDUSTRIAL RELATIONS

We consider our human capital a critical factor to our success. Under the aegis of Tata Sons and the Tata Sons promoted entities, the Company has drawn up a comprehensive human resource strategy, which addresses key aspects of human resource development such as:

- The code of conduct and fair business practices;
- A fair and objective performance management system linked to the performance of the businesses which identifies and differentiates employees by performance level;
- Creation of a common pool of talented managers across Tata Sons and the Tata Sons promoted entities with a view to increasing their mobility through job rotation among the entities;
- Evolution of performance-based compensation packages to attract and retain talent within Tata Sons and the Tata Sons promoted entities; and
- Development and delivery of comprehensive training programs to impact and improve industry- and/or function-specific skills as well as managerial competence.

In line with the human resource strategy, the company has implemented various initiatives to build better organizational capabilities that we believe will enable if to sustain competitiveness in the global marketplace. The Company's focus is to attract talent, retain the better and advance the best. Some of the initiatives to meet this objective include:

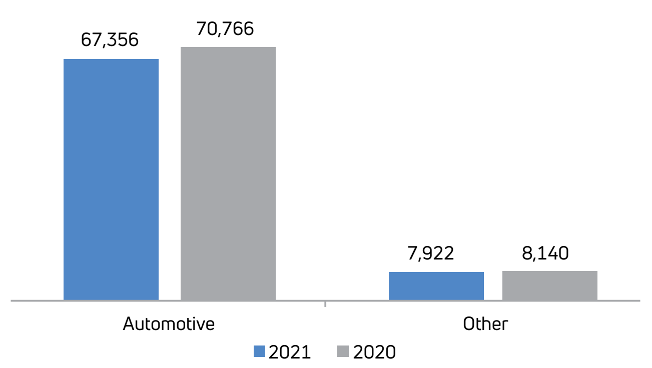
- Build strategic partnerships with educational institutions of repute to foster academia-based research and provide avenues for employees to further their educational studies;
- Enhance company's image and desirability amongst the target engineering and management schools, to enable it to attract the best;
- Foster diverse workforce to leverage the multiplicity of skillsets in all its operations;

- Skill development of all Blue collared workforce to enable them to effectively meet the productivity and quality deliverables; and
- Training youth under Government of India's National Employment Enhancement Mission in our skill development centers in all the plants. These trainees are given Automotive Skill Development Council certification, helping them get gainful employment in the industry. Engaging trainees benefit the company to meet the cyclicality of demand as well.

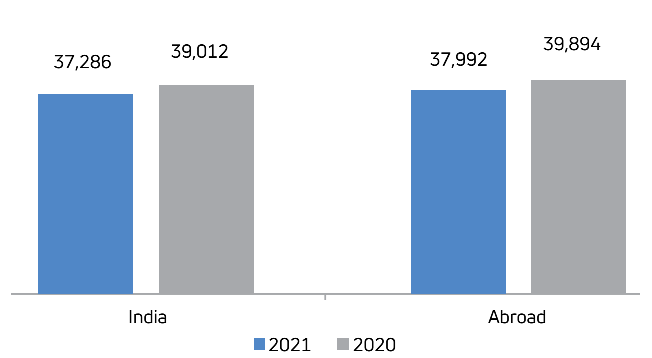
We employed approximately 75,278 and 78,906 permanent employees as at March 31, 2021 and 2020, respectively. The average number of flexible (temporary, trainee and contractual) employees for FY 2020-21, was approximately 28,291 (including joint operations) compared to 19,169 in FY 2019-20.

The following table set forth a breakdown of persons employed by the Company's business segments and by geographic location as at March 31, 2021 and 2020.

No. of Employees (Segment wise)



No. of Employees (Location wise)



Talent Development

We are committed to the development of our employees to strengthen their functional, managerial and leadership capabilities. We have a focused approach with the objective of addressing all capability gaps and preparing our employees to adopt to the fast-changing external environment to meet the company's strategic objectives. Tata Motors Academy addresses development needs of various segments of our workforce through a structured approach. The Academy focuses on three functional pillars – customer excellence, product leadership, and operational excellence and management education, all of which are aligned with the Company-level strategic objectives. The emphasis of functional academies is to strengthen knowledge, skills and expertise with an in-depth approach, within respective function.

The Product Leadership Academy and Operational Excellence Academy are designing and deploying the courses and learning programs for our employees in Engineering and Operations functions, focused on organization's technical roadmap on Connected, Electric, Shared & Safe vehicles (CESS).

The Customer Excellence Academy delivers the capability building not only for Tata Motors front end functions but also for our channel partners. These training interventions are planned for Dealer Sales Agents to provide best in class experience to our customers.

Management education emphasizes on developing general management and leadership skills. Tata Motors Academy also provides executive education opportunities in the areas of B.Tech, M.Tech, and Executive MBA.

Keeping up with the digital age, the academy has also embarked upon a decisive journey of digital learning for all its employees. These include online learning and virtual classrooms, which augment the offering of functional as well as management education pillars.

Our annual Organizational & Talent Review process and Succession planning exercise ensures healthy succession pipeline of critical and leadership roles in the organization by enabling us identifying potential candidates and enabling their development.

Skill Development

We continue our endeavour to deliver high quality products by enhancing our craftsmanship and improving manufacturing and assembly processes.

To meet technology disruptions and changing market dynamics, we have developed the 'Future of Workplace' strategy, to build newer skills such high voltage (electric vehicles, mechatronics (Industry 4.0), auto electronics and vehicle communication in our workforce. We are reskilling our permanent workforce into these newer technology areas, simultaneously, we are working on creating 'new age' workforce, young skilled, agile, digital inclined through our company's flagship Full Time Apprenticeship program (newer craftsman trades) and introduction of the Bachelor of Vocational Education program.

We are now migrating from a trade-based training approach to a process-based training approach, which emphasizes team members' knowledge as related to their actual work, in addition to the general trade-based skills, which are developed at training institutes. These skills are very specific and not currently taught at the training institutes. To accomplish this, we are implementing a fundamental skills training initiative throughout organization. Its objective is to address key employee performance issues, such as inconsistent quality, poor craftsmanship, high frequencies of repair reworking and low productivity levels through training of front-line team members.

Diversity & Inclusion

Tata Motors is committed towards building diverse and inclusive workforce to position organization as equal opportunity employer. As step towards increasing gender diversity on the shop floor, Tata Motors employed women blue collar workers at the Pune PV plant on 2nd shift after initiating safety measures and compliance with statutory requirements. In our endeavour towards development of women employees, "Project EVE" a comprehensive development platform for high potential women employees was launched. Employees who are part of this program are working on challenging projects sponsored and mentored by the Executive Committee members of Tata Motors. Second Career Initiative Program (SCIP) is a platform that allows women, who have taken a break from their career, due to personal commitments, to restart their career. Tata Motors introduced Paternity Leave and Adoption Leave for our gentlemen colleagues to support parenthood. The Company employed 5.48% women employees in FY 2020-21 compared to 5.79% in FY 2019-20.

Industrial Relations

We have labour unions for operative grade employees at all our plant across India, except at the Dharwad plant. The Company has generally enjoyed cordial relations with its employees at its factories and offices and has received union support in the implementation of reforms that impact safety, quality, cost erosion and productivity improvements across all locations.

Employee wages are paid in accordance with wage agreements that have varying terms (typically three to five years) at different locations. The expiration dates of the wage agreements with respect to various locations/subsidiaries are as follows:

Location/subsidiaries	Wage Agreement valid until
Pune commercial vehicles	August 31, 2021
Pune passenger vehicles	March 31, 2022
Jamshedpur	March 31, 2022
Mumbai	December 31, 2021
Lucknow	March 31, 2020*
Pantnagar	March 31, 2022
Sanand Passenger Vehicles	September 30, 2020*
Jaguar Land Rover – UK Plants	April 1, 2021*

*Negotiation on-going

The wage agreements at our Lucknow location, Sanand location and Jaguar Land Rover have expired and negotiations are underway for the new wage agreements. In the interim, the wages set forth in the previous wage agreements will continue until a new settlement is reached.

The Company's wage agreements link an employee's compensation to certain performance criteria that are based on various factors such as quality, productivity, operating profit and an individual's performance and discipline. As far as possible, we aim for cost neutral settlements, by achieving the critical performance parameters of the business with total employee involvement. We have generally received union support in its implementation of reforms that impact quality, cost erosion and productivity improvements across all locations. We have signed settlements with a variable pay as part of wage cost and have staggered the payment instead of one time pay to bring more cost effectiveness on account of fixed pay.

JAGUAR LAND ROVER

Automotive apprenticeships

Jaguar Land Rover has one of the largest apprenticeship programs in the UK automotive sector with 1,000 apprentices in development. Jaguar Land Rover invests in and supports lifelong learning and development for its employees, including accredited apprenticeship programs delivered through the Jaguar Land Rover Learning Academy. This includes JLR apprentice engineers and technicians developing their skills to help support the delivery of Jaguar Land Rover's Reimagine strategy. Jaguar Land Rover also supports the Automotive Engineering and Manufacturing Trailblazer Group and leads the creation and development of Levels 3, 4 and 6 automotive related Apprenticeship.

Closing the gender gap

Inspiring young females into an automotive career

Jaguar Land Rover focuses on promoting gender equality though school education programs to increase engagement in STEM (science, technology, engineering and mathematics) subjects as well as introducing successful female role models to girls as young as seven to increase their interest in engineering.

Each academic year Jaguar Land Rover runs a week-long career immersion program specifically designed to encourage more young female STEM talent to consider careers in Design, Engineering and Manufacturing. During 2019, 111 female students aged 15-18 participated in this weeklong program across all of our sites. Eligible students were encouraged to apply for available apprenticeship opportunities as part of the program deliverables. During the pandemic they were also able to offer a virtual work experience program for young females providing 56 students with valuable career insight into the processes followed from strategic concept through to development and build of a vehicle. These interactive sessions were led by Jaguar Land Rover Apprentices, Graduates and Young Professionals from across the business.

For undergraduates, Jaguar Land Rover offers a Women in Engineering Sponsorship Scheme aimed specifically at females studying engineering at University. It offers three, six and fifteen-month paid placements and the students join every summer until they graduate. Based on placement performance, the aim is to convert to a graduate hire. They are also provided with a Jaguar Land Rover female engineering mentor. During FY 2019-20, 13 females joined JLR on this program.

Jaguar Land Rover has partnered with The Pipeline, an organisation that delivers Executive Leadership Development programs designed for senior females in business. Since 2015, 11 employees have attended the topflight program and 57 employees have attended the Leadership Summit program. Both programmes offer learning from world-class business leaders and contributors.

Within Manufacturing, Jaguar Land Rover runs an Emerging Leaders program aimed at identifying and developing high potential talent early in the pipeline. Since its inception in 2011, over 20 females have completed this program and progressed into different or more senior roles as a result. In March 2020, Jaguar Land Rover held its first female senior leader event, bringing together its most senior female leaders from across the business to network and share experiences, contribute to the development of its female leadership strategy and explore what additional support would be required to enable females in Jaguar Land Rover to flourish and reach their full potential.

Jaguar Land Rover also has active employee led networks helping to drive gender equality. The Women in Engineering and Allies ("WIE&A") membership has continued to steadily grow and in March 2020 they held their annual conference. During this conference they kicked off their Allies Campaign which has focused on starting the conversation of what it is like to be an ally and how to support women at work. They plan to continue to roll out this training and raise awareness of this important inclusive behaviour.

The Mentoring scheme continued to run throughout 2019 / 2020, supporting both mentor and mentees in conversations around work, career satisfaction & personal development. The WIE&A network has also continued to run regular networking lunches and was able to switch to doing this virtually as the pandemic started.

The Gender Equality Network ("GEN") continued to grow its network members during the last year, expanding across sites and functions in Jaguar Land Rover. It remains focused on creating role models for employees by hosting regular interviews with senior women across the business. The GEN has also continued to run events and share communications aimed at engaging employees with issues related to gender and diversity more widely.

Human Rights

Jaguar Land Rover's Human Rights Policy sets out the commitment to respect and comply with all relevant laws, rules and regulations in the territories in which Jaguar Land Rover operates. These include provisions addressing slavery, human trafficking, forced labour, child labour and upholding each employee's right to freedom of association. Jaguar Land Rover has refreshed the assessment of slavery and human trafficking risks related to our operations and continue to deem the risk to be low.

OUTLOOK

LONG TERM

The automobile industry is supported by various factors such as availability of skilled labour at low cost, robust R&D centres, and low-cost steel production. The industry also provides great opportunities for investment and direct and indirect employment to skilled and unskilled labour. The Indian auto industry is expected to record strong growth in 2021-22, post recovering from effects of COVID-19 pandemic. India is expected to be the world's third-largest automotive market in terms of volume by 2026.

The Government of India has introduced vehicle scrappage policy, under which recycling clusters may be established near ports. In scrappage policy, recycled material will be useful for the automobile industry as it will reduce cost of manufacturing cars, buses, and trucks, increasing India's competitiveness in international markets. An incentive-based mechanism could make the scheme lucrative and encourage people to scrap their old vehicles and replace them with new ones. This scrappage policy will result in boosting demand for the automotive sector. The Indian automotive industry has welcomed this new proposal.

Keeping in view the climate change commitments made by Government of India during the COP21 Summit held at Paris to reduce emission intensity by 33- 35% by 2030 from 2005 levels, it is pertinent to introduce alternative means in the transport sector which can be coupled with India's rapid economic growth, rising urbanization, travel demand and country's energy security. Electric mobility presents a viable alternative in addressing these challenges, when packaged with innovative pricing solutions, appropriate technology and support infrastructure and thus, has been on the radar of Government of India.

Electric mobility will also contribute to balancing energy demand, energy storage and environmental sustainability. Electric vehicles could help diversify the energy needed to move people and goods thanks to their reliance on the wide mix of primary energy sources used in power generation, greatly improving energy security. Electric vehicles would also provide major contributions to keep the world on track to meet its shared climate goals.

Jaguar Land Rover has a strong product range that compete in various segments, including the increased electrification of the product portfolio. New and refreshed products, including the new Land Rover Defender, and 2021 model year updates across the model range including the expansion of electrification now consisting of 8 Plug in hybrids, 11 mild hybrids and the all-electric Jaguar I-PACE. With the advancement of technologies like AI (artificial intelligence), robotics and IoT (Internet of Things), the automobile industry has made some significant leaps towards growth and development. The utopian image of future – with cars that run on eco-friendly fuel and can drive themselves – isn't too far away now.

China could become the leading market for the transformation of the automotive industry. It is estimated that autonomous vehicles will account for 40% of the personal mileage driven in Europe in 2030. New car sales may rise by 30% in the US, China and Europe. 55% of all new car sales in Europe may be fully electrified by 2030.

Continued investment, by Jaguar Land Rover, in new products and technologies while balancing production with sales, is key for the success of the Company.

IMMEDIATE AND SHORT TERM

While there still seems to be uncertainty around the duration and the impact of COVID-19 pandemic, we anticipate demand situation to continue to improve despite ongoing COVID-19 related lockdowns. After witnessing a decline in past two years, it is anticipated that domestic Commercial Vehicles Industry (especially MHCV's) will see improvement. Supply bottlenecks and commodity pressures remain key concern area in the short term. Focus areas for Jaguar Land Rover include the successful execution of the Reimagine strategy, including the continued expansion of electrification across the model range, underpinned by the Refocus transformation programme. Management is focused on cash and cost savings initiatives and focus on sustained improvement in domestic business. Management is focused on significantly deleveraging the business and achieving net debt free position in the next three years.

The semiconductor shortage is expected to impact the automobile industry well into 2021. An ongoing shortage in semiconductor supply is disrupting production of parts and vehicles around the world. The supply bottleneck, which is caused by a combination of factors, including the impact of the COVID-19 pandemic on production in the first half of 2020 and on manufacturing investment, is affecting a number of major carmakers and their suppliers. The semiconductor shortages would continue to impact the volumes for the first half of FY 2021-22. However, semiconductor shortages are expected to improve in the second half of FY 2021-22 as new capacity comes online. As the industry continues its shift toward electric vehicles and autonomous vehicles, the importance of electronic components is increasing. The chip shortage looks set to persist for some time yet. With demand remaining high and little additional chip-making capacity expected in the short term, the shortage is expected to last into at least next year.

The COVID-19 pandemic is expected to continue to impact tourism due to social distancing measures as well as mobility restrictions. Similarly intercity travel via large intercity coach buses will also remain low. Corporates allowing work from home to its staff and similar situation is assumed for school segment, will severely impact the demand for buses.

OPPORTUNITIES:

The Union Cabinet chaired by the Prime Minister has given its approval to introduce the Production-Linked Incentive (PLI) Scheme in the Automobile and Auto Components sectors for Enhancing India's Manufacturing Capabilities and Enhancing Exports – Atmanirbhar Bharat. The PLI scheme has set target that PLI would result in additional investment of ₹1 lakh crore over a five year period with potential for additional employment generation of nearly 60 lakh jobs.

One of the major announcements and much awaited policy introduction was Vehicle Scrappage policy. The policy is aimed at reducing the population of old and defective vehicles, bringing down vehicular air pollutants, improving road and vehicular safety. It will also help achieve better fuel efficiency, formalize the informal vehicle scrapping policy and boost the availability of low cost raw material for the automotive, steel and electronics industry. Vehicles would be required to go through fitness test failing which or failing to get renewal of its registration certificate may be declared as 'end of life vehicle'.

Vehicle owners will get scrap value for the old vehicle by the scrapping center, which is estimated at 4 to 6% of ex-show room price of a new vehicle. The state governments are advised to offer a road tax rebate of up to 25% for personal vehicles and 15% for commercial vehicles. In addition, registration fees may also be waived off for purchase of new vehicle against the scrapping certificate.

It is estimated that 17 lakh MHCV are older than 15 years without a valid fitness certificate which pollute the environment 10 to 12 times more than fit vehicles. This initiative is believed to boost demand for automobiles in the coming years and will help the nation achieve its pollution emission targets. The government's plan for strengthening the public transport sector under PPP models with an outlay of ₹18,000 crores for operating 20,000 buses is encouraging for the electric vehicle industry. The scheme could strengthen the electric vehicle industry if more number of e-buses could be supported through the scheme.

Jaguar Land Rover new Reimagine strategy paves the way for a future of modern luxury by design with quality and sustainability permeating through every facet of Jaguar Land Rover business. This strategy aims to launch Jaguar as a pure electric brand from 2025 by introducing the first Land Rover all electric model by 2024 with an additional five all electric Land Rover models launched by 2026, Launch the modular longitudinal architecture and electrified modular architecture (native BEV architecture) for Land Rover products and a BEV only architecture dedicated to Jaguar and retain, right size, repurpose and reorganised Jaguar Land Rover global manufacturing and assembly footprint. Jaguar Land Rover's Reimagine strategy is underpinned by the Refocus transformation programme which is targeting 3% incremental EBIT margin by FY 2025-26 to support double digit EBIT margin ambition.

The aim is to make all Jaguar Land Rover nameplates in pure electric form by end of the decade. The accelerated path towards electrification through Reimagine will contribute to the goal of becoming net zero carbon by 2039.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing our objective, projections, estimates and expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to our Company operations include, among others, economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which we operate, changes in government regulations, tax laws and other statutes and incidental factors.

Risk Factors

Deterioration or uncertainty in global economic conditions could have a material adverse impact on Company's business, sales and results of operations.

The automotive industry globally and Company could be materially affected by the general economic conditions and developments in India and around the world and investors' reaction to global economic conditions and developments.

The automotive industry, in general, is cyclical, and economic slowdowns in the recent past have affected the manufacturing sector in India, including automotive and related industries. Deterioration of key economic metrics, such as the growth rate, interest rates and inflation, reduced availability of competitive financing rates for vehicles, implementation of burdensome environmental and tax policies, work stoppages and increase in freight rates and fuel prices could materially and adversely affect Company's automotive sales and results of operations. Deterioration in key economic factors in countries where the Company has sales operations may result in a decrease in demand for Company's automobiles. A decrease in demand could, in turn, cause automobile prices and manufacturing capacity utilization rates to fall.

The Company is a global organization, and is therefore vulnerable to shifts in global trade and economic policies and outlook. Policies that result in countries withdrawing from trade pacts, increasing protectionism and undermining free trade could substantially affect the Company's ability to operate as a global business. Additionally, negative sentiments towards foreign companies among Company's overseas customers and employees could adversely affect Company's sales as well as its ability to hire and retain talented people. A negative shift in either policies or sentiment with respect to global trade and foreign businesses could have a material adverse effect on Company's business, prospects, results of operations and financial condition.

In the event global economic recovery is slower than expected, or if there is any significant financial disruption, this could have a material adverse effect on Company's cost of funding, portfolio of financing loans, business, prospects, results of operations, financial condition and the trading price of the Company's Shares and ADSs.

In July 2020, the United States-Mexico-Canada Agreement came into force. Potential governmental actions related to tariffs or international trade agreements have the potential to adversely impact demand for Company's products, costs, customers, suppliers and/or the North American economy or world economy or certain sectors thereof and, thus, its business.

Company's Jaguar Land Rover business has significant operations in the United Kingdom, North America, continental Europe and China, as well as sales operations in markets across the globe. If automotive demand softens because of lower or negative economic growth in key markets or due to other factors, Jaguar Land Rover's business, prospects, financial condition and results of operations could be materially and adversely affected as a result. In addition, , there is uncertainty as to whether changes to laws and policies governing international trade, tariffs and duties on foreign vehicle imports will be introduced, which could have a material adverse effect on Jaguar Land Rover's financial condition and results of operations.

Company has been, and may in the future be, adversely affected by the COVID-19 pandemic, the duration and economic, governmental and social impact of which is difficult to predict, and which may materially harm Company's business, prospects, financial condition and results of operations.

COVID-19 pandemic and associated efforts to contain the spread of the disease have caused significant disruption, volatility and uncertainty in the Global economy including the automotive industry, and it is difficult to predict with certainty the full impact of the COVID-19 pandemic on Company's business, financial condition and results of operations.

Company's operations have been impacted as a result of the COVID-19 pandemic. At various times over the course of FY 2020-21, mainly in Q1 FY 2020-21 the Company and Jaguar Land Rover enacted temporary plant shutdowns and implemented work-from-home protocols for employees who were able to work remotely in various jurisdictions, including India and the United Kingdom, to ensure public safety and to comply with government guidelines in various geographies. These shutdowns have caused and could continue to cause disruptions in Company's business and have negative effects on Company's cash flows, primarily because Company's operations generate less revenue during shutdowns while continuing to incur costs.

In recent months, there has been a significant resurgence in COVID-19 cases in India. In order to curb the spread of infections, several states have imposed varying levels of travel restrictions, lockdowns of cities and wider provinces, business closures and strict social distancing measures. These new measures have already caused disruption to the Company's manufacturing operations in India. Localized lockdowns have temporarily impacted supply chain while, in certain areas, dealerships have been closed. As a result of COVID-19 pandemic, the volumes for Indian business have reduced by 41% in April 2021, as compared to March 2021 and the Company is expecting a weaker first quarter of FY 2021-22 for its Indian business and expecting a sequential recovery during the year as COVID-19 pandemic subsides and COVID-19 pandemic related imposed restrictions are gradually eased.

While there have been short-term challenges in demand as a result of COVID-19 pandemic and we anticipate recovery as economy unlocks, our passenger segment (buses) in Commercial Vehicles has been severely impacted with industry volumes reducing by more than 75% in FY 2020- 21. There is a risk that this segment may take longer to show signs of recovery, as schools and educational centers may take longer to reopen or return to pre-pandemic attendance levels, and an increasing number of office workplaces are extending work-from-home arrangements or other flexible work arrangements.

In addition, the COVID-19 pandemic is also having an impact on the health and well-being of the Company's employees and some of the Company's employees have lost their lives as a result of the pandemic. This could impact the morale and well-being of Company's employees and it may be compelled to provide additional support to the families of those people who have lost their lives. For instance, the Company has continued its policy of making one-time payments representing 20 months basic salary (i.e. total monthly fixed pay excluding allowances and perquisites) and a monthly allowance representing 50% of basic salary until superannuation to the families of employees who lost their lives due to COVID-19. Various other initiatives have been announced, such as making payments to temporary (contractual) workforce in the period of lockdowns and not deducting existing leaves but granting special leave for employees diagnosed with COVID-19. While the Company has been engaging with the Unions and workmen on an ongoing basis and they have been very collaborative during these challenging times, the Company may face challenges in its industrial relations relating to the employee matters relating to the COVID-19 pandemic and the uncertainties involved.

While there have been disruptions as a result of COVID-19 pandemic and semiconductor shortages, the Company is managing the situation dynamically and plants are functioning with rigorous and clearly defined health and safety protocols. The Supply arrangements for raw materials have been, and may continue to be, impacted as a result of the COVID-19 pandemic. Company may be compelled to provide additional support for its suppliers as a result of the COVID-19 pandemic.

The Company's financial condition and results have also been affected as a result of the COVID-19 pandemic. As part of mitigating actions, the Company implemented rigorous cost and capital expenditure control measures for its standalone business and achieved cumulative cash and cost savings of ₹9,300 crores against targets of ₹6,000 crores in FY 2020-21 (based on analytically derived unaudited estimates comprising savings of ₹2,600 crores in investment spending, ₹4,500 crores in working capital and ₹2,200 crores in cost and profits against targets of ₹3,000 crores, ₹1,500 crores and ₹1,500 crores, respectively). The Company continues to monitor the evolving COVID-19 pandemic situation in India and undertake necessary steps for the rationalisation of Capital expenditure and implementation of further cash improvement measures. Tata Motors Limited's total product and other investment spending is expected to be in the range of Rs. 3,500 crores in FY 2021-22. JLR's focus has been on conserving cash and prioritizing capital expenditure on key products. As part of Jaguar Land Rover's Project Charge and Charge+ programs GBP2.5 billion of cost and cash efficiencies (based on analytically derived unaudited estimates comprising of GBP0.4 billion in working capital, GBP1.0 billion in investment and GBP1.1 billion in cost and profits) were achieved in Fiscal 2021, leading to cumulative savings of GBP6 billion (based on analytically derived unaudited estimates comprising of GBP1.0 billion in working capital, GBP2.9 billion in investment and GBP2.1 billion in cost and profits) over the duration of the Charge and Charge + programs from Fiscal 2019 to Fiscal 2021. Capital expenditure guidance for JLR in FY 2021-22 is around GBP2.5 billion with the refocus transformation program announced under the Reimagine strategy expected to continue to maintain the financial discipline successfully deployed previously under Project Charge and Charge+.

Further, the COVID-19 pandemic and the resulting business disruptions in several jurisdictions where the Company operates had and may continue to have a material adverse impact on its operations, liquidity, business, financial conditions and/or credit ratings. Any future impact on Company's business may take some time to materialize and certain levels of disruption are expected for FY 2021-22. Even after the COVID-19 pandemic subsides, the Company may continue face uncertainties regarding the potential impact of variants of COVID-19 and sustainability of any economic recovery in the jurisdictions in which it operates, as well as experience an adverse impact to the Company's business as a result of its global economic impact, including any recession that has occurred or may occur. Specifically, difficult macroeconomic conditions, such as decreases in per capita income and level of disposable income, increased and prolonged unemployment or a decline in consumer confidence as a result of the COVID-19 pandemic could have a continuing adverse effect on demand for Company's products, as well as limit or significantly reduce points of access to such products.

Write offs and Impairment of tangible and intangible assets may have a material adverse effect on Company's results of operations.

Designing, manufacturing and selling vehicles is capital intensive and requires substantial investments in tangible and intangible assets such as research and development, product design and engineering technology. Company reviews the value of its tangible and intangible assets to assess on an annual basis or trigger events basis whether the carrying amount for an asset is less than the recoverable amount for that asset. Such reviews are based on underlying cash-generating units ("CGUs") (such as Commercial Vehicles, Passenger Vehicles, Jaguar Land Rover and Vehicle Financing), either based on value in use ("VIU") or fair value less cost of disposal of an asset. As a result of shifting focus to the Reimagine strategy announced by Company's Jaguar Land Rover business in February 2021 a total of GBP1,486 million (₹14,994 crores) exceptional charge was recorded in Q4 FY 2020-21 comprising one-time non-cash write downs of around GBP 952 million (₹9,606 crores) for previously planned products that will not be completed and approximately GBP 534 million (₹5,388 crores) of other restructuring costs. Company may bear further impairment losses in the future if the carrying amount of tangible and intangible assets exceeds the recoverable amount, which could have a material adverse effect on its business, prospects, financial condition and results of operations.

Disruptions to the Company's supply chains and shortages of essential raw materials may adversely affect its production and results of operations.

Company relies on third parties to source raw materials, parts and components used in the manufacture of its products. At the local level, Company relies on smaller enterprises where the risk of insolvency is greater. Furthermore, for some parts and components, Company is dependent on a single source. Company's ability to procure supplies in a cost-effective and timely manner or at all is subject to various factors, some of which are not within its control. In addition, there is a risk that manufacturing capacity does not meet the sales demand thereby compromising Company's business performance. Given the time frames and investments required for any adjustment to the supply chain, there is no near-term remedy for such a risk. While Company manages its supply chain as part of its supplier management process, any significant problems or shortages of essential raw materials in the future could adversely affect Company's results of operations.

The ongoing COVID-19 pandemic may lead to further disruptions in the supply chains in India and globally. Company's suppliers of critical components are located across the world and some of them have declared provisions related to force majeure under relevant contracts. Thus, Company expects disruptions, at uncertain frequencies, in operations at its global and Indian tier 1, 2 and 3 suppliers leading to inconsistent supplies.

In response to the COVID-19 pandemic, various national, state, and local governments where Company and its suppliers operate issued decrees prohibiting certain businesses from continuing to operate and certain workers from reporting to work. Those decrees have resulted in supply chain disruptions and higher absenteeism in Company's facilities or the suppliers' factories. It remains unclear how long these decrees will remain in place, whether decrees will be re-imposed, what additional decrees may be instituted, and the impact they may have on the Company and its suppliers.

The Company may be compelled to provide additional support for its suppliers as a result of the COVID-19 pandemic. The Company is working closely with its suppliers to monitor the risks by, among other matters, defining inventory maintenance norms, building safety stocks, exploring localization options and exploring alternative sources, among others.

Deterioration in automobile demand and lack of access to sufficient financial arrangements for Company's supply chain could impair the timely availability of components to its business. In addition, if one or more of the other global automotive manufacturers were to become insolvent, this would have an adverse impact on the supply chains and may further adversely affect Company's results of operations. Jaguar Land Rover is also exposed to supply chain risks relating to lithium-ion cells, which are critical for its electric vehicle production. Any disruption in the supply of battery cells from such suppliers could disrupt production of the JLR's vehicles and delay the roll out of JLR's strategic initiatives, including Reimagine Strategy which envisions launch of the all-electric Land Rover model in 2024. The severity of this risk is likely to increase as the Company and other manufacturers expand the production of electric vehicles and the demand for such vehicles increases.

Additionally, many major automotive companies have been experiencing a shortage of semiconductors, used in the production of automobiles, charging stations and other components of electric vehicles. Jaguar Land Rover, like other automotive manufacturers, is currently experiencing some COVID-19 supply chain disruptions, including the global availability of semi-conductors, which is having an impact on its production schedules and ability to meet global demand for some of its vehicles. As a result, Jaguar Land Rover has adjusted production schedules for certain vehicles from April 26, 2021 and the manufacturing facilities at Castle Bromwich and Halewood are operating a limited period of non-production until semiconductor supply pressures ease. Any prolonged shortages in the semiconductor industry in future could affect Jaguar Land Rover's business; in particular in the roll out of Jaguar Land Rover's reimagine strategic initiative for expansion into electric vehicles, which use roughly four to six times the amount of semiconductors used in the average vehicle today. For the Company's Indian operations, while the impact on production is relatively muted at present, if the situation of semiconductor shortages continues, it could have adverse impact on production, which would materially affect the Company's business, financial condition and results of operations. Various mitigation steps such as close engagement with Semi-conductor suppliers, evaluating alternate designs, aligning production and making changes in product configurations are being deployed.

The Company has also entered into agreements for the purchase of components from certain suppliers. If the Company procures lower quantities than committed, it may have to record provisions towards such contracts, thereby impacting its financial condition and results of operations.

Increases in commodities and input prices may have a material adverse effect on Company's results of operations.

The Company purchases a wide range of raw materials to enable its production operations. In FY 2020-21 and FY 2019-20, the consumption of raw materials, components aggregates and purchase of products for sale (including changes in inventory) constituted 62.9 % and 63.5%, respectively, of Company's revenues. Prices of commodity items used in manufacturing automobiles, including steel, aluminum, copper, zinc, rubber, platinum, palladium and rhodium, have become increasingly volatile in recent years. Prices of commodity items such as steel, non-ferrous metals, precious metals, rubber and petroleum products have generally risen in recent years and may significantly rise in the future.

The COVID-19 pandemic has a significant impact on the supply of precious metals as certain countries where such precious metals are mined had prolonged lockdown. Thereafter increased demand for personal mobility has created supply side constraint for these metals.

In addition, the Company is exposed to the risk of contraction in the supply, and a corresponding increase in the price of rare earth metals, which Company uses in the production of vehicle electronics. Rare earth metal prices and supply remain uncertain. China which is currently the largest producer of rare earths in the world has, in the past, limited the export of rare earths from time to time.

If Company is unable to find substitutes for such raw materials or pass price increases on to customers by raising prices, or to safeguard the supply of scarce raw materials, the Company's vehicle production, business and results from operations could be materially affected. The Company is also exposed to supply chain risks relating to semiconductors and lithium-ion cells, which are critical for its electric vehicle production. Any disruption in the supply of auto chips, battery charging systems or battery cells from such suppliers could disrupt production of the Company's vehicles. The severity of this risk is likely to increase as the Company and other manufacturers increase electric vehicle production.

While the Company continues to pursue cost reduction initiatives, an increase in commodity prices and the prices of input materials could severely impact its profitability to the extent such increase cannot be absorbed by the market through price increases and/or could also have a negative impact on demand. For example, in recent months, there has been significant increase in price of raw materials, especially Steel. In addition, because of intense price competition and fixed costs base, Company may not be able to adequately address changes in commodity prices even if they are foreseeable.

The Company manages these risks through the use of fixed supply contracts with tenor up to 12 months and the use of financial derivatives pursuant to a defined hedging policy, where possible (see "—Exchange rate and interest rate fluctuations and hedging arrangements could materially and adversely affect Company's financial condition and results of operations."). However, these arrangements may not adequately protect the Company against these risks.

Intensifying competition could materially and adversely affect the Company's business, prospects, financial condition and results of operations.

The global automotive industry is highly competitive, and competition is likely to further intensify, particularly in the premium automotive categories including from new industry entrants. Some of the Company's competitors based in the European Union may gain a competitive advantage that would enable them to benefit from their access to the European Union single market. There is no assurance that the Company will be able to compete successfully in the global automotive industry in the future.

Company also faces strong competition in the Indian market from domestic and foreign automobile manufacturers. Improving infrastructure and growth prospects in India, compared to those of other mature markets, have attracted a number of international companies to India, either through joint ventures with local partners or through independently owned operations in India. International competitors may bring with them international experience, global scale, advanced technology and significant financial resources. Consequently, domestic competition is likely to further intensify in the future. Company has seen increased competition for its Commercial Vehicles business for several years, and as a result, its market share has witnessed pressures. If the Company's market share in this segment is substantially impacted, it will materially and adversely affect its business, prospects, financial condition and results of operations. There is no assurance that the Company will be able to implement its future strategies in a way that will mitigate the effects of increased competition in the Indian automotive industry.

In addition, if the Company's competitors consolidate or enter into other strategicpartnershipsorjointventures,theymaybeabletoachievegreater economies of scale. Some of the Company's competitors have formed such strategic alliances in recent years. If the Company's competitors are able to benefit from the cost savings offered by consolidation or strategic partnerships, the Company's competitiveness could be adversely affected. Further, the Company's growth strategy relies on the expansion of its operations in less mature markets abroad, where it may face significant competition and higher than expected barriers to entry.

A significant reliance on key markets by both Tata Motors and Jaguar Land Rover increases the risk of a negative impact from reduced customer demand in those countries

The Company relies on certain key markets, including the United Kingdom, China, North America, India and continental Europe, from which it derives substantial portion of its revenues. A decline in demand for the Company's vehicles in these major markets may, significantly impact its business, financial condition and results of operations. For example, adverse public perceptions towards diesel powered vehicles, resulting from emissions scandals and tax increases on diesel vehicles, have precipitated a sharp fall in diesel vehicle sales, primarily in the United Kingdom and the European Union. In addition, the Company's strategy, which includes new product launches and expansion into growing markets, may not be sufficient to mitigate a decrease in demand for its products in mature markets in the future, which could have a significant adverse impact on its financial performance.

The Company's future success depends on its ability to satisfy changing customer demands by offering innovative products in a timely manner and maintaining product competitiveness and quality.

New technologies, climate change concerns, increases in fuel prices and certain government regulations have resulted in changes in customer preferences and have encouraged customers to look beyond standard purchasing factors (such as price, design, performance, brand image and features). Customer preferences in certain more mature markets have trended towards smaller and more fuel-efficient or electric and environmentally friendly vehicles. Such consumer preferences could materially affect Company's ability to sell premium Passenger Cars and large or medium-sized all-terrain vehicles at certain or target volume levels, and could have a material adverse effect on Company's general business activity, net assets, financial position and results of operations.

A shift in consumer demand from SUVs toward compact and mid-size Passenger Cars, whether in response to higher fuel prices or other factors, could adversely affect Company's profitability. Conversely, if the trend in consumer preferences for SUVs holds, the Company could face increased competition from other carmakers as they adapt to the market and introduce their own SUV models, which could materially and adversely impact the Company's business, financial condition or results of operations. The Company's operations may also be significantly affected if it fails to develop, or experience delays in its planned roll out of fuel-efficient and electric vehicles and certain technologies that reflect changing customer preferences and meet the specific requirements of government regulations. The Company's competitors may gain significant advantages if they are able to offer products satisfying customer needs or government regulations earlier than the Company is able to, which could adversely affect the Company's business, prospects, financial condition and results of operations.

Further, there is no assurance that the Company's new models will meet its sales expectations, in which case the Company may be unable to realize the intended economic benefits of its investments, which would materially affect the Company's business, results of operations and financial condition. In addition, there is a risk that the Company's quality standards can be maintained only by incurring substantial costs for monitoring and quality assurance. A decrease in the quality of the Company's vehicles (or public perception of such a decrease) could damage the Company's image and reputation as a premium automobile manufacturer and materially affect the Company's business, prospects, financial condition and results of operations. Furthermore, non-traditional market participants and/or unexpected disruptive innovations may disrupt the established business model of the industry by introducing new technologies, distribution models and methods of transportation

There is also a risk that the capital invested on researching and developing new technologies, including autonomous, connected and electrification technologies, or the capital invested in mobility solutions to overcome and address future travel and transport challenges, will, to a considerable extent, have been spent in vain, because the technologies developed or the products derived therefrom are unsuccessful in the market or exhibit failures that are impracticable or too costly to remedy or because competitors have developed better or less expensive products. It is possible that the Company could then be compelled to make new investments in researching and developing other technologies to maintain its existing market share or to win back the market share lost to competitors.

In addition, product development cycles can be lengthy, and there is no assurance that new designs, including electric and hydrogen propelled vehicles will lead to revenues from vehicle sales, or that the Company will be able to accurately forecast demand for its vehicles, potentially leading to inefficient use of its production capacity. Additionally, the Company's high proportion of fixed costs, due to its significant investment in property, plants and equipment, further exacerbates the risks associated with incorrectly assessing demand for its vehicles.

If the Company is unable to effectively implement or manage its growth strategy and strategy to deliver competitive business efficiency, Company's business, prospects, financial condition and results of operations could be materially and adversely affected.

As part of Company's growth strategy, the Company may open new manufacturing, research or engineering facilities, expand existing facilities, add additional product lines or expand its businesses into new geographical markets that feature higher growth potential than many of the more mature automotive markets in developed countries.

While Tata Motors Limited has undertaken robust turnaround actions, its future strategy focuses on accelerating the turnaround and achieving a sustainable transformation by emphasizing on strong product development, sales enhancement, reducing costs and achieving bottom line improvement. There are several key actions in progress, including further developing design language, rationalizing supply base and building connected supply chain for better efficiencies, seeking for best opportunities to make technology affordable, introducing new features for benefit of customers, driving manufacturing efficiencies, building a strong performance oriented culture and using data analytics and leveraging on new technologies.

In February 2021, Jaguar Land Rover also announced the new Reimagine strategy including the introduction of the first all-electric Land Rover vehicle in 2024 followed by a further five Land Rover models with a full battery electric option by 2026. At the same time, Jaguar will emerge as a pure-electric only brand from 2025. The Reimagine Strategy also targets the production of more sustainable and fully electric luxury vehicles including the ambitious goal of having a fully electric fleet of luxury vehicles by the end of the decade and 100% of sales from pure battery electric vehicles by 2036, as well as striving toward achieving net zero carbon emissions across its supply chain, among other environmentally driven strategies by 2039. Expanding into electric vehicles with the goal of completely phasing out Jaguar Land Rover's pure internal combustion engine line of vehicles within the next ten years involves many risks, including rapidly changing consumer preferences and technological advances. The technology surrounding the engines, batteries, and charging times of electric vehicles remains in its initial stages, and as such, it may not grow in the way that Company has predicted for its strategic initiatives to be successful. For example, Jaguar Land Rover may not be able to develop sufficiently efficient batteries before its competitors or not at all. As with most new technological advances, Jaguar Land Rover may also face competition with dueling software and hardware technologies in electric vehicles, which could lead to the dominance of one product in the market causing the extinction of the other. If Jaguar Land Rover is unable to develop competitive models of electric vehicles or fails to meet its projected timeline, its business, prospects, financial condition and results of operations could be adversely affected. Moreover, rapid technological growth and shifts in consumer demand for the latest product could lead to electric vehicles being replaced by the next class of technologically advanced vehicles sooner than anticipated. If electric vehicles do not become the market standard, or are quickly phased out, Jaguar Land Rover may not recoup its costs associated with developing an all-electric fleet of Jaguar Land Rover vehicles.

Additionally, the Company faces a range of risks generally inherent in its business strategies that could adversely affect its ability to achieve these objectives, including, but not limited to: the potential disruption of its business; the uncertainty that it may not be able to meet or anticipate consumer demand; the uncertainty that a new business will achieve anticipated operating results; the difficulty of managing the operations of a larger company; the difficulty of competing for growth opportunities with companies that have greater financial resources than the Company has; and other similar operational and business risks. More specifically, the Company's international businesses face a range of risks and challenges, including, but not limited to: language barriers, cultural differences, inherent difficulties and delays in contract enforcement and the collection of receivables under the legal systems of foreign countries, the risk of non-tariff barriers, regulatory and legal requirements, environmental permits and other similar types of governmental consents, liquidity, trade financing or cash management facilities, export and import restrictions, multiple tax regimes, foreign investment restrictions, foreign exchange controls and restrictions on repatriation of funds, other restrictions on foreign trade or investment sanctions imposed by the United States, the United Nations or other governments or authorities the burden of complying with a wide variety of foreign laws and regulations and other similar operational and business risks. If Company is unable to manage risks related to its expansion and growth in new geographical markets and fails to establish a strong presence in high growth markets, the Company's business, prospects, financial condition and results of operations could be adversely affected.

Company is exposed to liquidity risks, including risks related to changes in its credit rating, which could adversely affect the value of its debt securities, finance costs and its ability to obtain future financing.

The Company's main sources of liquidity are cash generated from operations, existing notes, external debt in the form of factoring discount facilities and other revolving credit facilities. However, conditions in credit markets could deteriorate (including as a result of higher oil prices, excessive public debt, significant defaults, the COVID-19 pandemic or for any other reasons) and lower consumer demand may adversely affect both consumer demand and the cost and availability of finance for the Company's business and operations. See Liquidity and Capital Resources—Principal Sources of Funding Liquidity—Loan Covenant under Management Discussion and Analysis for more information.

The Company is also subject to various types of restrictions or impediments on the ability of its companies in certain countries to transfer cash across its companies through loans or dividends. These restrictions or impediments are caused by exchange controls, withholding taxes on dividends and distributions and other similar restrictions in the markets in which the Company operates. The transfer of cash is also subject to certain restrictions on cash pooling, intercompany loan arrangements or interim dividends in certain jurisdictions.

Any credit ratings assigned to the Company or its debt securities may not reflect the potential impact of all risks related to structural, market, additional risk factors discussed and other factors that may affect the value of its debt securities. Credit rating agencies continually review the ratings they have assigned and their ratings may be subject to revision, suspension or withdrawal by the rating agency at any time. A downgrade in the Company's credit rating may negatively affect its ability to obtain future financing to fund its operations and capital needs, which may affect its liquidity. It may also increase the Company's financing costs by increasing the interest rates of its outstanding debt or the interest rates at which the Company is able to refinance existing debt, incur additional debt or may require the Company to prepay part of the outstanding debt. A credit rating is not a recommendation to buy, sell or hold securities.

The Company's production facilities are highly regulated and it may incur significant costs to comply with, or address liabilities under, environmental, health and safety laws and regulations applicable to them.

The Company's production facilities are subject to a wide range of increasingly strict environmental, health and safety requirements. These requirements address, among other things, air emissions, wastewater discharges, releases into the environment, human exposure to hazardous materials, the storage, treatment, transportation and disposal of wastes and hazardous materials, the investigation and clean-up of contamination, process safety and the maintenance of health and safety conditions in the workplace. Many of the Company's operations require permits and controls to monitor or reduce pollution. The Company has incurred, and will continue to incur, substantial on-going capital and operating expenditures to ensure compliance with current and future environmental, health and safety laws and regulations or their more stringent enforcement. Violations of these laws and regulations could result in the imposition of significant fines and penalties, the suspension, revocation or non-renewal of the Company's permits, production delays or limitations, imprisonment, or the closure of the Company's plants. Other environmental, health and safety laws and regulations could impose restrictions or onerous conditions on the availability or the use of raw materials the Company needs for its manufacturing process. Violations of such laws and regulations may occur, among other ways, from errors in monitoring emissions of hazardous or toxic substances from the Company's vehicles or production sites into the environment, such as the Company's use of incorrect methodologies or defective or inappropriate measuring equipment, errors in manually capturing results, or other mistaken or unauthorized acts of the Company's employees, suppliers or agents.

The Company's manufacturing units must ensure compliance with various environmental statutes, including in India, the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981, the Environment Protection Act, 1986 and the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 as well as the rules and regulations implemented under such legislation.

The Corporate Average Fuel Economy ("CAFÉ") standards applicable to M1 category vehicles required the Company to demonstrate CAFE compliance for the Company's Passenger Vehicles, Commercial Vehicles and Electric Vehicles M1 models. Any non-compliance could lead to penalties, product recalls and/or other punitive measures. TML has successfully complied with the Phase 1 CAFE requirements for FY 2017, FY 2018 and FY 2019. Through the use of the CAFE calculator, Company regularly monitors production volumes and process to ensure that organizational level CAFE compliance (which will require TML to produce enough fuel-efficient models to compensate for those models having higher CO_2 emissions in g/km) is established at all times during the year. In addition, to support the Company's compliance obligations, the Company's overall product portfolio needs to be enhanced with the incorporation of electric and hybrid vehicles as well as the inclusion of environmental-friendly technological features in existing and forthcoming models.

In 2016, the Indian Ministry of Environment, Forests & Climate Change ("MoEFCC") re-vamped several national level legislations governing waste management, including the Plastic Waste Management Rules 2016, the Bio-Medical Waste (BMW) Management Rules 2016, e-waste Management Rules-2016 - and the Construction and Demolition (C&D) Waste Management Rules 2016. All the Company's plants have analyzed these new regulations for its applicability and aligned their compliance practices accordingly.

The Company's business and manufacturing processes result in the emission of greenhouse gases such as carbon dioxide. The Company expects legal requirements to reduce greenhouse gases to become increasingly more stringent and costly to address over time. For example, the European Union Emissions Trading Scheme ("EU ETS"), a European Union-wide system in which allowances to emit greenhouse gases are issued and traded, is now in Phase IV and currently applies to three manufacturing facilities in the United Kingdom, and for Jaguar Land Rover's Slovakia manufacturing facility. The free allocation of EUETS carbon allowances significantly reduces in Phase 4 of the scheme (from start of 2021) and, as a result, the JLR will be required to purchase an increased number of allowances, potentially at substantial cost. This forecast is subject to evaluation by the United Kingdom post-Brexit as it begins to design its own carbon market. In any event, there will be a cost to purchase credits in Slovakia and that will be covered following EU ETS permit application and issue.

In the United Kingdom, the Climate Change Agreement ("CCA") covers Jaguar Land Rover's three vehicle manufacturing plants and one of its Special Operations facilities. Under the CCA, Jaguar Land Rover is required to deliver a 15% reduction in energy use per vehicle by 2020 compared to the 2008 baseline. In addition, in the United Kingdom Jaguar Land Rover is required to comply with the Streamlined Energy and Carbon Reporting Scheme ("SECR") which replaced reporting under the previous regime in 2020 and is compulsory for operations of entities in the United Kingdom.

The Best Available Techniques Reference Document ("BREF") for Jaguar Land Rover's paint shops has been under review and in 2019 changes were proposed, including the lowering of permissible emissions to 30g/m2. Although the United Kingdom has adopted all EU legislation, including any EU regulation, as it had effect in EU law immediately before Brexit, there can be no assurance that it will not deviate from the EU standards in the future. In any event, Jaguar Land Rover's paint shop in Slovakia will need to meet this requirement.

Many of Jaguar Land Rover's sites have an extended history of industrial activity. Jaguar Land Rover may be required to investigate and remediate contamination at those sites, as well as properties it formerly operated, regardless of whether Jaguar Land Rover caused the contamination or the activity causing the contamination was legal at the time it occurred. For example, some of Jaguar Land Rover's buildings at its Solihull plant and other plants in the United Kingdom are undergoing an asbestos removal program in connection with ongoing refurbishment and rebuilding. In Jaguar Land Rover's overseas facilities prior to purchase, it undertook studies that informed it of the presence of contamination or otherwise in the ground prior to development. In Brazil, Jaguar Land Rover's manufacturing site is adjacent to a facility (the "Itatiaia West" site), where organic solvent contamination of the ground had previously occurred. Jaguar Land Rover has purchased the Itatiaia West site and is currently progressing relevant permits for operation and developing plans for further remediation of the organic solvent contamination. The Itatiaia West site is listed on the Environmental Regulators site (Instituto Estadual do Ambiente) as contaminated. Some of these historical issues are being addressed in conjunction with Jaguar Land Rover's site development works whilst others are subject to ongoing treatment regimes.

In connection with contaminated properties, as well as operations generally, Company also could be subject to claims by government authorities, individuals and other third parties seeking damages for alleged personal injury or property damage or damage to natural resources resulting from hazardous substance contamination or exposure caused by Company's operations, facilities or products. The discovery of previously unknown contamination, or the imposition of new obligations to investigate or remediate contamination at Company's facilities, could result in substantial unanticipated costs. Company could be required to establish or substantially increase financial reserves for such obligations or liabilities and, if the Company fails to accurately predict the amount or timing of such costs, the related adverse impact on the Company's business, prospects, financial condition or results of operations could be material.

Company is subject to risks associated with the automobile financing business.

The sale of Company's Commercial Vehicles and Passenger Vehicles is heavily dependent on funding availability for Company's customers. In recent years, rising delinquencies and early defaults have contributed to a reduction in automobile financing, which, in turn, has had an adverse effect on funding availability for potential customers. This reduction in available financing may continue in the future and have a material adverse effect on Company's business, prospects, financial condition and results of operations.

Default by Company's customers or inability to repay installments as due could materially and adversely affect its business, prospects, financial condition, results of operations and cash flows. In addition, any downgrade in Company's credit ratings may increase its borrowing costs and restrict its access to the debt markets. Over time, and particularly in the event of any credit rating downgrade, market volatility, market disruption, regulatory changes or otherwise, the Company may need to reduce the amount of financing receivables it originates, which could severely disrupt Company's ability to support the sale of its vehicles.

Transportation and logistics sector was facing significant headwinds even before the COVID-19 pandemic, due to sluggish growth in freight availability and rates. This was exacerbated on account of lockdowns and other COVID-19 pandemic related measures introduced by local and national governments. During the current financial year the Government of India (the "GOI") and Reserve Bank of India (the "RBI") has announced several relief measures to ease the financial system stress resulting from the COVID-19 pandemic outbreak in India which include

- Moratorium of six months for dues falling between March 1, 2020 to August 31, 2020;
- asset classification standstill benefit to over dues accounts where moratorium has been granted;
- one-time restructuring allowed for eligible borrower accounts of Micro, Small & Medium Enterprises without downgrade in asset classification;

However, such regulatory measures are temporary in nature and intended as a one-time relief, and there remains a still considerable uncertainty around the impact of the COVID-19 pandemic, especially due to recent resurgence of COVID-19 cases in India. This uncertainty is reflected in the Company's assessment of impairment loss allowance on its loans that are subject to a number of management judgements and estimates. Company has held adequate provision for impairment loss allowance on its loans based on the historical experience, collection efficiencies, internal assessment and other emerging forward looking factors on account of the pandemic. However, the actual impact may vary due to prevailing uncertainties caused by the pandemic. The Company continues to closely monitor the macro economic factors affecting its operations.

Jaguar Land Rover has consumer finance arrangements in place with Black Horse Limited (part of the Lloyds Banking Group) in the United Kingdom, FCA Bank S.p.A. (a joint venture between Fiat Auto and Crédit Agricole) in major European markets and Chase Auto Finance in the United States and have similar arrangements with local providers in a number of other key markets. Any reduction in the supply of available consumer financing for the purchase of new vehicles or an increase in the cost thereof would make it more difficult for some of its customers to purchase its vehicles, which could put Jaguar Land Rover under commercial pressure to offer new (or expand existing) retail or dealer incentives to maintain demand for its vehicles, thereby materially and adversely affecting the its sales and results of operations. For example, during the global financial crisis, several providers of customer finance reduced their supply of consumer financing for the purchase of new vehicles. Additionally, base interest rates in developed economies are low. As interest rates rise generally, market rates for new vehicle financing are expected to rise as well, which may make Company's vehicles less affordable to retail consumers or steer consumers to less expensive vehicles that tend to be less profitable for us, adversely affecting Company's business, prospects, financial condition and results of operations. Additionally, if consumer interest rates increase substantially or if financial service providers tighten lending standards or restrict their lending to certain classes of credit, consumers may not desire to or be able to obtain financing to purchase or lease the Company's vehicles. An increase in interest rates due to tightening monetary policy or for any other reason would result in increased costs for Company to the extent Company decides to absorb the impact of such increase. As a result, a substantial increase in consumer interest rates or tightening of lending standards could have a material adverse effect on the business, prospects, financial condition and results of operations.

Furthermore, Jaguar Land Rover offers residual value guarantees on the purchase of certain leases in some markets. The value of these guarantees is dependent on used car valuations in those markets at the end of the lease, which is subject to change. Consequently, Jaguar Land Rover may be adversely affected by movements in used car valuations in these markets.

Deterioration in the performance of any of the Company's subsidiaries, joint ventures or affiliates could materially and adversely affect its results of operations and financial condition.

Company has made and may continue to make capital commitments to its subsidiaries, joint ventures and affiliates. If the business or operations of any of these subsidiaries, joint ventures and affiliates deteriorate, the value of Company's investments may decline substantially. Company is also subject to risks associated with joint ventures and affiliates wherein it retains only partial or joint control.

Jaguar Land Rover entered into a joint venture with Chery Automobile Company Ltd. ("Chery") in China to develop, manufacture and sell certain Jaguar Land Rover vehicles and at least one own-branded vehicle in China (the "China Joint Venture"). Additionally, in March 2018, Jaguar Land Rover announced its strategic partnership with Waymo LLC ("Waymo") to develop the world's first premium self-driving electric vehicle. In June 2019, Jaguar Land Rover announced a collaboration with BMW to develop the next-generation Electric Drive Units to support the advancement of electrification technologies. Jaguar Land Rover may also decide to collaborate with other companies in order to develop future technologies and initiatives, including but not limited to the dedicated BEV Jaguar architecture in the near future. Joint ventures and strategic partnership projects, like Jaguar Land Rover's joint venture in China, partnership with Waymo and collaboration with BMW, may be developed pursuant to agreements over which it only has partial or joint control.

If the business or operations of any of these subsidiaries, joint ventures and affiliates deteriorate, the value of Company's investments may decline substantially and may impact its overall financial position and liquidity. If there is a significant change in these relationships (for example, if a co-owner changes or relationships deteriorate), Company's success in the joint venture may be materially affected.

Company is also subject to risks associated with Joint ventures and affiliates wherein Company retains only partial or joint control. If other shareholders of a joint venture, who may have different business or investment strategies than Company does or with whom Company may have a disagreement or dispute, have the ability to block business, financial or management decisions, or Company's investment in the project, or otherwise implement initiatives that may be contrary to Company's interests, Company's future results and financial condition may be materially affected.

The Company is subject to risks associated with product liability, warranties and recalls.

The Company is subject to risks and costs associated with product liability, warranties and recalls in connection with performance, compliance or safety related issues affecting its vehicles. From time to time, Company may be subject to investigations by governmental authorities relating to safety and other compliance issues with its vehicles. In particular, as Company's vehicles become more technologically advanced, Company is subject to risks related to their software and operation, including Company's advanced driver assistance systems automation. The Company may be required to expend considerable resources in connection with product recalls and these resources typically include the cost of the part being replaced and the labor required to remove and replace the defective part. In addition, product recalls can cause Company's consumers to question the safety or reliability of its vehicles, which may harm its reputation. Any harm to Company's reputation may result in a substantial loss of customers. For example, Jaguar Land Rover commenced remediatory action in connection with the Takata Corporation's passenger airbag safety recall announced in May 2015 in the United States by the National Highway Traffic System Administration (the "NHTSA"). Following the initial provision of GBP67.4 million, the provision held at the end of FY 2020-21 with respect to the recall is GBP 29 million.

Furthermore, the Company may also be subject to class actions or other large-scale lawsuits pertaining to product liability or other matters in various jurisdictions in which the Company has a significant presence. The use of shared components in vehicle production increases this risk because individual components are deployed in a number of different models across the Company's brands. Any costs incurred or lost sales caused by product liability, warranties and recalls could materially affect Company's business and reputation.

Exchange rate and interest rate fluctuations and hedging arrangements could materially and adversely affect the Company's financial condition and results of operations.

The Company's operations are subject to risks arising from fluctuations in exchange rates with reference to countries in which it operates. The Company imports capital equipment, raw materials and components from, manufacture vehicles in, and sell vehicles into, various countries, and therefore, the Company's revenues and costs have significant exposure to the relative movements of the GBP, the U.S. dollar, the Euro, the Russian Ruble, the Chinese Renminbi, the Singapore dollar, the Japanese yen, the Australian dollar, the South African rand, the Thai baht, the Korean won and the Indian rupee. Jaguar Land Rover is exposed to a strengthening British pound, since this would diminish the sterling value of its overseas sales. Although a trade agreement between the UK and European Union was agreed in December 2020 and tariffs have been avoided to date, the United Kingdom's exit from the European Union has driven additional customs and other administrative frictions that may persist and ultimately impact the UK economy, thereby causing further volatility in the value of the British pound, which could affect the Company's Jaguar Land Rover business.

A significant proportion of JLR's input materials and components and capital equipment are sourced overseas, in particular from Europe, and therefore JLR has costs in, and significant exposure to the movement of, the Euro (specifically a strengthening of the Euro) and certain other currencies relative to the GBP (Jaguar Land Rover's reporting currency), which may result in decreased profits to the extent these are not fully mitigated by non-GBP sales. Moreover, the Company has outstanding foreign currency-denominated debt. The Company has experienced and could in the future experience foreign exchange losses on obligations denominated in foreign currencies in respect of its borrowings and foreign currency assets and liabilities due to currency fluctuations. The Company is exposed to changes in interest rates, as it has both interest-bearing assets (including cash balances) and interest bearing liabilities, certain of which bear interest at variable rates (including Jaguar Land Rover's $1 billion term loan facility, the UKEF & commercial loan facilities and the United Kingdom fleet financing facility), whereas the existing notes bear interest at fixed rates. Although the Company engages in managing its interest and foreign exchange exposure through use of financial hedging instruments, such as forward contracts, swap agreements and option contracts, higher interest rates and a weakening of the Indian rupee against major foreign currencies could significantly increase its cost of borrowing.

Appropriate hedging lines for the type of risk exposures the Company is subject to may not be available at a reasonable cost, particularly during volatile rate movements, or at all. Moreover, there are risks associated with the use of such hedging instruments. While hedging instruments may mitigate Company's exposure to fluctuations in currency exchange rates to a certain extent, Company potentially foregoes benefits that might result from market fluctuations in currency exposures. These hedging transactions can also result in substantial losses, including, without limitation, when a counterparty does not perform its obligations under the applicable hedging arrangement, there are currency fluctuations, the arrangement is imperfect or ineffective, or Company's internal hedging policies and procedures are not followed or do not work as planned.

In addition, because Company's potential obligations under the financial hedging instruments are marked to market, Company may experience quarterly and annual volatility in its operating results and cash flows attributable to its financial hedging activities.

Any of the above may have a material adverse effect on Company's financial condition, results of operations and liquidity.

Changes or uncertainty in respect of LIBOR and/or SONIA may affect some Company's financing arrangements.

Some of Company's financing arrangements are, or may in the future be, linked to LIBOR and/or SONIA (as defined below). LIBOR has been the subject of recent national, international and other regulatory guidance and proposals for reform. As a result, GBP LIBOR will cease to exist from January 1, 2022 while USD LIBOR will cease to exist from July 1, 2023. On November 29, 2017, the Bank of England and the United Kingdom Financial Conduct Authority (the "FCA") announced that the market working group on Sterling Risk-Free Rates would have an extended mandate to catalyze a broad transition from LIBOR to the Sterling Over Night Index Average rate ("SONIA") across sterling bond, loan and derivatives markets so that SONIA is established as the primary sterling interest rate benchmark by the end of 2021. On April 23, 2018, the Bank of England took over administration of SONIA and issued a series of reforms as part of its implementation as a replacement to LIBOR. From April 2018, the Bank of England has been setting the interest rate benchmark using SONIA, meaning that banks are no longer compelled by the FCA to submit LIBOR rates beyond 2021. On March 5, 2021, the FCA issued an announcement on the future cessation and loss of representativeness of the LIBOR benchmarks, and announced March 5, 2021 as the spread adjustment fixing date for all LIBOR tenors across all currencies These reforms and other pressures will cause LIBOR to disappear entirely following its phase out period and have created disincentives for market participants to continue to administer LIBOR or may have other consequences which cannot be predicted.

Any of these reforms or pressures described above or any other changes to a relevant interest rate benchmark (including SONIA or any alternative or successor benchmark rate) could affect the level of the published rate, including to cause it to be higher, lower and/or more volatile than it would otherwise be. With the discontinuation of LIBOR the rate of interest applicable to Company's financing arrangements that are linked to LIBOR may be determined by applicable contractual fall-back provisions, although such provisions have not been tested and may not operate as intended. Additionally, SONIA and/or any other alternative or successor benchmark rates are, or will be for a period of time, largely untested, and the use of SONIA and/or such alternative or successor benchmark rates may have adverse consequences that impact Company's financing arrangements.

More generally, any of the above matters could affect the amounts available to the Company to meet Company's obligations under the Company's financing arrangements and/or could have a material adverse effect on the value or liquidity of, and the amounts payable under Company's financing arrangements. Changes in the manner of administration of LIBOR (or any alternative or successor benchmark rates, including SONIA) could result in adjustment to the conditions applicable to some of Company's financing arrangements or other consequences as relevant to those financing arrangements. While Company may seek to amend the agreements related to its financing arrangements linked to LIBOR (or any alternative or successor benchmark rates, including SONIA), the Company may not be able to amend such agreements before any of the risks disclosed hereby materialize or at all. No assurance can be provided that any other relevant benchmark rate will continue to exist.

Potential changes to Company's business through mergers, acquisitions and divestments may have a material adverse effect on its future results and financial condition

The Company believes that its acquisitions provide it opportunities to grow significantly in the global automobile markets including premium brands and products and provide it with access to technology, additional capabilities and potential synergies. The Company regularly examines a range of corporate opportunities, including suitable mergers, joint ventures, acquisitions and divestments, with a view to determining whether those opportunities will enhance its strategic position and financial performance. However, the scale, scope and nature of the integration, management or separation required in connection with such transactions present significant challenges, and the Company may be unable to integrate, manage or separate the relevant subsidiaries, divisions and facilities effectively within its expected schedule. A transaction may not meet the Company's expectations and the realization of the anticipated benefits may be blocked, delayed or reduced as a result of numerous factors, some of which are outside its control.

These corporate opportunities may involve risks, including unforeseen contingent risks or latent business liabilities that may only become apparent after the transaction is completed. Integration or separation of an acquired or divested business can be complex and costly, sometimes including combining or separating relevant accounting and data processing systems, and management controls, as well as managing relevant relationships with employees, customers, regulators, counterparties, suppliers and other business partners. Integration or separation efforts could also create inconsistencies in standards, controls, procedures and policies, as well as diverting management attention and resources. Additionally, there can be no assurance that employees, customers, counterparties, suppliers and other business partners of newly acquired or retained businesses will remain post-acquisition or post-divestment, and the loss of employees, customers, counterparties, suppliers and other business partners may adversely affect Company's operations or results.

If Company is unable to manage any of the associated risks successfully, Company's business, prospects, financial condition and results of operations could be materially and adversely affected.

Moreover, there are risks relating to the completion of any particular transaction occurring, including counterparty and settlement risk, or the non-satisfaction of any completion conditions (for example, relevant regulatory or third party approvals).Company acquired the Jaguar Land Rover business from the Ford Motor Company ("Ford") in June 2008, and since then Jaguar Land Rover has become a significant part of Company's business, accounting for 78 % of Company's total revenues in FY 2020-21. As a result of the acquisition, Company is responsible for, among other things, the obligations and liabilities associated with the legacy business of Jaguar Land Rover. There can be no assurance that any legacy issues at Jaguar Land Rover or any other acquisition the Company has undertaken in the past or will undertake in the future will not have a material adverse effect on its business, financial condition and results of operations, as well as its reputation and prospects.

Company's strategy to grow the business through capital investments may not be successful or as successful as it expects.

Company's strategic priorities to grow its business include investing in new models and modular architectures and in autonomous, connected, electric as well as shared mobility services. Specifically, with the launch of the Reimagine strategy in February 2021, Jaguar Land Rover is committed to investing significant resources in electric battery technology and vehicles, in order to achieve its goal of net zero carbon emissions across its supply chain, products and operations by 2039. Jaguar Land Rover's annual total product and other investment spending was GBP 2.3 billion in FY 2020-21 and is expected to be around GBP2.5 billion in FY 2020-22 and it is planning to launch the new Range Rover and Range Rover Sport on the new modular longitudinal architecture platform. Tata Motors Limited's total product and other investment spending was Rs. 2,586 crores for FY 2020-21 and is expected to be in the range of Rs. 3,500 crores in FY 2021-22. Tata Motors Limited continues to monitor the evolving COVID-19 situation in India due to the second wave and will undertake necessary steps for the rationalisation of Capital expenditure , dynamically managing capital expenditure and implementation of further cash improvement measures. For FY 2021-22 , on a consolidated basis, Company expects to invest over Rs. 28,900 crores in property, plant and equipment and product development Company aims to fund total product and other investment spending with cash flows from operating activities supported by debt capital markets activities and bank funding as required.

The targets described above represent Company's current strategic objectives and do not constitute capital spending and earnings projections or forecasts. These targets are based on a range of expectations and assumptions regarding, among other things, Company's present and future business strategies, volume growth, cost efficiencies, capital spending program and the environment in which the Company operates, which may prove to be inaccurate. While the Company does not undertake to update its targets, it may change its targets from time to time. Actual results may differ materially from Company's targets. Accordingly, there can be no assurance that the Company will achieve any of its targets, whether in the short, medium or long term. The occurrence of one or more of the risks described in this "Risk Factors" section, many of which are beyond Company's control and could have an immediate impact on Company's earnings and/or the probability of which may be exacerbated in the medium to long term, could materially affect Company's ability to realize the targets described above. In particular, Company's capital spending target could be affected by investment needs arising from, among other factors, electrification, emissions compliance, driver assistance, connectivity and mobility trends. Company's ability to achieve its targets may also be materially impaired by negative geopolitical and macroeconomic factors (see - " Deterioration in global economic conditions could have material adverse impact on Company's business, sales and results of operation"), the competitive nature of Company's industry, industry trends, including market and competitive forces (such as higher incentives), new or the expansion of existing regulatory constraints, reduced customer demand for the Company's vehicles, significant increases in Company's cost base, unexpected delays or failure in implementing or realizing the benefits of Company's investments and the impact of its new capitalization policy

The electric vehicle market and related opportunities may not evolve as anticipated.

There is a global trend, particularly in developed markets, towards increased use of electric vehicles (including hybrids) and policies supporting vehicle electrification. The UK government has recently announced that the phase-out date for the sale of new petrol and diesel cars and vans has been brought forward to 2030 from the previous date of 2035, while the governments of other countries including Norway and the Netherlands have announced goals of banning new petrol and diesel cars. The Indian Government has also been encouraging adoption of electric vehicles and is working closely with the industry to address challenges and accelerate the adoption of electric vehicles in India. As Company considers its strategy, it may over time increase its focus on the production of electric vehicles, make more investments in this area and position itself as a leading producer of electric vehicles. Sales of electric vehicles are hard to predict as consumer demand may fail to shift in favour of electric vehicles and this market segment may remain small relative to the overall market for years to come. Consumers may remain or become reluctant to adopt electric vehicles due to the lack of fully developed charging infrastructure, long charging times or increased costs of purchase.

In March 2018, Jaguar Land Rover announced its strategic long-term partnership with Waymo to design, engineer and produce Jaguar I-PACE vehicles for Waymo's autonomous vehicle mobility service. However, there can be no assurance that the partnership will be successful in achieving its commercial objective or that Waymo will purchase the number of vehicles contemplated by its partnership or that Jaguar Land Rover's next-generation Electric Drive Units will be successful. In June 2019, Jaguar Land Rover announced a collaboration with BMW to develop next-generation Electric Drive Units to support the advancement of electrification technologies. As with Jaguar Land Rover's partnership with Waymo, there can be no assurance that the partnership will be successful in achieving its commercial objective. If the value proposition of electric vehicles fails to fully materialize, this could have a material adverse effect on Company's business, prospects, financial condition and results of operations. In February 2021, Company's Jaguar Land Rover business announced a change in direction under the Reimagine strategy whereby Jaguar would become a pure electric (100% Battery Electric Vehicle "BEV") automotive brand from 2025. First Land Rover BEV product will be launched in 2024 and further five Land Rover models offering BEV options will be launched by 2026. (total of 6 Land Rover models offering a BEV option). Furthermore, approximately 60% of Jaguar Land Rover sales are expected to be pure BEV's by 2030 rising to 100% by 2036. There can be no assurance that the milestones set in Jaguar Land Rover's Reimagine strategy can be met on time, if at all, or that Jaguar Land Rover will be successful in meeting consumer demands with its new and/or improved products. If Jaguar Land Rover is unable to meet its BEV development goals, this could have a material adverse effect on Company's business, prospects, financial condition and results of operations.

The Company is exposed to a broad range of climate-related risks arising from both the physical and non-physical impacts of climate change and related risks, which may materially affect Company's results of operations and the markets in which it operates.

Over the past few years, the global market for automobiles, particularly in established markets, has been characterized by increasing demand for more environmentally-friendly vehicles and technologies. In light of the public discourse on climate change and volatile fuel prices, Company faces more stringent government regulations, including the imposition of speed limits and higher taxes on SUVs or premium automobiles. Several jurisdictions, such as Norway, Germany, the United Kingdom, France, the Netherlands, India and China, have announced their intention to substantially reduce or eliminate the sale of conventionally fueled vehicles in their markets in the coming decades.

The emissions levels of diesel technologies have also become the focus of legislators in the United States and European Union and some of Jaguar Land Rover's competitors have announced programs to retrofit diesel vehicles with software that will allow them to reduce emissions. Such actions by Company's competitors may require it to undertake increased research and development spending. There is a risk that these research and development activities, including retrofit software upgrades, will not achieve their planned objectives or that competitors or joint ventures set up by competitors will develop better solutions and will be able to manufacture the resulting products more rapidly, in larger quantities, with a higher quality and/or at a lower cost.

Coupled with increased consumer preferences for more environmentally-friendly and electric vehicles, failure to achieve Jaguar Land Rover's planned objectives such as execution of Jaguar Land Rover's Reimagine Strategy, or delays in developing fuel-efficient products could materially affect its ability to sell premium Passenger Cars and large or medium-sized all-terrain vehicles at current or targeted volumes and could have a material adverse effect on Company's general business activity, net assets, financial position and results of operations. There is a risk that Company's competitors will develop better solutions and manufacture the resulting products more rapidly, in larger quantities, with a higher quality and/or at a lower cost.

In addition, Company's manufacturing operations and sales may be subject to potential physical impacts of climate change, including changes in weather patterns and an increased potential for extreme weather events, which could affect the manufacturing and distribution of the Company's products, as well as the cost and availability of raw materials and components. Moreover, the increased use of car sharing services (e.g., Zipcar and DriveNow) and other innovative mobility initiatives that facilitate access to alternative modes of transport, and the increased reliance on public transportation in certain places may reduce people's dependency on private automobiles. Furthermore, non-traditional market participants and/or unexpected disruptive innovations may disrupt the established business model of the industry by introducing new technologies, distribution models and methods of transportation. A shift in consumer preferences away from private automobiles would have a material adverse effect on Company's general business activity and on Company's business, prospects, financial condition and results of operations.

Sustainability is being brought to the center of the Company's business strategy. There has been increased focus from various stakeholders towards sustainable business practices. As a responsible business and being part of the Tata Group, Tata Motors Limited is committed to significantly reduce its GHG emissions to ultimately achieve net zero emissions. The Company is working towards transitioning to improved fuel efficiency of ICE vehicles across commercial and passenger vehicles, increasing share of EVs in the product mix, significant reduction in energy consumption and increased use of renewable energy in Operations, along with Greening of the Supply Chain. With its Reimagine strategy in place, Jaguar Land Rover's aim is to achieve net zero carbon emissions across its supply chain, products and operations by 2039. If the Company is unable to achieve these objectives, it would materially and adversely affect its business and reputation.

Underperformance of Company's distribution channels may adversely affect Company's sales and results of operations.

Company's products are sold and serviced through a network of authorized dealers and service centers across India and through a network of distributors and local dealers in international markets. Any underperformance by or a deterioration in the financial condition of Company's dealers or distributors could materially and adversely affect Company's sales and results of operations. In order to optimise market performance, sales channels must be aligned to the buying habits of Company's customers, including through traditional showrooms but by also embracing increasingly more innovative sales channels such as virtual showrooms and online purchasing.

The COVID-19 pandemic enforced lockdowns across key regions have adversely affected the financial performance of the Company's dealers in FY 2020-21 and may continue to affect them in the near future.

If dealers or importers encounter financial difficulties and Company's products and services cannot be sold or can be sold only in limited numbers, the sales of such dealers and importers may be adversely affected. Additionally, if Company cannot replace the affected dealers or importers with other franchises, the financial difficulties experienced by such dealers or importers could have an indirect effect on Company's vehicle deliveries.

Consequently, Company could be compelled to provide additional support for dealers and importers and, under certain circumstances, may even take over their obligations to customers, which would adversely affect the Company's financial position and results of operations in the short-term.

Furthermore, as part of Company's global activities, it may engage with third-party dealers and distributors, whom it does not control, but who could nevertheless take actions that may have a material adverse impact on Company's reputation and business. The Company cannot assure you that it will not be held liable for any activities undertaken by such third parties.

Jaguar Land Rover is more vulnerable to reduced demand for premium performance cars and all-terrain vehicles than automobile manufacturers with a more diversified product range.

Jaguar Land Rover operates in the premium Passenger car and all-terrain vehicles segments and provides a more limited range of models than some of its competitors. Accordingly, Jaguar Land Rover's financial performance is linked to market conditions and consumer demand in those market segments. Any downturn or reduction in the demand for premium Passenger Cars and all-terrain vehicles, or any reduced demand for Jaguar Land Rover's most popular models in the geographic markets in which it operates could have a material adverse effect on Company's performance and earnings.

A decline in retail customers' purchasing power, consumer confidence or corporate customers' financial condition and willingness to invest could materially and adversely affect Company's business.

Demand for vehicles for personal use generally depends on consumers' net purchasing power, their confidence in future economic developments and changes in fashion and trends, while demand for vehicles for commercial use by corporate customers (including fleet customers) primarily depends on the customers' financial condition, their willingness to invest and available financing. The economic slowdown caused by the COVID-19 pandemic is also likely to affect consumer sentiment and demand in the short term. A decrease in potential customers' disposable income or, financial flexibility, reductions in the availability of consumer financing or used car valuations or an increase in the cost of financing may have a negative impact on demand for Company's products. A weak macroeconomic environment, combined with restrictive lending and a low level of consumer sentiment generally, may reduce consumers' net purchasing power and lead existing and potential customers to refrain from purchasing new vehicles, defer a purchase further or purchase a smaller model with less equipment at a lower price.

(see "—Deterioration or uncertainty in global economic conditions could have a material adverse impact on Company's business, sales and results of operations.").A deteriorating macroeconomic environment may disproportionately reduce demand for luxury vehicles. It also could lead to reluctance by corporate customers to invest in vehicles for commercial use and/or to lease vehicles, resulting in a postponement of fleet renewal contracts.

In recent years, the automotive industry has increasingly offered customers and dealers price reductions on vehicles and services to stimulate demand for vehicles, which has led to increased price cost of sales pressures and sharpened competition within the industry. Any of the above may have a material adverse effect on Company's revenue, financial condition and results of operations.

Company may be adversely affected by labor unrest.

All of Company's permanent employees in India, other than officers and managers, and most of Company's permanent employees in its automotive business in South Korea and the United Kingdom, including certain officers and managers, are members of labor unions and are covered by wage agreements, where applicable, with those labor unions.

In general, Company considers its labor relations with all of its employees to be good. However, in the future Company may be subject to labor unrest, which may delay or disrupt its operations in the affected regions, including impacting the acquisition of raw materials and parts, the manufacture, sales and distribution of products and the provision of services. If work stoppages or lock-outs at Company's facilities or at the facilities of its major vendors occur or continue for a long period of time, Company's business, prospects, financial condition and results of operations may be materially and adversely affected. For example, during FY 2017-18, Company faced two standalone incidents of labor unrest in India, one at its Jamshedpur plant and the other at its Sanand plant. Although these particular issues were amicably resolved, there is no assurance that additional labor issues could not occur, or that any future labor issues will be amicably resolved.

In addition, Jaguar Land Rover engages in bi-annual negotiations in relation to wage agreements, covering approximately 16,000 of its unionized employees and a new labor agreement with the trade unions is currently under negotiations. There is a risk, however, that future negotiations could escalate into industrial action ranging from "work to rule" to a strike before a settlement is ultimately reached.

Company is exposed to operational risks, including cybersecurity risks, in connection with its use of information technology.

The Company is exposed to the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This includes, among other things, losses that are caused by a lack of controls within internal procedures, violation of internal policies by employees, disruption or malfunction of information technology ("IT") systems, computer networks and telecommunications systems, mechanical or equipment failures, human error, natural disasters, security breaches or malicious acts by third parties (including, for example, hackers), whether affecting Company's systems or affecting those of third party providers. The Company is generally exposed to risks in the field of information technology, since unauthorized access to or misuse of data processed on its IT systems, human errors associated therewith or technological failures of any kind could disrupt Company's operations, including the manufacturing, design and engineering processes. In particular, as vehicles become more technologically advanced and connected to the internet, Company's vehicles may become more susceptible to unauthorized access to their systems. As a business with complex manufacturing, research, procurement, sales and marketing and financing operations, Company is exposed to a variety of operational risks and, if the protection measures put in place prove insufficient (especially given the harsher sanctions imposed under the new General Data Protection Regulation (Regulation (EU) 2016/679) (the "GDPR")), Company's results of operations and financial condition could be materially adversely affected. In addition, Company would likely experience negative press and reputational impacts. Cybersecurity incidents could lead to loss of productivity, negative impact on Company's reputation, and, in extreme cases, material financial loss due to business disruptions.

Company's business and prospects could suffer if it loses one or more key personnel or if it is unable to attract and retain its employees.

Company's business and future growth depend largely on the skills of its workforce, including executives,officers, and automotive designers and engineers. Autonomous driving, connected technologies, electrification and shared mobility trends are redefining conventional Auto business creating tremendous disruption and digital innovations are driving new business models. The Company's business requires an engaged workforce with core capabilities in new and emerging skill areas and a collaborative and innovative culture for its transformation to be successful. If the Company fails to develop new and flexible skills and capabilities within its workforce, or fails to hire appropriate talent, its business will lose the ability to remain flexible in a dynamic automotive industry, which is key to delivering innovative products and services. The loss of the services of one or more of key personnel could impair its ability to implement its business strategy. Any prolonged inability to continue to attract, retain or motivate Company's workforce could materially and adversely affect Company's business, financial condition, results of operations and prospects.

Company may be adversely impacted by political instability, wars, terrorism, multinational conflicts, natural disasters and epidemics

Company's products are exported to a number of geographical markets, and Company plans to further expand its international operations in the future. Consequently, Company is subject to various risks associated with conducting its business both within and outside its domestic market and its operations in markets abroad may be subject to political instability, wars, terrorism, civil disturbances, regional or multinational conflicts, natural disasters and extreme weather, fuel shortages, epidemics and pandemics (such as the ongoing COVID-19 pandemic). Any disruption of the operations of Company's manufacturing, design, engineering, sales, corporate and other facilities could materially and adversely affect its business, prospects, financial condition and results of operations. In addition, conducting business internationally, especially in emerging markets, exposes the Company to additional risks, including adverse changes in economic and government policies, unpredictable shifts in regulation, inconsistent application of existing laws and regulations, unclear regulatory and taxation systems and divergent commercial and employment practices and procedures. If any of these events were to occur, there can be no assurance that Company would be able to shift its manufacturing, design, engineering, sales, corporate and other operations to alternate sites in a timely manner, or at all. Any deterioration in international relations, especially between India and its neighboring countries, may result in investor concern regarding regional stability. Any significant or prolonged disruption or delay in Company's operations related to these risks could materially and adversely affect Company's business, prospects, financial condition and results of operations. See – "Company has been, and may in the future be, adversely affected by the COVID-19 pandemic, the duration and economic, governmental and social impact of which is difficult to predict, which may materially harm Company's business, prospects, financial condition and results of operations".

Terrorist attacks, civil disturbances, regional conflicts and other acts of violence, particularly in India, may disrupt or otherwise adversely affect the markets in which the Company operates its business and its profitability. India has from time to time experienced social and civil unrest and hostilities and adverse social, economic or political events, including terrorist attacks and local civil disturbances, riots and armed conflict with neighboring countries. Events of this nature in the future could influence the Indian economy and could have a material adverse effect on Company's business, as well as the market for securities of Indian companies, including the Company's Shares and ADSs. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have a material adverse effect on Company's business, prospects, results of operations and financial condition, and also the market price of the Company's Shares and ADSs.

Company's business is seasonal in nature and a substantial decrease in its sales during certain quarters could have a material adverse impact on its financial performance.

The sales volumes and prices for Company's vehicles are influenced in part by the cyclicality and seasonality of demand.

In the Indian market, demand for Company's vehicles generally peaks between January and March each year, although there is a general decrease in demand during February in the lead-up to the release of the Indian annual fiscal budget. Demand is generally leaner between April and July and picks up again in the festival season from September to November, with a decline in December as customers defer purchases to the following year.

Company's Jaguar Land Rover business is impacted by the biannual registration of vehicles in the United Kingdom where the vehicle registration number changes every March and September, which leads to an increase in sales during these months, and, in turn, impacts the resale value of vehicles. Most other markets, such as the United States, are influenced by the introduction of new-model-year products, which typically occurs in the autumn of each year. Furthermore, in the United States, there is some seasonality in the purchasing pattern of vehicles in the northern states for Jaguar where there is a concentration of vehicle sales in the spring and summer months and for Land Rover, where the trend for purchasing 4x4 vehicles is concentrated in the autumn and winter months. Markets in China tend to experience higher demand for vehicles around the Lunar New Year holiday, the National Day holiday and the Golden Week holiday in October. In addition, demand in Western European automotive markets tends to be softer during the summer and winter holidays. Jaguar Land Rover's cash flows are impacted by the seasonal shutdown of four of their manufacturing plants in the United Kingdom (including the Engine Manufacturing Center ("EMC") at Wolverhampton) during the Easter, summer and winter holidays.

Restrictive covenants in Company's financing agreements could limit its operations and financial flexibility and materially and adversely impact its financial condition, results of operations and prospects.

Some of Company's financing agreements and debt arrangements set limits on and/or requires it to, among other matters, obtain lender consent pledging assets as security. In addition, certain financial covenants may limit Company's ability to borrow additional funds or to incur additional liens. In the past, Company has been able to obtain required lender consent for such activities. However, there can be no assurance that the Company will be able to obtain such consents in the future. On June 30, 2020, Company notified one of its Indian lenders in respect of its ₹2,700 crores loan facility that as at June 30, 2020, the Company had failed to maintain one of the financial ratios under the terms of the loan facility. The Company received confirmation from the lender that it has approved an increase in such threshold and has given waiver of the Company's failure to maintain the relevant financial ratio for FY 2020-21 and FY 2021-22. Further, the Company has received confirmation from another lender on its ₹3,000 crores loan facility, that it has given a waiver of the Company's failure to maintain this ratio before March 31, 2023. If Company's liquidity needs or growth plans require such consents and such consents are not obtained in the future, Company may be forced to forego or alter its plans, which could materially and adversely affect its business, prospects, financial condition and results of operations.

In addition, in the event Company breaches these covenants, the outstanding amounts due under such financing agreements could become due and payable immediately and/or result in increased costs. A default under one of these financing agreements may also result in cross-defaults under other financing agreements and the outstanding amounts under such other financing agreements becoming due and payable immediately. Defaults under one or more of Company's financing agreements could have a material adverse effect on its business, prospects, financial condition and results of operations.

Future pension obligations may prove more costly than currently anticipated and the market value of assets in Company's pension plans could decline.

The Company provides post-retirement and pension benefits to its employees, including defined benefit plans. The Company's pension liabilities are generally funded. However, lower returns on pension fund assets, changes in market conditions, interest rates or inflation rates, and adverse changes in other critical actuarial assumptions, may impact its pension liabilities or assets and consequently increase funding requirements. Further, any changes in government regulations, may adversely impact the pension benefits payable to the employees, which could materially decrease Company's net income and cash flows.

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 the Company 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.

Jaguar Land Rover provides post-retirement and pension benefits to its employees, some of which are defined benefit plans. As part of Jaguar Land Rover's strategic business review process, Jaguar Land Rover closed its defined benefit pension plans to new joiners as of April 19, 2010. All new Jaguar Land Rover employees in its United Kingdom operations from April 19, 2010 have joined a new defined contribution pension plan. Under the arrangements with the trustees of the defined benefit pension schemes, an actuarial valuation of the assets and liabilities of the schemes is undertaken every three years in order to determine cash funding rates. As a result of the April 2018 valuation process, a funding deficit of GBP554 million was disclosed and Jaguar Land Rover agreed to a schedule of contributions with the trustee which, together with the expected investment performance of the assets of the schemes, is expected to eliminate the deficit by 2028. Cash contributions towards the deficit will be GBP60 million each year until FY 2020-24 followed by GBP25 million each year until the financial year ending March 31, 2028. In addition, Jaguar Land Rover will make up payments deferred (from April 2020 to June 2020) due to the COVID-19 pandemic over FY 2020-22. The revised schedule of contributions also reflects the reduced ongoing cost of benefit accrual of approximately 22% for FY 2019-20 and approximately 21% for FY 2020-21 and Fiscal 2022 following changes implemented on April 5, 2017 (compared to a previous rate of approximately 31%). The 2021 statutory valuation process has started and is expected to be completed by June 30, 2022. As of March 31, 2021, on an accounting basis, Jaguar Land Rover's United Kingdom defined benefit pension deficit was GBP 387 million, compared to a surplus of GBP 380 million as of March 31, 2020. This change was primarily driven by an increase in pension liabilities as a result of lower discount rates and higher inflation rate assumptions applied, compared to the prior year.

Company may be materially and adversely affected by the divulgence of confidential information.

Although Company has implemented policies and procedures to protect confidential information, such as key contractual provisions, future projects, financial information and customer records, such information may be divulged as a result of internal leaks, hacking, other threats from cyberspace or other factors. If confidential information is divulged, the Company could be subject to claims by affected parties, regulatory penalties, negative publicity and loss of proprietary information, all of which could have an adverse and material impact on Company's reputation, business, financial condition, results of operations and cash flows.

Company's business could be negatively affected by the actions of activist shareholders.

Certain shareholders of the Company may from time to time advance shareholder proposals or otherwise attempt to effect changes at the Company, influence elections of the directors of the Company ("Directors") or acquire control over its business. Company's success depends on the ability of its current management team to operate and manage effectively. Campaigns by shareholders to effect changes at publicly listed companies are sometimes led by investors seeking to increase short-term shareholder value by advocating corporate actions such as financial restructuring, increased borrowing, special dividends, stock repurchases or even sales of assets or the entire company, or by voting against proposals put forward by the board of directors of the Company (the "Board") and its management. If faced with actions by activist shareholders, the Company may not be able to respond effectively to such actions, which could be disruptive to its business.

Company relies on licensing arrangements with Tata Sons Private Limited to use the "Tata" brand. Any improper use of the associated trademarks by Company's licensor or any other third parties could materially and adversely affect Company's business, financial condition and results of operations.

Company's rights to its trade names and trademarks are a crucial factor in marketing its products. Establishment of the "TATA" word mark and logo mark in and outside India is material to Company's operations. The Company has licensed the use of the "TATA" brand from its Promoter, Tata Sons Private Limited ("Tata Sons"). If Tata Sons, or any of its subsidiaries or affiliated entities, or any third party uses the trade name "TATA" in ways that adversely affect such trade name or trademark, Company's reputation could be affected, which, in turn, could have a material adverse effect Company's business, prospects, financial condition and results of operations.

Inability to protect or preserve Company's intellectual property could materially and adversely affect its business, financial condition and results of operations.

Company owns or otherwise has rights in respect of a number of patents and trademarks relating to the products it manufactures. In connection with the design and engineering of new vehicles and the enhancement of existing models, Company seeks to regularly develop new technical designs and innovations. The Company also uses technical designs that are the intellectual property of third parties with such third parties' consent. These patents, trademarks and licenses have been of value in the growth of the Company's business and may continue to be of value in the future. Although the Company does not regard any of its businesses as being dependent upon any single patent or related group of patents, any material inability to protect such intellectual property generally, or the illegal breach of some or a significant amount of its intellectual property rights, may have a materially adverse effect on its operations, business and/or financial condition. The Company may also be affected by restrictions on the use of intellectual property rights held by third parties, and it may be held liable for the infringement of the intellectual property rights of others in its products. Moreover, intellectual property laws of some foreign countries may not protect the Company's intellectual property rights to the same extent as U.S. or United Kingdom laws.

Jaguar Land Rover may incur significant costs to comply with, or face civil and criminal liability for infringements of, the European General Data Protection Regulation.

The European Union's General Data Protection Regulation (the "GDPR") came into force in 2018. The GDPR is a uniform framework setting out the principles for legitimate data processing. The new regime may impose a substantially higher compliance burden on the Jaguar Land Rover and limit its rights to process personal data, lead to cost intensive administration processes, oblige it to provide the personal data that it records to customers in a form that would require additional administrative processes or require substantial changes in its IT environment. Additionally, there are much greater sanctions in case of violations of the GDPR requirements compared to the previous regime. These sanctions depend on the nature of the infringed provision and may consist of civil liabilities and criminal sanctions. The Company's failure to implement and comply with the GDPR could significantly affect its reputation and relationships with its customers and suppliers, and civil and criminal liabilities for the infringement of data protection rules could have a significant negative effect on its financial position.

Some of Company's vehicles make use of lithium-ion battery cells, which have been observed in some non-automotive applications to catch fire or vent smoke and flames, and such events have raised concerns, and future events may lead to additional concerns, about the safety of the batteries used in automotive applications.

The battery packs that Company uses, and expects to continue to use, in its electric vehicles make use of lithium-ion cells. On rare occasions, lithium-ion cells can rapidly release the energy they contain in a manner that can ignite nearby materials as well as other lithium-ion cells.

In addition, Jaguar Land Rover stores a significant number of lithium ion cells at various warehouses and at some of its manufacturing facilities.

While the Company has designed its battery packs to passively contain any single cell's release of energy without spreading to neighbouring cells, there can be no assurance that a field or testing failure of its vehicles will not occur. Furthermore, while Company has implemented safety procedures related to the handling of the cells at its manufacturing plants, there can be no assurance that a safety issue or fire related to the cells will not occur. Any such incidents may cause serious damage or injury may disrupt the operation of its facilities. In addition, any field or testing vehicle failure, even if such incident does not involve Company's vehicles, could subject it to lawsuits, product recalls, redesign efforts or negative publicity, all of which could have a material impact on Company's business, prospects, financial condition and operating results.

Any failures or weaknesses in Company's internal controls could materially and adversely affect its financial condition and results of operations.

In connection with the Company's assessment of internal control over financial reporting for FY 2019-20, it concluded that there was a material weakness pertaining to the design of controls to validate the accuracy parameters used to prepare information used in the operation of various process level and management review controls. Company believes that this material weakness has been remediated in FY 2020-21. Although Company has instituted remedial measures to address the material weakness identified and continually reviews and evaluate its internal control systems to allow management to report on the sufficiency of the Company's internal controls, the Company cannot assure you that it will not discover additional weaknesses in its internal controls over financial reporting. Further, the Company's management continually improves, simplifies and rationalizes the Company's internal control framework where possible within the constraints of existing IT systems. However, any additional weaknesses or failure to adequately remediate the existing weakness could materially and adversely affect Company's financial condition or results of operations and/or its ability to accurately report its financial condition and results of operations in a timely and reliable manner.

Company's insurance coverage may not be adequate to protect it against all potential losses to which it may be subject, which may have a material adverse effect on its business, financial condition and results of operations.

Company believes that the insurance coverage it maintains adequately covers the normal risks associated with the operation of its business, there is a risk that certain claims under Company's insurance policies may not be honored fully or timely, or would result in insufficient insurance coverage or significantly higher insurance premiums in the future. Such matters could materially affect Company's business, prospects financial condition and results of operations.

Political and Regulatory Risks

New or changing laws, regulations and government policies regarding increased fuel economy, reduced greenhouse gas and other emissions, vehicle safety and taxes, tariffs or fiscal policies may have a significant impact on Company's business.

The Company is subject to extensive governmental regulations regarding vehicle emission levels, noise, safety and levels of pollutants generated by its production facilities. The Company expects the number and extent of legal and regulatory requirements and its related costs of compliance to continue to increase significantly in the future. In Europe and the United States, for example, governmental regulation is primarily driven by concerns about the environment (including greenhouse gas emissions), fuel economy, energy security and vehicle safety. In particular, the increasingly stringent regulatory environment in the Company's industry, particularly with respect to vehicle emission regulations, is leading to heightened regulatory scrutiny and more investigations into vehicle manufacturers. Jaguar Land Rover may also be subject to randomized testing and similar inquiries by regulatory authorities with a focus on emissions and environmental performance. In China, increasingly stringent tailpipe emissions and other regulations have been introduced by the Chinese government in the short-to-medium term future to reduce greenhouse gas emissions and improve air quality standards. Requirements to optimize vehicles in line with these governmental actions could significantly affect Company's plans for global product development and may result in substantial costs, including significant fines and penalties in cases of non-compliance. These requirements may also result in limiting the types and amounts of vehicles the Company sells and where it sells them, which may affect Company's revenue.

To comply with current and future environmental norms, the Company may have to incur additional capital expenditures and research and development expenditures to upgrade products and manufacturing facilities, install new emission controls or reduction technologies and purchase or otherwise obtain allowances to emit greenhouse gases, which may have an impact on its cost of production. If the Company is unable to develop commercially viable technologies or otherwise attain compliance within the time frames set by new standards, the Company could face significant civil penalties or be forced to restrict product offerings drastically to remain in compliance. For example, in the United States, manufacturers are subject to substantial civil penalties if they fail to meet federal CAFE standards. These penalties are calculated at US$5.50 for each tenth of a mile below the required fuel-efficiency level for each vehicle sold in a model year in the U.S. market up to and including the 2021 model year vehicles. Beginning with the 2022 model year vehicles, the rate is expected to increase to $14.00, to be followed by index-linked annual increases thereafter. Since 2010, Jaguar Land Rover has paid total penalties of US$46 million for its failure to meet CAFE standards. In addition, as at March 31, 2021, a provision of GBP75 million was held to face the possible fine from European and United Kingdom regulators for failing to meet emission reduction targets. Further, post-Brexit, United Kingdom emissions will be calculated separately from European emissions as a result of which there is a possibility of increased penalties. Since 2011, Jaguar Land Rover has purchased approximately US$109 million in credits from third party original equipment manufacturers ("OEMs") to offset its NHTSA, EPA and California Air Resources Board ("CARB") penalties. Additionally, Jaguar Land Rover expects to buy approximately US$12 million in credits in FY 2020-21 from third party OEMs to offset its expected NHTSA and EPA penalties for model year 2019 vehicles. Jaguar Land Rover could incur a substantial increase in these penalties, including as a result of increases in CAFE civil penalties to adjust for inflation. Additionally, Jaguar Land Rover expects to continue incurring approximately GBP12 million in FY 2020-21 for credit purchases in China and Jaguar Land Rover expects those annual costs to rise going forward, primarily as a result of increasing costs of new energy vehicle Credits. Jaguar Land Rover's Reimagine strategy aims to expand their pure battery electric offering from 2024, which supports JLR's aim to reach fleet CO2 compliance with consideration for global measures to support net zero ambitions as well as forecast stringent CO2 / Greenhouse gas ("GHG") regulations including the proposed ban on the sale of vehicles powered solely by internal combustion engine from 2030 allowing continuation of Plug-in Hybrid Electric (PHEV) vehicles, and the total ban of all internal combustion engines including PHEV from 2035 in the United Kingdom and similar initiatives by other governments.

Moreover, safety and environmental standards may at times impose conflicting imperatives, which would pose engineering challenges and, among other things, increase Company's costs. While the Company is pursuing the development and implementation of various technologies in order to meet the required standards in the various countries in which it sells its vehicles, the costs of compliance with these standards could be significant to Jaguar Land Rover operations and may materially and adversely affect its business, prospects, financial condition and results of operations. The Motor Vehicle (Amendment) Act 2019 has been published on August 9, 2019. This Act addresses vehicle recalls, road safety, traffic management and accident insurance, among other matters. The Act imposes civil and criminal liability on manufacturers selling vehicles in contravention of the standards specified in the Act, or required by the government to recall their vehicles.

Commencing July 1, 2017, the Government of India, in conjunction with the state governments, effected comprehensive changes to the Indian taxation regime, which, among other matters introduced a comprehensive national goods and services tax ("GST") regime to subsume a large number of central government and state government taxes into one unified tax structure. It is a dual GST with central government and state government simultaneously levying it on the common base. The tax is called Central GST, if levied by the central government; state union territory GST, in instances where the state or union territory levies the tax; and integrated GST, in instances where the GST is levied on the inter-state supply of goods and services. While both the central and state governments have publicly announced that all committed incentives will be protected following the implementation of the GST, given the limited availability of information or alignment of industrial policy of various state government to cover GST or to protect the quantum of incentive available to industries in pre-GST regime, the Company is unable to provide any assurance as to this or any other aspect of the tax regime, or guarantee that the implementation of GST will not materially or adversely affect its business, prospects, financial condition and results of operations.

Imposition of any additional taxes and levies designed to limit the use of automobiles and changes in corporate and other taxation policies, as well as changes in export and other incentives given by various governments or import or tariff policies, could adversely affect the demand for Jaguar Land Rover vehicles and its results of operations.

In addition, the United Kingdom announced that, from April 2020, a 2% digital services tax could be imposed on the United Kingdom revenue of digital services businesses (such as social media networks, search engines and online marketplaces) In particular, the digital service tax applies to businesses if their worldwide revenue from digital activities is more than GBP 500 million and more than GBP 25 million of this revenue is derived from United Kingdom users.. As a response to this proposal, the United States Treasury indicated that such digital services tax could have a discriminatory effect on U.S. multinational digital companies and warned that the United States could take retaliatory actions, such as in the form of a tax on United Kingdom car exports to the United States, should the new digital services tax be imposed. Moreover, any countermeasures to such additional tariffs by regional or global trading partners, including the European Union and China, could slow down global economic growth and decrease global demand for automobiles and automobile components. Furthermore, in recent years, Brazil has increased import duty on foreign vehicles, along with related exemptions provided certain criteria are met.

Regulations in the areas of investments, taxes and levies may also have a materially adverse impact on Indian securities, including the Company's Shares and ADSs.

Any future potential or real unexpected change in law could have a material adverse effect on Company's business prospects, results of operations and financial condition.

Company may be affected by competition laws in India and any adverse application or interpretation of the Competition Act could adversely affect its business.

The Indian Competition Act, 2002 (the "Competition Act") oversees practices having an appreciable adverse effect on competition ("AAEC") in a given relevant market in India. Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an AAEC, is considered void and results in imposition of substantial penalties. All agreements entered into by the Company could be within the purview of the Competition Act. Furthermore, any agreement among competitors which directly or indirectly involves determination of purchase or sale prices, limits or controls production, sharing the market by way of geographical area or number of subscribers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an AAEC in the relevant market in India and is considered void. The Competition Act also prohibits abuse of a dominant position by any enterprise.

In 2011, the Government of India brought into force the combination regulation (merger control) provisions under the Competition Act.. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset- and turnover-based thresholds to be mandatorily notified to and pre-approved by the Competition Commission of India (the "CCI"). Additionally, in 2011, the CCI issued the Competition Commission of India (Procedure for Transaction of Business Relating to Combinations) Regulations, 2011 (as amended), which sets out the mechanism for the implementation of the merger control regime in India. CCI has extraterritorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an AAEC in India.

In 2011, complaints were filed with the CCI against certain automakers on the ground that the genuine spare parts of automobiles manufactured by the OEMs were not made freely available in the open market in India and, accordingly, anti-competitive practices were carried out by the OEMs for being indulged in anti-competitive practices. CCI ordered investigation on the same. Later on, the Director General (DG) expanded the scope of investigation to other car manufacturers operating in India, including Tata Motors Limited.

In 2014, the CCI held that the automobile manufacturers, including Tata Motors Limited, had indulged in anti-competitive practices and imposed a penalty of 2% of their total turnover in India. Tata Motors Limited was ordered to pay a penalty of ₹1,346.46 crores within a period of 60 days of the receipt of order. Tata Motors challenged the order of CCI in Delhi High Court on constitutional issues. In 2019, the High Court allowed the Writ petitions partly by striking down Section 22(3) of the Competition Act. Also in 2019, the Supreme Court, extended the relief that was granted by Delhi High Court during the pendency of the matter before it. As of the date of this annual report, the matter remains to be listed for further proceedings in due course.

In another matter, two of the Company's ex-dealers filed information with the CCI alleging that the Company engaged in anti-competitive practices by colluding with its finance subsidiaries (TMFL and TMFSL) and abused its dominance in the market. In May 2021, the CCI issued an order directing the director general of the CCI to initiate an investigation against TML, but did not otherwise make any final or binding observations or determinations (including with respect to any possible penalties or fines) with regard to the allegations. As of the date of this annual report on, the Company has not received any notice or query from the director general of the CCI. As of the date of this annual report , Company is preparing internally to respond to any queries from the director general of the CCI.

The Company's business, prospects, financial condition and results of operations would be materially and adversely affected by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act.

Compliance with new or changing corporate governance and public disclosure requirements adds uncertainty to Company's compliance policies and increases its costs of compliance

The Company is subject to a complex and continuously changing regime of laws, rules, regulations and standards relating to accounting, corporate governance and public disclosure, including the Sarbanes-Oxley Act of 2002 and U.S. Securities and Exchange Commission (the "SEC") regulations, Securities and Exchange Board of India (the "SEBI") regulations, New York Stock Exchange (the "NYSE") listing rules, and the Companies Act, as well as Indian stock market listing regulations. New or changed laws, rules, regulations and standards may lack specificity and be subject to varying interpretations. Under applicable Indian laws, for example, remuneration packages may, in certain circumstances, require shareholders' approval. New guidance and revisions may be provided by regulatory and governing bodies, which could result in continuing uncertainty and higher costs of compliance. The Company is committed to maintaining high standards of corporate governance and public disclosure. However, the Company's efforts to comply with evolving regulations have resulted in, and are likely to continue to result in, increased general and administrative expenses and a diversion of management resources and time. In addition, there can be no guarantee that the Company will always succeed in complying with all applicable laws, regulations and standards.

The Companies Act has effected significant changes to the existing Indian company law framework, such as in the provisions related to the issue of capital, disclosures in offering documents, corporate governance, accounting policies and audit matters, related party transactions, class action suits against companies by shareholders or depositors, prohibitions on loans to directors and insider trading, including restrictions on derivative transactions concerning a company's securities by directors and key managerial personnel. The Companies Act may subject the Company to higher compliance requirements, increase its compliance costs and divert management's attention. The Company is also required to spend, in each financial year, at least 2% of its average net profits during the three immediately preceding financial years, calculated for Tata Motors Limited on a standalone basis under Ind AS, toward corporate social responsibility activities. Furthermore, the Companies Act imposes greater monetary and other liability on the Company and its Directors for any non-compliance. Due to limited relevant jurisprudence, in the event that the Company's interpretation of the Companies Act differs from, or contradicts with, any judicial pronouncements or clarifications issued by the Government of India in the future, the Company may face regulatory actions or be required to undertake remedial steps. In addition, some of the provisions of the Companies Act overlap with other existing laws and regulations (such as corporate governance provisions and insider trading regulations issued by SEBI). SEBI promulgated the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") which are applicable to all Indian companies with listed securities. Pursuant to the Listing Regulations, the Company is required to establish and maintain a vigilance mechanism for Directors and employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct (the "Tata Code of Conduct") or ethics policy under the Company's whistleblower policy (the "Whistleblower Policy"), to implement increased disclosure requirements for price sensitive information and to conduct detailed director familiarization programs and comprehensive disclosures thereof, in accordance with the Listing Regulations. . While the Company has been able to comply with such requirements to date, it cannot assure you that it will be able to maintain compliance with such requirements in the future. Furthermore, the Company cannot currently determine the impact of certain provisions of the Companies Act and the revised SEBI corporate governance standards. Any increase in Company's compliance requirements or associated costs may have a material and adverse effect on the Company's business, prospects, financial condition and results of operations.

The Company is subject to risks associated with legal proceedings and governmental investigations, including potential adverse publicity as a result thereof.

The Company is and may be involved from time to time in civil, labor, administrative or tax proceedings arising in the ordinary course of business. It is not possible to predict the potential for, or the ultimate outcomes of, such proceedings, some of which may be unfavorable to the Company. In such cases, the Company may incur costs and any mitigating measures (including provisions taken on its balance sheet) adopted to protect against the impact of such costs may not be adequate or sufficient. In addition, adverse publicity surrounding legal proceedings, government investigations or allegations may also harm the Company reputation and brands.

Furthermore, any regulatory action taken or penalties imposed by regulatory authorities may have significant adverse financial and reputational consequences on Company's business and have a material adverse effect on Company's results of operations and financial condition.

In any of the geographical markets in which the Company operates, it could be subject to additional tax liabilities.

Evaluating and estimating the Company's provision and accruals for its taxes requires significant judgement. The Company operates in multiple geographical markets and its operations in each market are susceptible to additional tax assessments and audits. The Company's collaborations with business partners are similarly susceptible to such tax assessments. Authorities may engage in additional reviews, inquiries and audits that disrupt the Company's operations or challenge its conclusions regarding tax matters. Any resulting tax assessment may be accompanied by a penalty (including revocation of a benefit or exemption from tax) or additional fee for failing to make the initial payment.

The Company's tax rates may be affected by earnings estimation errors, losses in jurisdictions that do not grant a related tax benefit, changes in currency rates, acquisitions, investments, or changes in laws, regulations, or practices. Additionally, government fiscal or political pressures may increase the likelihood of adverse or aggressive interpretations of tax laws or regulations or the imposition of arbitrary or onerous taxes, interest charges and penalties. Tax assessments may be levied even where Company considers its practices to be in compliance with tax laws and regulations. Should the Company challenge such taxes or believe them to be without merit, it may nonetheless be required to pay them. These amounts may be materially different from the Company's expected tax assessments and could additionally result in expropriation of assets, attachment of additional securities, liens, imposition of royalties or new taxes and requirements for local ownership or beneficiation.

The Company may have to comply with more stringent foreign investment regulations in India in the event of an increase in shareholding of non-residents or if it is considered as engaged in a sector in which foreign investment is restricted.

Indian companies, that are owned or controlled by non-resident persons, are subject to investment restrictions specified in the Consolidated Foreign Direct Investment Policy ("Consolidated FDI Policy"). Under the Consolidated FDI Policy issued in 2017, an Indian company is considered to be "owned" by non-resident persons if more than 50% of its equity interest is beneficially owned by non-resident persons. The non-resident equity shareholding in the Company may, in the near future, exceed 50%, thereby resulting in the Company being considered as being "owned" by non-resident entities under the Consolidated FDI Policy. In such an event, any investment by the Company in existing subsidiaries, associates or joint ventures and new subsidiaries, associates or joint ventures will be considered as indirect foreign investment and shall be subject to various requirements specified under the Consolidated FDI Policy, including sectoral limits, approval requirements and pricing guidelines, as may be applicable.

Furthermore, as part of the Company's automotive business, it supplies, and has in the past supplied, vehicles to Indian military and paramilitary forces and in the course of such activities has obtained an industrial license from the Department of Industrial Policy. The Consolidated FDI policy applies different foreign investment restrictions to companies based upon the sector in which they operate. While the Company believes it is an automobile company by virtue of the significance of its automobile operations, in the event that foreign investment regulations applicable to the defense sector (including under the Consolidated FDI Policy) are made applicable to the Company, it may face more stringent foreign investment restrictions and other compliance requirements compared to those applicable to it presently, which, in turn, could materially affect the Company's business, prospects, financial condition and results of operations.

Company requires certain approvals or licenses in the ordinary course of business, and the failure to obtain or retain them in a timely manner, or at all, could materially and adversely affect its operations.

The Company requires certain statutory and regulatory permits, licenses and approvals to carry out its business operations The Company's ability to obtain such permits, licenses and approvals depends, among other matters, on the information it provides as part of the application processes, as well as the internal review and consideration processes of the various issuing agencies. While the Company makes every effort to obtain the necessary permits, licenses or approvals, and their renewals, it cannot assure you that it will receive them in a timely manner, or at all.

In addition, there is a risk that any approvals, licenses, registrations and permits issued to the Company would be suspended or revoked in the event of non-compliance or alleged non-compliance by the Company with any terms or conditions thereof, or pursuant to any regulatory action.

Any of the above could materially and adversely affect the Company's business, prospects, financial condition and results of operations.

Risks Associated with Investments in an Indian Company

Political changes in the Government of India could delay and/ or affect the further liberalization of the Indian economy and materially and adversely affect economic conditions in India, generally, and the Company's business, in particular.

The Company's business could be significantly influenced by economic policies adopted by the Government of India. Since 1991, successive governments have pursued policies of economic liberalization and financial sector reforms. The Government of India has at various times announced its general intention to continue India's current economic and financial liberalization and deregulation policies. However, protests against such policies, which have occurred in the past, could slow the pace of liberalization and deregulation. The rate of economic liberalization could change, and specific laws and policies affecting foreign investment, currency exchange rates and other matters affecting investment in India could change as well.

The Government of India has traditionally exercised and continues to exercise influence over many aspects of the economy. The Company's business and the market price and liquidity of the Company's Shares and ADSs may be affected by interest rates, changes in policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India.

Any significant change in the Government of India's economic liberalization and deregulation policies could disrupt business and economic conditions in India generally, and could have a material adverse effect on the Company's business, prospects, financial condition and results of operations.

Any downgrading of India's debt rating by a domestic or international rating agency could negatively impact the Company's business.

Any adverse revisions to India's credit ratings for domestic and international debt by rating agencies could adversely impact the Company's ability to raise additional financing, as well as the interest rates and other commercial terms at which such additional financing is available. This could have a material adverse effect on the Company's financial results, business prospects, ability to obtain financing for capital expenditures and the price of the Company's Shares and ADSs.

The Company may be materially and adversely affected by Reserve Bank of India policies and actions.

The Indian stock exchanges are vulnerable to fluctuations based on changes in monetary policy formulated by the RBI. The Company can make no assurance about future market reactions to RBI announcements and their impact on the price of the Company's Shares and ADSs. Furthermore, the Company's business could be significantly impacted were the RBI to make major alterations to monetary or fiscal policy. Certain changes, including the changes to interest rates, could negatively affect the Company's sales and consequently its revenue, which could have a material adverse effect on the Company's business, prospects, financial condition and results of operations. While the RBI has initiated several relief measures over the course of 2020, such as providing moratorium on loans, relaxing provisioning norms towards certain loans and taking other measures to enhance liquidity for NBFCs, there remains a considerable uncertainty evolving around the COVID-19 pandemic and further relief measures and policy actions may be needed to assist economic recovery.

Rights of shareholders under Indian law may be more limited than under the laws of other jurisdictions.

The memorandum and articles of association of the Company (the "Articles of Association") and Indian law govern the Company's corporate affairs. Legal principles relating to these matters and the validity of corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company incorporated in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions, including the United States. You may also have more difficulty in asserting your rights as a shareholder of the Company than you would as a shareholder of a corporation organized in another jurisdiction.

The market value of your investment may fluctuate due to the volatility of the Indian securities market.

Stock exchanges in India, including BSE Limited (the "BSE") have, in the past, experienced substantial fluctuations in the prices of their listed securities. Such fluctuations, if they continue or recur, could affect the market price and liquidity of the securities of Indian companies, including the Company's Shares and in turn the Company's ADS's. These problems have included temporary exchange closures, broker defaults, settlement delays and strikes by brokers. Volatility in other stock exchanges, including, but not limited to, those in the United Kingdom and China, may affect the prices of securities in India, including the Company's Shares, which may in turn affect the price of the Company's ADSs. In addition, the governing bodies of the stock exchanges in India have from time to time imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Furthermore, from time to time, disputes have occurred between listed companies and stock exchanges and other regulatory bodies, which in some cases may have had a negative effect on market sentiment.

There may be a differing level of regulation and monitoring of the Indian securities markets and the activities of investors, brokers and other participants, compared to the United States. For example, while SEBI has prescribed regulations and guidelines in relation to disclosure requirements, insider dealing and other matters relevant to the Indian securities market, there may, still be less publicly available information about Indian companies than for United States domestic companies.

Investors may have difficulty enforcing judgments against the Company or its management.

The Company is a public limited company incorporated in India. The majority of the Company's Directors and executive officers are residents of India and substantially all of the assets of those persons and a substantial portion of the Company's assets are located in India. As a result, it may not be possible for you to effect service of process within the United States upon those persons or it may be difficult to effect service of process within the United States on the Company. In addition, you may be unable to enforce judgments obtained in courts of the United States against those persons outside the jurisdiction of their residence, including judgments predicated solely upon U.S. federal securities laws. Moreover, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India or enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with public policy.

Section 44A of the Indian Code of Civil Procedure, 1908, as amended (the "Civil Code") provides that where a foreign judgment has been rendered by a superior court (within the meaning of the section) in any country or territory outside of India which the Government of India has by notification declared to be a reciprocating territory, such foreign judgment may be enforced in India by proceedings in execution as if the judgment had been rendered by an appropriate court in India. However, the enforceability of such judgments is subject to the exceptions set forth in Section 13 of the Civil Code.

Section 44A of the Civil Code is applicable only to monetary decrees not being in the nature of amounts payable in respect of taxes or other charges of a similar nature or in respect of fines or other penalties and does not include arbitration awards.

If a judgment of a foreign court is not enforceable under Section 44A of the Civil Code as described above, it may be enforced in India only by a suit filed upon the judgment, subject to Section 13 of the Civil Code and not by proceedings in execution. Accordingly, as the United States has not been declared by the Government of India to be a reciprocating territory for the purposes of Section 44A, a judgment rendered by a court in the United States may not be enforced in India except by way of a suit filed upon the judgment.

The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. Generally, there are considerable delays in the resolution of suits by Indian courts.

A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the RBI, under the Foreign Exchange Management Act, 1999 ("FEMA") to repatriate any amount recovered pursuant to such enforcement. Any judgment in a foreign currency would be converted into Indian rupees on the date of judgment and not on the date of payment.

Risks Associated with the Company's Shares and ADSs

Fluctuations in the exchange rate between the Indian rupee and the U.S. dollar may have a material adverse effect on the market value of the Company's ADSs and Shares, independent of the Company's operating results.

The exchange rate between the Indian rupee and the U.S. dollar has been volatile in the past and may materially fluctuate in the future. Fluctuations in the exchange rate between the Indian rupee and the U.S. dollar may affect, among others things, the U.S. dollar equivalents of the price of the Company's Shares in Indian rupees as quoted on stock exchanges in India and, as a result, the market price of the ADSs. Such fluctuations may also affect the U.S. dollar equivalent of any cash dividends in Indian rupees received on the Shares represented by the ADSs and the U.S. dollar -equivalent of the proceeds in Indian rupee of a sale of Shares in India.

Holders of ADSs have fewer rights than shareholders and must act through the depositary to exercise those rights.

Although ADS holders have a right to receive any dividends declared in respect of the Shares underlying the ADSs, they cannot exercise voting or other direct rights as a shareholder with respect to the Shares underlying the ADSs. Citibank, N.A. as depository (the "depositary") is the registered shareholder of the deposited Shares underlying the Company's ADSs, and only the depositary may exercise the rights of shareholders in connection with the deposited Shares. The depositary will notify ADS holders of upcoming votes and arrange to deliver the Company's voting materials to ADS holders only if requested by the Company. The depositary will try, insofar as practicable, subject to Indian laws and the provisions of the Articles of Association, to vote or have its agents vote the deposited securities as instructed by the ADS holders. If the depositary receives voting instructions in time from an ADS holder which fails to specify the manner in which the depositary is to vote the Shares underlying such ADS holder's ADSs, such ADS holder will be deemed to have instructed the depositary to vote in favor of the items set forth in such voting instructions. If the depositary does not receive timely instructions from an ADS holder, such ADS holder shall be deemed to have instructed the depositary to give a discretionary proxy to a person designated by us, subject to the conditions set forth in the deposit agreement. If requested by the Company, the depositary is required to represent all Shares underlying ADSs, regardless of whether timely instructions have been received from such ADS holders, for the sole purpose of establishing a quorum at a meeting of shareholders.

In addition, in your capacity as an ADS holder, you will not be able to examine the Company's accounting books and records, or exercise appraisal rights. Registered holders of the Company's Shares withdrawn from the depositary arrangements will be entitled to vote and exercise other direct shareholder rights in accordance with Indian law. However, a holder may not know about a meeting sufficiently in advance to withdraw the underlying Shares in time. Furthermore, an ADS holder may not receive voting materials, if the Company does not instruct the depositary to distribute such materials, or may not receive such voting materials in time to instruct the depositary to vote.

ADSs are transferable on the books of the depositary. However, the depositary may close its transfer books at any time or from time to time when it deems expedient in connection with the performance of its duties. In addition, the depositary may refuse to deliver, transfer or register transfers of ADSs generally when the Company's books or the books of the depositary are closed, or at any time if the Company or the depositary deem it advisable to do so because of any requirement of law or of any government or governmental body, or under any provision of the deposit agreement (as defined below), or for any other reason.

Moreover, pursuant to Indian regulations, the Company is required to offer its shareholders preemptive rights to subscribe for a proportionate number of Shares to maintain their existing ownership percentages prior to the issue of new Shares. These rights may be waived by a resolution passed by at least 75% of the shareholders of the Company present and voting at a general meeting. ADS holders may be unable to exercise preemptive rights for subscribing to these new Shares unless a registration statement under the Securities Act is effective or an exemption from the registration requirements is available to us. The Company's decision to file a registration statement would be based on the costs, timing, potential liabilities and the perceived benefits associated with any such registration statement and the Company does not commit that it would file such a registration statement. If any issue of securities is made to the shareholders of the Company in the future, such securities may also be issued to the depository, which may sell such securities in the Indian securities market for the benefit of the holders of ADSs. There can be no assurance as to the value, if any, the depositary would receive upon the sale of such rights or securities. To the extent that ADS holders are unable to exercise preemptive rights, their proportionate ownership interest in the company would be reduced.

The Government of India's regulation of foreign ownership could materially reduce the price of the ADSs.

Foreign ownership of Indian securities is regulated and is partially restricted. In addition, there are restrictions on the deposit of Shares into the Company's ADS facilities. ADSs issued by companies in certain emerging markets, including India, may trade at a discount to the market price of the underlying Shares, in part because of the restrictions on foreign ownership of the underlying Shares and in part because ADSs are sometimes perceived to offer less liquidity than underlying Shares that can be traded freely in local markets by both local and international investors.

There are restrictions on daily movements in the price of the Shares, which may constrain a shareholder's ability to sell, or the price at which a shareholder can sell, Shares at a particular point in time.

The Shares are subject to a daily circuit breaker imposed by stock exchanges in India on publicly listed companies that includes the Company, which does not allow transactions causing volatility in the price of the Shares above a certain threshold. This circuit breaker operates independently from the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on the Company's circuit breaker is set by the stock exchanges in India based on the historical volatility in the price and trading volume of the Company's Shares. The stock exchanges in India are not required to inform the Company of the percentage limit of the circuit breaker from time to time, and may change it without the Company's knowledge. This circuit breaker effectively acts to limit the upward and downward movements in the price of the Company's Shares. As a result of this circuit breaker, the Company cannot make any assurance regarding the ability of the shareholders of the Company to sell their Shares or the price at which such shareholders may be able to sell their Shares. With effect from April 1, 2018, any gain realized on the sale of the Shares will be subject to capital gains tax in India.

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

As a Tata Company, the Company's philosophy on Corporate Governance is founded upon a rich legacy of fair, ethical and transparent governance practices, many of which were in place even before they were mandated by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour. As a global organisation, the Corporate Governance practices followed by the Company and its subsidiaries are compatible with international standards and best practices. Through the Governance mechanism in the Company, the Board along with its Committees undertakes its fiduciary responsibilities to all its stakeholders by ensuring transparency, fairplay and independence in its decision making.

The Company has adopted the Tata Code of Conduct for its employees, including the Managing and Executive Directors, which encompasses an appropriate mechanism to report any concern pertaining to non-adherence to the said Code. In addition, the Company has adopted a Code of Conduct for its Non-executive Directors which includes a Code of Conduct for Independent Directors, as specified under Schedule IV of the Act and Regulation 26(3) of the SEBI Listing Regulations. Pursuant to Regulation 26(5) of the SEBI Listing Regulations, all members of senior management have confirmed that there are no material, financial and commercial transactions wherein they have a personal interest that may have a potential conflict with the interest of the Company at large. Pursuant to Regulation 26(3) of the SEBI Listing Regulations, all the Board members and senior management of the Company as on March 31, 2021 have affirmed compliance with their respective Codes of Conduct. A Declaration to this effect, duly signed by the CEO & MD is reproduced at the end of this Report on Corporate Governance. The Corporate Governance mechanism is further strengthened with adherence to the Tata Business Excellence Model, as a means to drive excellence and the Balanced Scorecard methodology, for tracking progress on long-term strategic objectives and the adoption of the Tata Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices (Insider Trading Code), pursuant to the provisions of Regulations 8 and 9 under the SEBI (Prohibition of Insider Trading) Regulations, 2015. The Company has also adopted the Governance Guidelines on Board Effectiveness based on best practices from both within and outside the Tata Companies. The Company is in full compliance with the requirements of Corporate Governance under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 ('SEBI Listing Regulations'). The Company's Depositary Programme is listed on the New York Stock Exchange (NYSE) and the Company also complies with US regulations as applicable to Foreign Private Issuers (non-US companies listed on a US Exchange) which cast upon the Board of Directors and the Audit Committee, onerous responsibilities to improve the Company's operating and financial efficiencies. Risk management and the internal control process are focus areas that continue to meet the progressive governance standards. The Company has instated a comprehensive, robust, IT-enabled compliance management system for tracking, managing and reporting on compliances with all laws and regulations applicable to the Company. The Management on a quarterly basis presents before the Board of Directors a status report on regulatory compliances, as applicable to the Company.

BOARD OF DIRECTORS

The Board of Directors is the apex body constituted by shareholders, for overseeing the Company's overall functioning. It provides strategic direction, leadership and guidance to the Company's management as also monitors the performance of the Company with the objective of creating long-term value for the Company's stakeholders. As on date of this report, the Board comprises of 8 Directors, out of which 7 Directors (87.50%) are Non-Executive Directors. The Company has a Non-Executive Chairman and 4 Independent Directors ('IDs'), including 2 women IDs, comprise half of the total strength of the Board. All IDs have confirmed in accordance with Regulation 25(8) of the SEBI Listing Regulations that they meet the independence criteria as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149 of the Act and the rules framed thereunder. The IDs have further stated that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective, independent, judgment and without any external influence. The Company has received confirmation from all the existing IDs of their registration on the Independent Directors Database maintained by the Institute of Corporate Affairs pursuant to Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014. Based on the disclosures received from all the IDs and as determined at the meeting held on May 18, 2021, the Board is of the opinion that the IDs fulfill the conditions of Independence as specified in the Act, NYSE listing manual and SEBI Listing Regulations and are independent of the Management.

All the Directors have made necessary disclosures regarding their directorships as required under Section 184 of the Act and on the Committee positions held by them in other companies. None of the Directors on the Company's Board hold the office of Director in more than 20 companies, including 10 public companies and none of the Directors of the Company are related to each other. None of the IDs serve as IDs in more than 7 listed entities and none of the IDs are Whole-time Directors / Managing Directors in any listed entity. In accordance with Regulation 26 of the SEBI Listing Regulations, none of the Directors are members in more than 10 committees or act as chairperson of more than 5 committees [the committees being, Audit Committee and Stakeholders' Relationship Committee] across all public limited companies in which he/she is a Director. All Non-Independent Non-Executive Directors ('NINEDs') are liable to retire by rotation.

The required information, including information as enumerated in Regulation 17(7) read together with Part A of Schedule II of the SEBI Listing Regulations is made available to the Board of Directors, for discussions and consideration at Board Meetings.

Pursuant to Regulation 27(2) of the SEBI Listing Regulations, the Company also submits a quarterly compliance report on Corporate Governance to the Indian Stock Exchanges, including details on all material transactions with related parties, within 15 days from the close of every quarter. The CEO & MD and the CFO have certified to the Board on inter alia, the accuracy of the financial statements and adequacy of internal controls for financial reporting, in accordance with Regulation 17(8) read together with Part B of Schedule II of the SEBI Listing Regulations, pertaining to CEO and CFO certification for the Financial Year ended March 31, 2021.

During the year under review, 9 Board Meetings were held on May 15, 2020, June 15, 2020, July 31, 2020, September 16, 2020, October 27, 2020, December 17, 2020, January 29, 2021, February 12, 2021 and March 15, 2021. The agenda papers for the Board and Committee meetings are disseminated electronically on a real-time basis, by uploading them on a secured online application, thereby eliminating circulation of printed agenda papers.

The following table, illustrates the composition of the Board, Director's attendance at Board Meetings held during the financial year under review and at the last AGM, number of Directorships held in other listed public companies, total number of committee positions held in other public companies, their shareholding in the Company's shares or other convertible instruments and names of other listed entities in which Directorship is held, including category of Directorships, as at March 31, 2021 :

Name of Director, Director Identification Number & Category	No. of Board Meetings attended in the year	Attendance at the last AGM	No. of Directorships in other public companies (1)		No. of Committee positions in other public companies (2)		Holding in Company's shares & other convertible instruments	Directorships in other listed entities (Category of Directorship)
			(C)	(M)	(C)	(M)		
Mr N Chandrasekaran DIN: 00121863 NINED (C)	9	Yes	6	-	-	-	2,00,000 Ordinary Shares	Tata Chemicals Ltd. (NINED)(C) Tata Consumer Products Ltd. (formerly Tata Global Beverages Limited) (NINED) (C) Tata Consultancy Services Ltd. (NINED) (C) Tata Steel Ltd. (NINED) (C) The Tata Power Co. Ltd. (NINED) (C) The Indian Hotels Co. Ltd. (NINED) (C)
Mr Om Prakash Bhatt DIN: 00548091 ID	9	Yes	-	4	2	4	-	Hindustan Unilever Ltd. (ID) Tata Consultancy Services Ltd. (ID) Tata Steel Ltd. (ID) Aadhar Housing Finance Ltd. (Debt listed entity) (ID)
Ms Hanne Sorensen DIN: 08035439 ID	8	Yes	-	1	-	1	-	Tata Consultancy Services Ltd. (ID)
Ms Vedika Bhandarkar DIN: 00033808 ID	9	Yes	-	5	3	5	-	Tata Investment Corporation Limited (ID) Tata Motors Finance Solutions Ltd. (Debt listed entity) (ID) Tata Motors Finance Ltd. (Debt listed entity) (ID) TMF Holdings Ltd. (Debt listed entity) (ID)
Mr Kosaraju V Chowdary DIN: 08485334 ID(3)	4	NA	-	3	-	4	-	Reliance Industries Limited (NINED) CCL Products (India) Limited (ID) Divi's Laboratories Limited (ID)
Mr Mitsuhiko Yamashita DIN: 08871753 NINED(4)	5	NA	-	-	-	-	-	-
Mr Thierry Bolloré DIN: 08935293 NINED(5)	5	NA	-	-	-	-	-	-
Dr Ralf Speth DIN: 03318908 NINED(6)	4	Yes	-	-	-	-	-	-
Mr Guenter Butschek DIN: 07427375 CEO & MD	9	Yes	-	1	-	-	-	-

Table Key: (C) - Chairperson; (M) – Member; NINED – Non-Independent Non-Executive Director; ID-Independent Director; CEO & MD – Chief Executive Officer & Managing Director

(1) Excludes directorship in the Company, private companies, foreign companies, Section 8 companies.

(2) Pertains to memberships/chairpersonships of the Audit Committee and Stakeholders' Relationship Committee in other Indian public companies as per Regulation 26(1)(b) of the SEBI Listing Regulations.

(3) Appointed as an ID of the Company with effect from October 27, 2020.

(4) Appointed as an ID of the Company with effect from September 16, 2020, but underwent change in designation to NINED with effect from October 27, 2020.

(5) Appointed as a NINED of the Company with effect from October 27, 2020.

(6) Ceased to be a NINED of the Company on October 27, 2020 and the Number of Directorships, Committee positions and shareholding details are as on the date of his cessation.

The Company uses the facility of video conferencing, permitted under Section 173(2) of the Act read together with Rule 3 of the Companies (Meetings of Board and its Powers) Rules, 2014, thereby saving resources and cost to the Company as well as the valued time of the Directors. Due to the exceptional circumstances caused by the COVID-19 Pandemic and consequent relaxations granted by MCA and SEBI, all meetings in FY 2020-21 were held through Video Conferencing ('VC').

Board Effectiveness Evaluation: Pursuant to provisions of Regulation 17(10) of the SEBI Listing Regulations and the provisions of the Act, an annual Board effectiveness evaluation was conducted on June 9, 2020 for FY19-20 and on March 15, 2021 for FY 2020-21, involving the following:

i. Evaluation of IDs, in their absence, by the entire Board was undertaken, based on their performance and fulfillment of the independence criteria prescribed under the Act and SEBI Listing Regulations; and

ii. Evaluation of the Board of Directors, its Committees and individual Directors, including the role of the Board Chairman.

IDs' meeting in accordance with the provisions of Section 149(8) read with Schedule IV of the Act and Regulation 25(3) and 25(4) of the SEBI Listing Regulations was convened on June 9, 2020 and March 15, 2021, mainly to review the performance of NINEDs, Whole-time Directors ('WTDs') and the Chairman as also the Board as a whole for FY 2019-20 and FY 2020-21, respectively and the flow of information between the Board and the Management. All IDs were present at the said meetings.

The Nomination and Remuneration Committee ('NRC') of the Board of the Company has devised a policy for performance evaluation of the individual Directors, Board and its Committees, which includes criteria for performance evaluation. Pursuant to the provisions of the Act and Regulation 17(10) of the SEBI Listing Regulations, the Board has carried out an annual performance evaluation of its own performance and the Directors as well as Committees of the Board. The Board's performance was evaluated based on inputs received from all the Directors, Board's composition and structure, effectiveness of the Board, performance of the Committees, processes and information provided to the Board, etc. The NRC has also reviewed the performance of the Individual Directors based on their knowledge, level of preparation and effective participation in meetings, understanding of their roles as Directors, etc.

For further details pertaining to the same kindly refer to the Board's Report.

Board Diversity: To ensure that a transparent Board nomination process is in place, that encourages diversity of thought, experience, knowledge, perspective, age and gender, the Board has adopted a Diversity Policy, formulated by the NRC, wherein it is expected that the Board has an appropriate blend of functional and industry expertise. At present, our 8 member Board of Directors, comprises of 1 Executive Director, 3 Non-Independent Non-Executive Directors and 4 Independent Directors, out of which 2 are Women Directors, While recommending appointment of a director, the NRC considers the manner in which the function and domain expertise of the individual could contribute to the overall skill-domain mix of the Board and is supported by the Group Human Resources in this regard.

Key Board Skills, Expertise and Competencies: As on March 31, 2021 the Board comprises qualified members who bring in the required skills, competence and expertise to enable them to effectively contribute in deliberations at Board and Committee meetings. The below matrix summarizes a mix of skills, expertise and competencies expected to be possessed by our individual directors, which are key to corporate governance and Board effectiveness:

Key Board Skills / Expertise / Competencies	
Entrepreneur / Leadership	Extended entrepreneurial / leadership experience for a significant enterprise, resulting in a practical understanding of organizations, processes, strategic planning, and risk management. Demonstrated strengths in developing talent, planning succession, and driving change and long-term growth.
Engineering and Technology	Engineering and the development of new technologies involving application of scientific and mathematical knowledge to design and operation of objects, systems, and processes to help the Company solve problems and reach its goals.
Financial Expertise	Education and experience as an Auditor or Public Accountant or a principal financial officer, comptroller or principal accounting officer or holding a position involving performance of similar functions.
Global Exposure	Experience in driving business success in markets around the world, with an understanding of diverse business environments, economic conditions, cultures, and regulatory frameworks, and a broad perspective on global market opportunities.
Automobile Industry Experience	A significant background in automotive or similar industries, resulting in knowledge of how to anticipate market trends, generate disruptive innovation and extend or create new business models.
Diversity	Representation of gender, ethnic, geographic, cultural, or other perspectives that expand the Board's understanding of the needs and viewpoints of our customers, partners, employees, governments, and other stakeholders worldwide.
Mergers and Acquisitions	Experience or record of leading growth through acquisitions and other business combinations, with the ability to assess 'build or buy' decisions, analyze the fit of a target with the Company's strategy and culture, accurately value transactions, and evaluate operational integration plans.
Board Service and Governance	Service on other public company boards, to develop insights about maintaining board and management accountability, protecting shareholder interests, and observing appropriate governance practices.
Sales and Marketing	Experience in developing strategies to grow sales and market share, build brand awareness and equity, and enhance brand reputation.

Name of Director	Entrepreneur / Leadership	Engineering & Technology	Financial Expertise	Global Exposure	Automobile Industry Experience	Diversity	Mergers & Acquisitions	Board Service & Governance	Sales & Marketing
Mr Natarajan Chandrasekaran	√	√	√	√	√	√	√	√	-
Mr Om Prakash Bhatt	√	-	√	√	-	√	√	√	-
Ms Hanne Sorensen	√	-	√	√	√	√	√	√	√
Ms Vedika Bhandarkar	√	-	√	√	√	-	√	√	√
Mr Kosaraju V Chowdary	√	-	√	-	-	√	√	√	-
Mr Mitsuhiko Yamashita	√	√	-	√	√	√	√	-	-
Mr Thierry Bolloré	√	√	-	√	√	√	√	√	√
Dr Ralf Speth	√	√	-	√	√	√	√	√	√
Mr Guenter Butschek	√	√	-	√	√	√	√	√	√

Familiarisation Programme: Pursuant to the provisions of Regulation 25(7) and Regulation 46 of the SEBI Listing Regulations, kindly refer to the Company's website https://investors.tatamotors.com/pdf/familiarisation-programme-independent-directors.pdf for details of the familiarisation programme for IDs on their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters.

THE COMMITTEES OF THE BOARD

Given below is the composition and the terms of reference of various Board constituted Committees, *inter alia* including the details of meetings held during the year and attendance thereat. All Committee decisions are taken, either at the meetings of the Committee or by passing of circular resolutions. The Company Secretary acts as the secretary for all Board constituted Committees. The Chairperson of each Committee briefs the Board on significant discussions at its meetings. During the financial year all recommendations made by the various Committees have been accepted by the Board. The minutes of the meetings of all Committees of the Board are placed before the Board for noting.

AUDIT COMMITTEE

The Audit Committee functions according to its Charter that defines its composition, authority, responsibility and reporting functions in accordance with Section 177 of the Act, Regulation 18(3) read with Part C of Schedule II of the SEBI Listing Regulations and US regulations applicable to the Company and is reviewed from time to time. Whilst, the terms of reference is available on the Company's website https://investors.tatamotors.com/pdf/audit_committee_charter.pdf, given below is a gist of the responsibilities of the Audit Committee, after incorporating therein the regulatory changes mandated under the Listing Regulation:

i. Reviewing with the management, quarterly/annual financial statements before submission to the Board, focusing primarily on:

  - The Company's financial reporting process and the disclosure of its financial information, including earnings, press release, to ensure that the financial statements are correct, sufficient and credible;
  - Reports on the Management Discussion and Analysis of financial condition, results of Operations and the Directors' Responsibility Statement;
  - Major accounting entries involving estimates based on exercise of judgment by Management;
  - Compliance with accounting standards and changes in accounting policies and practices as well as reasons thereof;
  - Draft Audit Report, qualifications, if any and significant adjustments arising out of audit;
  - Scrutinise inter corporate loans and investments; and
  - Disclosures made under the CEO and CFO certification and
  - Approval or any subsequent modification of transactions with related parties, including omnibus related party transactions.

ii. Review the statement of uses/applications of funds by major category and the statement of funds utilized for purposes other than as mentioned in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights or private placement issue, and make appropriate recommendations to the Board to take up steps in this matter. These reviews are to be conducted till the money raised through the issue has been fully spent.

iii. Review with the management, statutory auditor and internal auditor, adequacy of internal control systems, identify weakness or deficiencies and recommending improvements to the management.

iv. Recommend the appointment/removal of the statutory auditor, cost auditor, fixing audit fees and approving non-audit/consulting services provided by the statutory auditors' firms to the Company and its subsidiaries; evaluating auditors' performance, qualifications, experience, independence and pending proceedings relating to professional misconduct, if any.

v. Review the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the chief internal auditor, coverage and frequency of internal audit, appointment, removal, performance and terms of remuneration of the chief internal auditor.

vi. Discuss with the internal auditor and senior management, significant internal audit findings and follow-up thereon.

vii. Review the findings of any internal investigation into matters involving suspected fraud or irregularity or a failure of internal control systems of a material nature and report the matter to the Board.

viii. Discuss with the statutory auditor before the audit commences, the nature and scope of audit, as well as conduct post-audit discussions to ascertain any area of concern.

ix. Review the functioning of the Vigil Mechanism under the Whistle-Blower policy of the Company.

x. Review the financial statements and investments made by subsidiary companies and subsidiary oversight relating to areas such as adequacy of the internal audit structure and function of the subsidiaries, their status of audit plan and its execution, key internal audit observations, risk management and the control environment.

xi. Look into reasons for any substantial defaults in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividend) and creditors, if any.

xii. Review the effectiveness of the system for monitoring compliance with laws and regulations.

xiii. Approve the appointment of CFO after assessing the qualification, experience and background etc. of the candidate.

xiv. To approve and review policies in relation to the implementation of the Tata Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices ("Code") to note the dealings by Designated Persons in securities of the Company and to provide directions on any penal action to be initiated, in case of any violation of the Code.

The Committee comprises 4 members, all being IDs, who are financially literate and have relevant finance and/or audit exposure. Ms Vedika Bhandarkar, being the Chairperson of the Audit Committee is also the Financial Expert under the applicable Indian and US Regulations. The quorum of the Committee is two members or one-third of its members, whichever is higher, with atleast two IDs. The Chairman of the Audit Committee also attended the last AGM of the Company. Members of the Audit Committee meeting meet the Auditors before the financial results meeting. During the period under review, 9 Audit Committee meetings were held on May 15, 2020, June 9, 2020, June 15, 2020, July 24, 2020, July 31, 2020, a two-day meeting on October 26-27, 2020, December 16, 2020, a two-day meeting on January 28-29, 2021 and February 10, 2021.

The composition of the Audit Committee and attendance of its Members at its meetings held during the year is as follows:

Name of the Member	Category	No. of Meetings held during tenure	No. of Meetings attended
Ms Vedika Bhandarkar (Chairperson)	ID	9	9
Mr Om Prakash Bhatt	ID	9	9
Ms Hanne Sorensen	ID	9	8
Mr K V Chowdary [1]	ID	2	2

[1] Appointed as a Member of the Audit Committee with effect from January 4, 2021.

The Committee meetings are held at the Company's Corporate Headquarters or at its plant locations and are attended by the CEO & MD, CFO, Senior Management, Company Secretary, Head - Internal Audit, Statutory Auditors and Cost Auditors on a need based basis. The Business and Operation Heads are invited to the meetings, as and when required. The Head - Internal Audit reports directly to the Audit Committee to ensure independence of the Internal Audit function. During the year Mr Yamashita, as an invitee, has attended all Audit Committee Meetings, where Financial Results have been approved.

The Committee relies on the expertise and knowledge of the management, the internal auditor and the statutory auditor, in carrying out its oversight responsibilities. It also uses external expertise, if required. The management is responsible for the preparation, presentation and integrity of the Company's financial statements, including consolidated statements, accounting and financial reporting principles. The management is also responsible for internal control over financial reporting and all procedures are designed to ensure compliance with accounting standards, applicable laws and regulations as well as for objectively reviewing and evaluating the adequacy, effectiveness and quality of the Company's system of internal controls.

B S R & Co. LLP, Chartered Accountants (ICAI Firm Registration No.101248 W/W – 100022), the Company's Statutory Auditor, is responsible for performing an independent audit of the Financial Statements and expressing an opinion on the conformity of those financial statements with accounting principles generally accepted in India.

The Audit Committee reviews on a quarterly basis the confirmation of independence made by the Auditors, as also approves of the fees paid to the Auditors by the Company, and its subsidiaries as per the Policy for Approval of Services to be rendered by Auditors. The said Policy is also available on our website https://www.tatamotors.com/investors/pdf/auditfee-policy.pdf. The Company rotates its Audit partner responsible for its Audit every 5 years, apart from the statutory requirement of rotating the Audit Firm every 10 years, to ensure independence in the audit function.

NOMINATION AND REMUNERATION COMMITTEE (NRC)

The NRC of the Company functions according to its terms of reference, that defines its objective, composition, meeting requirements, authority and power, responsibilities, reporting and evaluation functions in accordance with Section 178 of the Act and SEBI Listing Regulations. The suitably revised terms of reference enumerated in the Committee Charter, after incorporating therein the regulatory changes mandated under the SEBI Listing Regulations, are as follows:

- Recommend the set up and composition of the Board and its Committees including the "formulation of the criteria for determining qualifications, positive attributes and independence of a director". The Committee periodically reviews the composition of the Board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.
- Support the Board in matters related to the setup, review and refresh of the Committees.
- Devise and review a policy on Board diversity.
- Recommend the appointment / reappointment or removal of Directors, in accordance with the criteria laid down, including IDs on the basis of their performance evaluation report.
- Recommend on voting on resolutions for appointment and remuneration of Directors on the Boards of its material subsidiary companies and provide guidelines for remuneration of Directors on material subsidiaries.
- Identify and recommend to the Board appointment or removal of Key Managerial Personnel ('KMP') and Senior Management of the Company in accordance with the criteria laid down. In case of appointment of CFO the Committee shall identify persons, to the Audit Committee and the Board of Directors of the Company.
- Carry out evaluation of every Director's performance and support the Board, its Committees and individual Directors, including "formulation of criteria for evaluation of Independent Directors and the Board".
- Oversee the performance review process for the KMP and Senior Management of the Company with a view that there is an appropriate cascading of Company's goals and targets and on an annual basis, review the performance of the Directors, KMP and Senior Management and recommend their remuneration.
- Recommend the Remuneration Policy for Directors, KMP, Senior Management and other employees.
- Review matters related to voluntary retirement and early separation schemes for the Company.
- Oversee familiarization programmes for Directors.

- Oversee HR philosophy, HR and people strategy and efficacy of HR practices including those for leadership development, rewards and recognition, talent management and succession planning (specifically for the Board, KMP and Senior Management).
- Implement and administer any Employees Stock Option Scheme(s) approved by the Board and to establish, amend and rescind any rules and regulations relating to the Scheme(s), and to make any other determinations that it deems necessary or desirable in connection with the Scheme.

The NRC comprises 2 IDs and 1 NINED. The Chairperson of the NRC also attended the last Annual General Meeting of the Company. During the period under review, 6 NRC meetings were held on June 15, 2020, July 15, 2020, September 16, 2020, October 27, 2020, February 12, 2021 and March 15, 2021. The requisite quorum was present for all the meetings.

The composition of the NRC and attendance of its Members at its meetings held during the year is as follows:

Name of the Member	Category	No. of Meetings held during tenure	No. of Meetings attended
Mr Om Prakash Bhatt (Chairperson)	ID	6	6
Ms Hanne Sorensen	ID	6	6
Mr N Chandrasekaran	NINED	6	6

Remuneration Policy

The Remuneration Policy of the Company is designed to create a high-performance culture. It enables the Company to attract, retain and motivate employees to achieve results. Our business model promotes customer centricity and requires employee mobility to address project needs. The remuneration policy supports such mobility through pay models that are compliant to local regulations. In each country where the Company operates, the remuneration structure is tailored to the regulations, practices and benchmarks prevalent in the automotive industry. For further details on Remuneration Policy for Directors, KMP and other employees, drafted in accordance with the provisions of the Act and the SEBI Listing Regulations, kindly refer to https://investors.tatamotors.com/pdf/directors-appointment-remuneration.pdf.

The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) and commission (variable component) to its MD. Annual increments are recommended by the NRC within the salary scale approved by the Board and Members and are effective April 1, each year.

The Board of Directors, on the recommendation of the NRC, decides the commission payable to the MD out of the profits for the financial year and within the ceilings prescribed under the Act, based on the Board evaluation process considering the criteria such as the performance of the Company as well as that of the MD.

Remuneration of Directors:

Non-Executive Directors

- The remuneration by way of commission to the Non-Executive Directors is decided by the Board of Directors and distributed to them based on their participation and contribution at the Board and Committee meetings and performance evaluation by the Board. Recently, the Ministry of Corporate Affairs has notified the amendments to Sections 149(9) and 197(3) of the Act by the Companies (Amendment) Act, 2020 to enable companies faced with no profits / inadequate profits to pay certain fixed remuneration to their Non-Executive Directors and Independent Directors, in accordance with the provisions of Schedule V of the Act.

  In view of the valuable services being rendered by the said Directors to the Company, as recommended by the NRC, the Board of Directors at their meeting held on May 18, 2021 approved payment of remuneration to the Non-Executive Directors and Independent Directors of the Company in accordance with the limits provided under Schedule V of the Act in case of no profits / inadequate profits for a three year period commencing from April 1, 2020 to be distributable in accordance with the directions given by the Board of Directors and shall be in addition to the sitting fees payable to the Directors for attending the meetings of the Board or Committee 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.

  Accordingly, it is proposed to pay Remuneration to Non-Executive Directors, including Independent Directors of the Company, to be determined by the Board of Directors for each of such Non-Executive Director for each financial year and distributed between such Directors in such a manner as the Board of Directors may from time to time determine within the overall maximum limit of (a) 1% (one percent) of the net profits of the Company for that financial year computed in accordance with the provisions of Section 198 of the Act; or (b) upto an amount of ₹24 lakhs plus 0.01% of the effective capital in excess of ₹250 crores, whichever is lower, for FY2020-21, FY2021-22 and FY2022-23.

  The resolution approving the above proposal is being placed for approval of the Members in the Notice for this AGM. The Remuneration to the Non-Executive Directors for FY 2020-21 is payable subject to shareholders' approval.

- The performance evaluation criteria for Non-executive Directors, including IDs, is determined by the NRC. An indicative list of factors that were evaluated include participation and contribution by a director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, role in Board constituted committees, integrity and maintenance of confidentiality and independence of behaviour and judgement.
- A sitting fee of ₹60,000/- for attendance at each meeting of the Board, Audit Committee, NRC and for IDs Meeting; ₹20,000/- for attendance at each meeting of Stakeholders' Relationship Committee; Safety, Health & Sustainability Committee, the Corporate Social Responsibility Committee, Risk Management Committee and other special need based committees, is paid to its Members (excluding Managing Director and Executive Director) and also to Directors attending by invitation. The sitting fees paid/payable to the Non Whole-time Directors is excluded whilst calculating the limits of remuneration in accordance with Section 197 of the Act. The Company also reimburses out-of-pocket expenses to Directors attending meetings held at a city other than the one in which the Directors reside. As a policy, the Chairman abstains from receiving commission / remuneration from the Company. In lines with the internal guidelines of the Company, no payment is made towards commission / remuneration to Non-Executive Directors of the Company, who are in full time employment of any other Tata Company.

Given below are the Remuneration and Sitting Fees payable / paid by the Company to Non-Executive Directors during FY 2020-21:

(₹ in lakhs)

Name	Remuneration(1)	Sitting Fees
Mr N Chandrasekaran (2)	-	9.00
Mr Om Prakash Bhatt	45.00	16.00
Ms Hanne Sorensen	40.00	16.20
Ms Vedika Bhandarkar	45.00	13.00
Mr Kosaraju V Chowdary (3)	20.00	4.40
Mr Mitsuhiko Yamashita (4)	20.00	5.20
Mr Thierry Bolloré (5) (7)	-	-
Dr Ralf Speth (6) (7)	-	-
Total	**170.00**	**63.80**

(1) Payable subject to shareholders' approval at the 76th AGM of the Company.

(2) As a Policy, Mr N Chandrasekaran has abstained from receiving remuneration from the Company.

(3) Appointed as an ID of the Company with effect from October 27, 2020.

(4) Appointed as an ID of the Company with effect from September 16, 2020, but underwent change in designation to NINED with effect from October 27, 2020.

(5) Appointed as a NINED of the Company with effect from October 27, 2020.

(6) Ceased to be the NINED of the Company with effect from October 27, 2020.

(7) Dr. Speth and Mr Bolloré are not paid any remuneration or sitting fees for attending Board meetings of the Company in view of their role as Chief Executive Officer and Director of Jaguar Land Rover Automotive PLC.

Some of the aforementioned Directors are also on the Board of the Company's subsidiaries and associates, in a non-executive capacity and are paid remuneration and sitting fees. Other than the above and their shareholding in the Company, the Non-Executive Directors have no pecuniary relationship or transactions with the Company, its subsidiaries and associates.

Managing and Executive Director

The remuneration paid to the CEO & MD is commensurate with industry standards and Board level positions held in similar sized companies, taking into consideration the individual responsibilities shouldered by him and is in accordance with the terms of appointment approved by the Members, at the time of his appointment.

The NRC, reviews and recommends to the Board the changes in the managerial remuneration, generally being increment in basic salary and commission/incentive remuneration of the CEO & MD on a yearly basis. This review is based on the Balanced Score Card that includes the performance of the Company and the individual director on certain defined qualitative and quantitative parameters such as volumes, EBITDA, market share, cashflows, cost reduction initiatives, safety, strategic initiatives and special projects as decided by the Board vis-a-vis targets set in the beginning of the year. This review also takes into consideration the benchmark study undertaken by reputed independent agencies on comparative industry remuneration practices.

Whereas the basic salary of the CEO & MD is fixed for his entire tenure, the variable portion of the CEO & MD's remuneration consists of incentive remuneration in the form of performance linked bonus and long-term incentive. The target performance linked bonus would be €550,000/- per annum upto a maximum of €825,000/- per annum. With the objective of achieving long-term value creation, through retention and continuity in leadership, a long term incentive plan is provided with a value intended target of €550,000/- per annum upto a maximum of €825,000/- per annum.

The Members at the 71st AGM of the Company held on August 9, 2016, had vide passing of Special Resolution, approved the appointment and terms of remuneration of Mr Butschek as the CEO & MD of the Company, for a period of 5 years, commencing from February 15, 2016 upto February 14, 2021. Thereafter, the Members at the 75th AGM held on August 25, 2020, had vide passing of a Special Resolution, approved payment of minimum remuneration to the CEO & MD in view of inadequacy of profits/losses as calculated under the provisions of Section 198 of the Act, for FY 2019-20 and FY 2020-21 (upto February 14, 2021), which remuneration is within the prescribed limits.

The Board of Directors, based on the recommendations of the NRC, has on February 12, 2021 approved of the re-appointment of Mr Butschek as the CEO & MD with effect from February 15, 2021 upto a tenure of June 30, 2021 on similar and conditions of remuneration as was paid/ payable to him during his tenure (of February 15, 2016 to February 14, 2021) and have recommended the same to the Members of the Company in the Notice of the forthcoming 76th AGM of the Company, which forms a part of this Annual Report. The addendum to his existing agreement with effect from February 15, 2021 in respect of the said re-appointment is available for inspection, as per the terms mentioned in the Notice of this AGM.

Given below are certain details pertaining to the terms of appointment and payment of Managerial Remuneration to Mr Guenter Butschek, the CEO & MD for FY2020-21, for more details on this subject matter kindly refer to the Notice of the forthcoming 76th AGM of the Company:

(₹ in Lakhs)

Particulars	Remuneration Paid / Payable for FY 2020-21	Remuneration Proposed (1)	
		February 15, 2021 to March 31, 2021	April 1, 2021 to June 30, 2021
Basic Salary	285.55	35.69	70.60
Benefits, Perquisites and Allowances (includes payment in lieu of pension)	1,318.43	164.80(2)	320.49(2)
Commission, Bonus and Performance Linked Incentive Remuneration	-(3)	-(3)	235.32(4)
Retirement Benefits(5)	171.33	21.42	42.36
Total Remuneration	**1,775.31(6)**	**221.91**	**668.77**
Less: Permissible Deductions under Schedule V	18.25	3.34	-
Total Remuneration under Schedule V	1,757.06	218.57	-
Less: Permissible Limit Payable by a Company with inadequate profits	240.39	30.05	-
Waiver of Excess Remuneration Paid/ Payable	1,516.67(7)	188.52	-
Profit/(Loss) as per Section 198	(2,83,292.05)	-	-

(1) Amount shall be paid/payable subject to shareholders' approval at the 76th AGM of the Company.

(2) Certain Perquisites and Allowances are based on realistic assumptions.

(3) Performance and Long Term Incentive Plan (LTIP) for FY 2020-21, which will be accrued post approval by the Board of Directors. The remuneration for February 15, 2021 to March 31,2021 is pro-rated basis the amount for FY 2020-21.

(4) Estimated at €550,000 on achievement of performance target at 100%. The Agreement provides a range from €550,000 to €825,000 each for performance bonus and LTIP. The remuneration is denominated in € converted into ₹ on the date of payment. The Foreign Exchange rate for all future payments of remuneration is assumed at a constant of 1€=₹85.57 (rate as on the date of payment for March 2021). The remuneration for FY 2021-22 is estimated on a similar basis as FY 2020-21 but is pro-rated for a period of 3 months, that is upto June 30, 2021.

(5) Comprises contribution to Provident Fund and Gratuity as per the Rules of the Company.

(6) There is no change in the ₹ denominated remuneration of Mr Butschek, except for his performance linked bonus and long term Incentives, during the five financial years. The change in amount is mainly on account of foreign exchange conversion into Rupees (Euro rate fluctuates from ₹80.82 on April 1, 2018 to ₹85.57 on March 31, 2021). The exchange rates used for remuneration are conversion rate on the date of actual payment.

(7) No waiver is required for Remuneration paid from April 1, 2020 to February 14, 2021 as shareholders had already approved in AGM held in August 2020

Remuneration of Mr Butschek has been subjected to peer level benchmarks with the help of survey conducted by Aon Hewitt, an independent global compensation consultant. The proposed remuneration is commensurate with the prevailing level for position of Business Leaders of global automobile companies who are nationals of US or Europe and serve as CEO/MD which represents suitable talent market for the incumbent. The table below illustrates the requisite comparative data of the CEO/ MD remuneration in the global automotive companies:

Total Cost to Company ('TCC') with Long Term Incentive

(₹ in lakhs)

10th Percentile	25th Percentile	Median	75th Percentile	90th Percentile
2,570	2,989	5,110	8,765	10,063

(Data Source: Aon Hewitt Executive Compensation Team)

The terms of appointment with respect to the severance notice period and fees payable to Mr Butschek, the CEO & MD, is as reproduced below:

- The Contract with the CEO & MD may be terminated earlier, without any cause by either giving to the other party 6 months' notice of such termination or the Company paying 6 months' remuneration which shall be limited to provision of basic salary, benefits, perquisites and allowances (including Living Allowance) and any pro-rated incentive remuneration, in lieu of such notice. Additionally, in case of termination initiated by the Company before the end of the term for reasons other than Tata Code of Conduct ("TCoC"), the CEO & MD shall be entitled to severance pay for a period of 12 months or balance term of the agreement whichever is less and which shall be limited to provision of basic salary, living allowance and any pro-rated incentive remuneration.
- This appointment may not be terminated by the Company without notice or payment in lieu of notice except for reasons of breach of TCoC. In case of breach of TCoC, the CEO & MD shall not be entitled to severance.
- In the event the CEO & MD is not in a position to discharge his official duties due to any physical or mental incapacity, he shall be entitled to receive notice pay and the severance as mentioned above and this contract shall stand terminated.

The Directors of the Company are not eligible to receive employee stock options and have accordingly not participated in the Employee Stock Option Scheme 2018 of the Company.

Retirement Policy for Directors

As per the retirement age policy adopted by the Company, the Managing and Executive Directors retire at the age of 65 years. The retirement age for NINEDs is 70 years and for IDs is 75 years as per the Governance Guidelines on Board Effectiveness.

Succession Planning

The NRC works with the Board on the leadership succession plan to ensure orderly succession in appointments to the Board and in the senior management. The Company strives to maintain an appropriate balance of skills and experience, within the organization and the Board, in an endeavor to introduce new perspectives, whilst maintaining experience and continuity.

By integrating workforce planning with strategic business planning, the Company deploys the necessary financial and human resources to meet its objectives. Succession planning and elevation within the organization, fuel the ambitions of its talent force, to earn future leadership roles. The NRC have at their meetings held on June 15, 2020, February 12, 2021 and March 15, 2021 reviewed the succession planning of the Board and Senior Management.

STAKEHOLDERS' RELATIONSHIP COMMITTEE (SRC)

The SRC functions in accordance with Section 178 of the Act and Regulation 20 read with Part D of Schedule II of the SEBI Listing Regulations. The suitably revised terms of reference enumerated in the Committee Charter, after incorporating therein the regulatory changes mandated under the SEBI Listing Regulations, are as follows:

- Approve issue of duplicate certificates for securities and transmission of securities.
- Resolve grievances of security holders of the Company, including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings, etc.
- Review measures taken for effective exercise of voting rights by shareholders.
- Review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
- Oversee statutory compliance relating to all securities including dividend payments and transfer of unclaimed amounts to the Investor Education and Protection Fund and claims made by members / investors from the said fund.
- Review movements in shareholding and ownership structures of the Company.
- Conduct a Shareholders' Satisfaction Survey to ascertain the level of satisfaction amongst shareholders.
- Suggest and drive implementation of various investor-friendly initiatives.
- Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable.

The SRC comprises 2 IDs and the CEO & MD. The Chairperson of the SRC also attended the last Annual General Meeting of the Company. During the period under review, 3 SRC meetings were held on August 25, 2020, October 27, 2020 and February 10, 2021. The requisite quorum was present for all the meetings.

The composition of the SRC and attendance of its Members at its meetings held during the year is as follows:

Name of the Member	Category	No. of Meetings held during tenure	No. of Meetings attended
Ms Vedika Bhandarkar (Chairperson)	ID	3	3
Ms Hanne Sorensen	ID	3	3
Mr Guenter Butschek	CEO & MD	3	3

Compliance Officer

Mr Hoshang K Sethna, Company Secretary, who is the Compliance Officer. His contact details are:- Tata Motors Limited, Bombay House, 24, Homi Mody Street, Mumbai - 400 001, India.

Tel: 91 22 6665 7824, Email: inv_rel@tatamotors.com

Complaints or queries relating to the shares and/or debentures can be forwarded to the Company's Registrar and Share Transfer Agents – M/s TSR Darashaw Consultants Private Limited at csg-unit@tcplindia.co.in, whereas complaints or queries relating to the public fixed deposits can be forwarded to the Registrars to the Fixed Deposits Scheme – M/s TSR Darashaw Consultants Private Limited at tmlfd@tsrdarashaw.com. TSRDL is the focal point of contact for investor services in order to address various FD related matters mainly including repayment / revalidation, issue of duplicate FD receipts / warrants, TDS certificates, change in bank details/ address and PAN corrections. In view of increase in the correspondence, TSRDL have increased their investor interface strength (telephone and counter departments) and have taken other steps for rendering speedy and satisfactory services to the FD holders.

The status on the total number of investor complaints during FY 2020-21 is as follows:

Type	Nos.
Complaints regarding non-receipt of dividend, shares lodged for transfer	8
Complaints received from the shareholders through SEBI and other statutory bodies and resolved	10
Complaints redressed out of the above	18
Pending complaints as on March 31, 2021	0
Other queries received from shareholders and replied	2,769

All letters received from the investors are replied to and the response time for attending to investors' correspondence during FY 2020-21 is shown in the following table:

Particulars	Number	%
Total number of correspondence received during FY 2020-21	2,787	100.00
Replied within 1 to 4 days of receipt	1,000	35.88
Replied within 5 to 7 days of receipt	449	16.11
Replied within 8 to 15 days of receipt	913	32.76
Replied after 15 days of receipt (1)	361	12.95
Received in last week of March 2021 but not replied to due to the lock-down on account of COVID-19 pandemic. These have been replied in April 2021	64	2.30

(1) These correspondence pertained to court cases which involved retrieval of case files, cases involving retrieval of very old records, co-ordination with the Company/Advocates etc, partial documents awaited from the Investors, cases involving registration of legal documents, executed documents received for issue of duplicate certificates and transmission of shares without legal representation which involved checking of the documents, sending notices to Stock Exchange and issue of duplicate certificates/transmission of shares after approval from the Company. However, all these cases have been attended to within the statutory limit of 30 days.

There were no pending share transfers pertaining to the Financial Year ended March 31, 2021.

On recommendations of the SRC, the Company has taken various investor friendly initiatives like organising Shareholders' visit to the Company's Works at Pune, sending reminders to investors who have not claimed their dues, sending nomination forms, etc.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Committee is constituted by the Board in accordance with the Act to:

a. Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act;

b. Recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and

c. Monitor the Corporate Social Responsibility Policy of the Company from time to time.

The CSR Policy is uploaded on the Company's website https://investors.tatamotors.com/pdf/csr-policy.pdf as required under the provisions of Section 135 of the Act and Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The CSR Committee comprises 3 IDs and the CEO & MD. The Chairperson of the CSR Committee also attended the last Annual General Meeting of the Company. During the period under review, 2 CSR Committee meetings were held on June 8, 2020 and February 26, 2021. The requisite quorum was present for all the meetings.

The composition of the CSR Committee and attendance of its Members at its meetings held during the year is as follows:

Name of the Member	Category	No. of Meetings held during tenure	No. of Meetings attended
Mr Om Prakash Bhatt (Chairperson)	ID	2	2
Ms Vedika Bhandarkar	ID	2	2
Mr K V Chowdary (1)	ID	1	1
Mr Guenter Butschek	CEO & MD	2	2

(1) Appointed as a Member of the CSR Committee with effect from January 4, 2021.

RISK MANAGEMENT COMMITTEE (RMC)

The Committee is constituted and functions as per Regulation 21 of the SEBI Listing Regulations to frame, implement and monitor the risk management plan for the Company. The suitably revised terms of reference enumerated in the Committee Charter, after incorporating therein the regulatory changes mandated under the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, are as follows:

- Review the Company's risk governance structure, risk assessment and risk management policies, practices and guidelines and procedures, including the risk management plan.
- Review and approve the Enterprise Risk Management (ERM) framework.

- Review the Company's risk appetite and strategy relating to key risks, including product risk and reputational risk, cyber security risk, commodity risk, risks associated with the financial assets and liabilities such as interest risk, credit risk, liquidity exchange rate funding risk and market risk, as well as the guidelines, policies and processes for monitoring and mitigating such risks.
- Oversee Company's process and policies for determining risk tolerance and review management's measurement and comparison of overall risk tolerance to established levels.
- Review and analyze risk exposure related to specific issues, concentrations and limit excesses and provide oversight of risk across organization.
- Review compliance with enterprise risk management policy, monitor breaches / trigger trips of risk tolerance limits and direct action.
- Nurture a healthy and independent risk management function in the Company.
- Carry out any other function as is referred by the Board from time to time.

The Committee operates as per its Charter approved by the Board and within the broad guidelines laid down in it. The Company has a Risk Management Policy in accordance with the provisions of the Act and SEBI Listing Regulations. It establishes various levels of accountability and overview within the Company, while vesting identified managers with responsibility for each significant risk.

The Board takes responsibility for the overall process of risk management in the organisation. Through Enterprise Risk Management Programme, business units and corporate functions address opportunities and the attendant risks with an institutionalized approach aligned to the Company's objectives. The business risk is managed through cross-functional involvement and communication across businesses. The results of the risk assessment are thoroughly discussed with the Senior Management before being presented to the RMC.

The Members of the RMC comprise of 1 ID, 1 NINED, the CEO & MD and Tata Motors Group Chief Financial Officer. The Chairperson of the RMC also attended the last Annual General Meeting of the Company. During the period under review, 3 RMC meetings were held on June 8, 2020, September 15, 2020 and February 9, 2021. The requisite quorum was present for all the meetings.

The composition of the RMC and attendance of its Members at its meetings held during the year is as follows:

Name of the Member	Category	No. of Meetings held during tenure	No. of Meetings attended
Ms Hanne Sorensen (Chairperson)	ID	3	3
Mr Mitsuhiko Yamashita [(1)]	NINED	1	1
Mr Guenter Butschek	CEO & MD	3	3
Mr P B Balaji	Group CFO	3	2

(1) Appointed as a Member of the RMC with effect from September 16, 2020.

THE SAFETY, HEALTH AND SUSTAINABILITY COMMITTEE (SHS)

The Committee reviews Safety, Health and Sustainability practices. The terms of reference of the Committee include the following:

- to take a holistic approach to safety, health and sustainability matters in decision making;
- to provide direction to Tata Motors Group in carrying out its safety, health and sustainability function;
- to frame broad guidelines/policies with regard to safety, health and sustainability;
- to oversee the implementation of these guidelines/policies; and
- to review the safety, health and sustainability policies, processes and systems periodically and recommend measures for improvement from time to time.

The Members of the SHS comprise of 1 ID, 1 NINED and the CEO & MD. The Chairperson of the SHS also attended the last Annual General Meeting of the Company. During the period under review, 3 SHS meetings were held on June 8, 2020, September 15, 2020 and February 9, 2021. The requisite quorum was present for all the meetings.

The composition of the SHS and attendance of its Members at its meetings held during the year is as follows:

Name of the Member	Category	No. of Meetings held during tenure	No. of Meetings attended
Ms Hanne Sorensen (Chairperson)	ID	3	3
Mr Mitsuhiko Yamashita [(1)]	NINED	1	1
Mr Guenter Butschek	CEO & MD	3	3

(1) Appointed as a Member of the SHS with effect from September 16, 2020.

CODE OF CONDUCT

Whilst the Tata Code of Conduct is applicable to all Whole-time Directors and employees of the Company, the Board has also adopted the Tata Code of Conduct for NINEDs and IDs as specified under Schedule IV of the Act and Regulation 26(3) of the SEBI Listing Regulations. The detailed Codes of Conduct are respectively available on the website of the Company at https://www.tatamotors.com/wp-content/uploads/2015/10/09042523/tata-code-of-conduct1.pdf and https://investors.tatamotors.com/pdf/ned-id.pdf. Pursuant to Regulation 26(5) of the SEBI Listing Regulations, all members of senior management have confirmed that there are no material, financial and commercial transactions wherein they have a personal interest that may have a potential conflict with the interest of the Company at large. Pursuant to Regulation 26(3) of the SEBI Listing Regulations, all the Board members and senior management of the Company as on March 31, 2021 have affirmed compliance with their respective Codes of Conduct. A Declaration to this effect, duly signed by the CEO & MD is reproduced at the end of this Report. Furthermore, pursuant to the provisions of Regulations 8 and 9 under the SEBI (Prohibition of Insider Trading) Regulations, 2015 the Company has adopted and endeavors adherence to the Tata Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices. Kindly refer to the Company's website https://investors.tatamotors.com/pdf/CodeCorporateDisclosure.pdf for the detailed Code of Corporate Disclosure Policy of the Company.

GENERAL BODY MEETINGS

Annual General Meeting (AGM)

Date of AGM	Year	Special Resolutions passed	Venue and Time
August 25, 2020	2019-20	• Approval and ratification for payment of Minimum Remuneration to Mr Guenter Butschek (DIN: 07427375), Chief Executive Officer and Managing Director for FY 2019-20. • Approval for payment of Minimum Remuneration to Mr Guenter Butschek (DIN: 07427375), Chief Executive Officer and Managing Director in case of no/inadequacy of profits during FY 2020-21.	Due to COVID-19 Virus Pandemic held through video conferencing ('VC') /other audio visual means ('OAVM') at 2:00 p.m. (IST)
July 30, 2019	2018-19	Nil	Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai - 400020 at 3:00 p.m. (IST)
August 3, 2018	2017-18	• Private placement of Non-Convertible Debentures / Bonds • Tata Motors Limited Employees Stock Option Scheme 2018 and grant of stock options to the Eligible Employees under the Scheme	

There were no special resolutions proposed to be passed through Postal Ballot during FY 2020-21 or at the forthcoming AGM.

Hon'ble National Company Law Tribunal Convened Secured Creditors Meeting

Secured Creditors Meeting was convened during the financial year, pursuant to the Orders of the Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench dated January 4, 2021 and corrigendum dated January 13, 2021 in the matter of Scheme of Arrangement between Tata Motors Limited ('the Transferor Company') and TML Business Analytics Services Limited ('the Transferee Company') and their respective shareholders ('Scheme') The details of this meeting are as given below:

Date of Meeting	Special Resolution	Outcome	Venue & Time
March 5, 2021	Approval to the Scheme of Arrangement between Tata Motors Limited and TML Business Analytics Services Limited and their respective shareholders.	Resolution was unanimously passed by the Secured Creditors.	Due to the COVID-19 Pandemic held through VC / OAVM at 2:30 p.m. (IST)

Hon'ble National Company Law Tribunal Convened Equity Shareholders Meeting

Equity Shareholders Meeting was convened during the financial year, pursuant to the Orders of the Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench dated January 4, 2021 and corrigendum dated January 13, 2021 in the matter of Scheme of Arrangement between Tata Motors Limited ('the Transferor Company') and TML Business Analytics Services Limited ('the Transferee Company') and their respective shareholders ('Scheme') The details of this meeting are as given below:

Date of Meeting	Special Resolution	Outcome	Venue & Time
March 5, 2021	Approval to the Scheme of Arrangement between Tata Motors Limited and TML Business Analytics Services Limited and their respective shareholders.	Resolution was unanimously passed by the Equity Shareholders.	Due to the COVID-19 Pandemic held through VC / OAVM at 3:30 p.m. (IST)

All resolutions moved at the General Meetings and at the NCLT convened meeting held in the last year, were passed by means of electronic voting, by the requisite majority of members.

MEANS OF COMMUNICATION

The Company recognizes communication as a key element to the overall Corporate Governance framework, and therefore emphasizes on prompt, continuous, efficient and relevant communication to all external constituencies.

Financial Results: The Quarterly, Half Yearly and Annual Results are regularly submitted to the National Stock Exchange of India Limited (NSE), BSE Limited (BSE), New York Stock Exchange (NYSE) and the Singapore Stock Exchange (SGX) as well as uploaded on the Company's website and are published in newspapers, namely the Indian Express, Financial Express and the Loksatta (Marathi). Additionally, the results and other important information are also periodically updated on the Company's website (www.tatamotors.com) in the "Investors" section.

Investors / Analyst Meets: The Company hosts calls or meetings with institutional investors on request. Post the quarterly results, an analyst meet / call is organized which provides a platform for the Management to answer questions and provide clarifications to investors and analysts. The Company continues to interact with all types of funds and investors in order to have a diversified shareholder base both in terms of geographical location and investment horizon. Financial Results, Statutory Notices, Press Releases and Presentations made to the institutional investors/analysts after the declaration of the quarterly, half-yearly and annual results are submitted to NSE, BSE, NYSE and SGX as well as uploaded on the Company's website on a regular basis. The Company also issues press releases from time to time.

Website: The Company's website is a comprehensive reference on its leadership, management, vision, policies, corporate governance, sustainability and investor relations. The Members can access the details of the Board, the Committees, Policies, Board committee Charters, financial information, statutory filings, Shareholding information, details of unclaimed dividend and shares transferred / liable to be transferred to IEPF, frequently asked questions, etc. In addition, various downloadable forms required to be executed by the shareholders have also been provided on the website of the Company.

Annual Report: The information regarding the performance of the Company is shared with the shareholders vide the Annual Report. The Annual Reports for FY 2020-21 are being sent to all members who had registered their email ids for the purpose of receiving documents / communication in electronic mode with the Company and / or Depository Participants. The Annual Reports are also available in the "Investors" section on the Company's website https://www.tatamotors.com/investors/annual-reports/

Electronic Communication: The Company had during FY 2020-21 sent various communications including Annual Reports, by email to those shareholders whose email addresses were registered with the Company / Depositories. In support of the 'Green Initiative' the Company encourages Members to register their email address with their Depository Participant or the Company, to receive soft copies of the Annual Report, Notices and other information disseminated by the Company, on a real-time basis without any delay.

Scores: A centralised web based complaints redress system 'Scores' which serves as a centralised database of all complaints received, enables uploading of Action Taken Reports by the concerned companies and online viewing by the investors of actions taken on complaint and its current status.

Green Initiative: All agenda papers for the Board and Committee meetings are disseminated electronically on a real-time basis, by uploading them on a secured online application.

GENERAL INFORMATION FOR MEMBERS

The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L28920MH1945PLC004520.

ANNUAL GENERAL MEETING

Date and Time	Friday, July 30, 2021 at 3:00 p.m. (IST)
Venue	In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020, April 13, 2020, and January 13, 2021 (collectively referred to as 'MCA Circulars') and SEBI Circular dated May 12, 2020 and January 15, 2021 (collectively referred to as 'SEBI Circulars') permitted the holding of the Annual General Meeting through video-conferencing / other audio visual means ('VC / OAVM'), without the physical presence of the Members at a common venue. In compliance with the provisions of the Act, MCA Circulars and SEBI Circulars, the AGM of the Company is being held through VC / OAVM. For details please refer to the Notice this AGM.

As required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard 2, details of Director seeking re-appointment at this AGM are given in the Annexure to the Notice of the forthcoming AGM.

FINANCIAL CALENDAR (TENTATIVE)

Financial Year	April 1 to March 31
Results for the Quarter ending	
June 30, 2021	On or before August 14, 2021
September 30, 2021	On or before November 14, 2021
December 31, 2021	On or before February 14, 2022
March 31, 2022	On or before May 30, 2022
Date of Book Closure	Not applicable.
Date of Dividend payment	No dividend is announced and recommended by the Board for FY 2020-21.

LISTINGS

The Company's shares are listed on the BSE Ltd. (BSE) and the National Stock Exchange of India Ltd. (NSE). The following are the details of the Company's shares:

Type	Ordinary Shares	'A' Ordinary Shares
ISIN	INE155A01022	IN9155A01020
BSE – Stock Code	500570	570001
NSE – Stock Code	TATAMOTORS	TATAMTRDVR
BSE – Address	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001; www.bseindia.com	
NSE – Address	"Exchange Plaza", Bandra Kurla Complex, Bandra (E), Mumbai 400051; www.nseindia.com	

The holders of 'A' Ordinary Shares are entitled to receive a dividend for any financial year at five percentage points more than the aggregate rate of dividend declared on Ordinary Shares for that financial year but are entitled to one vote for every ten 'A' Ordinary Shares held as per the terms of its issue and the Articles of Association.

The Company has paid Annual Listing fees for FY 2020-21 to all the Stock Exchanges (both domestic and international) where the Company's securities are listed.

Attention is also drawn to foreign listing and listing of debt securities of the Company as mentioned below, under the head "Outstanding Securities".

MARKET INFORMATION

Market price data - monthly high/low of the closing price and trading volumes on BSE/NSE depicting liquidity of the Company's Ordinary Shares and 'A' Ordinary Shares on the said exchanges is given hereunder:-

Month	Ordinary Shares						'A' Ordinary Shares					
	BSE			NSE			BSE			NSE		
	High (₹)	Low (₹)	No. of Shares	High (₹)	Low (₹)	No. of Shares	High (₹)	Low (₹)	No. of Shares	High (₹)	Low (₹)	No. of Shares
April 2020	93.10	65.30	66364119	93.25	65.30	1172960711	39.80	29.60	8915761	39.75	29.55	90401719
May 2020	87.25	80.65	53041662	87.20	80.65	1137196293	36.30	33.80	4664779	36.35	33.75	67425224
June 2020	115.50	89.60	124558628	115.45	89.55	2061612730	48.10	38.90	9935536	48.05	38.90	142648950
July 2020	109.05	100.70	70852022	109.05	100.75	1236388047	43.20	37.45	5762662	43.25	37.50	100914858
August 2020	144.35	111.40	104701749	144.25	111.45	1866040897	55.30	39.35	35660786	55.05	39.35	271120205
September 2020	151.75	122.80	76508747	151.85	122.80	1583888897	66.45	50.70	17979246	66.55	50.70	233517107
October 2020	144.85	127.00	77216650	144.75	126.95	1287652030	65.10	54.30	9355521	65.05	54.20	114643370
November 2020	180.25	132.85	86659810	180.35	132.85	1284628508	78.20	55.05	12076416	78.15	54.95	158065341
December 2020	186.30	164.55	75390441	186.35	164.55	1191039967	78.50	67.70	8853122	78.60	67.55	126853223
January 2021	290.45	186.45	183133100	290.60	186.50	3110819324	113.45	76.40	22197884	113.55	76.45	347382860
February2021	335.85	279.75	144505279	335.95	279.60	2011804897	135.70	111.85	13120151	135.90	111.90	164632958
March 2021	348.50	285.50	85959250	348.50	285.55	1453847016	142.05	125.75	5952028	142.20	125.60	87312005

The Performance of the Company's Stock Price vis-à-vis Sensex, Auto Index and American Depository Receipt (ADR):

Month	Ordinary Shares (₹)	'A' Ordinary Shares (₹)	BSE Sensex (₹)	Auto Index (₹)	ADR Price (US$)
April 2020	74.77	34.27	30966.01	12,128.16	4.87
May 2020	83.88	35.28	31294.25	12,927.99	5.60
June 2020	102.18	42.77	34,262.88	14,916.13	6.77
July 2020	105.22	40.53	37,030.64	16,149.42	7.07
August 2020	125.54	45.01	38,346.59	17,579.07	8.44
September 2020	141.23	59.84	38,378.98	17,881.12	9.53
October 2020	134.06	58.16	40,115.39	18,020.72	9.13
November 2020	155.04	65.38	43,011.38	18,900.57	10.62
December 2020	179.58	75.11	46,211.84	20,639.28	12.23
January 2021	240.17	95.39	48,580.33	22,489.93	16.69
February 2021	322.48	128.89	50,782.82	24,154.00	22.00
March 2021	314.68	133.58	50,100.65	23,157.65	21.49

The monthly high and low of the Company's ADRs is given below:

(in US $)

Month	High	Low
April 2020	6.21	4.29
May 2020	6.21	5.31
June 2020	7.64	5.93
July 2020	7.30	6.66
August 2020	9.77	7.43
September 2020	10.33	8.31
October 2020	9.85	8.65
November 2020	12.18	8.92
December 2020	12.68	11.15
January 2021	19.90	13.10
February 2021	23.02	19.14
March 2021	23.96	19.66

Each Depositary Receipt represents 5 underlying Ordinary Shares of face value of ₹2/- each.

REGISTRAR AND TRANSFER AGENTS

For share related matters, Members are requested to correspond with the Company's Registrar and Transfer Agents – M/s TSR Darashaw Consultants Private Limited quoting their Folio No./DP ID & Client ID at the following addresses:

1. **For transfer lodgement, delivery and correspondence:** TSR Darashaw Consultants Private Limited, Unit: Tata Motors Limited, C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai – 400083. Tel: 022-6656 8484; Fax: 022- 6656 8494; e-mail: csg-unit@tcplindia.co.in ; website: www.tcplindia.co.in

2. For the convenience of investors based in the following cities, transfer documents and letters will also be accepted at the following branches/agencies of TSR Darashaw Consultants Private Limited:

   (i) **Bangalore:** 503, Barton Centre, 5th Floor, 84, Mahatma Gandhi Road, Bangalore – 560 001.

   Tel: 080 – 25320321, Fax: 080 – 25580019, e-mail: tsrdlbang@tsrdarashaw.com

   (ii) **Jamshedpur:** Bungalow No.1, "E" Road, Northern Town, Bistupur, Jamshedpur – 831 001.

   Tel: 0657 – 2426616, Fax: 0657 – 2426937, email : tsrdljsr@tsrdarashaw.com

   (iii) **Kolkata:** Tata Centre, 1st Floor, 43, Jawaharlal Nehru Road, Kolkata – 700 071.

   Tel: 033 – 22883087, Fax: 033 – 22883062, e-mail: tsrdlcal@tsrdarashaw.com

   (iv) **New Delhi:** Plot No.2/42, Sant Vihar, Ansari Road, Daryaganj, New Delhi – 110 002.

   Tel : 011 – 23271805, Fax : 011 – 23271802, e-mail : tsrdldel@tsrdarashaw.com

   (v) **Ahmedabad:** Agent of TSRDL – Shah Consultancy Services Pvt. Limited: 3-Sumathinath Complex, Pritam Nagar Akhada Road, Ellisbridge, Ahmedabad -380 006.

   Tel: 079-2657 6038, e-mail: shahconsultancy8154@gmail.com

For Fixed Deposits: the investors are requested to correspond with the Registrars to the Fixed Deposits Scheme – TSR Darashaw Consultants Private Limited at the same addresses as mentioned above or send an e-mail at tmlfd@tsrdarashaw.com. Tel : 022-6656 8484

For Rights Issue related matters: The Company launched a Rights Issue vide Letter of offer dated March 30, 2015 and Members are requested to correspond with Link Intime India Private Limited, the Registrar to the Issue, for addressing any pre-Issue/ post-Issue related matter, including all grievances relating to the ASBA process. Contact details: C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400 078; Tel: (91 22) 6171 5400 / 9167779196 /97; Fax: (91 22) 2596 0329; Website: www.linkintime.co.in; Email: tatamotors.rights@linkintime.co.in; Contact Person: Mr Sachin Achar / Mr Sumeet Deshpande.

SHARE TRANSFER SYSTEM

All transfer, transmission or transposition of securities, are conducted in accordance with the provisions of Regulation 40, Regulation 61 and Schedule VII of the SEBI Listing Regulations read together with SEBI Circulars SEBI/HO/MIRSD/RTAMB/CIR/P/2020/166 dated September 7, 2020 and SEBI/HO/MIRSD/RTAMB/CIR/P/2020 /236 dated December 2, 2020.

All requests for transfer and/or dematerialisation of securities held in physical form, should be lodged with the office of the Company's Registrar & Share Transfer Agent, TSR Darashaw Consultants Private Limited, Mumbai or at their branch offices or at the registered office of the Company for dematerialisation.

Securities lodged for transfer at the Registrar's address are normally processed within 15 days from the date of lodgment, if the documents are clear in all respects. All requests for dematerialization of securities are processed and the confirmation is given to the depositories within 15 days. The Executives of the Registrar are empowered to approve transfer of shares and debentures and other investor related matters. Grievances received from investors and other miscellaneous correspondence on change of address, mandates, etc. are processed by the Registrars within 15 days.

The following compliances pertain to share transfers, grievances, etc.:

(1) Pursuant to Regulation 7(3) of the SEBI Listing Regulations, certificates are filed with the stock exchanges on half yearly basis

by the Compliance Officer and the representative of the Registrar and Share Transfer Agent for maintenance of an appropriate share transfer facility.

(2) Pursuant to Regulation 13 of the SEBI Listing Regulations, a statement on pending investor complaints is filed with the stock exchanges and placed before the Board of Directors on a quarterly basis.

(3) Pursuant to Regulation 39(3) of the SEBI Listing Regulations, information regarding loss of share certificates and issue of the duplicate certificates, are submitted to the stock exchanges within 2 days of the Company receiving the information.

(4) Pursuant to Regulation 40(9) of the SEBI Listing Regulations, the Company obtains a half-yearly certificate from the Practicing Company Secretary certifying that, the RTA has issued all share certificates within 30 days of the date of lodgment for transfer, sub-division, consolidation, renewal, exchange or endorsement of calls/ allotment monies and this certificate is simultaneously filed with the Indian Stock Exchanges pursuant to Regulation 40(10) of the SEBI Listing Regulations.

(5) A Company Secretary-in-Practice carries out a Reconciliation of Share Capital Audit on a quarterly basis, as per Regulation 76 of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 read with SEBI Circular No. D&CC / FITTC/Cir- 16/2002 dated December 31, 2002, to reconcile the total admitted capital with depositories viz National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with NSDL and CDSL).

(6) Pursuant to Regulation 61(4) read together with Regulation 40(9) of the SEBI Listing Regulations, a Certificate by the Company Secretary-in-Practice is filed with the stock exchanges within one month from the end of each half of the financial year, certifying that all certificates are issued within thirty days of the date of lodgement for transfer, sub-division, consolidation, renewal, exchange or endorsement of calls/ allotment monies.

Transfer of unclaimed / unpaid amounts / shares to the Investor Education and Protection Fund (IEPF):

(i) Pursuant to Sections 124 and 125 of the Act read with the IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), all unclaimed/unpaid dividend, application money, debenture interest and interest on deposits as well as principal amount of debentures and deposits, sale proceeds of fractional shares, redemption amount of preference shares, etc. pertaining to the Company remaining unpaid or unclaimed for a period of 7 years from the date they became due for payment, have to be transferred to the IEPF Authority, established by the Central Government.

Furthermore, the IEPF Rules mandate companies to transfer shares of shareholders whose dividends remain unpaid / unclaimed for a period of 7 consecutive years to the demat account of the IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of the Court, Tribunal or Statutory Authority, restraining any transfer of shares.

In light of the aforesaid provisions, the Company has during the year under review, transferred to IEPF the unclaimed dividends, outstanding for 7 consecutive years of the Company. Further, shares of the Company, in respect of which dividends have not been claimed for 7 consecutive years or more, have also been transferred to the demat account of the IEPF Authority.

The details of the unclaimed dividends and shares transferred to IEPF during FY 2020-21 are as follows:

Financial Year	Amount of unclaimed dividend transferred (₹)	Number of shares transferred	
		Ordinary Shares	'A' Ordinary Shares
2012-13	1,55,73,105	4,71,207	3,367
Total	**1,55,73,105**	**4,71,207**	**3,367**

The members who have a claim on the above dividends and shares may claim the same from the IEPF Authority by submitting an online application in the prescribed web-Form No.IEPF-5 available on the website www.iepf.gov.in and send a physical copy, duly self-certified, of the said Form and acknowledgement along with requisite documents, as enumerated in the Instruction Kit, to the Company. No claims shall lie against the Company in respect of the dividend/shares so transferred. The Members/Claimants can file only one consolidated claim in a financial year as per the IEPF Rules.

Considering the above, there are no shares lying in the suspense account of the Company under Regulation 39(4) of the SEBI Listing Regulations.

The Company strongly recommends shareholders to encash / claim their respective dividend within the period given below from the Company's Registrar and Share Transfer Agents:

Financial Year	Date of Declaration	Last date for claiming dividend	Unclaimed Dividend (as on 31.03.2021) (₹)	
			Ordinary Shares	'A' Ordinary Shares
2013-14	July 31, 2014	August 30, 2021	1,60,64,052.00	1,88,790.00
2014-15	No dividend was declared	-	-	
2015-16	August 9, 2016	September 8, 2023	29,27,290.00	1,28,230.00
2016-17	No dividend was declared	-	-	
2017-18	No dividend was declared	-	-	
2018-19	No dividend was declared	-	-	
2019-20	No dividend was declared	-	-	

Whilst the Company's Registrar has already written to the Members, Debenture holders and Depositors informing them about the due dates for transfer to IEPF for unclaimed dividends/interest payments, attention of the stakeholders is again drawn to this matter through the Annual Report. The data on unpaid / unclaimed dividend and other unclaimed monies is also available on the Company's website at https://www.tatamotors.com/investor/iepf/. Investors who have not yet encashed their unclaimed/ unpaid amounts are requested to correspond with the Company's Registrar and Transfer Agents, at the earliest. Members may refer to the Refund Procedure for claiming the aforementioned amounts transferred to the IEPF Authority as detailed on http://www.iepf.gov.in/IEPF/refund.html.

Mr Hoshang K Sethna, Company Secretary, is the IEPF Nodal Officer. His contact details are - Tata Motors Limited, Bombay House, 24, Homi Mody Street, Mumbai - 400 001, India. Tel: 91 22 6665 7824 Email: nodalofficer.iepf@tatamotors.com

(ii) Upto March 31, 2021, the Company has transferred ₹44,25,72,848.34 to IEPF, including the following amounts during the year.

Particulars	FY 2020-21 (₹)
Unpaid dividend amounts of the Company	1,55,73,105.00
Application moneys received for allotment of any securities and due for refund	-
Unpaid matured deposit with the Company	36,90,000.00
Unpaid matured debentures with the Company	-
Interest accrued on application money due for refund, unpaid matured deposits and debentures with the Company	2,66,455.00
Sale proceeds of fractional shares arising out of issuance of bonus shares, merger and amalgamation	-
Redemption amount of preference shares	-
Grants and donation	-
Others	-
Total	**1,95,29,560.00**

DISTRIBUTION OF SHAREHOLDING AS AT MARCH 31, 2021

Ordinary Shares

Range of Shares	No. of Shares				No. of shareholders			
	No. of Shares	Physical Form (%)	Demat Form (%)	% of Capital	No. of Holders	Physical Form (%)	Demat Form (%)	% of Capital
1 – 500	156,521,113	0.09	4.62	4.71	1,939,201	0.94	91.29	92.23
501 – 1,000	63,988,824	0.07	1.86	1.93	84,968	0.16	3.88	4.04
1,001 – 2,000	62,526,438	0.10	1.78	1.88	43,103	0.11	1.94	2.05
2,001 – 5,000	76,477,582	0.12	2.18	2.30	24,520	0.06	1.10	1.16
5,001 -10,000	46,648,392	0.06	1.35	1.41	6,651	0.02	0.30	0.32
10,001-1,00,000	83,919,860	0.08	2.45	2.53	3,584	0.01	0.16	0.17
Above 1,00,001	2,830,225,556	0.06	85.18	85.24	569	0.00	0.03	0.03
Total	**3,320,307,765**	**0.58**	**99.42**	**100.00**	**2,102,596**	**1.30**	**98.70**	**100.00**

'A' Ordinary Shares

Range of Shares	No. of Shares				No. of shareholders			
	No. of Shares	Physical Form (%)	Demat Form (%)	% of Capital	No. of Holders	Physical Form (%)	Demat Form (%)	% of Capital
1 – 500	24,827,632	0.01	4.87	4.88	209,902	0.26	83.30	83.56
501 – 1,000	14,784,740	0.01	2.90	2.91	18,746	0.01	7.45	7.46
1,001 – 2,000	15,816,252	0.00	3.11	3.11	10,569	0.01	4.20	4.21
2,001 – 5,000	23,417,278	0.00	4.61	4.61	7,242	0.00	2.88	2.88
5,001 -10,000	18,178,727	0.00	3.57	3.57	2,477	0.00	0.99	0.99
10,001-1,00,000	51,869,387	0.00	10.20	10.20	2,004	0.00	0.80	0.80
Above 1,00,001	359,608,880	0.00	70.72	70.72	258	0.00	0.10	0.10
Total	**508,502,896**	**0.02**	**99.98**	**100.00**	**251,198**	**0.28**	**99.72**	**100.00**

COMBINED SHAREHOLDING PATTERN (ORDINARY & 'A' ORDINARY SHARES)

i) Category-wise Share Holding

	Category of Shareholders	No. of Shares held at the beginning of the year i.e. 01.04.2020				No. of Shares held at the end of the year i.e. 31.03.2021				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Promoters									
(1)	Indian									
(a)	Individuals / Hindu Undivided Family	0	0	0	0	0	0	0	0	0
(b)	Central Government / State Governments(s)	0	0	0	0	0	0	0	0	0
(c)	Bodies Corporate	1,336,765,206	0	1,336,765,206	37.16	1,579,887,957	0	1,579,887,957	41.26	4.1
(d)	Financial Institutions / Banks	0	0	0	0	0	0	0	0	0
(e)	Any Other (Trust)	0	0	0	0	0	0	0	0	0
Sub-Total (A) (1)		**1,336,765,206**	**0**	**1,336,765,206**	**37.16**	**1,579,887,957**	**0**	**1,579,887,957**	**41.26**	**4.1**
(2)	Foreign				0					0
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0	0	0	0	0	0
(b)	Bodies Corporate	0	0	0	0	0	0	0	0	0
(c)	Institutions	0	0	0	0	0	0	0	0	0
(d)	Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
(e)	Any Other (specify)	0	0	0	0	0	0	0	0	0
Sub-Total (A) (2)										
Total Shareholding of Promoter and Promoter Group (A)		**1,336,765,206**	**0**	**1,336,765,206**	**37.16**	**1,579,887,957**	**0**	**1,579,887,957**	**41.26**	**4.1**

	Category of Shareholders	No. of Shares held at the beginning of the year i.e. 01.04.2020				No. of Shares held at the end of the year i.e. 31.03.2021				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(B)	Public Shareholding									
(1)	Institutions									
(a)	Mutual Funds / UTI	356,045,589	71,340	356,116,929	9.9	289,237,886	61,790	289,299,676	7.56	-2.34
(b)	Financial Institutions / Banks	12,101,131	248,470	12,349,601	0.34	1,901,757	241,890	2,143,647	0.06	-0.29
(c)	Central Government / State Government(s)	27,901,140	2,013,905	29,915,045	0.83	27,901,140	2,013,905	29,915,045	0.78	-0.05
(d)	Venture Capital Funds	0	0	0	0	0	0	0	0	0
(e)	Alternate Investment Funds	4,511,059	0	4,511,059	0.13	9,622,100	0	9,622,100	0.25	0.13
(f)	Insurance Companies	217,654,126	800	217,654,926	6.05	197,015,296	800	197,016,096	5.15	-0.9
(g)	Foreign Institutional Investors	424,011	23,940	447,951	0.01	109,992	23,940	133,932	0	-0.01
(h)	Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
(i)	Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
(j)	Any Other (specify)									
(j-i)	Foreign Portfolio Investors (Corporate)	664,737,012	0	664,737,012	18.48	577,112,949	0	577,112,949	15.07	-3.4
(j-ii)	Foreign Bodies - DR	395,469	0	395,469	0.01	372,144	0	372,144	0.01	0
(j-iii)	Foreign Nationals - DR	991	0	991	0	199	0	199	0	0
(j-iv)	Foreign Institutional Investors - DR	0	0	0	0	0	0	0	0	0
(j-v)	Provident Funds/ Pension Funds	0	0	0	0	20,909,663	0	20,909,663	0.55	0.55
(j-vi)	LLP -DR	0	0	0	0	0	0	0	0	0
Sub-Total (B) (1)		**1,283,770,528**	**2,358,455**	**1,286,128,983**	**35.75**	**1,124,183,126**	**2,342,325**	**1,126,525,451**	**29.42**	**-6.33**
(2)	Non-Institutions									
(a)	Bodies Corporate	22,210,749	407,985	22,618,734	0.63	31,029,209	399,930	31,429,139	0.82	0.19
(b)	Individuals -								0	
i	Individual shareholders holding nominal share capital upto ₹1 lakh	478,415,319	15,051,337	493,466,656	13.72	536,015,173	14,298,273	550,313,446	14.37	0.66
ii	Individual shareholders holding nominal share capital in excess of ₹1 lakh	34,527,106	334,975	34,862,081	0.97	131,189,396	334,975	131,524,371	3.44	2.47
(c)	Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
(d)	Any Other									
(d-i)	NBFCs registered with RBI	59,140	0	59,140	0	270,478	0	270,478	0.01	0.01
(d-ii)	Non Resident Indians	28,348,896	2,062,710	30,411,606	0.85	29,662,733	2,015,305	31,678,038	0.83	-0.02
(d-iii)	Clearing Member	39,508,931	0	39,508,931	1.1	15,328,696	0	15,328,696	0.4	-0.7
(d-iv)	Trust	25,787,392	1,750	25,789,142	0.72	3,104,846	1,750	3,106,596	0.08	-0.64
(d-v)	OCBs/Foreign Cos	0	0	0	0	0	0	0	0	0
(d-vi)	QIB - Insurance Regd. with IRDA	2,496,096	0	2,496,096	0.07	0	0	0	0	-0.07
(d-vii)	IEPF Suspense A/C	4,576,850	0	4,576,850	0.13	5,031,324	0	5,031,324	0.13	0
Sub-total (B) (2)		**635,930,479**	**17,858,757**	**653,789,236**	**18.17**	**751,631,855**	**17,050,233**	**768,682,088**	**20.08**	**1.9**
Total Public Shareholding (B) = (B)(1)+(B)(2)		**1,919,701,007**	**20,217,212**	**1,939,918,219**	**53.92**	**1,875,814,981**	**19,392,558**	**1,895,207,539**	**49.5**	**-4.43**
TOTAL (A)+(B)		**3,256,466,213**	**20,217,212**	**3,276,683,425**	**91.08**	**3,455,702,938**	**19,392,558**	**3,475,095,496**	**90.76**	**-0.32**
(C)	Shares held by Custodians and against which Depository Receipts have been issued									
(1)	Promoter and Promoter Group									
(2)	Public	320,773,115	20,250	320,793,365	8.92	353,694,915	20,250	353,715,165	9.24	0.32
GRAND TOTAL (A)+(B)+(C)		**3,577,239,328**	**20,237,462**	**3,597,476,790**	**100**	**3,809,397,853**	**19,412,808**	**3,828,810,661**	**100**	**0**

ii) Top 10 Shareholders as on March 31, 2021:

Sr. No.	Name of the Shareholder	Number of Equity Shares held	Percentage of holding
1	Tata Sons Private Limited	1,490,625,082	38.93
2	Life Insurance Corporation of India	138,645,433	3.62
3	ICICI Prudential Value Discovery Fund	79,264,669	2.07
4	HDFC Trustee Company Limited - HDFC Tax Saverfund	54,059,061	1.41
5	Jhunjhunwala Rakesh Radheshyam	42,750,000	1.12
6	SBI-ETF Nifty 50	36,668,836	0.96
7	Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Funds	33,148,221	0.87
8	Government Pension Fund Global	32,379,818	0.85
9	UTI - Nifty Exchange Traded Fund	26,881,373	0.70
10	Kuwait Investment Authority Fund	26,262,383	0.69

Note: Shareholding of Top 10 is consolidated based on Permanent Account Number of the shareholder.

DEMATERIALISATION OF SHARES

The Company's Ordinary and 'A' Ordinary Shares are tradable compulsorily in electronic form. The electronic holding of the shares as on March 31, 2021 through the National Securities Depository Limited (NSDL) and the Central Depository Services Limited (CDSL) are as follows:

Particulars	Ordinary Shares (%)		'A' Ordinary Shares (%)	
	2021	2020	2021	2020
NSDL	93.38	94.26	85.04	91.48
CDSL	6.04	5.09	14.94	8.49
Total	**99.42**	**99.35**	**99.98**	**99.97**

OUTSTANDING SECURITIES

Outstanding Depositary Receipts/Warrants or Convertible instruments, conversion / maturity date and likely impact on equity as on March 31, 2021 are as follows:

- **Depositary Receipts:** The Company has 7,07,43,033 ADRs listed on the New York Stock Exchange as on March 31, 2021. Each Depository Receipt represents 5 underlying Ordinary Shares of ₹2/- each.

Listing on Foreign Stock Exchange	New York Stock Exchange (NYSE)
Security Type	ADRs
ISIN	US8765685024
Stock Code / Ticker	TTM
Address	NYSE, 20 Broad Street, New York, NY 10005

Overseas Depository	Domestic Custodian
Citibank N.A., 388 Greenwich Street, 14th Floor, New York, NY 10013	Citibank N.A., Trent House, 3rd Floor, G-60, Bandra Kurla Complex, Bandra (East), Mumbai 400 051

- **Senior Unsecured Notes:** The details of outstanding Senior Unsecured Notes aggregating US$ 550 million, are given hereunder:

Security Type	ISIN	Issue Size (US$)	Yield per annum (%)	Date of Issue	Date of Maturity	Listing
Senior Unsecured Notes	XS2079668609	300,000,000	5.875%	November 20, 2019	May 20, 2025	Singapore Stock Exchange
Senior Unsecured Notes	XS1121908211	250,000,000	5.750%	October 30, 2014	October 30, 2024	

During the FY 2020-21 4.625% Senior Unsecured Notes, bearing ISIN XS1121907676 and with an issue size of US$262,532,000 were redeemed upon attaining maturity on April 30, 2020.

- For details pertaining to outstanding warrants and other convertible instruments issued by the Company, kindly refer to point no. (viii) under the "Disclosures" section of this Corporate Governance Report.
- The following Non-Convertible Debentures are listed on NSE and BSE under Wholesale Debt Market segment*:

Series No.	Stock Exchange Listing	ISIN	Principal Amount (₹ in crores)	Yield to Maturity (%)	Date of Maturity
E26B	NSE	INE155A08191	300	9.81	August 20, 2024
E26C	NSE	INE155A08209	200	9.77	September 12, 2024
E26E	NSE & BSE	INE155A08233	400	9.60	October 29, 2022
E26F	NSE & BSE	INE155A08241	400	9.35	November 10, 2023
E26G	NSE & BSE	INE155A08258	300	9.02	December 10, 2021
E27B	NSE & BSE	INE155A08282	300	8.40	May 26, 2021
E27E	NSE & BSE	INE155A08316	300	7.50	October 20, 2021
E27F	NSE & BSE	INE155A08324	500	7.71	March 3, 2022
E27G	NSE & BSE	INE155A08332	500	7.84	September 27, 2021
E27H	NSE & BSE	INE155A08340	500	7.50	June 22, 2022
E27I (Tranche II)	NSE & BSE	INE155A08365	500	7.40	June 29, 2021
E28A (Tranche I)	NSE & BSE	INE155A08381	200	9.27	June 30, 2023
E28 A (Tranche II)	NSE & BSE	INE155A08373	200	9.31	September 29, 2023
E28A (Tranche III)	NSE & BSE	INE155A08399	100	9.54	June 28, 2024
E28B (Tranche I)	NSE & BSE	INE155A08407	250	8.50	December 30, 2026
E28B (Tranche II)	NSE & BSE	INE155A08415	250	8.50	January 29, 2027
E29A	NSE & BSE	INE155A07284	1000	8.80	May 26, 2023

*Detailed information on the above debentures is included in the 'Notes to Accounts'.

During the year, the following Non-Convertible Debentures (NCDs) were redeemed:

- 9.90% E23A Series of NCDs (ISIN: INE155A08043) of ₹150 crores on May 7, 2020;
- 9.75% E23B Series of NCDs (ISIN: INE155A08050) of ₹100 crores on May 24, 2020;
- 9.70% E23C Series of NCDs (ISIN: INE155A08068) of ₹150 crores on June 18, 2020;
- 9.73% E26D (Option II) Series of NCDs (ISIN: INE155A08225) of ₹400 crores on October 1, 2020; and
- 7.28% E27I (Tranche 1) Series of NCDs (ISIN: INE155A08357) of ₹500 crores on July 29, 2020.

Debenture Trustee: Vistra ITCL (India) Limited, situated at the IL&FS Financial Centre, 7th Floor, Plot C- 22, G Block, Bandra Kurla Complex, Bandra (E), Mumbai 400051, are the debenture trustees for all the aforementioned NCD's issued by the Company. They may be contacted at Tel.: +91 22 2659 3333, Fax: + 91 22 2653 3297, Email id: itclcomplianceofficer@vistra.com.

PLANT LOCATIONS

Location	Range of Products Produced
Pimpri, Pune – 411 018; Chikhali, Pune – 410 501; Chinchwad, Pune – 411 033	Medium and Heavy Commercial Vehicles (M&HCVs), Intermediate & Light Commercial Vehicles (ILCVs), Small Commercial Vehicles – Pickups (SCVs), Winger (Vans), Utility Vehicles (UVs) and Cars
Jamshedpur – 831 010	Intermediate Commercial Vehicles (ICVs) and M&HCVs
Chinhat Industrial Area, Dewa Road,Chinhat, Lucknow – 226 019	ICVs, M&HCVs and LCVs
Plot No. 1, Sector 11 and Plot No. 14, Sector 12, I.I.E., Pantnagar, District Udhamsingh Nagar, Uttarakhand – 263 145	SCVs
Revenue Survey No. 1, Village Northkotpura, Tal, Sanand, Dist. Ahmedabad – 380 015	Cars
KIADB Block II, Belur Industrial Area, Mummigatti Post, Dharwad – 580 011	SCVs, LCVs, ICVs, M&HCVs, Electric Vehicles and Buses

ADDRESS FOR CORRESPONDENCE

For Investor Queries

Retail / HNI Investors	Institutional Investors
Mr H K Sethna, Company Secretary	Mr V B Somaiya, Head (Treasury & Investor Relations)
Bombay House,24, Homi Mody Street,	3rd floor, Nanavati Mahalaya,18, Homi Mody Street,
Mumbai - 400 001, INDIA	Mumbai - 400 001, INDIA
Phone : 91-22- 6665 7824	Phone : 91-22-6665 8282
E-Mail : inv_rel@tatamotors.com	E-Mail : ir_tml@tatamotors.com

For Fixed Deposit, Rights Issue and other Share related queries

Kindly refer details mentioned herein above under the head "Registrar and Transfer Agents"

CREDIT RATINGS

Credit ratings obtained along with revisions thereto during FY 2020-21, for all debt instruments in India and abroad:

Rating Agency	Period	Credit Rating	
		Short-Term	Long-Term
CARE Ratings Limited	As on April 1, 2020	CARE A1+	CARE AA- / Negative
	March 17, 2021	CARE A1+	CARE AA- / Stable
CRISIL	As on April 1, 2020	CRISIL A1+	CRISIL AA- / Negative
	March 15, 2021	CRISIL A1+	CRISIL AA- / Stable
ICRA Limited	As on April 1, 2020	ICRA A1+	ICRA AA- / Negative
	February 16, 2021	ICRA A1+	ICRA AA- / Stable
MOODY's Investors Service	As on April 1, 2020		Ba3 / Watch Negative
	June 18, 2020		B1 / Negative
Standard & Poor's	As on April 1, 2020		B+ / Negative
	April 2, 2020		B / Stable
	November 4, 2020		B / Negative

SUBSIDIARY COMPANIES

During FY 2020-21, as per the provisions of Regulations 16 and 24 of the SEBI Listing Regulations, Ms Hanne Sorensen, ID is on the Boards of Jaguar Land Rover Automotive plc, Jaguar Land Rover Limited and Jaguar Land Rover Holdings Limited, which have been identified as material unlisted subsidiary companies.

In addition to the above, Ms Vedika Bhandarkar, ID is on the Boards of Tata Motors Finance Limited, Tata Motors Finance Solutions Limited and TMF Holdings Limited, which have been identified as strategically important subsidiary companies.

The Company adopted a Policy for Determining Material Subsidiaries of the Company, pursuant to Regulation 16(1)(c) of the SEBI Listing Regulations. This policy is available on the Company's website at https://investors.tatamotors.com/pdf/material.pdf, pursuant to Regulation 46(2) of the SEBI Listing Regulations.

The Audit Committee also has a meeting wherein the CEO and CFO of subsidiary companies make a presentation on significant issues in audit, internal control, risk management, etc. Significant issues pertaining to subsidiary companies are also discussed at Audit Committee meetings of the Company.

The minutes of the subsidiary companies are placed before the Board of Directors of the Company on a quarterly basis and the attention of the Directors is drawn to significant transactions and arrangements entered into by the subsidiary companies. The performance of its subsidiaries is also reviewed by the Board periodically.

The Company is compliant with other requirements under Regulation 24 of the SEBI Listing Regulations with regard to its subsidiary companies.

DISCLOSURES

i. Details of transactions with related parties as specified in Indian Accounting Standards (IND AS 24) have been reported in the Financial Statements. During the year under review, there was no transaction of a material nature with any of the related parties, which was in conflict with the interests of the Company. The Audit Committee takes into consideration the management representation and an independent audit consultant's report, whilst scrutinizing and approving all related party transactions, from the perspective of fulfilling the criteria of meeting arms' length pricing and being transacted in the ordinary course of business. During the period, all transactions with related parties entered into by the Company were in the ordinary course of business and on an arm's length basis, were approved by the Audit Committee. The detailed Policy on Related Party Transactions is available on the website of the Company at https://investors.tatamotors.com/pdf/rpt-policy.pdf.

ii. The Company has complied with various rules and regulations prescribed by the Stock Exchanges, Securities and Exchange Board of India ('SEBI') or any other statutory authority relating to the capital markets during the last 3 years. No penalties or strictures have been imposed by them on the Company except as mentioned below:

The Securities and Exchange Board of India vide order dated March 6, 2018, had issued directions for the Company to conduct an internal inquiry into the leakage of information relating to its financial results for the quarter ended December 2015.

The Company has taken various steps to strengthen and improve communications within the Company and amongst designated employees, too prevent leakages and to restrict communication of Unpublished Price Sensitive Information to restricted few and that too with encrypted password protected files. These steps have been communicated to SEBI assuring them that the highest degree of importance was accorded to strict adherence of all applicable regulatory and legal requirements at Tata Motors Limited. There has been no further communication after November 20, 2020.

iii. In accordance with the provisions of the Act and Regulation 22 of the SEBI Listing Regulations the Company has in place a Vigil Mechanism and a Whistle-Blower Policy duly approved by the Audit Committee which provides a formal mechanism for all Directors and employees of the Company to approach the Management of the Company (Audit Committee in case where the concern involves the Senior Management) 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 Company affirms that no director or employee of the Company has been denied access to the Audit Committee Chairperson.

The Company has revised the Whistle-Blower Policy to insert updation of the new channel details (toll free numbers and web-portal), addition of a reference of Apex Ethics Committee at relevant places and restructuring of some clauses to bring in more clarity and the revised policy was approved by the Board at its meeting held on October 27, 2020. Kindly refer to the Company's website https://investors.tatamotors.com/pdf/whistle-blower-policy.pdf for the detailed Whistle-Blower Policy of Company.

iv. Prevention of Insider Trading Code: In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, ('SEBI Insider Trading Regulations') the Board of Directors of the Company has during the year revised the adopted the Tata Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices ('Insider Trading Code') in order to align the same with recent amendments in the SEBI Insider Trading Regulations. All the Directors, employees and third parties such as auditors, consultants etc. who could have access to the UPSI of the Company are governed by this Insider Trading Code. The trading window is closed during the time of declaration of results and occurrence of any material events as per the Insider Trading Code. Mr P B Balaji, the Group CFO, is the Compliance Officer, responsible for setting forth procedures and implementation of the Insider Trading Code for trading in the Company's securities. Kindly also refer to details disclosed in point (ii) above.

v. The Company has complied with all the mandatory requirements of Corporate Governance as specified in sub-paras (2) to (10) of Part C of Schedule V of the SEBI Listing Regulations and disclosures on compliance with corporate governance requirements specified in Regulations 17 to 27 have been included in the relevant sections of this report.

vi. The Company also fulfilled the following non-mandatory requirements as specified in Part E of the Schedule II of the SEBI Listing Regulations:

- **Maintenance of Chairman's office:** The Non-Executive Chairman has a separate office which is not maintained by the Company.
- **Shareholder Rights:** The half-yearly financial performance of the Company is sent to all the Members whose e-mail IDs are registered with the Company / Depositories. The results are also available on the Company's website https://www.tatamotors.com/investors/results-press-releases/
- **Modified opinion in Audit Report:** During the year under review, there was no audit qualification in the Auditors' Report on the Company's financial statements. The Company continues to adopt best practices to ensure a regime of unqualified financial statements.
- **Reporting of Internal Auditor:** The Chief Internal Auditor reports to the Audit Committee of the Company, to ensure independence of the Internal Audit function.

vii. Commodity price risk or foreign exchange risk and hedging activities:

During the FY 2020-21 the Company had managed the foreign exchange and commodity price risk and hedged to the extent considered necessary. The Company enters into forward contracts for hedging foreign exchange and commodity exposures against exports and imports. The details of foreign currency and commodity exposure are disclosed in Note No.42(c)(i)(a), 42(c)(iv) and 42(c)(v) to the Standalone Financial Statements.

a. Total exposure of the Company to commodities: ₹11,038 crore

b. Exposure of the Company to various Commodities:

Commodity Name	Exposure in ₹ towards a particular commodity	Exposure in quantity terms towards a particular commodity	% of such exposure hedged through commodity derivatives				
			Domestic Market		International Market		Total
			OTC	Exchange	OTC	Exchange	
Raw Material (majorly Steel)	₹10,220 crores	Note 1	-	-	-	-	-
Aluminum, Copper & Lead	₹818 crores	0.04 Million Metric Tons	-	-	-	-	-

Notes: (1). Mixture of commodities having different Unit of measurements; (2). Above values are estimates; and (3). Exposure given above is relating to direct materials only.

c. Commodity risks faced by the Company during the year and measures adopted to combat the same:

FY 2020-21 saw major demand supply imbalance, leading to spike in commodity prices, impacting the industry as a whole. The Company is running comprehensive campaigns to offset the impact of such cost pressures.

viii. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)

During the year ended March 31, 2020, the Company had allotted 20,16,23,407 Ordinary Shares at a price of ₹150 per Ordinary Share aggregating to ₹3,024.35 crores and 23,13,33,871 Convertible Warrants ('Warrants'), each carrying a right to subscribe to one Ordinary Share per Warrant, at a price of ₹150 per Warrant ('Warrant Price'), aggregating to ₹3,470.00 crores on a preferential basis to Tata Sons Private Limited. An amount equivalent to 25% of the Warrant Price was paid at the time of subscription and the balance 75% of the Warrant Price was payable by the Warrant holder against each Warrant at the time of allotment of Ordinary Shares pursuant to exercise of the options attached to Warrant(s) to subscribe to Ordinary Share(s) by June 2021.The Company has fully utilised the amount of ₹3,891.85 crores towards repayment of debt, and other general corporate purposes of the Company and its subsidiaries.

During the quarter and year ended March 31, 2021, on exercise of options by Tata Sons Private Limited and on receipt of the balance subscription money of ₹2,602.51 crores, the Company has fully converted 23,13,33,871 convertible warrants into Ordinary Shares, that were issued during the year ended March 31, 2020. The Company has not utilised any of this amount as at March 31, 2021.

ix. None of the Directors of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India or the Ministry of Corporate Affairs or any such statutory authority. A Certificate to this effect, duly signed by the Practicing Company Secretary is annexed to this Report.

x. As per the provisions of the Act and in compliance with Regulation 25(10) of the Listing Regulations, the Company has taken a Directors and Officers Liability Insurance (D&O) on behalf of all Directors including IDs, Officers, Managers and Employees of the Company for indemnifying any of them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the Company.

xi. The Company and its Subsidiaries on a consolidated basis have paid ₹79.721 crores to the Statutory Auditors and to all entities in their network firm. For details please refer to the Note No. 37 in the Consolidated Financial Statements.

xii. Pursuant to the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has established an appropriate mechanism for dealing with complaints in relation to Sexual Harassment of Women at Workplace, in accordance with its Policy on Prevention of Sexual Harassment at Workplace ('POSH'). For disclosure regarding the number of complaints filed, disposed of and pending, please refer to the Board's Report.

xiii. The Company is in compliance with the disclosures required to be made under this report in accordance with Regulation 34(3) read together with Schedule V(C) to the SEBI Listing Regulations.

xiv. Appropriate information has been placed on the Company's website pursuant to clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations.

Information on the Company's website, regarding key policies, codes and charters, adopted by the Company:

Name of Policy, Code or Charter	Brief Description	Web Link
Terms of Appointment of IDs	Relevant extracts form the appointment letter issued to IDs detailing the broad terms and conditions of their appointment.	https://investors.tatamotors.com/pdf/Terms-of-Appointment-ID.pdf
Board Committees	The composition of various committees of the Board	https://www.tatamotors.com/about-us/leadership/
Tata Code of Conduct	Represents the values and core principles that guide the conduct of every Tata business. The Code lays down the ethical standards that Tata colleagues need to observe in their professional lives. a) For Whole-time Directors & Employees b) For NINEDs and IDs	https://www.tatamotors.com/wp-content uploads/2015/10/09042523/tata-code-of-conduct1.pdf https://investors.tatamotors.com/pdf/ned-id.pdf
Whistleblower Policy (Vigil Mechanism)(1)	The Whistleblower policy has been formulated for Directors and employees of the Company to report concerns about unethical behavior, actual or suspected fraud or violation of the Tata Code of Conduct.	https://investors.tatamotors.com/pdf/whistle-blower-policy.pdf
Policy on Related Party Transactions (2)	The Company has in place a Policy on Related Party Transactions setting out: (a) the materiality thresholds for related parties; and (b) the manner of dealing with transactions between the Company and related parties, including omnibus approvals by Audit Committee based on the provisions of the Act and Regulation 23 of the SEBI Listing Regulations.	https://investors.tatamotors.com/pdf/rpt-policy.pdf
Policy for determining Material Subsidiaries(1)	This policy is determine material subsidiaries and material non-listed Indian subsidiaries of the Company and to provide governance framework for them.	https://investors.tatamotors.com/pdf/material.pdf
Familiarisation Programme	For IDs through various programmes/ presentations.	https://investors.tatamotors.com/pdf/familiarisation-programme-independent-directors.pdf
Unpaid Dividend Account Details	Statement of unclaimed and unpaid amounts to be transferred to the IEPF.	https://www.tatamotors.com/investors/iepf/
Corporate Social Responsibility Policy	The policy outlines the Company's strategy to bring about a positive impact on society through programmes focusing on Health, Education, Employability and Environment interventions for relevant target groups, ensuring diversity and giving preference to needy and deserving communities inhabiting urban India.	https://investors.tatamotors.com/pdf/csr-policy.pdf
Audit Committee Charter	Inter alia outlines the terms of reference, composition, quorum, meeting requirements, authority and responsibility of the Audit Committee of the Company.	https://investors.tatamotors.com/pdf/audit_committee_charter.pdf
Policy for Approval of Services to be rendered by the Auditors	For the Audit Committee to oversee the services rendered by the Auditors to the Tata Motors Group and the payment for the said services so as to ensure that the Auditors function in an independent manner.	https://www.tatamotors.com/investors/pdf/auditfee-policy.pdf
Policy on determination of Materiality for Disclosure of Event / Information	This policy pursuant to the Regulation 30 of the SEBI Listing Regulations applies to disclosures of material events affecting the Company and its subsidiaries. This policy is in addition to the Company's corporate policy.	https://investors.tatamotors.com/pdf/materiality.pdf
Content Archiving Policy	The policy pursuant to the Regulation 9 of the SEBI Listing Regulations provides guidelines for archiving corporate records and documents as statutorily required by the Company.	https://investors.tatamotors.com/pdf/content-archiving-policy.pdf
Code of Corporate Disclosure Practices (2)	This policy is aimed at providing timely, adequate, uniform and universal dissemination of information and disclosure of Unpublished Price Sensitive Information outside the Company in order to provide accurate and timely communication to our shareholders and the financial markets.	https://investors.tatamotors.com/pdf/CodeCorporateDisclosure.pdf
Dividend Distribution Policy	This policy pursuant to the Regulation 43A of the SEBI Listing Regulations outlines the financial parameters and factors that are to be considered whilst declaring dividend.	https://investors.tatamotors.com/pdf/dividend-distribution-policy.pdf
Remuneration Policy	This policy formulates the criteria for determining qualifications, competencies, positive attributes and independence for the appointment of a director (executive / non-executive) and also the criteria for determining the remuneration of the directors, key managerial personnel, senior management and other employees.	https://investors.tatamotors.com/pdf/directors-appointment-remuneration.pdf

(1) Revised in line with the requirements under the SEBI Listing Regulations.

(2) Revised in line with the requirements under the SEBI Insider Trading Regulations.

On behalf of the Board of Directors

N Chandrasekaran
Chairman
(DIN: 00121863)

Mumbai, May 18, 2021

DECLARATION BY THE CEO UNDER REGULATION 26(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 REGARDING ADHERENCE TO THE CODE OF CONDUCT

Pursuant to Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management personnel of the Company have affirmed compliance to their respective Codes of Conduct, as applicable to them for the Financial Year ended March 31, 2021.

For Tata Motors Limited

Guenter Butschek
CEO & MD
(DIN: 07427375)

Mumbai, May 18, 2021

CEO/CFO CERTIFICATION IN RESPECT OF FINANCIAL STATEMENTS AND CASH FLOW STATEMENT (PURSUANT TO REGULATION 17 (8) OF SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS), REGULATIONS, 2015 FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

We have reviewed the Financial Statements and the Cash Flow Statement for the year ended March 31, 2021 and we hereby certify and confirm to the best of our knowledge and belief the following:

a. The Financial Statements and Cash Flow statement do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

b. The Financial Statements and the Cash Flow Statement together present a true and fair view of the affairs of the Company and are in compliance with existing accounting standards, applicable laws and regulations.

c. There are no transactions entered in to by the Company during the year ended March 31, 2021 which are fraudulent, illegal or violative of Company's Code of Conduct.

d. We accept responsibility for establishing and maintaining internal controls for Financial Reporting and we have evaluated the effectiveness of these internal control systems of the Company pertaining to financial reporting. Deficiencies noted, if any, are discussed with the Auditors and Audit Committee, as appropriate, and suitable actions are taken to rectify the same.

e. There have been no significant changes in the above-mentioned internal controls over financial reporting during the relevant period.

f. That there have been no significant changes in the accounting policies during the relevant period.

g. We have not noticed any significant fraud particularly those involving the, management or an employee having a significant role in the Company's internal control system over Financial Reporting

For Tata Motors Limited

Guenter Butschek
CEO & MD
DIN: 07427375

P B Balaji
Tata Motors Group
Chief Financial Officer

Mumbai, May 18, 2021

PRACTISING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF
TATA MOTORS LIMITED

We have examined the compliance of the conditions of Corporate Governance by Tata Motors Limited ('the Company') for the year ended on March 31, 2021, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2021.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Parikh & Associates**
Practising Company Secretaries

P. N. PARIKH
Partner
FCS: 327 CP: 1228
UDIN: F000327C000338159

Mumbai, May 18, 2021

PRACTISING COMPANY SECRETARIES' CERTIFICATE ON DIRECTORS NON-DISQUALIFICATION

To,
The Members
TATA MOTORS LIMITED
Bombay House,
24, Homi Mody Street,
Mumbai 400001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of TATA MOTORS LIMITED having CIN L28920MH1945PLC004520 and having registered office at Bombay House, 24, Homi Mody Street, Mumbai 400001 (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in Company*
1.	Natarajan Chandrasekaran	00121863	17/01/2017
2.	Om Prakash Bhatt	00548091	09/05/2017
3.	Hanne Birgitte Breinbjerg Sorensen	08035439	03/01/2018
4.	Vedika Bhandarkar	00033808	26/06/2019
5.	Veerayya Chowdary Kosaraju	08485334	27/10/2020
6.	Mitsuhiko Yamashita	08871753	16/09/2020
7.	Thierry Yves Henri Bollore	08935293	27/10/2020
8.	Guenter Karl Butschek	07427375	15/02/2016

* the date of appointment is as per the MCA Portal.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Parikh & Associates**

Practising Company Secretaries

P. N. PARIKH

Partner
FCS: 327 CP: 1228
UDIN: F000327C000338170

Mumbai, May 18, 2021

Independent Auditors' Report

TO THE MEMBERS OF TATA MOTORS LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Tata Motors Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2021, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended , and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information and includes two joint operations consolidated on a proportionate basis.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of other auditor on separate financial statements of one joint operation as was audited by the other auditor, the aforesaid standalone 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 2021, and loss and other comprehensive income, 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 Standalone 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 standalone 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 along with the consideration of audit report of the other auditor referred to in " Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Emphasis of matter

We draw your attention to Note 2(d) to these standalone financial statements, which describes the economic and social consequences/disruption the Company is facing as a result of COVID-19 which is impacting supply chains/consumer demand/financial markets/commodity prices/personnel available for work.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter

Key audit matter	How the matter was addressed in our audit
Assessment of indicators of impairment reversal of property, plant and equipment and intangible assets of the passenger vehicles cash generating unit	
The Company periodically assesses if there are any triggers for reversal of previously recognised impairment loss in respect of its passenger vehicle cash generating unit (CGU). In making this determination , the Company considers both internal and external sources of information to determine whether there is an indicator of impairment reversal and, accordingly , whether the recoverable amount of the CGU needs to be estimated. An impairment loss accounted in earlier years is reversed if the recoverable amount is higher than the carrying value. The recoverable amount is determined based on the higher of value in use (VIU) and fair value less costs to sell (FVLCS) . As at 31 March 2021, the Company determined the recoverable amount of this CGU to be ₹14,169 crores, being the FVLCS, and reversed the impairment loss. After reversal of the impairment loss, the carrying value of net assets for this CGU was ₹7,750 crores as at 31 March 2021. This assessment of indicators of impairment reversal is considered to be a key audit matter due to the significant judgment required to assess the internal and external sources of information. (Refer notes 2(q) and 6(a) of the standalone financial statements.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence **Test of Controls:** • We evaluated the design and tested the operating effectiveness of the key control over the assessment of indicators of impairment reversal. **Test of Details:** • We assessed internal and external sources of information used by the Company to determine that there are indicators of impairment reversal. • In performing the above assessment we have examined: – The growth in total industry volume in current year and growth estimates as per industry forecasts. – The increase in share price of the Company during the current year and the market capitalisation attributable to the passenger vehicles CGU. – The improvement in sales multiple as per analyst report as compared to previous year. – The growth in the sales volume of the Company in the current year. – The increase in market share of the Company in the current year as compared to previous year. – The improvement in the contribution margin earned by the Company. • We also assessed changes in the estimates used to determine the CGU' s recoverable amount. • We involved valuation professionals with specialized skills and knowledge who assisted in evaluating the principles used in selection of comparable companies and assessing the CGU' s enterprise value (i.e. FVLCS) based on comparable companies ' enterprise value to sales multiple. • We performed a sensitivity analysis over the enterprise value to sales multiple to assess the impact on the recoverable amount.

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 audi tors' report thereon.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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' Responsibility for the Standalone 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 standalone 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 including its joint operations , in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Management and Board of Directors of the Company and its joint operations are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the respective 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 accuracy and completeness of the accounting records , relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement , whether due to fraud or error, which have been used for the preparation of the standalone financial statements by the Management and Directors of the Company, as aforesaid .

In preparing the standalone financial statements, the respective Management and Board of Directors of the Company and its joint operations are responsible for assessing the ability of each company 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 respective Board of Directors of the Company and its joint operations is also responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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 in the standalone financial statements 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 standalone 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 standalone 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 (including its joint operations) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company and its joint operations to express an opinion on the standalone financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of the Company and such joint operation included in the standalone annual financial results of which we are the independent auditors. For the other joint operation included in the standalone financial statements, which has been audited by other auditor, such other auditor remains responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in section titled ' Other Matter' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit report of the other auditor referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements .

We communicate with those charged with governance of the Company and such other entities included in the standalone financial statements of which we are the independent auditors 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the financial statements of one joint operation included in the standalone financial statements of the Company, whose financial statements reflect total assets (before consolidation adjustments) of ₹8,039.78 crores as at 31 March 2021, total revenue (before consolidation adjustments) of ₹8,010.01 crores and net profit after tax (before consolidation adjustments) of ₹577.76 crores and net cash inflows (before consolidation adjustments) amounting to ₹720.67 crores for the year ended 31 March 2021, as considered in the standalone financial statements. These financial statements have been audited by other auditor whose report has been furnished to us by the management and our opinion on the standalone financial statements, in so far as it relates to the amounts and disclosures included in respect of this joint operation, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid joint operation is based solely on the audit report of the other auditor.

Our opinion on the standalone financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government 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 for the Company (excluding its joint operations), to the extent applicable.

2. (A) As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements of a joint operation, as were audited by the other auditor as noted in the "Other Matter" paragraph, we report, to the extent applicable, 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 and its joint operations so far as it appears from our examination of those books and the report of the other auditor.

   c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the relevant books of account.

   d) In our opinion, the aforesaid standalone 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 2021 taken on record by the Board of Directors and the report of the statutory auditors of the joint operations , none of the directors of the Company and its joint operations is disqualified as on 31 March 2021 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 its joint operations which are companies incorporated in India 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 Auditors' 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 and based on the consideration of the report of the other auditor on separate financial statements of a joint operation, as noted in the "Other Matter" paragraph:

   i. The standalone financial statements disclose the impact of pending litigations as at 31 March 2021 on the financial position of the Company and its joint operations - Refer Note 39 to the standalone financial statements;

   ii. Provision has been made in the standalone financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts - Refer Note 49 (iii) to the standalone financial statements;

   iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Company or its joint operations incorporated in India during the year ended 31 March 2021;

   iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2021.

   (C) With respect to the matter to be included in the Auditors ' Report under section 197(16):

   We draw your attention to Note 44 to the standalone financial statements for the year ended 31 March 2021 according to which the re-appointment of the CEO and Managing Director for the period 15 February 2021 to 30 June 2021 and the remuneration for this period are subject to approval of the shareholders, which the Company proposes to obtain in the forthcoming Annual General Meeting, in accordance with the provisions of the Companies Act, 2013. Accordingly, the managerial remuneration aggregating ₹2.22 crores paid to the CEO and Managing Director of the Company for the period from 15 February 2021 to 31 March 2021, calculated on a proportionate basis, exceeds the prescribed limits under Section 197 read with Schedule V to the Act, by ₹1.89 crores. This amount excludes Performance and Long Term Incentives , which will be accrued post determination and approval by the Board of Directors of the Company, and such amounts will also exceed the prescribed limits. Further, the Company is also in the process of obtaining Central Government approval since the CEO and Managing Director is a non-resident. We draw attention to Note 36(d) to the standalone financial statements for the year ended 31 March 2021 according to which the remuneration payable to non executive independent directors aggregating ₹1.70 crores is subject to approval of the shareholders, which the Company proposes to obtain in the forthcoming Annual General Meeting, in accordance with the provisions of the Companies Act, 2013. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

   Further, with respect to the joint operations included in the standalone financial statements, based on the reports of statutory auditors of such joint operations, we understand that the joint operations are private limited companies and accordingly matters to be included in Auditor' s report under section 197(16) are not applicable for such joint operations.

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

Shiraz Vastani
Partner
Membership No. 103334
UDIN -21103334AAAAAW6929

Place: Pune
Date: 18 May 2021

Annexure A to the Independent Auditors' Report – 31 March 2021

With reference to the Annexure referred to in paragraph 1 in Report on Other Legal and Regulatory Requirements of the Independent Auditor's Report to the members of the Company on the Standalone financial statements for the year ended 31 March 2021, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular program of physical verification of its fixed assets by which its fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its fixed assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification of fixed assets.

(c) According to the information and explanations given to us, the records examined by us and based on the examination of the registered sale deed /transfer deed /conveyance deed /court orders approving schemes of arrangements /amalgamations provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the Balance Sheet date. In respect of immovable properties that have been taken on lease and disclosed as Right of Use assets in the standalone financial statements, the lease agreements are in the name of the Company , where the Company is the lessee in the agreement.

(ii) The inventory including inventory lying with third parties, except goods-in-transit, has been physically verified by the management during the year. In our opinion , the frequency of such verification is reasonable and adequate in relation to the size of the Company and the nature of its business. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.

(iii) According to information and explanations given to us, the Company has granted loans, secured or unsecured , to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013, in respect of which:

a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.

b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations or as renegotiated.

c) There is no amount overdue for more than 90 days at the Balance Sheet date.

(iv) According to the information and explanations given to us, the Company has complied with provisions of section 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposits during the year. In respect of unclaimed deposits , the Company has complied with the provisions of section 73 to 76 of the Act and the rules framed thereunder.

(vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013 in respect of the products manufactured by the Company. We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under section 148(1) of the Companies Act, 2013 in respect of manufacture of products and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained . However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' state insurance, Income tax, Duty of customs, Goods and services tax and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities, except for Provident fund dues referred to in note 39 to the financial statements. We are informed by the Company that the Employee's State Insurance Act, 1948 is applicable only to certain locations of the Company. With regard to the contribution under the Employee's Deposit Linked Insurance Scheme, 1976 (the scheme), the Company has sought exemption from making contribution to the scheme since it has its own Life Cover Scheme. The Company has made an application on August 31, 2020 seeking an extension of exemption from contribution to the Scheme for a period of 3 years approval of which is awaited. We are further informed by the Company that they have filed for surrender of exemption available to its Pension Trust effective 1 October 2019. We draw attention to note 20(ii) to the financial statements which more fully explains that pending approval of the application for surrender filed, the contributions to the Pension scheme amounting to ₹73.47 crores, from 1 October 2019 to 31 March 2021, have been deposited by the Company in a restricted fixed deposit. As explained to us, the Company does not have dues on account of Sales Tax, Service Tax, Value Added Tax and Duty of Excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' state insurance, Income tax, Duty of customs, Goods and services tax and other material statutory dues were in arrears as at 31 March 2021, for a period of more than six months from the date they became payable . We draw attention to note 39 to the financial statements which more fully explains the matter regarding non-payment of provident fund contribution pursuant to Supreme Court judgement dated 28 February 2019 and also to note 20(ii) to the financial statements which more fully explains that pending approval of the application for surrender filed, the contributions to the Pension scheme from 1 October 2019 to 31 March 2021, have been deposited by the Company in a restricted fixed deposit.

(b) According to the information and explanations given to us, there are no dues of Income tax, Sales tax, Service tax, Value added tax, Goods and services tax, Duty of customs and Duty of excise which have not been deposited by the Company with appropriate authorities on account of any disputes except for the following:

Name of the statute	Nature of dues	Amount (₹ crores)	Amount paid under protest* (₹ crores)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax	2.78	2.78	1982-83, 1991-92 and 1995-96	High Court
		107.62	107.62	2003-04, 2005-06 to 2011-12 and erstwhile Tata Finance Limited 1997-98 to 1999-2000	Income Tax Appellate Tribunal
		137.41	137.38	2012-13 to 2015-2016 and erstwhile Tata Motors Drivelines Limited 2015-16	Commissioner of Income Tax Appeals
Central Excise Act, 1944	Duty of excise	42.95	0.15	1991 - 92, 1992-93, 1993-94, 2002-2003, 2005-06, 2006-07, 2009-10, 2010-2011, 2011-12	High Court
		608.04	25.12	1991-92, 1992-93, 1994-95, 1996-97, 1997-98 and 1999-2000 to 2017-18	The Custom, Excise and Service Tax Appellate Tribunal
		7.54	0.27	1984-85, 1999-2000 to 2017-18	Appellate Authority upto Commissioner's level
Finance Act, 1994	Service tax	1,086.69	10.79	2004-05 to 2013-14	High Court
		147.86	6.22	2004-05 to 2017-18	The Custom, Excise and Service Tax Appellate Tribunal
Sales Tax	Sales tax	13.18	-	1995-96	Supreme Court
		281.49	50.49	1984-85 to 1988-89, 1990-91, 1992-93, 2001-02 to 2005-06, 2007-08 to 2016-17.	High Court
		458.54	16.76	1983-84, 1985-86, 1989-90,1998-99, 2000-01 and 2004-05 to 2015-16	Sales Tax Tribunal
		778.22	28.51	1979-80, 1986-87, 1989-90 to 2017-18	Appellate Authority upto Commissioner's level
Customs Act, 1962	Duty of customs	3.90	3.90	2011-12	Supreme Court
		7.49	3.11	2008-09	High Court
Goods and Services Tax	Goods and Services Tax	0.12	0.12	2018-19	The Goods and Services Tax Appellate Tribunal
		0.67	0.23	2017-18 to 2020-21	Appellate Authority upto Commissioner's level

* includes refunds adjusted by the authorities.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to banks and dues to debenture holders. The Company did not have any outstanding dues to any financial institution or government during the year.

(ix) In our opinion and according to the information and explanations given to us, the Company has not raised money by way of further public offer (including debt instruments) during the year and the term loans taken by the Company have been applied for the purpose for which they were raised.

(x) According to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act for the year ended 31 March 2021, except that the re-appointment of the CEO and Managing Director for the period 15 February 2021 to 30 June 2021 and the remuneration for this period is subject to approval of the shareholders, which the Company proposes to obtain in the forthcoming Annual General Meeting, in accordance with the provisions of the Companies Act, 2013. Accordingly, the managerial remuneration aggregating ₹2.22 crores paid to the CEO and Managing Director of the Company for the period from 15 February 2021 to 31 March 2021, calculated on a proportionate basis, exceeds the prescribed limits under

Section 197 read with Schedule V to the Companies Act, 2013, by ₹1.89 crores. This amount excludes Performance and Long Term Incentives, which will be accrued post determination and approval by the Board of Directors of the Company, and such amounts will also exceed the prescribed limits. Further, the Company is also in the process of obtaining Central Government approval since the CEO and Managing Director is a non-resident. The Company has also provided for the remuneration payable to non-executive independent directors aggregating ₹1.70 crores which is subject to approval of the shareholders, which the Company proposes to obtain in the forthcoming Annual General Meeting, in accordance with the provisions of the Companies Act, 2013.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company as per the Act. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, all transactions with related parties are in compliance with section 177 and 188 of the Act and the details, as required by the applicable accounting standards have been disclosed in the standalone financial statements.

(xiv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has made preferential allotment of equity shares during the year in compliance with the requirements of Section 42 of the Act. Out of the total money raised aggregating ₹2,602.51 crores, ₹Nil has been utilized till 31 March 2021 (also refer note [2l(h)] to the standalone financial statements). Pending utilization , the funds aggregating to ₹2,602.51 crores were used for purposes other than for which they were raised by temporarily investing in mutual funds and fixed deposits .

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them during the year. According ly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) In our opinion and according to the information and explanations given to us, the Company is not required to register under section 45-IA of the Reserve Bank oflndia Act, 1934.

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

Shiraz Vastani
Partner
Membership No. 103334
UDIN -21103334AAAAAW6929

Place: Pune
Date: 18 May 2021

Annexure B to the Independent Auditors' Report 31 March 2021

Report on the internal financial controls with reference to the aforesaid standalone 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 Limited (" the Company") as of 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date which includes internal financial controls with reference to financial statements of the Company's joint operations which are companies incorporated in India.

In our opinion, the Company and its joint operations which are companies incorporated in India, have, 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 2021, based on the internal financial controls with reference to financial statements criteria established by the Company and its joint operations 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 oflndia (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective 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 respective companies 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 the respective 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 in formation, 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 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 standalone financial statements , whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor of a joint operation in terms of their report referred in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the 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 standalone financial statements .

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal fmancial controls with reference to fmancial 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 fmancial controls with reference to standalone fmancial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to standalone financial statements in so far as it relates to one joint operation, which is a company incorporated in India, is based solely on the corresponding report of the other auditor.

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

Shiraz Vastani
Partner
Membership No. 103334
UDIN -21103334AAAAAW6929

Place: Pune
Date: 18 May 2021

Balance Sheet

(₹ in crores)

	Notes	As at March 31, 2021	As at March 31, 2020
I. ASSETS			
(1) NON-CURRENT ASSETS			
(a) Property, plant and equipment	3 (a)	19,153.47	18,870.67
(b) Capital work-in-progress	3 (b)	1,400.82	1,755.51
(c) Right of use assets	4	768.59	669.58
(d) Goodwill		99.09	99.09
(e) Other intangible assets	5 (a)	6,401.95	5,568.64
(f) Intangible assets under development	5 (b)	1,605.64	2,739.29
(g) Investments in subsidiaries, joint ventures and associates	7	15,147.26	15,182.29
(h) Financial assets			
(i) Investments	8	967.65	548.57
(ii) Loans and advances	10	126.05	138.46
(iii) Other financial assets	12	1,631.83	1,512.96
(i) Non-current tax assets (net)		715.31	727.97
(j) Other non-current assets	14	1,187.41	1,208.08
		49,205.07	**49,021.11**
(2) CURRENT ASSETS			
(a) Inventories	16	4,551.71	3,831.92
(b) Financial assets			
(i) Investments	9	1,578.26	885.31
(ii) Trade receivables	17	2,087.51	1,978.06
(iii) Cash and cash equivalents	19	2,365.54	2,145.30
(iv) Bank balances other than (iii) above	20	1,953.40	1,386.89
(v) Loans and advances	11	185.42	232.14
(vi) Other financial assets	13	1,745.06	1,546.56
(c) Assets classified as held for sale	49 (iv)	220.80	191.07
(d) Other current assets	15	1,166.89	1,371.51
		15,854.59	13,568.76
TOTAL ASSETS		**65,059.66**	**62,589.87**
II. EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	21	765.81	719.54
(b) Other equity		18,290.16	17,668.11
		19,055.97	**18,387.65**
LIABILITIES			
(1) NON-CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings	23	16,326.77	14,776.51
(ii) Lease liabilities		593.74	522.24
(iii) Other financial liabilities	25	659.64	854.74
(b) Provisions	27	1,371.94	1,769.74
(c) Deferred tax liabilities (net)		266.50	198.59
(d) Other non-current liabilities	30	533.55	269.58
		19,752.14	**18,391.40**
(2) CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings	24	2,542.50	6,121.36
(ii) Lease liabilities		96.47	83.30
(iii) Trade payables			
(a) Total outstanding dues of micro and small enterprises		167.23	101.56
(b) Total outstanding dues of creditors other than micro and small enterprises		7,947.78	8,000.69
(iv) Acceptances		7,873.12	2,741.69
(v) Other financial liabilities	26	4,255.57	5,976.35
(b) Provisions	28	1,043.54	1,406.75
(c) Current tax liabilities (net)		37.84	31.49
(d) Other current liabilities	31	2,287.50	1,347.63
		26,251.55	**25,810.82**
TOTAL EQUITY AND LIABILITIES		**65,059.66**	**62,589.87**

See accompanying notes to financial statements

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

SHIRAZ VASTANI
Partner
Membership No. 103334
UDIN: 21103334AAAAAW6929
Place- Pune

Date: May 18, 2021

For and on behalf of the Board

N CHANDRASEKARAN *[DIN: 00121863]*
Chairman
Place- Mumbai

VEDIKA BHANDARKAR *[DIN: 00033808]*
Director
Place- Mumbai

GUENTER BUTSCHEK *[DIN: 07427375]*
CEO and Managing Director
Place- Austria

P B BALAJI
Group Chief Financial Officer
Place- Mumbai

H K SETHNA *[FCS: 3507]*
Company Secretary
Place- Mumbai
Date: May 18, 2021

Statement of Profit and Loss

(₹ in crores)

	Notes	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from operations			
Revenue		46,559.39	43,485.76
Other operating revenue		472.08	442.41
I. Total revenue from operations	32	**47,031.47**	**43,928.17**
II. Other Income	33	842.96	1,383.05
III. Total Income (I+II)		**47,874.43**	**45,311.22**
IV. Expenses			
(a) Cost of materials consumed		30,010.61	26,171.85
(b) Purchases of products for sale		5,490.67	5,679.98
(c) Changes in inventories of finished goods, work-in-progress and products for sale		(69.02)	722.68
(d) Employee benefits expense	34	4,212.99	4,384.31
(e) Finance costs	35	2,358.54	1,973.00
(f) Foreign exchange loss (net)		1.67	239.00
(g) Depreciation and amortisation expense		3,681.61	3,375.29
(h) Product development/Engineering expenses		907.64	830.24
(i) Other expenses	36	5,801.90	7,720.75
(j) Amount transferred to capital and other accounts	37	(817.53)	(1,169.46)
Total Expenses (IV)		**51,579.08**	**49,927.64**
V. Profit/(loss) before exceptional items and tax (III-IV)		(3,704.65)	(4,616.42)
VI. Exceptional items			
(a) Employee separation cost		215.97	2.69
(b) Write off/provision (reversal) for tangible/intangible assets (including under development)	38	114.00	(73.03)
(c) Provision/(reversal) for loan given to/investment and cost of closure in subsidiary companies/joint venture (net)		123.36	385.62
(d) Impairment losses/(reversal) in passenger vehicle business	6 (a)	(1,182.41)	1,418.64
(e) Provision/(reversal) for Onerous Contracts and related supplier claims	6 (b)	(663.00)	777.00
VII. Profit/(loss) before tax (V-VI)		(2,312.57)	(7,127.34)
VIII. Tax expense (net)	29		
(a) Current tax		82.31	33.05
(b) Deferred tax		0.56	129.24
Total tax expense		82.87	162.29
IX. Profit/(loss) for the year from continuing operations (VII-VIII)		**(2,395.44)**	**(7,289.63)**
X. Other comprehensive income/(loss):			
(A) (i) Items that will not be reclassified to profit and loss:			
(a) Remeasurement losses on defined benefit obligations (net)		(23.62)	(105.32)
(b) Equity instruments at fair value through other comprehensive income		365.84	(115.72)
(ii) Income tax credit/(expense) relating to items that will not be reclassified to profit and loss		(8.60)	33.71
(B) (i) Items that will be reclassified to profit and loss - gains/(losses) in cash flow hedges		168.12	(294.19)
(ii) Income tax credit/(expense) relating to items that will be reclassified to profit and loss		(58.75)	102.80
Total other comprehensive income/(loss), net of taxes		442.99	(378.72)
XI. Total comprehensive income/(loss) for the year (IX+X)		**(1,952.45)**	**(7,668.35)**
XII. Earnings/(loss) per share (EPS)	40		
(A) Ordinary shares (face value of ₹2 each) :			
(i) Basic	₹	(6.59)	(21.06)
(ii) Diluted	₹	(6.59)	(21.06)
(B) 'A' Ordinary shares (face value of ₹2 each) :			
(i) Basic	₹	(6.59)	(21.06)
(ii) Diluted	₹	(6.59)	(21.06)

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

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Partner
Membership No. 103334
UDIN: 21103334AAAAAW6929
Place- Pune

Date: May 18, 2021

For and on behalf of the Board

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Chairman
Place- Mumbai

VEDIKA BHANDARKAR *[DIN: 00033808]*
Director
Place- Mumbai

GUENTER BUTSCHEK *[DIN: 07427375]*
CEO and Managing Director
Place- Austria

P B BALAJI
Group Chief Financial Officer
Place- Mumbai

H K SETHNA *[FCS: 3507]*
Company Secretary
Place- Mumbai
Date: May 18, 2021

Cash Flow Statement

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Cash flows from operating activities:		
Profit/(loss) for the year	**(2,395.44)**	**(7,289.63)**
Adjustments for:		
Depreciation and amortisation expense	3,681.61	3,375.29
Allowances for trade and other receivables	102.69	65.35
Inventory write down (net)	45.58	84.50
Provision/(reversal) for loan given to/investment and cost of closure in subsidiary companies/joint venture (net)	123.36	385.62
Employee separation cost	188.20	-
Impairment losses/(reversal) in passenger vehicle business	(1,182.41)	1,418.64
Provision/(reversal) for Onerous Contracts and related supplier claims	(663.00)	777.00
Share-based payments	9.04	4.70
Marked-to-market loss/(gain) on investments measured at Fair value through profit and loss	(5.20)	0.43
Write off/provision (reversal) for tangible/intangible assets (including under development)	114.00	(73.03)
(Profit)/Loss on sale of assets (net) (including assets scrapped/written off)	(126.09)	168.04
Profit on sale of investments at FVTPL (net)	(72.80)	(70.16)
Tax expense (net)	82.87	162.29
Finance costs	2,358.54	1,973.00
Interest income	(196.24)	(483.72)
Dividend income	(20.45)	(241.22)
Foreign exchange (gain)/loss (net)	(83.44)	182.32
	4,356.26	7,729.05
Cash flows from operating activities before changes in following assets and liabilities	**1,960.82**	**439.42**
Trade receivables	(141.51)	1,168.02
Loans and advances and other financial assets	(175.97)	53.29
Other current and non-current assets	34.11	22.78
Inventories	(765.37)	730.01
Trade payables and acceptances	4,964.54	(2,688.95)
Other current and non-current liabilities	1,075.59	(1,165.05)
Other financial liabilities	31.69	201.38
Provisions	(240.33)	(122.95)
Cash generated from/(used in) operations	**6,743.57**	**(1,362.05)**
Income taxes paid (net)	(63.25)	(92.54)
Net cash from/(used in) operating activities	**6,680.32**	**(1,454.59)**
Cash flows from investing activities:		
Payments for property, plant and equipments	(1,162.95)	(2,748.60)
Payments for other intangible assets	(693.35)	(1,919.98)
Proceeds from sale of property, plant and equipments	178.36	155.16
Investments in Mutual Fund (purchased)/sold (net)	(614.95)	358.87
Investments in subsidiary companies	-	(467.00)
Sale of business to subsidiary company	10.30	25.82
Purchase of unquoted investment- others	(57.60)	-
Purchase of stake in joint venture	(0.02)	-
Loan given to subsidiary companies/payment for costs of closure in subsidiary companies	(56.59)	(7.79)
Sale of quoted investment- others	4.36	-
Increase in short term inter corporate deposit (net)	(30.00)	(10.07)

Cash Flow Statement

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Deposits/restricted deposits with financial institution	(1,000.00)	(1,000.00)
Realisation of deposits with financial institution	750.00	750.00
Deposits/restricted deposits with banks	(3,342.52)	(3,419.37)
Realisation of deposits/restricted deposits with banks	2,849.64	2,851.53
Interest received	153.55	471.35
Dividend received	20.45	241.22
Net cash used in investing activities	**(2,991.32)**	**(4,718.86)**
Cash flows from financing activities		
Proceeds from issue of shares/conversion of warrants (net of issue expenses)	2,602.51	3,888.79
Proceeds from long-term borrowings (net of issue expenses)	4,667.65	4,781.55
Repayment of long-term borrowings	(4,562.91)	(1,124.93)
Proceeds from Option settlement of long term borrowings	35.01	190.90
Repayment of matured fixed deposits	(0.48)	(6.75)
Proceeds from short-term borrowings	4,068.21	9,178.61
Repayment of short-term borrowings	(5,874.81)	(8,003.51)
Net change in other short-term borrowings (with maturity up to three months)	(1,785.86)	1,311.36
Repayment of lease liabilities (including interest)	(192.32)	(193.63)
Dividend paid	(1.56)	(3.52)
Interest paid [including discounting charges paid, ₹438.43 crores (March 31, 2020 ₹371.57 crores)]	(2,427.35)	(2,269.66)
Net cash from/(used in) financing activities	**(3,471.91)**	**7,749.21**
Net increase in cash and cash equivalents	217.09	1,575.76
Cash and cash equivalents as at April 1, (opening balance)	2,145.30	487.40
Effect of foreign exchange on cash and cash equivalents	3.15	82.14
Cash and cash equivalents as at March 31, (closing balance)	**2,365.54**	**2,145.30**
Non-cash transactions:		
Liability towards property, plant and equipment and other intangible assets purchased on credit/deferred credit	410.15	403.02

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UDIN: 21103334AAAAAW6929
Place- Pune

Date: May 18, 2021

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Place- Mumbai

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Director
Place- Mumbai

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CEO and Managing Director
Place- Austria

P B BALAJI
Group Chief Financial Officer
Place- Mumbai

H K SETHNA *[FCS: 3507]*
Company Secretary
Place- Mumbai
Date: May 18, 2021

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	719.54
Proceeds from issue of shares	46.27
Balance as at March 31, 2021	765.81

B. OTHER EQUITY (REFER NOTE 22)

(₹ in crores)

Particulars	Securities premium	Share based payments reserve	Money received against Share Warrants	Capital redemption reserve	Debenture redemption reserve	Capital reserve (on merger)/(sale of business) (net)	Retained earnings	Other components of equity			Total other equity
								Equity instruments through OCI	Hedging reserve	Cost of hedging reserve	
Balance as at April 1, 2020	22,194.89	13.14	867.50	2.28	1,038.84	(359.37)	(5,821.83)	(56.00)	(168.55)	(42.79)	17,668.11
Loss for the year	-	-	-	-	-	-	(2,395.44)	-	-	-	(2,395.44)
Other comprehensive income/(loss) for the year	-	-	-	-	-	-	(14.44)	348.06	67.38	41.99	442.99
Total comprehensive loss for the year	-	-	-	-	-	-	(2,409.88)	348.06	67.38	41.99	(1,952.45)
Share-based payments	-	9.04	-	-	-	-	-	-	-	-	9.04
Issue of shares pursuant to preferential allotment/ conversion of share warrants	3,423.74	-	(867.50)	-	-	-	-	-	-	-	2,556.24
Realised gain on investments held at fair value through Other comprehensive income	-	-	-	-	-	-	4.36	(4.36)	-	-	-
Sale of business to a subsidiary company [refer note 49 (vi)]	-	-	-	-	-	9.22	-	-	-	-	9.22
Transfer from debenture redemption reserve	-	-	-	-	(134.40)	-	134.40	-	-	-	-
Balance as at March 31, 2021	**25,618.63**	**22.18**	**-**	**2.28**	**904.44**	**(350.15)**	**(8,092.95)**	**287.70**	**(101.17)**	**(0.80)**	**18,290.16**

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CEO and Managing Director
Place- Austria

P B BALAJI
Group Chief Financial Officer
Place- Mumbai

H K SETHNA *[FCS: 3507]*
Company Secretary
Place- Mumbai
Date: May 18, 2021

Statement of Changes in Equity

FOR THE YEAR ENDED MARCH 31, 2020

A. EQUITY SHARE CAPITAL

(₹ in crores)

Particulars	
Balance as at April 1, 2019	679.22
Proceeds from issue of shares	40.32
Balance as at March 31, 2020	719.54

B. OTHER EQUITY (REFER NOTE 22)

(₹ in crores)

Particulars	Securities premium	Share based payments reserve	Money received against Share Warrants	Capital redemption reserve	Debenture redemption reserve	Capital reserve (on merger)/ (sale of business) (net)	Retained earnings	Other components of equity			Total other equity
								Equity instruments through OCI	Hedging reserve	Cost of hedging reserve	
Balance as at April 1, 2019	19,213.93	8.44	-	2.28	1,085.94	(359.37)	1,489.77	62.26	(26.40)	6.45	21,483.30
Profit for the year	-	-		-	-	-	(7,289.63)	-	-	-	(7,289.63)
Other comprehensive income/(loss) for the year	-	-		-	-	-	(69.07)	(118.26)	(142.15)	(49.24)	(378.72)
Total comprehensive income/(loss) for the year	-	-		-	-	-	(7,358.70)	(118.26)	(142.15)	(49.24)	(7,668.35)
Share-based payments	-	4.70	-	-	-	-	-	-	-	-	4.70
Issue of Share warrants	-	-	867.50	-	-	-	-	-	-	-	867.50
Issue of shares pursuant to preferential allotment (net of issue expenses of ₹3.08 crores) and proceeds from issue of shares held in abeyance	2,980.96	-	-	-	-	-	-	-	-	-	2,980.96
Transfer from debenture redemption reserve	-	-	-	-	(47.10)	-	47.10	-	-	-	-
Balance as at March 31, 2020	22,194.89	13.14	867.50	2.28	1,038.84	(359.37)	(5,821.83)	(56.00)	(168.55)	(42.79)	17,668.11

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Date: May 18, 2021

NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTES FORMING PART OF FINANCIAL STATEMENTS

1. BACKGROUND AND OPERATIONS

Tata Motors Limited referred to as ("the Company" or "Tata Motors"), designs, manufactures and sells a wide range of automotive vehicles. The Company also manufactures engines for industrial and marine applications.

The Company is a public limited Company incorporated and domiciled in India and has its registered office at Mumbai, India. As at March 31, 2021, Tata Sons Pvt Limited, together with its subsidiaries owns 46.33% of the Ordinary shares and 7.66% of 'A' Ordinary shares of the Company, and has the ability to significantly influence the Company's operations.

These standalone financial statements were approved by the Board of Directors and authorised for issue on May 18, 2021.

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 as explained in the accounting policies below.

Joint operations

Certain of the Company's activities, are conducted through joint operations, which are joint arrangements whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. As per Ind AS 111 - Joint arrangements, in its separate financial statements, the Company being a joint operator has recognised its share of the assets, liabilities, income and expenses of these joint operations incurred jointly with the other partners, along with its share of income from the sale of the output and any assets, liabilities and expenses that it has incurred in relation to the joint operation.

Although not required by Ind ASs, the Company has provided in note 49 additional information of Tata Motors Limited on a standalone basis excluding its interest in its two Joint Operations viz. Tata Cummins Private Limited and Fiat India Automobiles Private Limited.

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, 2021 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.

Certain lenders of the Company have also waived the compliance with specific covenants under their loan agreements, with one of the lenders extending the waiver until March 31, 2023 and the other lender extending the waiver until March 31, 2022. Tata Sons Private Limited, as promoter of the Company, will provide financial support to help the Company meet its liquidity needs and covenants under the borrowing agreements with lenders until at least March 31, 2023 or the completion of the Company's plan to subsidiarize its Passenger Vehicles business into a separate subsidiary through a scheme of arrangement, whichever is earlier.

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 and support from Tata Sons Private Limited, 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, 2022.

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, 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 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, Note 5 and Note 6 - Property, plant and equipment and Intangible assets- useful life and impairment

ii) Note 29 - Recoverability/recognition of deferred tax assets

iii) Note 27 and 28 - Provision for product warranty

iv) Note 47- 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 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 abovementioned financial statement captions is subject to significant estimation uncertainties due to its nature and duration and, accordingly, the actual impacts in future may be different from those estimated as at the date of approval of these financial statements. The Company will continue to monitor any material changes to future economic conditions and consequential impact on its financial statements.

Revenue recognition

The Company generates revenue principally from-

i) **Sale of products-** commercial and 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 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 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 commercial and 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

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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.

e. 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.

f. 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.

g. Provisions

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.

h. Foreign currency

These financial statements are presented in Indian rupees, which is the functional currency of Tata Motors 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 are recognised in the statement of Profit and Loss except to the extent, exchange differences on foreign currency borrowings which are capitalized when they are regarded as an adjustment to interest costs.

i. Income taxes

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.

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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. Deferred tax liabilities on taxable temporary differences arising from investments in subsidiaries, branches and associated companies and interests in joint arrangements are not recognised if the Company is able to control the timing of the reversal and it is probable that the temporary difference will not reverse in the foreseeable future

j. Cash and cash equivalents

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

k. Earnings per share

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 anti-dilutive.

l. Inventories

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.

m. Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and accumulated 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:

	Estimated useful life (years)
Buildings, Roads, Bridge and culverts	4 to 60
Plant, machinery and equipment	8 to 20
Computers and other IT assets	4 to 6
Vehicles	4 to 10
Furniture, fixtures and office appliances	5 to 15

The useful lives is reviewed at least 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 when it is derecognized.

n. Other intangible assets

Intangible assets purchased are measured at cost or fair value as on the date of acquisition less accumulated amortisation and accumulated 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
Technological know-how	8 to 10 years
Software	4 years

The amortisation period for intangible assets with finite useful lives is reviewed at least 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.

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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 accumulated 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 when it is derecognized.

o. Goodwill

Cash generating units to which goodwill is allocated are tested for impairment annually at each balance sheet date, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to that unit and then to the other assets of the unit pro rata on the basis of carrying amount of each asset in the unit. Goodwill impairment loss recognised is not reversed in subsequent period.

p. Leases

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.

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 an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is allocated, 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. Generally, the Company uses its incremental borrowing rate as a discount 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.

q. 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.

r. Employee benefits

i) Gratuity

Tata Motors Limited and its Joint operations 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 Limited makes annual contributions to gratuity funds established as trusts. Tata Motors Limited account for the liability for gratuity benefits payable in the future based on an actuarial valuation.

ii) Superannuation

Tata Motors 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 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 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 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 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 Limited and its Joint operations are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary). The contributions, as specified under the law, are made to the provident fund and pension fund set up as an irrevocable trust by Tata Motors Limited for its employees. The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company. The liability in respect of the shortfall of interest earnings of the Fund is determined on the basis of an actuarial valuation.

Given the investment pattern prescribed by the authorities, most investments of provident fund have historically been in debt securities, thereby giving secure returns. However, due to a ratings downgrade and potential bond default of some of the companies, the total liability of principal and interest guarantee has been actuarially valued as a defined benefit.

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(v) Post-retirement medicare scheme

Under this unfunded scheme, employees of Tata Motors 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 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 47

s. Share based payments

The Company recognises compensation expense relating to share based payments in accordance with Ind AS 102 Share-based Payment. Stock options granted by the Company to its employees are accounted as equity settled options. Accordingly, the estimated fair value of options granted that is determined on the date of grant, is charged to statement of Profit and Loss on a straight line basis over the vesting period of options which is the requisite service period, with a corresponding increase in equity.

t. Dividends

Any dividend declared by Tata Motors Limited is based on the profits available for distribution as reported in the statutory financial statements of Tata Motors Limited (standalone) prepared in accordance with Generally Accepted Accounting Principles in India or Indian GAAP 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 Limited (Standalone) 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 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 these financial statements may not be fully distributable. The amount available for distribution is ₹Nil as at March 31, 2021 (₹ Nil as at March 31, 2020)

u. Segments

The Company primarily operates in the automotive business. The automotive business comprises two reportable segments i.e. commercial vehicles and passenger vehicles.

w. Investments in subsidiaries, Joint Ventures and Associates

Investments in subsidiaries, Joint Ventures and Associates are measured at cost as per Ind AS 27 – Separate Financial Statements.

x. Financial instruments

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 when determining whether their cash flows are solely payment of principal and interest. The Company reclassifies financial assets when and only when its business model for managing those assets changes

Financial assets are classified into three categories

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

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

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

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

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

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

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.

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

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.

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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.

iii) 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.

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. The Company also uses interest rate swaps to hedge its variability in cash flows from interest payments arising from floating rate liabilities i.e. when interests are paid according to benchmark market interest rates.

Derivative contracts are stated at fair value on the balance sheet at each reporting date.

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 and cross- currency interest rate swaps. 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.

Effective portion of fair value changes of interest rate swaps that are designated as hedges against interest rate risk arising from floating rate debt are recognised in other comprehensive income.

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.

(iv) Recent accounting pronouncements

On July 24, 2020, the Ministry of Corporate Affairs has made following changes applicable from the financial year beginning April 1, 2020 –

1. Revised the definition of the term 'business' and related guidance in Ind AS 103. The amendment permits a simplified assessment of whether an acquired set of activities and assets is not a business.
2. Amended some specific hedge accounting requirements under Ind AS 109 (temporary exceptions from applying specific hedge accounting requirements) and disclosure requirements under Ind AS 107 to provide relief to the potential effects of uncertainty caused by the Interest Rate Benchmark Reforms (IBOR reforms).
3. Amended Ind AS 116 to provide limited relief to lessees in respect of rent concessions arising due to Covid-19 pandemic.
4. Refined the definition of the term 'material' and related clarifications in Ind AS 1 and Ind AS 8. As per the amendment information is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general purpose financial statements, which provide financial information about a specific reporting entity. The amendments further clarified that the information is obscured if it is communicated in a way that would have a similar effect for primary users of financial statements to omitting or misstating that information.

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Some of the key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

a) Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.

b) Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.

c) Specified format for disclosure of shareholding of promoters.

d) Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.

e) If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.

f) Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

g) Realignment of presentation of following financial statement captions:

- Security deposits to be presented under other financial assets (earlier: under loans)
- Current maturities of long-term borrowings to be disclosed separately under borrowings (earlier: under other financial liabilities)

h) Disclosure of charges/ satisfaction yet to be registered with ROC beyond the statutory period along with details and reasons thereof

i) Prescribed disclosures where loans/ advances in the nature of loans were granted to promoters, directors, KMPs and the related parties (as defined under 2013 Act), either severally or jointly with any other person that are:

NOTES FORMING PART OF FINANCIAL STATEMENTS

- Repayable on demand or
- Without specifying any terms/ period of repayment

j) Disclosure of prescribed ratios e.g. current ratio, debt-equity ratio (Explain items included in numerator and denominator and any change in the ratio >25% as compared to the preceding year)

k) Disclosure of the following where borrowings are made from banks/ FI on the basis of security of current assets:

- Whether quarterly returns/ statements of current assets filed with banks/ FI are in agreement with the books
- Summary of reconciliation and reasons of material discrepancies (if any)

l) Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of financial statements.

The Company is assessing the impact of these changes and will accordingly incorporate the same for the financial statements for the year ended March 31, 2022.

NOTES FORMING PART OF FINANCIAL STATEMENTS

3 (a) PROPERTY, PLANT AND EQUIPMENT

(₹ in crores)

	Owned assets						Given on lease		Taken on lease				Total
	Land	Buildings	Plant, machinery and equipments	Furniture and fixtures	Vehicles	Computers & other IT assets	Plant, machinery and equipments	Buildings	Buildings	Plant, machinery and equipments	Computers & other IT assets	Furniture and fixtures	
Cost as at April 1, 2020	**4,869.08**	**3,831.14**	**29,974.32**	**256.25**	**302.71**	**644.13**	**38.04**	**4.02**	**-**	**-**	**-**	**-**	**39,919.69**
Additions	-	119.48	1,708.36	5.20	7.20	23.06	-	-	-	-	-	-	1,863.30
Sale of business to a subsidiary company [refer note 49 (vi)]	-	(0.20)	(0.46)	(0.42)	(1.10)	(1.25)	-	-	-	-	-	-	(3.43)
Disposals/adjustments	-	(25.30)	(323.74)	(35.17)	(44.67)	(143.17)	(0.38)	-	-	-	-	-	(572.44)
Cost as at March 31, 2021	**4,869.08**	**3,925.12**	**31,358.48**	**225.86**	**264.14**	**522.77**	**37.66**	**4.02**	**-**	**-**	**-**	**-**	**41,207.13**
Accumulated depreciation as at April 1, 2020	**-**	**(1,391.84)**	**(18,826.47)**	**(169.90)**	**(161.05)**	**(473.95)**	**(24.88)**	**(0.93)**	**-**	**-**	**-**	**-**	**(21,049.02)**
Depreciation for the year	-	(118.55)	(1,665.60)	(12.52)	(51.18)	(46.58)	(1.61)	(0.10)	-	-	-	-	(1,896.14)
Reversal of Impairment loss	-	56.88	468.83	0.63	1.65	2.76	-	-	-	-	-	-	530.75
Sale of business to a subsidiary company [refer note 49 (vi)]	-	0.06	0.25	0.30	0.56	0.93	-	-	-	-	-	-	2.10
Disposal/adjustments	-	9.53	149.79	27.93	33.34	137.70	0.36	-	-	-	-	-	358.65
Accumulated depreciation as at March 31, 2021	**-**	**(1,443.92)**	**(19,873.20)**	**(153.56)**	**(176.68)**	**(379.14)**	**(26.13)**	**(1.03)**	**-**	**-**	**-**	**-**	**(22,053.65)**
Net carrying amount as at March 31, 2021	**4,869.08**	**2,481.20**	**11,485.28**	**72.30**	**87.46**	**143.63**	**11.53**	**2.99**	**-**	**-**	**-**	**-**	**19,153.47**
Cost as at April 1, 2019	**4,574.93**	**3,619.53**	**27,534.85**	**254.52**	**271.89**	**566.02**	**38.04**	**4.02**	**31.28**	**39.95**	**186.16**	**4.31**	**37,125.50**
Adjustment on initial application of Ind AS 116	-	-	-	-	-	-	-	-	(31.28)	(39.95)	(186.16)	(4.31)	(261.70)
Adjusted opening balance	**4,574.93**	**3,619.53**	**27,534.85**	**254.52**	**271.89**	**566.02**	**38.04**	**4.02**	**-**	**-**	**-**	**-**	**36,863.80**
Additions	294.15	174.28	2,899.32	4.80	65.15	80.23	-	-	-	-	-	-	3,517.93
Sale of business to a subsidiary company	-	(0.16)	(10.63)	(1.00)	(0.08)	(1.56)	-	-	-	-	-	-	(13.43)
Disposals/adjustments	-	37.49	(449.22)	(2.07)	(34.25)	(0.56)	-	-	-	-	-	-	(448.61)
Cost as at March 31, 2020	**4,869.08**	**3,831.14**	**29,974.32**	**256.25**	**302.71**	**644.13**	**38.04**	**4.02**	**-**	**-**	**-**	**-**	**39,919.69**
Accumulated depreciation as at April 1, 2019	**-**	**(1,220.33)**	**(16,618.51)**	**(157.67)**	**(133.34)**	**(428.94)**	**(23.34)**	**(0.84)**	**(7.29)**	**(35.69)**	**(180.57)**	**(2.37)**	**(18,808.89)**
Adjustment on initial application of Ind AS 116	-	-	-	-	-	-	-	-	7.29	35.69	180.57	2.37	225.92
Adjusted opening balance	**-**	**(1,220.33)**	**(16,618.51)**	**(157.67)**	**(133.34)**	**(428.94)**	**(23.34)**	**(0.84)**	**-**	**-**	**-**	**-**	**(18,582.97)**
Depreciation for the year	-	(73.90)	(1,805.88)	(13.33)	(53.10)	(42.85)	(1.54)	(0.09)	-	-	-	-	(1,990.69)
Sale of business to a subsidiary company	-	0.16	6.20	0.70	0.06	0.96	-	-	-	-	-	-	8.08
Disposal/adjustments	-	(37.49)	390.22	1.26	27.12	0.56	-	-	-	-	-	-	381.67
Assets written off/impairment of assets	-	(60.28)	(798.50)	(0.86)	(1.79)	(3.68)	-	-	-	-	-	-	(865.11)
Accumulated depreciation as at March 31, 2020	**-**	**(1,391.84)**	**(18,826.47)**	**(169.90)**	**(161.05)**	**(473.95)**	**(24.88)**	**(0.93)**	**-**	**-**	**-**	**-**	**(21,049.02)**
Net carrying amount as at March 31, 2020	**4,869.08**	**2,439.30**	**11,147.85**	**86.35**	**141.66**	**170.18**	**13.16**	**3.09**	**-**	**-**	**-**	**-**	**18,870.67**

Note:

Buildings include ₹8,631.00 (as at March 31, 2020 ₹8,631.00) being value of investments in shares of Co-operative Housing Societies.

NOTES FORMING PART OF FINANCIAL STATEMENTS

(b) TANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in crores)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Balance at the beginning	**1,755.51**	**2,146.96**
Additions	1,440.24	3,208.88
Capitalised during the year	(1,863.30)	(3,517.93)
(Write off)/(Provision)/reversal of impairment	68.37	(82.40)
Balance at the end	**1,400.82**	**1,755.51**

4 LEASES

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 2021 and 2029.

When measuring lease liability, the Company discounted lease payments using its incremental borrowing rate at April 1, 2019. The weighted average rate applied is 8.58 %.

The following amounts are included in the Balance Sheet :

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Current lease liabilities	96.47	83.30
Non-current lease liabilities	593.74	522.24
Total lease liabilities	**690.21**	**605.54**

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

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Interest expense on lease liabilities	46.47	31.40
Variable lease payment not included in the measurement of lease liabilities	-*	2.98
Expenses related to short-term leases	1.27	15.12
Expenses related to low-value assets, excluding short-term leases of low-value assets	3.95	3.85

*less than ₹50,000/-

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

	Land	Buildings	Plant, machinery and equipments	Furniture, Fixtures and Office Equipments	Vehicles	Computers & other IT assets	Total
Cost as at April 1, 2020	**91.77**	**320.79**	**504.08**	**4.31**	**-**	**193.39**	**1,114.34**
Additions	-	89.95	217.03	-	40.50	9.60	357.08
Sale of business to a subsidiary company [refer note 49 (vi)]	-	-	-	(4.31)	-	(1.08)	(5.39)
Disposals/adjustments	-	(71.64)	(96.13)	-	-	1.58	(166.19)
Cost as at March 31, 2021	**91.77**	**339.10**	**624.98**	**-**	**40.50**	**203.49**	**1,299.84**
Accumulated amortisation as at April 1, 2020	**(1.16)**	**(92.82)**	**(162.41)**	**(3.23)**	**-**	**(185.14)**	**(444.76)**
Amortisation for the year	(1.13)	(74.84)	(92.25)	(0.43)	-	(6.84)	(175.49)
Amortisation - considered as employee cost	-	-	-	-	(2.75)	-	(2.75)
Reversal of Impairment Loss	-	6.81	31.33	-	-	0.05	38.19
Sale of business to a subsidiary company [refer note 49 (vi)]	-	-	-	3.66	-	0.88	4.54
Disposal/adjustments	-	35.00	14.02	-	-	-	49.02
Accumulated amortisation | as at March 31, 2021	**(2.29)**	**(125.85)**	**(209.31)**	**-**	**(2.75)**	**(191.05)**	**(531.25)**
Net carrying amount as at March 31, 2021	**89.48**	**213.25**	**415.67**	**-**	**37.75**	**12.44**	**768.59**
Cost							
Adjustment on initial application of Ind AS 116	127.88	246.32	306.28	4.31	-	189.09	873.88
Additions	-	76.09	197.80	-	-	4.30	278.19
Disposals/adjustments	(36.11)	(1.62)	-	-	-	-	(37.73)
Cost as at March 31, 2020	**91.77**	**320.79**	**504.08**	**4.31**	**-**	**193.39**	**1,114.34**
Accumulated amortisation							
Adjustment on initial application of Ind AS 116	-	(7.29)	(35.69)	(2.37)	-	(180.57)	(225.92)
Amortisation for the year	(1.16)	(76.41)	(90.16)	(0.86)	-	(4.49)	(173.08)
Impairment of Assets	-	(9.30)	(36.56)	-	-	(0.08)	(45.94)
Disposal/adjustments	-	0.18	-	-	-	-	0.18
Accumulated amortisation as at March 31, 2020	**(1.16)**	**(92.82)**	**(162.41)**	**(3.23)**	**-**	**(185.14)**	**(444.76)**
Net carrying amount as at March 31, 2020	**90.61**	**227.97**	**341.67**	**1.08**	**-**	**8.25**	**669.58**

The Company has committed towards leases of plant ,machinery and equipments which have not yet commenced, for ₹**30.00 crores** as on March 31, 2021 (₹171.00 crores as on March 31, 2020).There are no leases with residual value guarantees.

NOTES FORMING PART OF FINANCIAL STATEMENTS

5. (a) OTHER INTANGIBLE ASSETS

(₹ in crores)

	Technical know how	Computer Software	Product development	Total
Cost as at April 1, 2020	**478.15**	**605.13**	**9,533.50**	**10,616.78**
Additions	-	10.93	2,003.26	2,014.19
Sale of business to a subsidiary company [refer note 49 (vi)]	-	(1.76)	-	(1.76)
Cost as at March 31, 2021	478.15	614.30	11,536.76	12,629.21
Accumulated amortisation as at April 1, 2020	**(267.42)**	**(545.54)**	**(4,235.18)**	**(5,048.14)**
Amortisation for the year	(49.96)	(24.32)	(1,535.71)	(1,609.99)
Reversal of Impairment loss	-	-	429.10	429.10
Sale of business to a subsidiary company [refer note 49 (vi)]	-	1.76	-	1.76
Accumulated amortisation as at March 31, 2021	(317.39)	(568.10)	(5,341.78)	(6,227.27)
Net carrying amount as at March 31, 2021	160.77	46.20	6,194.98	6,401.95
Cost as at April 1, 2019	**360.22**	**585.30**	**7,226.79**	**8,172.31**
Additions	120.84	21.87	3,308.32	3,451.03
Sale of business to a subsidiary company	(2.91)	(1.81)	-	(4.72)
Fully amortised not in use	-	(0.23)	(1,001.61)	(1,001.84)
Cost as at March 31, 2020	**478.15**	**605.13**	**9,533.50**	**10,616.78**
Accumulated amortisation as at April 1, 2019	**(211.22)**	**(521.52)**	**(3,568.44)**	**(4,301.18)**
Amortisation for the year	(59.11)	(26.06)	(1,126.35)	(1,211.52)
Sale of business to a subsidiary company	2.91	1.81	-	4.72
Fully amortised not in use	-	0.23	1,001.61	1,001.84
Impairment of assets	-	-	(542.00)	(542.00)
Accumulated amortisation as at March 31, 2020	(267.42)	(545.54)	(4,235.18)	(5,048.14)
Net carrying amount as at March 31, 2020	**210.73**	**59.59**	**5,298.32**	**5,568.64**

(b) INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in crores)

Intangible assets under development	For the year ended March 31, 2021	For the year ended March 31, 2020
Balance at the beginning	**2,739.29**	**4,139.63**
Additions	764.52	2,092.54
Capitalised during the year	(2,014.19)	(3,330.19)
(Write off)/(Provision)/reversal of impairment	116.01	(162.69)
Balance at the end	**1,605.64**	**2,739.29**

NOTES FORMING PART OF FINANCIAL STATEMENTS

6. IMPAIRMENT LOSSES/(REVERSAL) OF PASSENGER VEHICLE SEGMENT AND OTHER PROVISIONS

(a) Impairment losses/(reversal) of Passenger vehicle segment

The Company tests its passenger vehicle cash generating unit (CGU) for impairment at least annually and more frequently when there is an indication of impairment. An impairment loss is recognized if the recoverable amount is lower than the carrying value. The Company also periodically assesses if there are any triggers for reversal of previously recognised impairment loss. A reversal of impairment loss is recognised if there is a trigger for reversal and the recoverable value exceeds the carrying value.

As at March 31, 2020, the Company assessed the recoverable value for this CGU, due to refresh of its strategy in response to change in market conditions on account of various factors (economic environment, demand forecasts etc.) including COVID 19 pandemic. The recoverable value determined by Fair Value less Cost of Disposal ('FVLCD') was lower than the carrying value of the CGU and this resulted in an impairment charge for the year ended March 31, 2020 recognised within 'Exceptional items'.

As at March 31, 2021, the Company identified certain triggers for reversal of the previously recorded impairment based on both external and internal indicators. Accordingly, the Company reassessed its estimates and determined the recoverable value for this CGU considering the significant improvement in the absolute and relative performance and outlook of the business when compared with the assumed performance at the time when the impairment loss was recorded. Based on this reassessment, the Company has reversed the initially recognised impairment for this CGU.

The key drivers for this improved performance include:

1. New and Improved product portfolio
2. Product positioning in segments where the Company did not have a presence earlier
3. Revamp of dealer and service network
4. Capacity de-bottlenecking
5. Cost reduction initiatives

In addition to the above, the post COVID pent up demand was a tailwind and the changing consumer preference towards personal mobility as well as changes to the economic outlook have improved the outlook on the industry. A combination of these factors enabled the Company to enhance it's market share to 8.1% for the year ended March 31, 2021 as compared to 4.8% for the year ended March 31, 2020.

The recoverable value was determined using the Fair value less cost of disposal ("FVLCD"). CGU's FVLCD has been valued using Comparable Company Market Multiple method (CCM). The average of enterprise value to sales multiple of Comparable Companies applied to actual sales of the CGU for year ended March 31, 2021 has been considered as the FVLCD as per CCM. The fair value of the CGU is as follows:

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Recoverable amount	14,618.60	9,120.00

The approach and key (unobservable) assumptions used to determine the CGU's FVLCD were as follows:

The carrying value of the CGU was ₹5,853.39 crores as at March 31, 2021, compared with the recoverable value of ₹14,618.60 crores, determined by FVCLD and ₹10,588.00 crores as per VIU.

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Enterprise value to Sales multiple	1.27	0.75

The impairment loss recognised in the year ended March 31, 2020 and its subsequent reversal in the year ended March 31, 2021 was as follows:

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Property, plant and equipment [refer note 3 (a)]	(530.74)	634.15
Capital work-in-progress [refer note 3 (b)]	(68.37)	71.21
Right of use assets (refer note 4)	(38.19)	45.94
Other intangible assets [refer note 5 (a)]	(429.10)	542.00
Intangible assets under development [refer note 5 (b)]	(116.01)	125.34
Total	**(1,182.41)**	**1,418.64**

NOTES FORMING PART OF FINANCIAL STATEMENTS

Sensitivity to key assumptions

The change in the following assumptions used in the impairment review would, in isolation, lead to a change in FVCLD as at March 31, 2021 (although it should be noted that these sensitivities do not take account of potential mitigating actions):

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Decrease in Enterprise value (EV) to Sales multiple by 10%	1,461.86	912.00

(b) Other provisions

During the year ended March 31, 2020, a provision had been recognized for certain supplier contracts ranging from 5 to 10 years, which had become onerous, as the Company estimated that it will procure lower quantities than committed and the costs will exceed the future economic benefit.

As at March 31, 2021, the Company has reassessed the onerous provision created and based on the revised volume outlook a reversal of provision aggregating ₹777.00 crores has been accounted. During the year the Company has also made provision for estimated supplier claims of ₹114.00 crores, which are under negotiations with supplier.

7. INVESTMENTS IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES MEASURED AT COST - NON-CURRENT

(₹ in crores)

Number		Face value per unit	Description	As at March 31, 2021		As at March 31, 2020	
			Equity shares				
			i) Subsidiaries				
			Unquoted				
3,03,00,600		10	Tata Technologies Limited	224.10		224.10	
16,36,97,694		10	TML Business Services Ltd	209.63		209.63	
5,39,98,427	(GBP)	1	Tata Motors European Technical Centre PLC, (UK) [Note 2 below]	474.90		474.90	
7,900		-	Tata Technologies Inc, (USA)	0.63		0.63	
1,64,82,83,442		10	TMF Holdings Limited	3,570.08		3,550.00	
8,67,00,000		10	Tata Marcopolo Motors Ltd	86.70		86.70	
22,50,00,000		10	TML Distribution Company Ltd	225.00		225.00	
2,51,16,59,418			TML Holdings Pte Ltd, (Singapore) [Note 6 and 7 below]	10,158.52		10,158.52	
1,34,523	(EUR)	31.28	Tata Hispano Motors Carrocera S.A., (Spain)	17.97		17.97	
1,220	(IDR)	8,855	PT Tata Motors Indonesia	0.01		0.01	
2,02,000	(MAD)	1,000	Tata Hispano Motors Carroceries Maghreb S.A., (Morocco)	49.59		49.59	
1,83,59,203	(SGD)	1	Tata Precision Industries Pte. Ltd, (Singapore)	40.53		40.53	
			Trilix Srl., Turin (Italy) [Note 4 below]	19.91		19.91	
			Tata Motors Insurance Broking and Advisory Services Ltd	19.31		19.31	
1,00,000	(NGN)	1	TMNL Motor Services Nigeria Ltd	0.00	#	0.00	#
98,97,908		10	Brabo Robotics and Automation Ltd	13.00		13.00	
5,000,000		10	JT Special Vehicle (P) Ltd. (a wholly owned subsidiary w.e.f August 11, 2020) [25,00,000 equity shares acquired during the period]	2.52		-	
				15,112.40		15,089.80	
			Less: Provision for impairment	(824.60)	**14,287.80**	(766.97)	**14,322.83**

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

Number		Face value per unit	Description	As at March 31, 2021		As at March 31, 2020	
			ii) Associates				
			Quoted				
29,82,214		10	Automobile Corporation of Goa Ltd	108.22		108.22	
			Unquoted				
16,000	(TK)	1,000	NITA Co. Ltd (Bangladesh)	1.27		1.27	
4,54,28,572		10	Tata Hitachi Construction Machinery Company Private Ltd	238.50		238.50	
5,23,33,170		10	Tata AutoComp Systems Ltd	77.47	**425.46**	77.47	**425.46**
			(iii) Joint Ventures (JV)				
			Unquoted				
25,00,000		10	JT Special Vehicle (P) Ltd	-		2.50	
			Less: Provision for impairment	-	-	(2.50)	-
			(iv) Subsidiaries				
			Cumulative convertible preference shares (unquoted)				
4,34,00,000		100	TMF Holdings Limited		**434.00**		**434.00**
			Total		**15,147.26**		**15,182.29**

Less than ₹50,000

Notes:

(1)	Market Value of quoted investments	121.35	87.59

(2) The Company has given a letter of comfort to ANZ Bank, London for GBP 2 million (₹20.15 crores as at March 31, 2021) against loan extended by the bank to Tata Motors European Technical Centre PLC. UK (TMETC). Also the Company has given an undertaking to ANZ Bank, London to retain 51% ownership of TMETC at all times during the tenor of the loan.

(3) Includes option pricing value for call/ put option provided by the Company towards perpetual debt issued by TMF Holdings Limited.

(4) The Company has given a letter of comfort to Unicredit S.P.A., Italy for EUR 1.5 million (₹12.87 crores as on March 31, 2021) against Credit Facility given to Trilix S.R.L. The Company will not dilute its stake in Trilix S.R.L. below 51% during the tenor of the facility.

(5) The Company has given a letter of comfort to Bank of China, Shanghai Branch for RMB 5,000 million (₹5,578.50 crores as at March 31, 2021) against loan granted by the bank to Jaguar Land Rover (China) Investment Co. Ltd.

(6) The Company has given a letter of comfort to State Bank of India, Bahrain for USD 100 milion (₹731.13 crores as on March 31, 2021) against Credit Facility given to TML Holding PTE Ltd., Singapore and a letter of comfort to Bank of Baroda, London for GBP 100 milion (₹1,007.66 crores as on March 31, 2021) against the SBLC Facility extended to TML Holding PTE Ltd., Singapore.

(7) The Company has given a letter of comfort to Citi Corp International for USD 300 milion (₹2,193.38 crores as on March 31, 2021) given to TML Holding PTE Ltd., Singapore against ECB Bonds

NOTES FORMING PART OF FINANCIAL STATEMENTS

8. INVESTMENTS-NON-CURRENT

(₹ in crores)

Number	Face value per unit	Description	As at March 31, 2021		As at March 31, 2020	
		Investment in equity shares measured at fair value through other comprehensive income				
		Quoted				
54,96,295	10	Tata Steel Ltd	446.23		138.64	
		Tata Steel Ltd (partly paid) [3,54,599 equity shares converted during the year]	-		1.05	
		Metal Scrap Trade Corporation Ltd. [1,60,000 equity shares sold during the year]	-	446.23	1.27	140.96
		Unquoted				
75,000	1,000	Tata International Ltd [25,000 equity shares acquired during the year]	150.69		58.09	
1,383	1,000	Tata Services Ltd	0.14		0.14	
350	900	The Associated Building Company Ltd	0.01		0.01	
1,03,10,242	100	Tata Industries Ltd	183.19		183.19	
33,600	100	Kulkarni Engineering Associates Ltd	-		-	
12,375	1,000	Tata Sons Pvt Ltd	95.20		68.75	
2,25,00,001	10	Haldia Petrochemicals Ltd	74.70		75.49	
2,40,000	10	Oriental Floratech (India) Pvt. Ltd	-		-	
43,26,651	15	Tata Capital Ltd	17.44		21.89	
50,000	10	NICCO Jubilee Park Ltd.	0.05	521.42	0.05	407.61
		Total		**967.65**		**548.57**

Note:

a) Investment in equity shares measured at fair value through other comprehensive income also include:

(Amount in ₹)

Number	Face value per unit	Description	As at March 31, 2021	As at March 31, 2020
50	5	Jamshedpur Co-operative Stores Ltd.	250	250
16,56,517	(M$) 1	Tatab Industries Sdn. Bhd., (Malaysia)	1	1
4	25000	ICICI Money Multiplier Bond	1	1
100	10	Optel Telecommunications	1,995	1,995

b)

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
(1) Book Value of quoted investments	446.23	140.96
(2) Book Value of unquoted investments	521.42	407.61
(3) Market Value of quoted investments	446.23	140.96

NOTES FORMING PART OF FINANCIAL STATEMENTS

9. INVESTMENTS-CURRENT

(₹ in crores)

Number	Face value per unit	Description	As at March 31, 2021	As at March 31, 2020
		Investments in Mutual funds measured at Fair value through profit and loss		
		Unquoted		
		Mutual funds	1,578.26	885.31
		Total	**1,578.26**	**885.31**

Note:

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Book Value of unquoted investments	**1,578.26**	**885.31**

10. LOANS AND ADVANCES- NON CURRENT

(₹ in crores)

	As at March 31, 2021		As at March 31, 2020	
Unsecured :				
(a) Loans to employees		24.26		28.33
(b) Loan to subsidiaries				
Considered good	12.04		12.04	
Credit impaired	616.59		593.54	
	628.63		605.58	
Less : Allowances for credit impaired balances	(616.59)	12.04	(593.54)	12.04
(c) Loan to Joint Venture				
Considered good	-		-	
Credit impaired	-		3.75	
	-		3.75	
Less : Allowances for credit impaired balances	-	-	(3.75)	-
(d) Dues from subsidiary companies, credit impaired				
Tata Hispano Motors Carrocera S.A.	53.74		53.74	
Less : Allowances for credit impaired balances	(53.74)	-	(53.74)	-
(e) Deposits				
Considered good	53.66		55.82	
Credit impaired	1.14		0.49	
	54.80		56.31	
Less : Allowances for credit impaired balances	(1.14)	53.66	(0.49)	55.82
(f) Others				
Considered good	36.09		42.27	
Credit impaired	2.60		2.85	
	38.69		45.12	
Less : Allowances for credit impaired balances	(2.60)	36.09	(2.85)	42.27
Total		**126.05**		**138.46**

NOTES FORMING PART OF FINANCIAL STATEMENTS

11. LOANS AND ADVANCES- CURRENT

(₹ in crores)

		As at March 31, 2021		As at March 31, 2020	
Secured :					
	Finance receivables		13.44		13.44
	(net of allowances for credit impaired balances of ₹**5.27 crores** and ₹5.20 crores as at March 31, 2021 and 2020, respectively)				
Unsecured :					
(a)	Advances and other receivables		80.80		171.11
	(net of allowances for credit impaired balances of ₹**73.41 crores** and ₹83.14 crores as at March 31, 2021 and 2020, respectively)				
(b)	Intercorporate deposits				
	Considered good	30.00		-	
	Credit impaired	-		12.07	
		30.00		12.07	
	Less : Allowances for credit impaired balances	-	30.00	(12.07)	-
(c)	Dues from subsidiary companies (Note below)				
	Considered good	18.36		7.32	
	Credit impaired	0.20		0.20	
		18.56		7.52	
	Less : Allowances for credit impaired balances	(0.20)	18.36	(0.20)	7.32
(d)	Loan to subsidiary companies				
	(i) Tata Motors European Technical Centre Plc, (UK)	42.82		39.74	
	(ii) Tata Precision Industries Pte.Ltd	-	42.82	0.53	40.27
	Total		**185.42**		**232.14**

Note:

(₹ in crores)

		As at March 31, 2021	As at March 31, 2020
Dues from subsidiary companies:			
(a)	TML Business Analytics Services Limited	16.33	-
(b)	PT Tata Motors Indonesia	0.90	3.75
(c)	Tata Motors Insurance Broking and Advisory Services Ltd	-	0.05
(d)	Tata Motors (SA) (Proprietary) Ltd	1.08	1.08
(e)	Tata Motors Nigeria Ltd	0.20	0.20
(f)	PT Tata Motors Distribusi Indonesia	-	2.36
(g)	Jaguar Land Rover Ltd	-	0.07
(h)	Brabo Robotics and Automation Ltd	0.05	-
(i)	Tata Precision Industries Pte Ltd (Singapore)	-	0.01
		18.56	**7.52**

NOTES FORMING PART OF FINANCIAL STATEMENTS

12. OTHER FINANCIAL ASSETS - NON-CURRENT

(₹ in crores)

		As at March 31, 2021	As at March 31, 2020
(a)	Derivative financial instruments	750.19	832.06
(b)	Restricted deposits	4.02	4.18
(c)	Finance lease receivable	207.13	92.74
(d)	Government incentives	639.22	560.89
(e)	Recoverable from suppliers	30.00	21.82
(f)	Others	1.27	1.27
	Total	**1,631.83**	**1,512.96**

13. OTHER FINANCIAL ASSETS - CURRENT

(₹ in crores)

		As at March 31, 2021	As at March 31, 2020
(a)	Derivative financial instruments	19.25	135.54
(b)	Interest accrued on loans and deposits	17.95	19.44
(c)	Deposit with financial institutions (refer note below)	1,000.00	750.00
(d)	Finance lease receivable	36.16	12.47
(e)	Government incentives	501.11	429.69
(f)	Recoverable from suppliers	170.59	199.42
	Total	**1,745.06**	**1,546.56**

Note:

Earmarked deposits with financial institutions as at March 31, 2021 of ₹**100.00 crore**s (as at March 31, 2020 ₹Nil) is held as security in relation to repayment of borrowings.

14. OTHER NON-CURRENT ASSETS

(₹ in crores)

		As at March 31, 2021	As at March 31, 2020
(a)	Capital advances	201.12	332.19
(b)	Taxes recoverable, statutory deposits and dues from government (net of allowances for credit impaired balances of ₹**31.66 crores** and ₹Nil as at March 31, 2021 and 2020, respectively)	812.41	635.65
(c)	Recoverable from Insurance companies	166.72	231.17
(d)	Others	7.16	9.07
	Total	**1,187.41**	**1,208.08**

NOTES FORMING PART OF FINANCIAL STATEMENTS

15. OTHER CURRENT ASSETS

(₹ in crores)

		As at March 31, 2021	As at March 31, 2020
(a)	Advance to suppliers and contractors	439.13	398.67
	(net of allowances for credit impaired balances of ₹**58.21 crores** and ₹44.98 crores as at March 31, 2021 and 2020, respectively)		
(b)	Taxes recoverable, statutory deposits and dues from government (net of allowances for credit impaired balances of ₹**83.19 crores** and ₹57.75 crores as at March 31, 2021 and 2020, respectively)	530.26	831.66
(c)	Prepaid expenses	127.37	97.27
(d)	Recoverable from Insurance companies	18.89	11.58
(e)	Employee benefits	43.66	3.10
(f)	Others	7.58	29.23
	Total	**1,166.89**	**1,371.51**

16. INVENTORIES

(₹ in crores)

		As at March 31, 2021	As at March 31, 2020
(a)	Raw materials and components	2,063.96	1,415.65
(b)	Work-in-progress	523.34	703.89
(c)	Finished goods	1,486.93	1,237.36
(d)	Stores and spare parts	177.91	182.52
(e)	Consumable tools	35.23	37.97
(f)	Goods-in-transit - Raw materials and components	264.34	254.53
	Total	**4,551.71**	**3,831.92**

During the year ended March 31, 2021 and 2020, the Company recorded inventory write-down expenses of ₹**45.58 crores** and ₹84.50 crores, respectively.

Cost of inventories (including cost of purchased products) recognized as expense during the year ended March 31, 2021 and 2020 amounted to ₹**44,043.06 crore**s and ₹41,458.83 crores, respectively.

17. TRADE RECEIVABLES (UNSECURED)

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Receivables considered good	2,087.51	1,978.06
Credit impaired receivables	584.78	639.75
	2,672.29	2,617.81
Less : Allowance for credit impaired receivables	(584.78)	(639.75)
Total	**2,087.51**	**1,978.06**

18. ALLOWANCE FOR TRADE RECEIVABLES, LOANS AND OTHER RECEIVABLES

(₹ in crores)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Balance at the beginning	1,499.01	1,484.38
Allowances made during the year *	102.69	65.35
Provision for loan/intercorporate deposits given to subsidiary companies	23.05	23.60
Written off	(112.95)	(74.32)
Balance at the end	1,511.80	1,499.01

* Includes ₹**29.32 crores** netted off in revenue (₹34.44 crores as at March 31, 2020)

NOTES FORMING PART OF FINANCIAL STATEMENTS

19. CASH AND CASH EQUIVALENTS

(₹ in crores)

		As at March 31, 2021	As at March 31, 2020
(a)	Cash on hand	0.05	0.10
(b)	Cheques on hand	10.50	4.56
(c)	Balances with banks (refer note below)	808.49	1,451.64
(d)	Deposits with banks	1,546.50	689.00
		2,365.54	**2,145.30**
Note:			
	Includes remittances in transit	173.50	1.15

20. OTHER BANK BALANCES

(₹ in crores)

		As at March 31, 2021	As at March 31, 2020
With upto 12 months maturity:			
(a)	Earmarked balances with banks (refer note (i) and (ii) below)	450.85	212.91
(b)	Bank deposits	1,502.55	1,173.98
	Total	**1,953.40**	**1,386.89**

Note:

(i) Earmarked balances with banks as at March 31, 2021 of ₹**316.83 crores** (as at March 31, 2020 ₹198.19 crores) is held as security in relation to repayment of borrowings.

(ii) Earmarked balances with banks as at March 31, 2021 includes restricted deposits of ₹**73.47 crores** (as at March 31, 2020 ₹Nil) towards Company's contribution for Family Pension from October 1, 2019, in lieu of Tata Motors Pension Trust exemption surrender application pending with Employee Provident Fund Organization. Subsequent to the year end, these balances are transferred to Tata Motors Pension Trust.

NOTES FORMING PART OF FINANCIAL STATEMENTS

21. EQUITY SHARE CAPITAL

(₹ in crores)

			As at March 31, 2021	As at March 31, 2020
(a)	**Authorised:**			
	(i)	**400,00,00,000** Ordinary shares of ₹2 each	800.00	800.00
		(as at March 31, 2020: 400,00,00,000 Ordinary shares of ₹2 each)		
	(ii)	**100,00,00,000** 'A' Ordinary shares of ₹2 each	200.00	200.00
		(as at March 31, 2020: 100 ,00,00,000 'A' Ordinary shares of ₹2 each)		
	(iii)	**30,00,00,000** Convertible Cumulative Preference shares of ₹100 each	3,000.00	3,000.00
		(as at March 31, 2020: 30,00,00,000 shares of ₹100 each)		
		Total	**4,000.00**	**4,000.00**
(b)	**Issued: [Note (h) and (i)]**			
	(i)	**3,32,08,00,324** Ordinary shares of ₹2 each	664.16	617.89
		(as at March 31, 2020: 3,08,94,66,453 Ordinary shares of ₹2 each)		
	(ii)	**50,87,36,110** 'A' Ordinary shares of ₹2 each	101.75	101.75
		(as at March 31, 2020: 50,87,36,110 'A' Ordinary shares of ₹2 each)		
		Total	**765.91**	**719.64**
(c)	**Subscribed and called up: [Note (h)]**			
	(i)	**3,32,03,07,765** Ordinary shares of ₹2 each	664.06	617.79
		(as at March 31, 2020: 3,08,89,73,894 Ordinary shares of ₹2 each)		
	(ii)	**50,85,02,896** 'A' Ordinary shares of ₹2 each	101.70	101.70
		(as at March 31, 2020: 50,85,02,371 'A' Ordinary shares of ₹2 each)		
			765.76	**719.49**
(d)	**Calls unpaid - Ordinary shares**			
	310 Ordinary shares of ₹2 each (₹1 outstanding on each) and **260** Ordinary shares of ₹2 each (₹0.50 outstanding on each)		(0.00)*	(0.00)*
	(as at March 31, 2020: 310 Ordinary shares of ₹2 each (₹1 outstanding on each) and 260 Ordinary shares of ₹2 each (₹0.50 outstanding on each)			
(e)	**Paid-up (c+d):**		765.76	719.49
(f)	**Forfeited - Ordinary shares**		0.05	0.05
	Total (e+f)		**765.81**	**719.54**

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

		Year ended March 31, 2021 (No. of shares)	(₹ in crores)	Year ended March 31, 2020 (No. of shares)	(₹ in crores)
(i)	**Ordinary shares**				
	Balance as at April 1	308,89,73,894	617.79	288,73,48,694	577.47
	Add: Preferential allotment of shares/conversion of share warrants (Refer Note (h) below)	23,13,33,871	46.27	20,16,23,407	40.32
	Add: Allotment of shares held in abeyance	-	-	1,793	0.00
	Balance as at March 31	**332,03,07,765**	**664.06**	**308,89,73,894**	**617.79**
(ii)	**'A' Ordinary shares**				
	Balance as at April 1	50,85,02,896	101.70	50,85,02,371	101.70
	Add: Allotment of shares held in abeyance	-	-	525	0.00
	Balance as at March 31	**50,85,02,896**	**101.70**	**50,85,02,896**	**101.70**

*less than ₹50,000/-

NOTES FORMING PART OF FINANCIAL STATEMENTS

(h) During the year ended March 31, 2020, the Company has allotted 20,16,23,407 Ordinary Shares at a price of ₹150 per Ordinary Share aggregating to ₹3,024.35 crores and 23,13,33,871 Convertible Warrants ('Warrants'), each carrying a right to subscribe to one Ordinary Share per Warrant, at a price of ₹150 per Warrant ('Warrant Price'), aggregating to ₹3,470.00 crores on a preferential basis to Tata Sons Private Limited. An amount equivalent to 25% of the Warrant Price was paid at the time of subscription and the balance 75% of the Warrant Price was payable by the Warrant holder against each Warrant at the time of allotment of Ordinary Shares pursuant to exercise of the options attached to Warrant(s) to subscribe to Ordinary Share(s) by June 2021.The Company has fully utilised the amount of ₹3,891.85 crores towards repayment of debt and other general corporate purposes of the Company and its subsidiaries.

During the quarter and year ended March 31, 2021, on exercise of options by Tata Sons Pvt Ltd and on receipt of the balance subscription money of ₹2,602.51 crores, the Company has fully converted 23,13,33,871 convertible warrants into Ordinary Shares, that were issued during the year ended March 31, 2020. The Company has not utilised any of this amount as at March 31, 2021.

(i) The entitlements to **4,92,559** Ordinary shares of ₹2 each (as at March 31, 2020 : 4,92,559 Ordinary shares of ₹2 each) and **2,33,214** 'A' Ordinary shares of ₹2 each (as at March 31, 2020: 2,33,214 'A' Ordinary shares of ₹2 each) are subject matter of various suits filed in the courts / forums by third parties for which final order is awaited and hence kept in abeyance.

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

(i) Ordinary shares and 'A' Ordinary shares both of ₹2 each :

- The Company has two classes of shares – the Ordinary shares and the 'A' Ordinary shares both of ₹2 each (together referred to as shares). In respect of every Ordinary share (whether fully or partly paid), voting rights shall be in the same proportion as the capital paid up on such Ordinary share bears to the total paid up Ordinary share capital of the Company. In case of every 'A' Ordinary share, if any resolution is put to vote on a poll or by postal ballot at any general meeting of shareholders, the holder shall be entitled to one vote for every ten 'A' Ordinary shares held as per the terms of its issue and if a resolution is put to vote on a show of hands, the holder of 'A' Ordinary shares shall be entitled to the same number of votes as available to holders of Ordinary shares.
- The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. Further, the Board of Directors may also declare an interim dividend. The holders of 'A' Ordinary shares shall be entitled to receive dividend for each financial year at five percentage point more than the aggregate rate of dividend declared on Ordinary shares for that financial year.
- In the event of liquidation, the shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholdings.

(ii) American Depository Shares (ADSs) and Global Depository Shares (GDSs) :

- Each ADS and GDS underlying the ADR and GDR respectively represents five Ordinary shares of ₹2 each. A holder of ADS and GDS is not entitled to attend or vote at shareholders meetings. An ADS holder is entitled to issue voting instructions to the Depository with respect to the Ordinary shares represented by ADSs only in accordance with the provisions of the Company's ADSs deposit agreement and Indian Law. The depository for the ADSs and GDSs shall exercise voting rights in respect of the deposited shares by issue of an appropriate proxy or power of attorney in terms of the respective deposit agreements.
- Shares issued upon conversion of ADSs and GDSs will rank pari passu with the existing Ordinary shares of ₹2 each in all respects including entitlement of the dividend declared.

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

		As at March 31, 2021		As at March 31, 2020	
		% of Issued Share Capital	No. of Shares	% of Issued Share Capital	No. of Shares
(i)	**Ordinary shares :**				
(a)	Tata Sons Private Limited	43.73%	1,45,21,13,801	39.52%	1,22,07,79,930
(b)	Citibank N.A. as Depository	#	35,37,15,165	#	32,07,93,365
(ii)	**'A' Ordinary shares :**				
(a)	Tata Sons Private Limited	7.57%	3,85,11,281	5.26%	2,67,22,401
(b)	ICICI Prudential Equity & Debt Fund	14.26%	7,25,19,454	11.03%	5,60,75,659
(c)	Franklin India Equity Advantage Fund	*	*	12.84%	6,52,79,915
(d)	Government Of Singapore	*	*	5.74%	2,92,11,889

\# held by Citibank, N.A. as depository for American Depository Receipts (ADRs) and Global Depository Receipts (GDRs)

* Less than 5%

NOTES FORMING PART OF FINANCIAL STATEMENTS

(l) 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.

22. A) OTHER COMPONENTS OF EQUITY

(a) The movement of Equity instruments through Other Comprehensive Income is as follows:

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning	(56.00)	62.26
Other comprehensive income/(loss) for the year	365.84	(115.72)
Income tax relating to gain/loss arising on other comprehensive income where applicable	(17.78)	(2.54)
Profit on sale of equity investment reclassified to retained earnings	(4.36)	-
Balance at the end	**287.70**	**(56.00)**

(b) The movement of Hedging reserve is as follows:

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning	(168.55)	(26.40)
Gain/(loss) recognised on cash flow hedges	63.58	(201.51)
Income tax relating to gain/loss recognised on cash flow hedges	(22.22)	70.42
(Gain)/loss reclassified to profit or loss	39.99	(17.00)
Income tax relating to gain/loss reclassified to profit or loss	(13.97)	5.94
Balance at the end	**(101.17)**	**(168.55)**

(c) The movement of Cost of Hedging reserve is as follows:

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning	(42.79)	6.45
Gain/(loss) recognised on cash flow hedges	(1.22)	(65.77)
Income tax relating to gain/loss recognised on cash flow hedges	0.42	22.98
(Gain)/loss reclassified to profit and loss	65.77	(9.91)
Income tax relating to gain/loss reclassified to profit and loss	(22.98)	3.46
Balance at the end	**(0.80)**	**(42.79)**

(d) Summary of Other components of equity:

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Equity instruments through other comprehensive income	287.70	(56.00)
Hedging reserve	(101.17)	(168.55)
Cost of hedging reserve	(0.80)	(42.79)
Total	**185.72**	**(267.34)**

NOTES FORMING PART OF FINANCIAL STATEMENTS

(B) Notes to reserves

a) Capital redemption reserve

The Indian Companies Act, 2013 (the "Companies Act") requires that where a company purchases its own shares out of free reserves or securities premium account, a sum equal to the nominal value of the shares so purchased shall be transferred to a capital redemption reserve account and details of such transfer shall be disclosed in the balance sheet. The capital redemption reserve account may be applied by the company, in paying up unissued shares of the company to be issued to shareholders of the company as fully paid bonus shares. Tata Motors Limited established this reserve pursuant to the redemption of preference shares issued in earlier years.

b) Debenture redemption reserve (DRR)

The Companies Act requires that where a company issues debentures, it shall create a debenture redemption reserve out of profits of the Company available for payment of dividend. The company is required to maintain a Debenture Redemption Reserve of 25% of the value of debentures issued, either by a public issue or on a private placement basis. The amounts credited to the debenture redemption reserve may not be utilised by the company except to redeem debentures. No DRR is required for debentures issued after August 16, 2019.

c) Securities premium

The amount received in excess of face value of the equity shares is recognised in Securities Premium.

d) Retained earnings

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

e) Capital reserve

The capital reserve represents the excess of the identifiable assets and liabilities over the consideration paid.

f) Dividends

The final dividend is recommended by the Board of Directors and is recorded in the books of accounts upon its approval by the Shareholders. For the year ended March 31, 2021 and 2020 , considering the accumulated losses in the Tata Motors Limited Standalone, no dividend was permitted to be paid to the members, as per the Companies Act, 2013 and the rules framed thereunder.

g) Share-based payments reserve

Share-based payments reserve represents amount of fair value, as on the date of grant, of unvested options and vested options not exercised till date, that have been recognised as expense in the statement of profit and loss till date.

23. LONG-TERM BORROWINGS

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Secured:		
(a) Privately placed Non-Convertible Debentures (refer note I (ii))	997.46	-
(b) Term loans:		
(i) from banks (refer note I (i) (d) below)	521.07	614.93
(ii) from financial institutions (refer note I (i) (a) below)	2,992.85	-
(iii) others (refer note I (i) (b) and I (i) (c) below)	214.01	178.82
	4,725.39	**793.75**
Unsecured:		
(a) Privately placed Non-Convertible Debentures (refer note I (ii))	2,799.75	5,199.04
(b) Term loan from banks		
(i) Buyer's line of credit (at floating interest rate) (refer note I (v))	3,083.33	2,875.00
(ii) External commercial borrowings (ECB) (at floating interest rate) (refer note I (iv))	1,721.12	1,777.91
(c) Senior Notes (refer note I (iii))	3,997.18	4,130.81
	11,601.38	**13,982.76**
Total	**16,326.77**	**14,776.51**

NOTES FORMING PART OF FINANCIAL STATEMENTS

24. SHORT-TERM BORROWINGS

(₹ in crores)

		As at March 31, 2021	As at March 31, 2020
Secured:			
Loans from banks (refer note II (i))		1,301.69	3,334.02
		1,301.69	**3,334.02**
Unsecured:			
(a)	Loans from banks (refer note II (i))	82.97	1,578.95
(b)	Inter corporate deposits from subsidiaries and associates (refer note II (ii))	467.00	137.50
(c)	Commercial paper (refer note II (iii))	690.84	1,070.89
		1,240.81	**2,787.34**
Total		**2,542.50**	**6,121.36**

I. Information regarding long-term borrowings

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

(a) The term loan of ₹**3,000.00 crores** from HDFC Ltd, (recorded in books at ₹**2,992.85 crores**) is due for repayment from the quarter ending June 30, 2022 to quarter ending June 30, 2026, along with a simple interest of 8.50% p.a. The loan is secured by a charge over Company's leasehold land together with building structures, plant and machinery, fixtures and other assets.

(b) The term loan of ₹**587.08 crores** (recorded in books at ₹**176.67 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.

(c) The term loan of ₹**112.82 crores** (recorded in books at ₹**37.34 crores**) is due for repayment from the quarter ending June 30, 2030 to March 31, 2034, along with a simple interest of 0.01% p.a. The loan is secured by bank guarantee for the due performance of the conditions as per the terms of the agreement.

(d) Term loan from banks of ₹**521.07 crores** included within Long-term borrowings and ₹**187.89 crores** included within Current maturities of Long-term borrowings in note 26, bearing floating interest rate of 1 month LIBOR+1.63% and 6 months MCLR+0.60% are taken by joint operation Fiat India Automobiles Private Ltd which is due for repayment from June 2021 to September 2025. The loan is secured by first charge over movable fixed assets procured from its loan/jeep project.

NOTES FORMING PART OF FINANCIAL STATEMENTS

(ii) **Schedule of repayment and redemption for Non-Convertible Debentures :**

(₹ in crores)

Non-Convertible Debentures (NCDs)	Redeemable on	Principal
Secured :		
8.80% Non-Convertible Debentures (2023)	May 26, 2023	1,000.00
Debt issue cost		(2.54)
Total		**997.46**
The 8.80% Non-convertible Debentures are secured by a charge over Company's leasehold land together with building structures, plant and machinery, fixtures and other assets.		
Unsecured :		
8.50% Non-Convertible Debentures (2027)	January 29, 2027	250.00
8.50% Non-Convertible Debentures (2026)	December 30, 2026	250.00
9.77% Non-Convertible Debentures (2024)	September 12, 2024	200.00
9.81% Non-Convertible Debentures (2024)	August 20, 2024	300.00
9.54% Non-Convertible Debentures (2024)	June 28, 2024	100.00
9.35% Non-Convertible Debentures (2023)	November 10, 2023	400.00
9.31% Non-Convertible Debentures (2023)	September 29, 2023	200.00
9.27% Non-Convertible Debentures (2023)	June 30, 2023	200.00
9.60% Non-Convertible Debentures (2022)	October 29, 2022	400.00
7.50% Non-Convertible Debentures (E27H Series)	June 22, 2022	500.00
7.71% Non-Convertible Debentures (2022)	March 3, 2022*	500.00
9.02% Non-Convertible Debentures (2021)	December 10, 2021*	300.00
7.50% Non-Convertible Debentures (2021)	October 20, 2021*	300.00
7.84% Non-Convertible Debentures (2021)	September 27, 2021*	500.00
8.40% Non-Convertible Debentures (2021)	May 26, 2021*	300.00
7.40% Non-Convertible Debentures 2021(E27I Series Tranche 2)	June 29, 2021*	500.00
Debt issue cost		(0.47)
Total		**5,199.53**

* Classified as other financial liabilities- current (refer note 26) being maturity before March 31, 2022

(iii) **Schedule of repayment of Senior Notes:**

(₹ in crores)

	Redeemable on	Currency	Amount (in million)	As at March 31, 2021	As at March 31, 2020
4.625% Senior Notes	April 30, 2020	USD	262.532	-	1,986.27
5.750% Senior Notes	October 30, 2024	USD	250	1,816.07	1,876.36
5.875% Senior Notes	May 20, 2025	USD	300	2,181.11	2,254.45
				3,997.18	**6,117.08**

(iv) The external commercial borrowings of USD 237.47 million (₹**1,721.12 crores**) bearing floating interest rate of 3 months LIBOR+128bps is due for repayment in June 2025.

(v) The buyer's line of credit from banks bearing floating interest ranging from 6.42% to 8.85%, amounting to ₹**3,083.33 crores** is repayable within a maximum period of seven years from the drawdown dates. All the repayments are due from period ending September 30, 2021 to June 30, 2026. The Buyer's line of credit of ₹**291.67 crores** classified under other financial liabilities-current being maturity before March 31, 2022.

NOTES FORMING PART OF FINANCIAL STATEMENTS

II. Information regarding short-term borrowings

(i) Loans, cash credits, overdrafts and buyers line of credit from banks bearing fixed interest rate from 5.05% to 7.00% are secured by hypothecation of existing current assets of the Company viz. stock of raw materials, stock in process, semi-finished goods, stores and spares not relating to plant and machinery (consumable stores and spares), bills receivable and book debts including receivable from hire purchase / leasing and all other moveable current assets except cash and bank balances, loans and advances of the Company both present and future.

(ii) Inter-corporate deposits from subsidiaries and associates are unsecured bearing interest rate at 6.00%

(iii) Commercial paper are unsecured short-term papers issued at discount bearing no coupon interest. The yield on commercial paper issued by the Company ranges from 6.83% to 7.33%

III. Collateral

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Assets pledged as collateral/security against borrowings		
Inventory	1,560.51	4,499.64
Other financial assets	100.00	52.62
Property, plant and equipment	6,302.59	1,469.43
Total	**7,963.10**	**6,021.69**

Annual disclosure for reporting of fund raising of issuance of Debt Securities by Large Corporate :

(₹ in crores)

Sr No	Particulars	Year ended March 31, 2021
(i)	Incremental borrowing done (a)	4,500.00
(ii)	Mandatory borrowing to be done through issuance of debt securities (b) = (25% of a)	1,125.00
(iii)	Actual borrowings done through debt securities (c)	1,000.00
(iv)	Shortfall in the mandatory borrowing through debt securities, if any (d) = (b) - (c)	125.00
(v)	Reasons for short fall, if any, in mandatory borrowings through debt securities	COVID 19- shallow market

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, 2019	**3,617.72**	**15,013.20**	**18,630.92**
Proceeds from issuance of debt	10,489.97	4,781.55	15,271.52
Repayment of financing	(8,003.51)	(1,124.93)	(9,128.44)
Foreign exchange	-	660.75	660.75
Amortisation / EIR adjustments of prepaid borrowings (net)	17.18	(7.16)	10.02
Balance at March 31, 2020	**6,121.36**	**19,323.41**	**25,444.77**
Balance at March 31, 2020	**6,121.36**	**19,323.41**	**25,444.77**
Proceeds from issuance of debt	4,068.21	4,667.65	8,735.86
Repayment of financing	(7,660.67)	(4,562.91)	(12,223.58)
Foreign exchange	-	(202.01)	(202.01)
Amortisation / EIR adjustments of prepaid borrowings (net)	13.60	(19.92)	(6.32)
Balance at March 31, 2021	**2,542.50**	**19,206.22**	**21,748.72**

* *includes current maturities of long term borrowings*

NOTES FORMING PART OF FINANCIAL STATEMENTS

25. OTHER FINANCIAL LIABILITIES – NON-CURRENT

(₹ in crores)

		As at March 31, 2021	As at March 31, 2020
(a)	Derivative financial instruments	166.49	240.45
(b)	Interest accrued but not due on borrowings	-	1.02
(c)	Liability towards employee separation scheme	132.67	75.83
(d)	Option premium payable	293.55	412.12
(e)	Others	66.93	125.32
Total		**659.64**	**854.74**

26. OTHER FINANCIAL LIABILITIES – CURRENT

(₹ in crores)

		As at March 31, 2021	As at March 31, 2020
(a)	Current maturities of long-term borrowings (refer note 1 below)	2,879.45	4,546.90
(b)	Interest accrued but not due on borrowings	368.36	398.72
(c)	Liability for capital expenditure (refer note 2 below)	231.38	179.40
(d)	Deposits and retention money	588.63	516.94
(e)	Derivative financial instruments	9.27	39.03
(f)	Liability towards Investors Education and Protection Fund under Section 125 of the Companies Act, 2013 not due		
	(i) Unpaid dividends	3.01	4.57
	(ii) Unpaid matured deposits and interest thereon	0.13	0.64
	(iii) Unpaid debentures and interest thereon	0.18	0.18
(g)	Liability towards employee separation scheme	33.63	13.93
(h)	Option premium payable	110.33	91.87
(i)	Liability for factoring sales	24.95	178.38
(j)	Others	6.25	5.79
Total		**4,255.57**	**5,976.35**

Note:

1. **Details of Current maturities of long-term borrowings :**

(₹ in crores)

		As at March 31, 2021	As at March 31, 2020
(i)	Non Convertible Debentures (Unsecured) (refer note I (ii)	2,399.89	1,299.95
(ii)	Loans from Banks (Secured)(refer note I (i) (b)	187.89	160.68
(iii)	Senior notes (Unsecured) (refer note I (iii)	-	1,986.27
(iv)	Buyers Credit (Capex) (Unsecured) (refer note I (v)	291.67	1,100.00
Total		**2,879.45**	**4,546.90**

2. Includes ₹**22.48 crores** outstanding as at March 31, 2021 towards principal and interest provision on dues of micro enterprises and small enterprises as per MSMED ACT 2006.

27. PROVISIONS-NON CURRENT

(₹ in crores)

		As at March 31, 2021	As at March 31, 2020
(a)	Employee benefits obligations	719.72	806.04
(b)	Warranty	652.17	548.40
(c)	Provision for onerous contract and related supplier claims (refer note 6 (b))	-	414.75
(d)	Annual maintenance contract (AMC)	0.05	0.55
Total		**1,371.94**	**1,769.74**

NOTES FORMING PART OF FINANCIAL STATEMENTS

28. PROVISIONS-CURRENT

(₹ in crores)

		As at March 31, 2021	As at March 31, 2020
(a)	Warranty	872.38	989.19
(b)	Provision for onerous contract and related supplier claims (refer note 6 (b))	117.44	362.25
(c)	Employee benefits obligations	36.64	36.56
(d)	Others	17.08	18.75
Total		**1,043.54**	**1,406.75**

Note

Onerous contract and Warranty provision movement

	Year ended March 31, 2021	Year ended March 31, 2021
	Onerous contract	Warranty
Balance at the beginning	777.00	1,537.59
Provision/(reversal) made during the year	(659.56)	420.89
Provision used during the year	-	(557.77)
Impact of discounting	-	123.84
Balance at the end	**117.44**	**1,524.55**
Current	117.44	872.38
Non-current	-	652.17

29. INCOME TAXES

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, 2021	Year ended March 31, 2020
Profit/(loss) before tax	(2,312.57)	(7,127.34)
Income tax expense at tax rates applicable to individual entities	(817.29)	(2,490.61)
Additional deduction for patent, research and product development cost	-	(281.75)
Items (net) not deductible for tax/not liable to tax :		
- Dividend from subsidiaries, joint operations, associates and investments measured at fair value through other comprehensive income	-	(84.20)
Provision for impairment in subsidiary companies/exceptional (others)	43.11	134.75
Undistributed earnings of joint operations	63.92	6.26
Deferred tax assets not recognised as realisation is not probable	852.94	2,968.70
Utilisation/credit of unrecognised tax losses, unabsorbed depreciation and other tax benefits	(129.39)	(66.52)
Profit on sale of investments in a subsidiary company and other investments	1.52	-
Impact of change in statutory tax rates	(1.33)	(17.31)
Others	69.39	(7.03)
Income tax expense reported in statement of profit and loss	**82.87**	**162.29**

Note:

1. Tata Motors Limited (TML) has presently, decided not to opt for the New Tax Regime inserted as 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. TML has accordingly applied the existing tax rates in the financial statements for the year ended March 31, 2021.

2. In case of Tata Cummins Ltd, the new section 115BBA has been inserted in the Income tax Act, 1961 to give benefit of a reduced corporate tax rate for domestic companies. Section 115BBA states that the domestic companies have the option to pay tax a rate of 25.168% from FY 2019-20 (AY 2020-21) During the current year, while filing Income Tax Return for FY 19-20 the Company has adopted and shifted to the new tax regime from FY 19-20. The impact on tax due to this rate change has been disclosed above. In the current financial year, owing to the adoption of the new tax regime, the existing MAT credit is derecognized in the financial statements in accordance with the tax laws

NOTES FORMING PART OF FINANCIAL STATEMENTS

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

	Opening balance	Recognised in profit and loss	Recognised in/ reclassified from OCI	Closing balance
Deferred tax assets:				
Unabsorbed depreciation	2,533.36	(78.95)	-	2,454.41
Business loss carry forwards	1,232.38	483.45	-	1,715.83
Expenses deductible in future years:				
- provisions, allowances for doubtful receivables and others	691.40	(202.83)	-	488.57
Compensated absences and retirement benefits	199.37	(49.19)	9.17	159.35
Minimum alternate tax carry-forward	3.33	(2.56)	-	0.77
Derivative financial instruments	113.37	65.27	(58.74)	119.90
Unrealised profit on inventory	1.80	1.17	-	2.97
Others	61.49	58.10	-	119.59
Total deferred tax assets	**4,836.50**	**274.46**	**(49.57)**	**5,061.39**
Deferred tax liabilities:				
Property, plant and equipment	2,078.12	525.87	-	2,603.99
Intangible assets	2,740.08	(288.47)	-	2,451.61
Undistributed earnings in joint operations	158.36	63.92	-	222.28
Others	58.53	(26.30)	17.78	50.01
Total deferred tax liabilities	**5,035.09**	**275.02**	**17.78**	**5,327.89**
Net Deferred tax assets / (liabilities)	**(198.59)**	**(0.56)**	**(67.35)**	**(266.50)**

As at March 31, 2021, unrecognised deferred tax assets amount to **₹3,348.12 crores** and **₹7,486.53 crores** which can be carried forward indefinitely and up to a specified period, respectively. These relate primarily to depreciation carry forwards, other deductible temporary differences and business losses. The deferred tax asset has not been recognised on the basis that its recovery is not probable in the foreseeable future.

As at March 31, 2021 unrecognised deferred tax assets expire unutilised based on the year of origination as follows:

(₹ in crores)

March 31,	
2022	741.24
2023	831.70
2024	698.06
2025	2,179.00
2026	614.19
Thereafter	2,422.34

Significant components of deferred tax assets and liabilities for the year ended March 31, 2020 are as follows:

(₹ in crores)

	Opening balance	Recognised in profit and loss	Recognised in/ reclassified from OCI	Closing balance
Deferred tax assets:				
Unabsorbed depreciation	2,536.12	(2.76)	-	2,533.36
Business loss carry forwards	2,132.50	(900.12)	-	1,232.38
Expenses deductible in future years:				
- provisions, allowances for doubtful receivables and others	323.89	367.51	-	691.40
Compensated absences and retirement benefits	158.33	4.79	36.25	199.37
Minimum alternate tax carry-forward	0.77	2.56	-	3.33
Derivative financial instruments	21.20	(10.63)	102.80	113.37
Unrealised profit on inventory	1.49	0.31	-	1.80
Others	63.84	(2.35)	-	61.49
Total deferred tax assets	5,238.14	(540.69)	139.05	4,836.50
Deferred tax liabilities:				
Property, plant and equipment	2,581.99	(503.87)	-	2,078.12
Intangible assets	2,659.17	80.91	-	2,740.08
Undistributed earnings in joint operations	152.10	6.26	-	158.36
Others	50.74	5.25	2.54	58.53
Total deferred tax liabilities	**5,444.00**	**(411.45)**	**2.54**	**5,035.09**
Deferred tax liabilities	**(205.86)**	**(129.24)**	**136.51**	**(198.59)**

NOTES FORMING PART OF FINANCIAL STATEMENTS

30. OTHER NON-CURRENT LIABILITIES

(₹ in crores)

		As at March 31, 2021	As at March 31, 2020
(a)	Contract liabilities (note (a) below)	305.43	134.42
(b)	Government incentives (note (b) below)	41.65	62.93
(c)	Employee Benefit Obligations - Funded	175.55	61.31
(d)	Others	10.92	10.92
Total		**533.55**	**269.58**

31. OTHER CURRENT LIABILITIES

(₹ in crores)

		As at March 31, 2021	As at March 31, 2020
(a)	Contract liabilities (note (a) below)	1,146.92	655.82
(b)	Statutory dues (GST,VAT, Excise, Service Tax, Octroi etc)	928.33	464.47
(c)	Government incentives (note (b) below)	116.09	154.46
(d)	Others	96.16	72.88
	Total	**2,287.50**	**1,347.63**

Note:

		As at March 31, 2021	As at March 31, 2020
(a)	<u>Contract liabilities</u>		
	Opening contract liabilities	790.24	1,063.36
	Amount recognised in revenue	(375.26)	(902.22)
	Amount received in advance during the year	1,043.55	657.25
	Amount refunded to customers	(6.18)	(28.15)
	Closing contract liabilities	**1,452.35**	**790.24**

		As at March 31, 2021	As at March 31, 2020
Advances received from customers	Current	982.45	551.43
Deferred revenue	Current	164.47	104.39
	Non-current	305.43	134.42
		1,452.35	**790.24**

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, 2021 till March 31, 2026.

(b) Government incentives include ₹**101.01 crores** as at March 31, 2021 (₹148.11 crores as at March 31, 2020) grants relating to property, plant and equipment related to duty saved on import of capital goods and spares under the Exports Promotion Capital Goods (EPCG) scheme. Under such scheme, the Company is committed to export prescribed times of the duty saved on import of capital goods over a specified period of time. In case such commitments are not met, the Company would be required to pay the duty saved along with interest to the regulatory authorities.

NOTES FORMING PART OF FINANCIAL STATEMENTS

32. REVENUE FROM OPERATIONS

(₹ in crores)

		Year ended March 31, 2021	Year ended March 31, 2020
(a)	Sale of products (refer note 1 and 2 below)		
	(i) Vehicles	39,283.64	36,583.83
	(ii) Spare parts	4,464.05	4,505.79
	(iii) Miscellaneous products	2,365.62	1,927.98
	Total Sale of products	**46,113.31**	**43,017.60**
(b)	Sale of services	446.08	468.16
	Revenue	**46,559.39**	**43,485.76**
(c)	Other operating revenues (refer note 3 below)	472.08	442.41
	Total	**47,031.47**	**43,928.17**

Note:

(1)	Includes variable marketing expenses netted off against revenue	(6,452.50)	(9,197.73)
(2)	Includes exchange gain/(loss) (net) on hedges reclassified from hedge reserve to statement of profit and loss	(0.92)	0.27
(3)	Includes profit on sale of properties	143.44	91.44

33. OTHER INCOME

(₹ in crores)

		Year ended March 31, 2021	Year ended March 31, 2020
(a)	Interest income	196.24	483.72
(b)	Dividend income (refer note below)	20.45	241.22
(c)	Government incentives	548.27	588.38
(d)	Profit on sale of investments at FVTPL	72.80	70.16
(e)	MTM – Investments measured at FVTPL	5.20	(0.43)
	Total	**842.96**	**1,383.05**

Note:

Includes :

(a)	Dividend from subsidiary companies and associates	2.79	221.42
(b)	From investment measured at FVTOCI	17.66	19.80

34. EMPLOYEE BENEFITS EXPENSE

(₹ in crores)

		Year ended March 31, 2021	Year ended March 31, 2020
(a)	Salaries, wages and bonus *	3,590.53	3,653.34
(b)	Contribution to provident fund and other funds	270.99	254.90
(c)	Staff welfare expenses	351.47	476.07
	Total	**4,212.99**	**4,384.31**

Share based payments

The Company has allotted share based incentives to certain employees during the year ended March 31, 2019, under Tata Motors Limited Employee Stock Options Scheme 2018 approved by Nomination and Remuneration Committee (NRC). As per the scheme, the number of shares that will vest is conditional upon certain performance measures determined by NRC. The performance is measured over vesting period of the options granted which ranges from 3 to 5 years. The performance measures under this scheme include growth in sales, earnings and free cash flow. The options granted under this scheme is exercisable by employees till one year from date of its vesting. The Company has granted options at an exercise price of ₹345/-. Option granted will vest equally each year starting from 3 years from date of grant up to 5 years from date of grant. Number of shares that will vest range from 0.5 to 1.5 per option granted depending on performance measures.

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Options outstanding at the beginning of the year	72,22,897	78,12,427
Granted during the year	-	-
Forfeited/Expired during the year	(4,18,894)	(5,89,530)
Exercised during the year	-	-
Outstanding at the end of the year	68,04,003	72,22,897
Number of shares to be issued for outstanding options (conditional on performance measures)	1,02,06,005/34,02,002	1,08,34,346/36,11,449
Maximum	1,02,06,005	1,08,34,346
Minimum	34,02,002	36,11,449

The Company has estimated fair value of options using Black Scholes model. The following assumptions were used for calculation of fair value of options granted.

(₹ in crores)

Assumption factor	Estimate	
	Year ended March 31, 2021	Year ended March 31, 2020
Risk free rate	7%-8%	7%-8%
Expected life of option	2-4 years	3-5 years
Expected volatility	33%- 37%	33%- 37%

* The amount of ₹**9.04 crores** and ₹4.70 crores has accrued in salaries, wages and bonus for the year ended March 31, 2021 and March 31, 2020, respectively towards share based payments.

35. FINANCE COSTS

(₹ in crores)

		Year ended March 31, 2021	Year ended March 31, 2020
(a)	Interest	2,130.17	1,973.48
	Add: Exchange fluctuation considered as interest cost	-	56.35
	Less: Transferred to capital account	(190.48)	(423.76)
		1,939.69	1,606.07
(b)	Discounting charges	418.85	366.93
	Total	**2,358.54**	**1,973.00**

Note:

The weighted average rate for capitalisation of interest relating to general borrowings were approximately **7.44%** and 7.52% for the years ended March 31, 2021 and 2020, respectively.

36. OTHER EXPENSES

(₹ in crores)

		Year ended March 31, 2021	Year ended March 31, 2020
(a)	Processing charges	953.49	1,051.13
(b)	Consumption of stores & spare parts	417.57	461.37
(c)	Power and fuel	371.78	428.85
(d)	Freight, transportation, port charges etc.	802.84	1,077.20
(e)	Publicity	444.37	846.60
(f)	Warranty expenses ^	441.54	538.36
(g)	Information technology/computer expenses	728.88	764.31
(h)	Allowances made/(reversed) for trade and other receivables (net)	73.37	30.91
(i)	Loss on assets scrapped / written off	16.16	168.04
(j)	Works operation and other expenses (note below)*	1,551.90	2,353.98
	Total	**5,801.90**	**7,720.75**

*	Includes rates and taxes (refer note (e) below)	50.78	369.55
^	Net of estimated recovery from suppliers	(20.65)	(31.74)

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note:

(₹ in crores)

Works operation and other expenses include:		Year ended March 31, 2021	Year ended March 31, 2020
(a)	Auditors' Remuneration (excluding GST)		
	(i) Audit Fees	7.93	4.86
	(ii) Audit fees for financial statements as per IFRS (including SOX certification)	3.41	4.90^
	(iii) In other Capacities :		
	Tax Audit / Transfer Pricing Audit	0.62	0.61
	(iv) Other Services	0.82	1.82*
	(v) Reimbursement of travelling and out-of-pocket expenses	0.41	0.76
	^ Amount paid to KPMG Assurance and Consulting Services LLP/Deloitte Haskins and Sells		
	* Includes ₹0.90 crores paid to BSR & Co LLP and ₹0.50 crores fees paid to Deloitte Haskins and Sells LLP for issuance of Senior Notes		
(b)	Cost Auditors' Remuneration (excluding GST)		
	(i) Cost Audit Fees	0.25	0.20
	(ii) Reimbursement of travelling and out-of-pocket expenses	-	0.06

(c) Works operation and other expenses for the year March 31, 2021 includes ₹**23.99 crores** (₹22.72 crores for the year March 31, 2020) spent by Tata Motors Ltd on standalone basis excluding interest in the joint operations, towards various schemes of Corporate Social Responsibility (CSR) as prescribed under Section 135 of the Companies Act, 2013. No amount has been spent on construction / acquisition of an asset of the Company. The prescribed CSR expenditure required to be spent in the year 2020-21 as per the Companies Act, 2013 is ₹**Nil**, in view of average net profits of the Company being ₹**Nil** (under section 198 of the Act) for last three financial years.

(d) Works operation and other expenses include remuneration payable to non- executive independent directors aggregating ₹**1.70 crores** which is subject to approval of the shareholders, which the Company proposes to obtain in the forthcoming Annual General Meeting, in accordance with the provisions of the Companies Act, 2013.

(e) During the year ended March 31, 2020, provision for certain Indirect taxes for matters under litigation for FY 2002 to FY 2006 were made for ₹241.25 crores, which is included in other expenses.

37. AMOUNT TRANSFERRED TO CAPITAL AND OTHER ACCOUNTS

(₹ in crores)

		Year ended March 31, 2021	Year ended March 31, 2020
(a)	Capital work in progress	(73.50)	(219.45)
(b)	Intangible asset under development	(353.93)	(690.19)
(c)	Product development/Engineering expenses	(390.10)	(259.82)
	Total	**(817.53)**	**(1,169.46)**

38. EXCEPTIONAL ITEMS

Exceptional amount of ₹**114.00 crores** and ₹(73.03) crores during the year ended March 31, 2021 and 2020, is related to write off/provision (reversal) of certain property, plant and equipment, capital work-in-progress and intangibles under development.

NOTES FORMING PART OF FINANCIAL STATEMENTS

39. COMMITMENTS AND CONTINGENCIES

In the ordinary course of business, the Company faces claims and assertions by various parties. The Company assesses such claims and assertions and monitors the legal environment on an ongoing basis, with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

The following is a description of claims and assertions where a potential loss is possible, but not probable. The Company believes that none of the contingencies described below would have a material adverse effect on the Company's financial condition, results of operations or cash flows.

Litigation

The Company is involved in legal proceedings, both as plaintiff and as defendant. There are claims which the Company does not believe to be of material nature, other than those described below.

Income Tax

The Company has ongoing disputes with income tax authorities relating to tax treatment of certain items. These mainly include disallowed expenses, the tax treatment of certain expenses claimed by the Company as deductions and the computation of, or eligibility of, the Company's use of certain tax incentives or allowances.

Most of these disputes and/or disallowances, being repetitive in nature, have been raised by the income tax authorities consistently in most of the years.

The Company has a right of appeal to the Commissioner of Income Tax (Appeals), or CIT (A), the Dispute Resolution Panel, or DRP, and to the Income Tax Appellate Tribunal, or ITAT, against adverse decisions by the assessing officer, DRP or CIT (A), as applicable. The income tax authorities have similar rights of appeal to the ITAT against adverse decisions by the CIT (A) or DRP. The Company has a further right of appeal to the Bombay High Court or the Hon'ble Supreme Court of India against adverse decisions by the appellate authorities for matters involving substantial question of law. The income tax authorities have similar rights of appeal.

As at March 31, 2021, there are contingent liabilities towards matters and/or disputes pending in appeal amounting to ₹**101.89 crores** (₹90.21 crores as at March 31, 2020).

Customs, Excise Duty and Service Tax

As at March 31, 2021, there are pending litigation for various matters relating to customs, excise duty and service taxes involving demands, including interest and penalties, of ₹**580.45 crores** (₹603.87 crores as at March 31, 2020). These demands challenged the basis of valuation of the Company's products and denied the Company's claims of Central Value Added Tax, or CENVAT credit on inputs. The details of the demands for more than ₹100 crores are as follows:

As at March 31, 2021, the Excise Authorities have raised a demand and penalty of ₹268.27 crores, (₹268.27 crores as at March 31, 2020), due to the classification of certain chassis (as goods transport vehicles instead of dumpers) which were sent to automotive body builders by the Company, which the Excise Authorities claim requires the payment of the National Calamity Contingent Duty (NCCD). The Company has obtained a technical expert certificate on the classification. The appeal is pending before the Custom Excise & Service Tax Appellate Tribunal.

Sales Tax/VAT

The total sales tax demands (including interest and penalty), that are being contested by the Company amount to ₹**1,359.51 crores** as at March 31, 2021 (₹914.12 crores as at March 31, 2020). The details of the demands for more than ₹100 crores are as follows:

The Sales Tax Authorities have raised demand of ₹**326.85 crores** as at March 31, 2021 (₹207.80 crores as at March 31, 2020) towards rejection of certain statutory forms for concessional lower/nil tax rate (Form F and Form C) on technical grounds and few other issues such as late submission, single form issued against different months / quarters dispatches / sales, etc. and denial of exemption from tax in absence of proof of export for certain years. The Company has contended that the benefit cannot be denied on technicalities, which are being complied with. The matter is pending at various levels.

The Sales Tax authorities have denied input tax credit and levied interest and penalty thereon due to varied reasons aggregating to ₹**270.50 crores** as at March 31, 2021 (₹221.77 crores as at March 31, 2020). The reasons for disallowing credit was mainly due to Taxes not paid by Vendors, incorrect method of calculation of set off as per the department, alleging suppression of sales as per the department etc. The matter is contested in appeal.

NOTES FORMING PART OF FINANCIAL STATEMENTS

The Sales Tax authorities have raised demand for Check post/ Entry Tax liability at various states amounting to ₹**434.59 crores** as at March 31, 2021 (₹65.81 crores as at March 31, 2020). The company is contesting this issue.

The Sales Tax Authorities have raised demand of ₹**148.84 crores** as at March 31, 2021 (₹148.84 crores as at March 31, 2020) towards full CST liability on Chassis exported after enroot body building and interest thereon considering as CST sale. The Company has contended that the Company's manufacturing plant dispatching chassis for enroot body building to bodybuilders as bill to the Company and ship to bodybuilders is constituted as export sale after Chassis export. The matter is contested in appeal.

Other Taxes and Dues

Other amounts for which the Company may contingently be liable aggregate to ₹**231.53 crores** as at March 31, 2021 (₹288.17 crores as at March 31, 2020). Following are the cases involving more than ₹100 crores:

Other claims

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

The Company has, consequent to an Order of the Hon'ble Supreme Court of India in the case of R.C.Gupta Ors. Vs Regional Provident Fund Organisation and Ors., evaluated the impact on its employee pension scheme and concluded that this is not applicable to the Company based on external legal opinion and hence it is not probable that there will be an outflow of resources. Further, a Supreme Court of India bench, allowed the review petitions filed by the Employees Provident Fund Organisation (EPFO) and decided to reconsider the previous order that permitted grant of Provident Fund pension on last drawn salary. The Supreme Court has recalled its 2019 order which had paved way for pension on last drawn salary for employees by removing the current salary ceiling of ₹15,000.

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 ₹**957.16 crores** as at March 31, 2021 (₹1,320.67 crores as at March 31, 2020), 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 ₹**99.64 crores** as at March 31, 2021, (₹146.15 crores as at March 31, 2020), which are yet to be executed.

The Company has contractual obligation towards Purchase Commitment (net of provisions) for ₹**2024.00 crores** as at March 31, 2021 (₹1,374.00 crores as at March 31, 2020).

40. EARNINGS/(LOSS) PER SHARE ("EPS")

(₹ in crores)

			Year ended March 31, 2021	Year ended March 31, 2020
(a)	Profit/(loss) after tax	₹ crores	(2,395.44)	(7,289.63)
(b)	The weighted average number of Ordinary shares for Basic EPS	Nos.	3,128,268,742	2,952,353,090
(c)	The weighted average number of 'A' Ordinary shares for Basic EPS	Nos.	508,502,896	508,502,473
(d)	The nominal value per share (Ordinary and 'A' Ordinary)	₹	2	2
(e)	Share of profit / (loss) for Ordinary shares for Basic EPS	₹ crores	(2,060.50)	(6,218.57)
(f)	Share of profit / (loss) for 'A' Ordinary shares for Basic EPS *	₹ crores	(334.94)	(1,071.06)
(g)	Earnings per Ordinary share (Basic)	₹	(6.59)	(21.06)
(h)	Earnings per 'A' Ordinary share (Basic)	₹	(6.59)	(21.06)
(i)	Profit after tax for Diluted EPS	₹ crores	#	#

NOTES FORMING PART OF FINANCIAL STATEMENTS

(j)	The weighted average number of Ordinary shares for Basic EPS	Nos.	#	#
(k)	Add: Adjustment for shares held in abeyance	Nos.	#	#
(l)	Add: Adjustment for Options relating to warrants	Nos.	#	#
(m)	The weighted average number of Ordinary shares for Diluted EPS	Nos.	#	#
(n)	The weighted average number of 'A' Ordinary shares for Basic EPS	Nos.	#	#
(o)	Add: Adjustment for 'A' Ordinary shares held in abeyance	Nos.	#	#
(p)	The weighted average number of 'A' Ordinary shares for Diluted EPS	Nos.	#	#
(q)	Share of profit for Ordinary shares for Diluted EPS	₹ crores	#	#
(r)	Share of profit for 'A' Ordinary shares for Diluted EPS *	₹ crores	#	#
(s)	Earnings per Ordinary share (Diluted)	₹	(6.59)	(21.06)
(t)	Earnings per 'A' Ordinary share (Diluted)	₹	(6.59)	(21.06)

* 'A' Ordinary Shareholders are entitled to receive dividend @ 5% points more than the aggregate rate of dividend determined by the Company on Ordinary Shares for the financial year.

Since there is a loss for the year ended March 31, 2021, potential equity shares are not considered as dilutive and hence Diluted EPS is same as Basic EPS.

Employee Stock options are not considered to be dilutive based on the average market price of ordinary shares during the period.

41. CAPITAL MANAGEMENT

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long-term and short-term goals of the Company.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity, non-convertible debentures, senior notes and other long-term/short-term borrowings. The Company's policy is aimed at combination of short-term and long-term borrowings.

The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

Total borrowings includes all long and short-term borrowings as disclosed in notes 23, 24 and 26 (a) to the financial statements. Equity comprises all components excluding (profit)/loss on cash flow hedges.

The following table summarises the capital of the Company:

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Equity	19,157.94	18,598.99
Short-term borrowings and current maturities of long-term borrowings	5,421.95	10,668.26
Long-term borrowings	16,326.77	14,776.51
Total borrowings	21,748.72	25,444.77
Total capital (Debt + Equity)	**40,906.66**	**44,043.76**
Total equity as reported in balance sheet	19,055.97	18,387.65
Hedging reserve	101.17	168.55
Cost of Hedge reserve	0.80	42.79
Equity as reported above	**19,157.94**	**18,598.99**

NOTES FORMING PART OF FINANCIAL STATEMENTS

42. 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, 2021.

(₹ in crores)

	Cash, and other financial assets at amortised cost	Investments - FVTOCI	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
Financial assets							
(a) Investments - non-current	-	967.65	-	-	-	967.65	967.65
(b) Investments - current	-	-	1,578.26	-	-	1,578.26	1,578.26
(c) Trade receivables	2,087.51	-	-	-	-	2,087.51	2,087.51
(d) Cash and cash equivalents	2,365.54	-	-	-	-	2,365.54	2,365.54
(e) Other bank balances	1,953.40	-	-	-	-	1,953.40	1,953.40
(f) Loans and advances - non-current	126.05	-	-	-	-	126.05	126.05
(g) Loans and advances - current	185.42	-	-	-	-	185.42	185.42
(h) Other financial assets - non-current	881.64	-	-	243.55	506.64	1,631.83	1,631.83
(i) Other financial assets - current	1,725.81	-	-	15.94	3.31	1,745.06	1,745.06
Total	**9,325.37**	**967.65**	**1,578.26**	**259.49**	**509.95**	**12,640.72**	**12,640.72**

	Derivatives other than in hedging relationship (at fair value)	Derivatives 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)	-	-	19,206.22	19,206.22	19,585.77
(b) Lease liabilities- non current	-	-	593.74	593.74	602.07
(c) Short-term borrowings	-	-	2,542.50	2,542.50	2,542.50
(d) Lease liabilities- current	-	-	96.47	96.47	96.47
(e) Trade payables	-	-	8,115.01	8,115.01	8,115.01
(f) Acceptances	-	-	7,873.12	7,873.12	7,873.12
(g) Other financial liabilities - non-current	13.56	152.93	493.15	659.64	659.64
(h) Other financial liabilities - current	7.30	1.97	1,366.85	1,376.12	1,376.12
Total	**20.86**	**154.90**	**40,287.06**	**40,462.82**	**40,850.70**

NOTES FORMING PART OF FINANCIAL STATEMENTS

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities as at March 31, 2020.

(₹ in crores)

	Cash, and other financial assets at amortised cost	Investments - FVTOCI	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
Financial assets							
(a) Investments - non-current	-	548.57	-	-	-	548.57	548.57
(b) Investments - current	-	-	885.31	-	-	885.31	885.31
(c) Trade receivables	1,978.06	-	-	-	-	1,978.06	1,978.06
(d) Cash and cash equivalents	2,145.30	-	-	-	-	2,145.30	2,145.30
(e) Other bank balances	1,386.89	-	-	-	-	1,386.89	1,386.89
(f) Loans and advances - non-current	138.46	-	-	-	-	138.46	138.46
(g) Loans and advances - current	232.14	-	-	-	-	232.14	232.14
(h) Other financial assets - non-current	680.90	-	-	177.07	654.99	1,512.96	1,512.96
(i) Other financial assets - current	1,411.02	-	-	135.54	-	1,546.56	1,546.56
Total	**7,972.77**	**548.57**	**885.31**	**312.61**	**654.99**	**10,374.25**	**10,374.25**

	Derivatives other than in hedging relationship (at fair value)	Derivatives 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)	-	-	19,323.41	19,323.41	18,866.90
(b) Lease liabilities- non current	-	-	522.24	522.24	522.24
(c) Short-term borrowings	-	-	6,121.36	6,121.36	6,121.36
(d) Lease liabilities- current	-	-	83.30	83.30	83.30
(e) Trade payables	-	-	8,102.25	8,102.25	8,102.25
(f) Acceptances	-	-	2,741.69	2,741.69	2,741.69
(g) Other financial liabilities - non-current	21.37	219.08	614.29	854.74	854.74
(h) Other financial liabilities - current	15.16	23.87	1,390.42	1,429.45	1,429.45
Total	**36.53**	**242.95**	**38,898.96**	**39,178.44**	**38,721.93**

NOTES FORMING PART OF FINANCIAL STATEMENTS

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 quoted equity shares, quoted corporate debt instruments and mutual fund investments.

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, 2021 and 2020.

Costs of certain unquoted equity instruments have been considered as an appropriate estimate of fair value because these investments are subject to a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range. These investments in equity instruments are not held for trading. Instead, they are held for medium or long term strategic purpose. Upon the application of Ind AS 109, the Company has chosen to designate these investments in equity instruments at FVTOCI as the directors believes this provides a more meaningful presentation for medium or long term strategic investments, than reflecting changes in fair value in profit or loss.

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, 2021			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
(a) Investments	2,024.49	-	521.42	2,545.91
(b) Derivative assets	-	769.44	-	769.44
Total	**2,024.49**	**769.44**	**521.42**	**3,315.35**
Financial liabilities measured at fair value				
(a) Derivative liabilities	-	175.76	-	175.76
Total	**-**	**175.76**	**-**	**175.76**

(₹ in crores)

	As at March 31, 2020			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
(a) Investments	1,026.27	-	407.61	1,433.88
(b) Derivative assets	-	967.60	-	967.60
Total	**1,026.27**	**967.60**	**407.61**	**2,401.48**
Financial liabilities measured at fair value				
(a) Derivative liabilities	-	279.48	-	279.48
Total	**-**	**279.48**	**-**	**279.48**

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, 2021			
	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value				
(a) Investments	-	-	-	-

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(₹ in crores)

	As at March 31, 2021			
	Level 1	Level 2	Level 3	Total
Total	-	-	-	-
Financial liabilities not measured at fair value				
(a) Long-term borrowings (including Current maturities of long-term borrowings)	4,244.63	15,341.14	-	19,585.77
(b) Short-term borrowings	-	2,542.50	-	2,542.50
(c) Option premium accrual	-	383.77	-	383.77
Total	**4,244.63**	**18,267.41**	**-**	**22,512.04**

(₹ in crores)

	As at March 31, 2020			
	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value				
(a) Investments	-	-	-	-
Total	**-**	**-**	**-**	**-**
Financial liabilities not measured at fair value				
(a) Long-term borrowings (including Current maturities of long-term borrowings)	5,527.22	13,339.68	-	18,866.90
(b) Short-term borrowings	-	6,121.36	-	6,121.36
(c) Option premium accrual	-	397.41	-	397.41
Total	**5,527.22**	**19,858.45**	**-**	**25,385.67**

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.

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, 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) Derivative financial instruments	769.44	-	769.44	(7.40)	-	762.04
(b) Trade receivables	2,364.24	(276.73)	2,087.51	-	-	2,087.51
(c) Loans and advances-current	186.82	(1.40)	185.42	-	-	185.42
Total	**3,320.50**	**(278.13)**	**3,042.37**	**(7.40)**	**-**	**3,034.97**
Financial liabilities						
(a) Derivative financial instruments	175.76	-	175.76	(7.40)	-	168.36
(b) Trade payables	8,390.53	(275.52)	8,115.01	-	-	8,115.01
(c) Other financial liabilities	2.61	(2.61)	-	-	-	-
Total	**8,568.90**	**(278.13)**	**8,290.77**	**(7.40)**	**-**	**8,283.37**

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, 2020:

(₹ 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	967.60	-	967.60	(21.52)	-	946.08
(b) Trade receivables	2,138.06	(160.00)	1,978.06	-	-	1,978.06
(c) Loans and advances-current	240.03	(7.89)	232.14	-	-	232.14
Total	**3,345.69**	**(167.89)**	**3,177.80**	**(21.52)**	**-**	**3,156.28**
Financial liabilities						
(a) Derivative financial instruments	279.48	-	279.48	(21.52)	-	257.96
(b) Trade payables	8,270.14	(167.89)	8,102.25	-	-	8,102.25
Total	**8,549.62**	**(167.89)**	**8,381.73**	**(21.52)**	**-**	**8,360.21**

(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.

(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.

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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, 2021:

(₹ in crores)

	U.S. dollar	Euro	GBP	Chinese Yuan	Others[1]	Total
Financial assets	248.18	16.94	104.53	0.06	29.04	398.75
Financial liabilities	6,769.43	212.30	185.88	13.14	12.03	7,192.78

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 ₹**39.88 crores** and ₹**719.28 crores** for financial assets and financial liabilities respectively for the year ended March 31, 2021.

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, 2020:

(₹ in crores)

	U.S. dollar	Euro	GBP	ZAR	Others[2]	Total
Financial assets	1,369.00	8.67	44.12	24.42	10.90	1,457.11
Financial liabilities	9,136.47	349.69	281.98	5.88	28.09	9,802.11

2 Others mainly include currencies such as the Russian ruble, Japanese yen, Swiss franc, Australian dollars, South African rand 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 ₹145.71 crores and ₹980.21 crores for financial assets and financial liabilities, respectively for the year ended March 31, 2020.

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

(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.

The Company is subject to variable interest rates on some of its interest bearing liabilities. The Company's interest rate exposure is mainly related to debt obligations. The Company also uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like short term loans.

As at March 31, 2021 and 2020, financial liabilities of ₹**5,843.60 crores** and ₹6,638.55 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 ₹**58.44 crores** and ₹66.39 crores for the year ended March 31, 2021 and 2020, 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.

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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).

(c) Equity Price risk

Equity Price Risk is related to the change in market reference price of the investments in equity securities.

The fair value of some of the Company's investments measured at fair value through other comprehensive income exposes the Company to equity price risks. These investments are subject to changes in the market price of securities. The fair value of Company's investment in quoted equity securities as of March 31, 2021 and 2020 was ₹**446.22 crores** and ₹140.96 crores, respectively. A 10% change in equity price as of March 31, 2021 and 2020 would result in a pre- tax impact of ₹**44.62 crores** and ₹14.10 crores, respectively.

(Note: The impact is indicated on equity before consequential tax impact, if any).

(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 ₹**12,119.25 crores** and ₹9,966.54 crores as at March 31, 2021 and 2020, 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, 2021, and March 31, 2020, 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, 2021			As at March 31, 2020		
	Gross	Allowance	Net	Gross	Allowance	Net
Period (in months)						
(a) Not due	1,030.32	(8.74)	1,021.58	870.05	(3.93)	866.12
(b) Overdue up to 3 months	395.34	(25.89)	369.45	426.24	(6.11)	420.13
(c) Overdue 3-6 months	123.43	(5.11)	118.32	206.44	(26.49)	179.95
(d) Overdue more than 6 months	1,123.20	(545.04)	578.16	1,115.08	(603.22)	511.86
Total	**2,672.29**	**(584.78)**	**2,087.51**	**2,617.81**	**(639.75)**	**1,978.06**

Trade receivables overdue more than six months include ₹**538.91 crores** as at March 31, 2021 (₹471.35 crores as at March 31, 2020) 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.

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(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 has also invested 15% of the amount of non-convertible debentures (taken/issued by the Company) falling due for repayment in the next 12 months in bank deposits, to meet the regulatory norms of liquidity requirements.

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, 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	8,115.01	8,115.01	-	-	-	8,115.01
(b) Acceptances	7,873.12	7,873.12	-	-	-	7,873.12
(c) Borrowings and interest thereon	22,117.08	6,998.65	4,031.24	13,447.83	2,341.92	26,819.64
(d) Other financial liabilities	1,491.64	1,093.49	142.11	296.38	100.19	1,632.17
(e) Lease liabilities	690.21	191.53	178.15	288.04	233.49	891.21
(f) Derivative liabilities	175.76	9.27	-	201.54	-	210.81
Total	**40,462.82**	**24,281.07**	**4,351.50**	**14,233.79**	**2,675.60**	**45,541.96**

The table below provides details regarding the contractual maturities of financial liabilities, including estimated interest payments as at March 31, 2020:

(₹ 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	8,102.25	8,102.25	-	-	-	8,102.25
(b) Acceptances	2,741.69	2,741.69	-	-	-	2,741.69
(c) Borrowings and interest thereon	25,843.49	12,027.85	3,832.86	8,535.65	5,845.32	30,241.68
(d) Other financial liabilities	1,605.99	1,013.70	199.60	357.53	62.52	1,633.35
(e) Lease liabilities	605.54	191.98	159.85	240.31	129.76	721.90
(f) Derivative liabilities	279.48	39.03	-	21.07	219.38	279.48
Total	**39,178.44**	**24,116.50**	**4,192.31**	**9,154.56**	**6,256.98**	**43,720.35**

(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, 2021	As at March 31, 2020
(a) Foreign currency forward exchange contracts and options	746.85	941.36
(b) Commodity Derivatives	13.32	(12.79)
(c) Interest rate derivatives	(166.49)	(240.45)
Total	**593.68**	**688.12**

The gain/(loss) due to fluctuation in foreign currency exchange rates on derivative contracts, recognised in the income statement was ₹**(184.97) crores** and ₹291.73 crores for the years ended March 31, 2021 and 2020, 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 ₹**(40.39) crores** and ₹20.70 crores for the years ended March 31, 2021 and 2020, respectively.

NOTES FORMING PART OF FINANCIAL STATEMENTS

43. SEGMENT REPORTING

The Company primarily operates in the automotive segment. The automotive segment includes all activities relating to development, design, manufacture, assembly and sale of vehicles, as well as sale of related parts and accessories. The Company's products mainly include commercial vehicles and passenger vehicles.

Accordingly, the automotive segment is bifurcated into the following:

(i) Commercial vehicles

(ii) Passenger vehicles

(₹ in crores)

	For the year ended/as at March 31, 2021			
	Commercial Vehicle	Passenger Vehicle*	Corporate/ Unallocable	Total
Revenues:				
External revenue	29,899.07	16,856.43	275.97	47,031.47
Inter-segment/intra-segment revenue	-	-	-	-
Total revenues	**29,899.07**	**16,856.43**	**275.97**	**47,031.47**
Segment results before other income (excluding incentives), finance costs, foreign exchange loss (net), exceptional items and tax :	18.38	(1,568.28)	(89.23)	(1,639.13)
Reconciliation to Profit/(loss) before tax:				
Other income (excluding incentives)				294.69
Finance costs				(2,358.54)
Foreign exchange loss (net)				(1.67)
Exceptional items gain/(loss) (net)	(159.21)	1,699.63	(148.34)	1,392.08
Profit/(loss) before tax				(2,312.57)
Depreciation and amortisation expense	1,574.04	1,950.89	156.68	3,681.61
Capital expenditure	1,533.88	679.23	(68.24)	2,144.87
Segment assets	22,478.62	16,669.73		39,148.35
Reconciliation to total assets:				
Assets classified as held for sale				220.80
Investments in subsidiaries, associates and joint ventures				15,147.26
Other investments				2,545.91
Current and non-current tax assets (net)				715.31
Corporate/Unallocable assets				7,282.03
Total assets				**65,059.66**
Segment liabilities	16,296.11	5,725.94		22,022.05
Reconciliation to total liabilities:				
Borrowings				21,748.72
Current tax liabilities (net)				37.84
Deferred tax liabilities (net)				266.50
Corporate/Unallocable liabilities				1,928.58
Total liabilities				**46,003.69**

* Includes Tata and Fiat brand vehicles

(₹ in crores)

	For the year ended/as at March 31, 2020			
	Commercial Vehicle	Passenger Vehicle*	Corporate/ Unallocable	Total
Revenues:				
External revenue	32,932.89	10,772.47	222.81	43,928.17
Inter-segment/intra-segment revenue	-	-	-	-
Total revenues	**32,932.89**	**10,772.47**	**222.81**	**43,928.17**
Segment results before other income (excluding incentives), finance costs, foreign exchange loss (net), exceptional items and tax :	(207.60)	(2,727.57)	(263.92)	(3,199.09)
Reconciliation to Profit before tax:				
Other income (excluding incentives)				794.67
Finance costs				(1,973.00)
Foreign exchange loss (net)				(239.00)
Exceptional items gain/(loss) (net)	71.52	(2,222.85)	(359.59)	(2,510.92)
Profit before tax				(7,127.34)
Depreciation and amortisation expense	1,510.70	1,699.49	165.10	3,375.29
Capital expenditure	2,311.82	2,573.73	426.34	5,311.89
Segment assets	21,845.57	16,774.98		38,620.55
Reconciliation to total assets:				
Assets classified as held for sale				191.07
Investments in subsidiaries, associates and joint ventures				15,182.29
Other investments				1,433.88
Current and non-current tax assets (net)				727.97
Corporate/Unallocable assets				6,434.11
Total assets				**62,589.87**
Segment liabilities	11,237.44	5,204.60		16,442.04
Reconciliation to total liabilities:				
Borrowings				25,444.77
Current tax liabilities (net)				31.49
Deferred tax liabilities (net)				198.59
Corporate/Unallocable liabilities				2,085.33
Total liabilities				**44,202.22**

* Includes Tata and Fiat brand vehicles

(₹ in crores)

Information concerning principal geographic areas is as follows:	For the year ended/as at March 31, 2021			For the year ended/as at March 31, 2020		
	Within India	Outside India	Total	Within India	Outside India	Total
Net sales to external customers by geographic area by location of customers	44,467.05	2,564.42	**47,031.47**	40,452.00	3,476.17	**43,928.17**
Non- Current Assets [Property, plant and equipment, right of use assets, intangible assets, other non-current assets (non-financial) and Goodwill] by geographic area	29,387.37	42.19	**29,429.56**	29,659.04	43.74	**29,702.78**

NOTES FORMING PART OF FINANCIAL STATEMENTS

44. RELATED-PARTY TRANSACTIONS

The Company's related parties principally includes subsidiaries, joint operations, associates and their subsidiaries, Tata Sons Pvt Limited, subsidiaries and joint ventures of Tata Sons Pvt Limited. 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, 2021:

(₹ in crores)

	Subsidiaries	Joint Arrangements	Associates and its subsidiaries	Tata Sons Pvt Ltd, its subsidiaries and joint arrangements	Total
A) Transactions					
Purchase of products	344.77	3,868.63	1,967.89	22.75	6,204.04
Sale of products	379.47	1,179.01	144.51	567.86	2,270.85
Services received	984.83	0.74	9.18	170.52	1,165.27
Services rendered	204.69	4.49	8.30	0.48	217.96
Bills discounted	216.91	-	-	5,947.23	6,164.14
Purchase of property, plant and equipment	1.42	-	24.82	3.66	29.90
Sale of property, plant and equipment	-	-	-	34.21	34.21
Sale of business	10.30	-	-	-	10.30
Finance given (including loans and equity)	93.07	-	-	41.25	134.32
Finance given, taken back (including loans and equity)	40.00	-	-	-	40.00
Finance taken (including loans and equity)	1,407.25	-	211.00	2,602.51	4,220.76
Finance taken, paid back (including loans and equity)	1,126.75	-	162.00	-	1,288.75
Interest (income)/expense, dividend (income)/paid, net	9.75	18.37	5.69	59.80	93.61
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	701.70	-	-	-	701.70
Amounts payable in respect of loans and interest thereon	372.00	-	95.00	4.83	471.83
Amount payable in respect of Lease Liability	-	265.85	-	-	265.85
Trade and other receivables	272.16	-	39.22	79.71	391.09
Trade payables	427.45	156.94	60.96	67.01	712.36
Acceptances	42.13	-	-	929.07	971.20
Assets / deposits given/taken as security	3.30	-	-	-	3.30
Provision for amount receivable (including loans)	708.93	-	-	-	708.93

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(₹ in crores)

The following table summarises related-party transactions and balances for the year ended / as at March 31, 2020:

(₹ in crores)

	Subsidiaries	Joint Arrangements	Associates and its subsidiaries	Tata Sons Pvt Ltd, its subsidiaries and joint arrangements	Total
A) Transactions					
Purchase of products	1,022.75	2,782.26	1,719.27	35.76	5,560.04
Sale of products	1,226.54	681.10	185.52	546.73	2,639.89
Services received	1,420.38	3.83	22.89	163.01	1,610.11
Services rendered	167.30	5.51	12.67	0.31	185.79
Bills discounted	-	-	-	3,148.52	3,148.52
Purchase of property, plant and equipment	290.93	-	81.00	0.46	372.39
Sale of property, plant and equipment	-	-	-	95.30	95.30
Sale of business	25.85	-	-	-	25.85
Finance given (including loans and equity)	503.24	10.07	-	-	513.31
Finance given, taken back (including loans and equity)	482.50	-	-	-	
Finance taken (including loans and equity)	1,545.75	-	104.00	3,891.85	5,541.60
Finance taken, paid back (including loans and equity)	1,567.00	-	81.00	-	1,648.00
Interest (income)/expense, dividend (income)/paid, net	(217.21)	4.09	(13.19)	(4.81)	(231.12)
Borrowing towards lease Liability	-	113.83	-	-	113.83
Repayment towards lease liability	-	(1.83)	-	-	(1.83)
(B) Balances					
Amounts receivable in respect of loans and interest thereon	647.50	15.82	-	-	663.32
Amounts payable in respect of loans and interest thereon	91.50	-	46.00	0.62	138.12
Amount payable in respect of Lease Liability	-	112.00	-	-	
Trade and other receivables	427.71	0.03	24.73	32.49	484.96
Trade payables	688.42	272.66	272.48	39.85	1,273.41
Acceptances	-	-	-	76.90	76.90
Assets / deposits given/taken as security	3.29	-	-	-	3.29
Provision for amount receivable (including loans)	647.28	15.82	-	-	663.10

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Details of significant transactions are given below:

Name of Related Party	Nature of relationship	Year ended March 31, 2021	Year ended March 31, 2020
i) Bill discounted			
Tata Capital	Tata Sons Pvt Ltd, its subsidiaries and joint arrangements	5,947.23	3,148.52
ii) Preferential allotment			
Tata Sons Pvt Ltd	Parent company	2,602.51	3,891.85
iii) Purchase of fixed assets			
TML Business Services Ltd [formerly known as Concorde Motors (India) Limited]	Subsidiaries	-	286.40

Compensation of key management personnel:

(₹ in crores)

Compensation of key management personnel:	Year ended March 31, 2021	Year ended March 31, 2020
Short-term benefits	26.65	25.31
Post-employment benefits*	2.00	4.41
Employees stock option plan	0.68	0.62

The compensation of CEO and Managing Director is **₹20.58 crores** and ₹16.48 crores for the year ended March 31, 2021 and 2020, respectively. This compensation for year ended March 31, 2021, includes ₹2.83 crores of performance bonus and long term incentive for the year ended March 31, 2020, approved in the year ended March 31, 2021. The amount for year ended March 31, 2021 excludes Performance and Long Term Incentives, which will be accrued post approval by the Board of Directors. The Company has reappointed CEO and Managing Director from February 15, 2021 till June 30, 2021, which is subject to the approval of the Central Government and the Shareholders. Remuneration for the period February 15, 2021 to March 31, 2021 of **₹1.89 crores** (₹11.82 crores for the year ended March 31, 2020) included above is subject to the approval.

* For the year ended March 31, 2020, the Compensation of COO and Executive Director includes ₹2.41 crores for Gratuity, leave encashment and Ex-gratia paid on superannuation.

Refer note 47 for information on transactions with post employment benefit plans.

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45. 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 subsidiaries as at March 31, 2021, on a standalone basis.

(₹ in crores)

NAME OF THE COMPANY	Outstanding as at March 31, 2021/ March 31, 2020	Maximum amount outstanding during the year
(i) Subsidiaries:		
Tata Motors European Technical Centre Plc., UK	**42.82**	**42.82**
[Tata Motors European Technical Centre has utilised this loan for investment in National Automotive Innovation Centre set up jointly with University of Warwick and Jaguar Land Rover Ltd and carried an interest rate of 12 months LIBOR+ 3% prevailing rate (3.8625% p.a - 3.9224% p.a)]	39.74	39.74
Tata Hispano Motors Carrocera S.A.	**556.86**	**556.86**
(Tata Hispano Motors Carrocera S.A. has utilised this loan for meeting its capex requirement, grant repayemnt and general corporate purposes, which is fully provided)	547.18	547.18
Tata Hispano Motors Carroceries Maghreb SA	**58.39**	**58.39**
(Tata Hispano Motors Carroceries Maghreb SA has utilised this loan for general corporate purposes, which is partly provided)	58.39	58.39
Tata Precision Industries Pte Ltd	-	-
(Tata Precision Industries Pte Ltd has utilised this loan for general corporate purposes. The interest rate was 12M LIBOR+ 3% at prevailing rate)	0.53	0.53
Trilix S.r.l	**13.37**	**13.37**
(Trilix SRL has utilised this loan for general corporate purposes, which is fully provided. The interest rate is 12M EURIBOR + 3%)	-	-
JT Special Vehicle (P) Ltd *	-	-
(JT Special Vehicle (P) Ltd has utilised this loan for general corporate purposes and carried an interest rate of 9.76% p.a)	3.75	3.75
JT Special Vehicle (P) Ltd *	-	-
(Inter corporate deposit utilised for working capital finance at the rate of interest of 10.25%. Effective 1st July 2020, the interest rate was revised to 8.5%)	12.07	12.07

* JT Special Vehicle (P) Ltd ceased to be a Joint Venture and became a Wholly-owned Subsidiary w.e.f. August 11, 2020

(b) Details of Investments made are given in notes 7, 8, and 9 .

46. DETAILS OF SIGNIFICANT INVESTMENTS IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

Name of the Company	Country of incorporation/ Place of business	% direct holding As at March 31, 2021	% direct holding As at March 31, 2020
Subsidiaries			
TML Business Services Ltd	India	100.00	100.00
Tata Motors Insurance Broking and Advisory Services Ltd	India	100.00	100.00
Tata Motors European Technical Centre Plc	UK	100.00	100.00
Tata Technologies Ltd	India	74.43	72.48
TMF Holdings Ltd	India	100.00	100.00
Tata Marcopolo Motors Ltd	India	51.00	51.00
TML Holdings Pte Ltd	Singapore	100.00	100.00
TML Distribution Company Ltd	India	100.00	100.00
Tata Hispano Motors Carrocera S.A	Spain	100.00	100.00
Tata Hispano Motors Carroceries Maghreb S.A	Morocco	100.00	100.00
Trilix S.r.l	Italy	100.00	100.00
Brabo Robotics and Automation Limited	India	100.00	100.00
Tata Precision Industries Pte Ltd	Singapore	78.39	78.39
JT Special Vehicle (P) Ltd	India	100.00	50.00
Associates			
Automobile Corporation of Goa Limited	India	48.98	48.98
Nita Co. Ltd	Bangladesh	40.00	40.00
Tata AutoComp Systems Ltd	India	26.00	26.00
Tata Hitachi Construction Machinery Company Private Ltd	India	39.74	39.74

NOTES FORMING PART OF FINANCIAL STATEMENTS

47. EMPLOYEE BENEFITS

(i) 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 and joint operations:

(₹ in crores)

	Pension Benefits		Post retirement medical Benefits	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Change in defined benefit obligations :				
Defined benefit obligation, beginning of the year	1,175.83	1,038.21	156.43	144.23
Current service cost	75.79	68.20	7.67	7.16
Interest cost	76.65	76.95	10.49	10.45
Remeasurements (gains) / losses				
Actuarial losses arising from changes in demographic assumptions	(2.62)	3.49	-	-
Actuarial losses arising from changes in financial assumptions	(0.11)	33.36	5.89	8.06
Actuarial (gains) / losses arising from changes in experience adjustments	(11.38)	26.59	0.17	(4.17)
Transfer in/(out) of liability	(6.95)	(0.61)	-	(0.05)
Benefits paid from plan assets	(111.65)	(64.84)	-	-
Benefits paid directly by employer	(6.51)	(5.52)	(8.87)	(9.25)
Defined benefit obligation, end of the year	**1,189.05**	**1,175.83**	**171.78**	**156.43**
Change in plan assets:				
Fair value of plan assets, beginning of the year	1,012.60	914.61	-	-
Interest income	69.19	72.11	-	-
Remeasurements losses				
Return on plan assets, (excluding amount included in net Interest expense)	33.58	(20.18)	-	-
Employer's contributions	103.09	111.43	-	-
Transfer in/(out) of liability	(6.54)	(0.53)	-	-
Benefits paid	(111.65)	(64.84)	-	-
Fair value of plan assets, end of the year	**1,100.28**	**1,012.60**	**-**	**-**

(₹ in crores)

	Pension Benefits		Post retirement medical Benefits	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Amount recognised in the balance sheet consists of				
Present value of defined benefit obligation	1,189.05	1,175.83	171.78	156.43
Fair value of plan assets	1,100.28	1,012.60	-	-
Asset ceiling	(2.85)	-	-	-
Net liability	**(85.92)**	**(163.23)**	**(171.78)**	**(156.43)**
Amounts in the balance sheet:				
Non-current assets	41.96	1.17	-	-
Non-current liabilities	(127.88)	(164.40)	(171.78)	(156.43)
Net liability	**(85.92)**	**(163.23)**	**(171.78)**	**(156.43)**

NOTES FORMING PART OF FINANCIAL STATEMENTS

Total amount recognised in other comprehensive income consists of

(₹ in crores)

	Pension Benefits		Post retirement medical Benefits	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Remeasurements (gains) / losses	105.63	150.48	(34.96)	(41.02)
	105.63	**150.48**	**(34.96)**	**(41.02)**

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

(₹ in crores)

	Pension Benefits	
	As at March 31, 2021	As at March 31, 2020
Defined benefit obligation	14.17	1,028.77
Fair value of plan assets	13.59	990.15

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

(₹ in crores)

	Pension Benefits	
	As at March 31, 2021	As at March 31, 2020
Defined benefit obligation	1,042.15	21.28
Fair value of plan assets	1,086.69	22.45

Information for unfunded plans:

(₹ in crores)

	Pension Benefits		Post retirement medical Benefits	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Defined benefit obligation	132.73	125.78	171.78	156.43

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

(₹ in crores)

	Pension Benefits		Post retirement medical Benefits	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Service cost	75.79	68.20	7.67	7.16
Net interest cost	7.46	4.84	10.49	10.45
Net periodic cost	**83.25**	**73.04**	**18.16**	**17.61**

NOTES FORMING PART OF FINANCIAL STATEMENTS

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

(₹ in crores)

	Pension Benefits		Post retirement medical Benefits	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Remeasurements				
Return on plan assets, (excluding amount included in net Interest expense)	(33.58)	20.18	-	-
Actuarial (gains)/losses arising from changes in demographic assumptions	(2.62)	3.49	-	-
Actuarial (gains)/losses arising from changes in financial assumptions	(0.11)	33.36	5.89	8.06
Asset ceiling	2.85	-	-	-
Actuarial (gains) / losses arising from changes in experience adjustments on plan liabilities	(11.38)	26.59	0.17	(4.17)
Total recognised in other comprehensive income	**(44.85)**	**83.62**	**6.06**	**3.89**
Total recognised in statement of comprehensive income	**38.40**	**156.66**	**24.22**	**21.50**

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

(₹ in crores)

	Pension Benefits		Post retirement medical Benefits	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Discount rate	6.10%-6.90%	6.10%-6.90%	6.90%	6.90%
Rate of increase in compensation level of covered employees	5.75% - 10.00%	5.00% - 10.00%	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, 2021 and 2020 by category are as follows:

(₹ in crores)

	Pension Benefits	
	As at March 31, 2021	As at March 31, 2020
Asset category:		
Cash and cash equivalents	5.0%	6.5%
Debt instruments (quoted)	65.9%	67.5%
Debt instruments (unquoted)	0.4%	0.6%
Equity instruments (quoted)	5.9%	2.9%
Deposits with Insurance companies	22.9%	22.5%
	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, 2021 is 13.1 years (March 31, 2020 : 14.0 years).

The Company expects to contribute ₹87.73 crores to the funded pension plans during the year ended March 31, 2022.

NOTES FORMING PART OF FINANCIAL STATEMENTS

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%	₹92.01 crores	₹20.65 crores
	Decrease by 1%	₹127.06 crores	₹21.30 crores
Salary escalation rate	Increase by 1%	₹96.96 crores	₹19.75 crores
	Decrease by 1%	₹86.20 crores	₹17.42 crores
Health care cost	Increase by 1%	₹20.47 crores	₹4.31 crores
	Decrease by 1%	₹17.31 crores	₹3.57 crores

Provident Fund

The following tables set out the funded status of the defined benefit provident fund plan of Tata Motors Limited and the amounts recognized in the Company's financial statements.

(₹ in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Change in benefit obligations:		
Defined benefit obligations at the beginning	3,865.99	3,509.30
Service cost	127.88	125.19
Employee contribution	298.48	288.36
Acquisitions (credit) / cost	(118.74)	(138.41)
Interest expense	327.79	296.54
Actuarial (gains) / losses arising from changes in experience adjustments on plan liabilities	9.20	3.89
Actuarial (gains) / losses arising from changes in financial assumptions	41.99	-
Benefits paid	(231.71)	(218.88)
Defined benefit obligations at the end	**4,320.88**	**3,865.99**
Change in plan assets:		
Fair value of plan assets at the beginning	3,845.14	3,520.82
Acquisition Adjustment	(118.74)	(138.41)
Interest income	324.44	302.42
Return on plan assets excluding amounts included in interest income	(8.23)	(32.82)
Contributions (employer and employee)	424.60	412.01
Benefits paid	(231.71)	(218.88)
Fair value of plan assets at the end	**4,235.50**	**3,845.14**

(₹ in crores)

Amount recognised in the balance sheet consists of	As at March 31, 2021	As at March 31, 2020
Present value of defined benefit obligation	4,320.88	3,865.99
Fair value of plan assets	4,235.50	3,845.14
Effect of asset ceiling	-	(2.99)
Net liability	85.38	23.84
Non-Current liability	**85.38**	**23.84**

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

Total amount recognised in other comprehensive income consists of:	As at March 31, 2021	As at March 31, 2020
Remeasurements (gains) / losses	80.22	17.81
	80.22	**17.81**

(₹ in crores)

Net periodic cost for Provident Fund consists of following components:	For the year ended March 31, 2021	For the year ended March 31, 2020
Service cost	127.88	125.19
Net interest cost / (income)	3.35	(5.88)
Net periodic cost	**131.23**	**119.31**

(₹ in crores)

Other changes in plan assets and benefit obligation recognised in other comprehensive income.	For the year ended March 31, 2021	For the year ended March 31, 2020
Remeasurements		
Return on plan assets, (excluding amount included in net Interest expense)	8.23	32.82
Actuarial (gains) / losses arising from changes in experience adjustments on plan liabilities	9.20	3.89
Actuarial (gains) / losses arising from changes in financial assumptions	41.99	-
Adjustments for limits on net asset	2.99	(18.90)
Total recognised in other comprehensive income	**62.41**	**17.81**
Total recognised in statement of profit and loss and other comprehensive income	**193.64**	**137.12**

The assumptions used in determining the present value obligation of the Provident Fund is set out below:

(₹ in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Discount rate	6.90%	6.90%
Expected rate of return on plan assets	8.20% to 8.40%	8.20% to 8.60%
Remaining term to maturity of portfolio	19.7	19.0

The breakup of the plan assets into various categories as at March 31, 2021 is as follows:

(₹ in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Central and State government bonds	45.0%	44.2%
Public sector undertakings and Private sector bonds	33.8%	34.1%
Others	21.2%	21.7%
Total	**100.0%**	**100.0%**

The asset allocation for plan assets is determined based on investment criteria prescribed under the relevant regulations.

As at March 31, 2021, the defined benefit obligation would be affected by approximately ₹160.84 crores on account of a 0.50% decrease in the expected rate of return on plan assets.

The Company expects to contribute ₹82.73 crores to the defined benefit provident fund plan in Fiscal 2022.

(ii) The Company's contribution to defined contribution plan aggregated to ₹78.79 crores and ₹77.89 crores for the years ended March 31, 2021 and 2020, respectively.

NOTES FORMING PART OF FINANCIAL STATEMENTS

48. ADDITIONAL INFORMATION

The financial statements include the Company's proportionate share of assets, liabilities, income and expenditure in its two Joint Operations, namely Tata Cummins Private Limited and Fiat India Automobile Private Limited. Below are supplementary details of Tata Motors Limited on standalone basis excluding interest in the aforesaid two Joint Operations:

A. Balance Sheet

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
I. ASSETS		
(1) NON-CURRENT ASSETS		
(a) Property, plant and equipment	17,143.04	16,778.66
(b) Capital work-in-progress	1,324.21	1,626.53
(c) Right of use assets	979.48	724.08
(d) Other intangible assets	6,156.56	5,284.19
(e) Intangible assets under development	1,604.23	2,738.02
(f) Investments in subsidiaries, joint arrangements and associates	16,804.30	16,839.33
(g) Financial assets		
(i) Investments	967.65	548.57
(ii) Loans and advances	125.74	137.93
(iii) Other financial assets	1,606.19	1,490.38
(h) Non-current tax assets (net)	651.91	654.55
(i) Other non-current assets	836.77	1,056.77
	48,200.08	**47,879.01**
(2) CURRENT ASSETS		
(a) Inventories	3,911.75	3,211.11
(b) Financial assets		
(i) Investments	1,470.41	885.31
(ii) Trade receivables	1,778.19	1,851.09
(iii) Cash and cash equivalents	1,666.16	1,815.32
(iv) Bank balances other than (iii) above	1,951.53	1,338.70
(v) Loans and advances	181.26	216.49
(vi) Other financial assets	1,644.11	1,379.39
(c) Assets classified as held-for-sale	220.80	191.07
(d) Other current assets	1,051.53	1,241.50
	13,875.74	**12,129.98**
TOTAL ASSETS	**62,075.82**	**60,008.99**
II. EQUITY AND LIABILITIES		
EQUITY		
(a) Equity share capital	765.81	719.54
(b) Other equity	17,231.97	16,908.03
	17,997.78	**17,627.57**
LIABILITIES		
(1) NON-CURRENT LIABILITIES		
(a) Financial liabilities		
(i) Borrowings	15,805.70	14,161.58
(ii) Lease liabilities	806.93	586.10
(iii) Other financial liabilities	646.08	779.56
(b) Provisions	1,316.38	1,698.92
(c) Other non-current liabilities	485.21	186.11
	19,060.30	**17,412.27**
(2) CURRENT LIABILITIES		
(a) Financial liabilities		
(i) Borrowings	2,486.36	6,014.40
(ii) Lease liabilities	107.81	82.47
(iii) Trade payables		
(a) Total outstanding dues of micro and small enterprises	142.29	94.57
(b) Total outstanding dues of creditors other than micro and small enterprises	7,079.42	7,558.54
(iv) Acceptances	7,873.12	2,741.69
(v) Other financial liabilities	3,955.20	5,731.13
(b) Provisions	1,166.36	1,429.44
(c) Current tax liabilities (net)	12.57	12.57
(d) Other current liabilities	2,194.61	1,304.34
	25,017.74	24,969.15
TOTAL EQUITY AND LIABILITIES	**62,075.82**	**60,008.99**

NOTES FORMING PART OF FINANCIAL STATEMENTS

B. Statement of Profit and Loss

(₹ in crores)

Particulars		Year ended March 31, 2021	Year ended March 31, 2020
Revenue from operations			
Revenue		46,065.61	42,524.46
Other operating revenue		471.00	438.57
I. Total revenue from operations		46,536.61	42,963.03
II. Other Income		558.34	1,168.59
III. Total Income (I+II)		**47,094.95**	**44,131.62**
IV. Expenses			
(a) Cost of materials consumed		28,493.12	24,758.46
(b) Purchases of products for sale		7,518.05	6,912.97
(c) Changes in inventories of finished goods, work-in-progress and products for sale		(108.48)	760.04
(d) Employee benefits expense		3,987.72	4,156.75
(e) Finance costs		2,288.61	1,906.12
(f) Foreign exchange loss (net)		29.02	193.54
(g) Depreciation and amortisation expense		3,325.80	3,122.60
(h) Product development/Engineering expenses		907.44	829.58
(i) Other expenses		5,612.48	7,455.40
(j) Amount transferred to capital and other accounts		(817.53)	(1,158.83)
Total Expenses (IV)		**51,239.38**	**48,936.63**
V. Profit/(loss) before exceptional items and tax (III-IV)		(4,144.43)	(4,805.01)
VI. Exceptional items			
(a) Employee separation cost		215.97	0.33
(b) Write off/provision (reversal) for tangible/intangible assets (including under development)		-	(73.03)
(c) Provision/(reversal) for loan given to/investment and cost of closure in subsidiary companies/joint venture (net)		123.36	385.62
(d) Impairment losses/(reversal) in passenger vehicle business		(1,182.41)	1,418.64
(e) Provision/(reversal) for Onerous Contracts and related supplier claims		(549.00)	777.00
VII. Profit/(loss) before tax (V-VI)		**(2,752.35)**	**(7,313.57)**
VIII. Tax expense/(credit) (net)			
(a) Current tax (including Minimum Alternate Tax)		-	7.51
(b) Deferred tax		(65.28)	132.90
Total tax expense		**(65.28)**	**140.41**
IX. Profit/(loss) for the year from continuing operations (VII-VIII)		(2,687.07)	(7,453.98)
X. Other comprehensive income/(loss):			
(A) (i) Items that will not be reclassified to profit and loss:			
(a) Remeasurement losses on defined benefit obligations (net)		(32.18)	(93.41)
(b) Equity instruments at fair value through other comprehensive income		365.84	(115.72)
(ii) Income tax credit/(expense) relating to items that will not be reclassified to profit and loss		(6.53)	30.10
(B) (i) Items that will be reclassified to profit and loss - gains/(losses) in cash flow hedges		168.12	(294.19)
(ii) Income tax credit/(expense) relating to items that will be reclassified to profit and loss		(58.75)	102.80
Total other comprehensive income/(loss), net of taxes		**436.50**	**(370.42)**
XI. Total comprehensive income/(loss) for the year (IX+X)		**(2,250.57)**	**(7,824.40)**
XII. Earnings/(loss) per share (EPS)			
(a) Ordinary shares:			
(i) Basic	₹	(7.39)	(21.54)
(ii) Diluted	₹	(7.39)	(21.54)
(b) 'A' Ordinary shares:			
(i) Basic	₹	(7.39)	(21.54)
(ii) Diluted	₹	(7.39)	(21.54)

NOTES FORMING PART OF FINANCIAL STATEMENTS

C. STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

i) Equity Share Capital

(₹ in crores)

Particulars	Equity Share Capital
Balance as at April 1, 2020	679.22
Proceeds from issue of shares	46.26
Balance as at March 31, 2021	725.48

ii) Other Equity

(₹ in crores)

Particulars	Securities premium	Share based payments reserve	Money received against Share Warrants	Capital redemption reserve	Debenture redemption reserve	Capital reserve (on merger)/ (sale of business) (net)	Retained earnings: General Reserve	Retained earnings: Undistributable (Ind AS 101)	Retained earnings: Distributable	Other components of equity (OCI): Equity instruments through OCI	Other components of equity (OCI): Hedging reserve	Other components of equity (OCI): Cost of hedging reserve	Total other equity
Balance as at April 1, 2020	22,194.89	13.14	867.50	2.28	1,038.84	(359.37)	1,726.83	627.03	(8,935.77)	(56.00)	(168.55)	(42.79)	16,908.03
Loss for the year	-	-	-	-	-	-	-	-	(2,687.07)	-	-	-	(2,687.07)
Other comprehensive income / (loss) for the year	-	-	-	-	-	-	-	-	(20.93)	348.06	67.38	41.99	436.50
Total comprehensive income/ (loss) for the year	-	-	-	-	-	-	-	-	(2,708.00)	348.06	67.38	41.99	(2,250.57)
Share-based payments	-	9.04	-	-	-	-		-	-	-	-	-	9.04
Issue of shares pursuant to preferential allotment/conversion of share warrants	3,423.74	-	(867.50)	-	-	-		-	-	-	-	-	2,556.24
Realised gain on investments held at fair value through Other comprehensive income	-	-	-	-	-	-	-	-	(4.36)	4.36	-	-	-
Sale of business to a subsidiary company [refer note 49 (vi)]	-	-	-	-	-	9.22	-	-	-	-	-	-	9.22
Transfer from debenture redemption reserve	-	-	-	-	(134.40)	-	-	-	134.40	-	-	-	-
Balance as at March 31, 2021	**25,618.63**	**22.18**	**-**	**2.28**	**904.44**	**(350.15)**	**1,726.83**	**627.03**	**(11,513.73)**	**296.42**	**(101.17)**	**(0.80)**	**17,231.97**

NOTES FORMING PART OF FINANCIAL STATEMENTS

D. STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED MARCH 31, 2020

i) Equity Share Capital

(₹ in crores)

Particulars	Equity Share Capital
Balance as at April 1, 2019	679.22
Proceeds from issue of shares	40.32
Balance as at March 31, 2020	**719.54**

ii) Other Equity

(₹ in crores)

Particulars	Securities premium	Share based payment reserve	Money received against Share Warrants	Capital redemption reserve	Debenture redemption reserve	Capital reserve (on merger)	Retained earnings: Undistributable (Ind AS 101)	Retained earnings: Distributable	Other components of equity (OCI): Equity instruments through OCI	Other components of equity (OCI): Hedging reserve	Other components of equity (OCI): Cost of Hedging reserve	Total other equity
Balance as at April 1, 2019	19,213.93	8.44	-	2.28	1,085.94	(359.37)	627.03	258.71	62.26	(26.40)	6.45	20,879.27
Profit for the year	-	-	-	-	-	-	-	(7,453.98)	-	-	-	(7,453.98)
Other comprehensive income /(loss) for the year	-	-	-	-	-	-	-	(60.77)	(118.26)	(142.15)	(49.24)	(370.42)
Total comprehensive income/(loss) for the year	-	-	-	-	-	-	-	(7,514.75)	(118.26)	(142.15)	(49.24)	(7,824.40)
Share-based payments	-	4.70	-	-	-	-	-	-	-	-	-	4.70
Issue of Share warrants		-	867.50	-	-	-	-	-	-	-	-	867.50
Issue of shares pursuant to preferential allotment (net of issue expenses of ₹3.08 crores) and proceeds from issue of shares held in abeyance	2,980.96	-	-	-	-	-	-	-	-	-	-	2,980.96
Transfer from debenture redemption reserve	-	-	-	-	(47.10)	-	-	47.10	-	-	-	-
Balance as at March 31, 2020	22,194.89	13.14	867.50	2.28	1,038.84	(359.37)	627.03	(7,208.94)	(56.00)	(168.55)	(42.79)	16,908.03

NOTES FORMING PART OF FINANCIAL STATEMENTS

49. 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, 2021	As at March 31, 2020
(a) Amounts outstanding but not due (including capital creditors) as at March 31,		185.64	87.64
(b) Amounts due but unpaid as at March 31,	- Principal	4.07	13.92
(c) Amounts paid after appointed date during the year	- Principal	237.39	87.56
(d) Amount of interest accrued and unpaid as at March 31,	- Interest	4.64	2.76
(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 earlier)	- Interest	0.26	0.14

ii) The Board of Directors has, at its meeting held on July 31, 2020, approved (subject to the requisite regulatory and other approvals) a Scheme of Arrangement between Tata Motors Limited and TML Business Analytics Services Limited (Transferee Company) for:

a) Transfer of the PV Undertaking of the Company as a going concern, on a slump sale basis as defined under Section 2(42C) of the Income-tax Act, 1961, to the Transferee Company for a lump sum consideration of ₹9,417.00 crores through issuance of equity shares; and

b) Reduction of its share capital without extinguishing or reducing its liability on any of its shares by writing down a portion of its securities premium account to the extent of ₹11,173.59 crores, with a corresponding adjustment to the accumulated losses of the Company.

The Scheme of Arrangement has been filed with National Company Law Tribunal for approval.

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.

(iv) The Company's certain assets related to defence business are classified as "Held for Sale" as they meet the criteria laid out under Ind AS 105. The transaction has been completed in April 2021.

(v) During the year ended March 31, 2021, the Company has transferred its Global Delivery Centre / Process Shared Service business ('GDC Business') unit to subsidiary company TML Business Services Limited (TMLBSL) on a slump sale basis for a lump sum consideration of ₹10.30 crores. The difference between the consideration paid and net assets of GDC business of ₹9.22 crores, has been credited to Capital reserve (on merger/sale of business).

(vi) During the year ended March 31, 2021, the Company and Marcopolo S.A. have entered into a share purchase agreement where the Company will purchase the balance 49% shareholding in Tata Marcopolo Motors Ltd (TMML) for a cash consideration of ₹99.96 crores, subject to certain closing conditions to be complied by both Parties. On completion of the transaction, TMML will become a wholly owned subsidiary of the Company.

(vii) 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.

In terms of our report attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

SHIRAZ VASTANI
Partner
Membership No. 103334
UDIN: 21103334AAAAAW6929
Place- Pune

Date: May 18, 2021

For and on behalf of the Board

N CHANDRASEKARAN *[DIN: 00121863]*
Chairman
Place- Mumbai

VEDIKA BHANDARKAR *[DIN: 00033808]*
Director
Place- Mumbai

GUENTER BUTSCHEK *[DIN: 07427375]*
CEO and Managing Director
Place- Austria

P B BALAJI
Group Chief Financial Officer
Place- Mumbai

H K SETHNA *[FCS: 3507]*
Company Secretary
Place- Mumbai
Date: May 18, 2021

INDEPENDENT AUDITORS' REPORT

To the Members of Tata Motors Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Tata Motors Limited (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associates and its joint ventures and joint operations, which comprise the consolidated balance sheet as at 31 March 2021, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries, associates, joint ventures and joint operations as were audited by the other auditors, the aforesaid consolidated 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 consolidated state of affairs of the Group, its associates, joint ventures and joint operations as at 31 March 2021, of its consolidated loss and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

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 Consolidated Financial Statements* section of our report. We are independent of the Group, its associates, joint ventures and joint operations in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India, and the relevant provisions of the Act , and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Emphasis of matter

We draw your attention to Note 2(f) to these consolidated financial statements, which describes the economic and social consequences/ disruption the Group is facing as a result of COVID-19 which is impacting supply chains / consumer demand / financial markets /commodity prices / personnel available for work.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment and based on the consideration of reports of other auditors on separate financial statements of components audited by them, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter

Key audit matter	How the matter was addressed in our audit
1) JLR Group Going concern, as reported by the component auditor of Jaguar Land Rover Automotive Plc (hereinafter referred to as JLR Group).	
Disclosure Quality The financial statements explain how the Board of JLR Group has formed a judgement that it is appropriate to adopt the going concern basis of preparation for the JLR Group. That judgement is based on an evaluation of the inherent risks to the JLR Group's business model, in particular, risks associated with the global coronavirus pandemic, the impact of Brexit and how those risks might affect the JLR Group's financial resources or ability to continue operations over a period to 30 September 2022. The risks most likely to adversely affect the JLR Group's available financial resources over this period were: • The impact of coronavirus lockdowns and related potential economic damage on customer demand in JLR Group's key markets. • The impact on JLR Group's supply chain and consequent production capability from semiconductor shortages, coronavirus related supply shortages and supplier continuity risks. The risk for our audit is whether or not those risks are such that they amount to a material uncertainty that may cast significant doubt about the ability to continue as a going concern. Had they been such, then that fact would have been required to be disclosed. (Refer note 2(e) of the consolidated financial statements)	The auditor of the component (JLR Group) considered whether these risks could plausibly affect the liquidity or covenant compliance in the going concern period by assessing the directors' sensitivities over the level of available financial resources and covenant thresholds indicated by the JLR Group's financial forecasts taking account of severe, but plausible, adverse effects that could arise from these risks individually and collectively. Their procedures also included: • **Assessment of management's process:** Evaluated management's process to produce forecasts, including the assessment of internal and external factors used to determine the severe but plausible downward scenarios adopted. • **Funding assessment:** Evaluated JLR Group's financing facilities to ensure that the available terms and covenants associated with these facilities, were completely and accurately reflected in the cash flow forecasts; • **Key dependency assessment:** Evaluated whether the key assumptions underpinning the forecast cash flows, which the directors have used to support the going concern basis of preparation and to assess whether JLR Group can meet its financial commitments as they fall due, were realistic, achievable and consistent with the external environment and other matters identified in the audit. The key assumptions include sales volumes together with fixed and variable costs. They inspected the timing of cash outflows related to the Reimagine restructuring and ensured that they were completely and accurately incorporated into the cash flow forecasts. • **Historical comparisons:** Evaluated the historical cash flow forecasting accuracy of JLR Group by comparing historical cash flows to actual results reported, as well as assessing the accuracy of key assumptions previously applied; • **Benchmarking assumptions:** Assessed appropriateness of JLR Group's key assumptions used in the cash flow forecasts, by benchmarking them to externally derived data, with particular focus on sales volumes; • **Sensitivity analysis:** Considered sensitivities over the key assumptions underlying the JLR Group's cash flow forecasts and their impact on the level of available financial resources; • **Sector experience –** The component audit team used their industry specialists to challenge the key assumptions made by the directors in their forecast cash flows; • **Assessing transparency –** The component audit team assessed the completeness and accuracy of the matters disclosed in the going concern disclosure by considering whether it is consistent with their knowledge of the business.
2) Assessment of indicators of impairment reversal of plant and equipment and intangible assets of the passenger vehicles cash generating unit.	
The Holding Company periodically assesses if there are any triggers for reversal of previously recognized impairment loss in respect of its passenger vehicle cash generating unit (CGU). In making this determination, the Holding Company considers both internal and external sources of information to determine whether there is an indicator of impairment reversal and, accordingly, whether the recoverable amount of the CGU needs to be estimated. An impairment loss accounted in earlier years is reversed if the recoverable amount is higher than the carrying value. The recoverable amount is determined based on the higher of value in use (VIU) and fair value less costs of to sell (FVLCS). As at 31 March 2021, the Holding Company determined the recoverable amount of this CGU to be ₹ 14,169 crores, being the FVLCS, and reversed the impairment loss. After reversal of the impairment loss, the carrying value of net assets for this CGU was ₹ 7,750 crores as at 31 March 2021. This assessment of indicators of impairment reversal is considered to be a key audit matter due to the significant judgment required to assess the internal and external sources of information. (Refer notes 2(s) & 8(a) of the consolidated financial statements)	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence **Test of Controls:** • We evaluated the design and tested the operating effectiveness of the key control over the assessment of indicators of impairment reversal. Test of Details: • We assessed internal and external sources of information used by the Holding Company to determine that there are indicators of impairment reversal. • In performing the above assessment we have examined: — The growth in total industry volume in current year and growth estimates as per industry forecasts. — The increase in share price of the Holding Company during the current year and the market capitalisation attributable to the passenger vehicles CGU. — The improvement in sales multiple as per analyst report as compared to previous year. — The growth in the sales volume of the Holding Company in current year. — The increase in market share of the Holding Company in current year as compared to previous year. — The improvement in the contribution margin earned by the Holding Company. • We also assessed changes in the estimates used to determine the CGU's recoverable amount. • We involved valuation professionals with specialized skills and knowledge who assisted in evaluating the principles used in selection of comparable companies and assessing the CGU's enterprise value (i.e. FVLCS) based on comparable companies' enterprise value to sales multiple. • We performed a sensitivity analysis over the enterprise value to sales multiple to assess the impact on the recoverable amount.
3) Impairment of property plant and equipment, intangible, and right-of-use non-current assets, as reported by the component auditor of JLR Group	
Forecast based assessment There is a risk that the carrying value of property, plant and equipment (PPE), intangible assets, and right-of-use assets (ROUAs) may be higher than the recoverable amount. Where a review for impairment, or reversal of impairment, is conducted, the recoverable amount is determined based on the higher of 'value in use' or 'fair value less costs of disposal'. The JLR Group holds a significant amount of property, plant and equipment and intangible assets on its balance sheet. Property, plant and equipment, intangible assets and right of use assets are at risk of being impaired as cash flow forecasts may contain optimistic expectations of terminal value variable profit and terminal value capital expenditure. The JLR Group has also announced its 'Reimagine' Strategy which has led to the termination of the mid Modular Longitudinal Architecture ('MLA') development programme. The effects of these matters is that as part of risk assessment, the component auditors determined that the calculation of the value in use of property, plant and equipment, intangible assets, and right-of-use assets has a high degree of estimation uncertainty, with a range of reasonable outcomes greater than the materiality for the consolidated financial statements as a whole, and possibly many times that amount. (Refer note 2(s) & 7 of the consolidated financial statements)	The audit procedures applied by the auditor of the component (JLR Group) included: • **Historical accuracy:** Evaluated historical forecasting accuracy of discounted cash flow forecasts, including key assumptions, by comparing them to the actual results; • **Historical comparisons:** Assessed appropriateness of JLR Group's key assumptions used in the discounted cash flow forecasts by comparing those, where appropriate, to historical trends in terminal value variable profit and terminal value capital expenditure; • **Benchmarking assumptions:** Assessed appropriateness of the JLR Group's estimated value in use amount by comparing the implied trading multiples to market multiples of comparative companies with the assistance of their valuation specialists. Assessed appropriateness of JLR Group's assumptions used in the cash flow projections by comparing the key assumption of sales volumes to externally derived data; • Compared JLR Group's discount rate and long-term growth rate to external benchmark data and comparative companies and reperformed the discount rate calculation using the Capital Asset Pricing Model with the assistance of their valuation specialists; • **Sensitivity analysis:** Performed a sensitivity analysis on key assumptions, generating an independent range for comparison, taking account of the JLR Group's Reimagine strategy; • **Comparing valuations:** Assessed the JLR Group's reconciliation between the estimated market capitalization of the JLR Group, by reference to the overall market capitalization of the Holding Company and compared to the estimated recoverable amount of the cash generating unit; • **Impairment reversal:** Assessed whether the JLR Group's estimated value in use was indicative of an impairment reversal. • **Assessing transparency:** Assessed the adequacy of JLR Group's disclosures in the financial statements and ensured that the disclosure reflects the reasonably possible changes in key assumptions that erode the headroom in the recoverable amount compared to the cash generating unit carrying value to nil.

4) Capitalisation of product engineering costs, as reported by the component auditor of JLR Group

Subjective judgement	The audit procedures applied by the auditor of the component (JLR Group) included:
The JLR Group capitalises a high proportion of product development spend and there is a key judgement in determining whether the nature of product engineering costs satisfy the criteria for capitalization to "Intangible Assets under development" and when this capitalization should commence. The judgement of when capitalization should commence consists of a number of judgements regarding the satisfaction of Ind AS 38 capitalisation criteria, and a key judgement is assessing whether development projects will generate probable future economic benefit. The consolidated financial statements disclose that had the value of central overheads not been classified as directly attributable it would have reduced the amount capitalized by ₹ 806.12 crores (31 March 2020 – ₹ 1,094.35 crores). (Refer note 2 (q) & 6 of the consolidated financial statements)	• **Control operation:** Tested controls over the JLR Group's retrospective review of historically forecast material production costs at the point capitalisation commenced against actual costs observed in manufacture. The historical accuracy is a key input into the directors' assessment of whether the future economic benefit of development projects is probable and the control over the JLR Group's judgements as to whether costs are considered directly attributable; • **Component auditor's experience –** Critically assessed the directors' judgements regarding identified directly attributable costs against both the accounting standards and their own experience or practical application of these standards in other companies; • **Benchmarking assumptions:** For a sample of the volume assumptions contained in the capitalized projects, compared the JLR Group's assessment of economic viability to externally derived data; • **Sensitivity analysis:** For a sample of the JLR Group's assessments of economic viability of development projects, assessed the JLR Group's application of appropriate downside sensitivities in establishing whether future economic benefit is considered probable; • **Historical comparison:** Performed a retrospective review of revenue and material cost per vehicle on completed development projects to assess previous economic viability assumptions against the actual outturn. Considered whether the Reimagine asset impairments were evidence of fraud or error at the time of initial capitalisation. • **Assessing transparency:** Assessed the adequacy of the JLR Group's disclosures in respect of key judgements made relating to the nature of the costs capitalised and the point at which capitalisation commences.

5) Valuation of defined benefit plan obligations, as reported by the component auditor of JLR Group

Subjective valuation	The audit procedures applied by the auditor of the component (JLR Group) included:
Small changes in the key assumptions and estimates, being the discount rate, inflation rate and mortality / life expectancy, used to value the JLR Group's pension obligation (before deducting scheme assets) would have a significant effect on the JLR Group's net defined benefit plan asset/(obligation) . The risk is that these assumptions are inappropriate resulting in an inappropriate valuation of plan obligations. The effect of these matters is that, as part of risk assessment, the component auditors determined that valuation of JLR Group's pension obligation has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than the materiality for the consolidated financial statements as a whole, and possibly many times that amount. The consolidated financial statements disclose the sensitivity estimated by the JLR group. (Refer note 38 of the consolidated financial statements)	• **Control operation:** Tested the controls over the assumptions applied in the valuation and inspected the JLR Group's annual validation of the assumptions used by its actuarial expert. Tested the controls operating over selection and monitoring of its actuarial expert for competence and objectivity; • **Benchmarking assumptions:** Challenged, with the support of their own actuarial specialists, the key assumptions applied to the valuation of the liabilities, being the discount rate, inflation rate and mortality/ life expectancy against externally derived data; • **Assessing transparency:** Considered the adequacy of the disclosures in respect of the sensitivity of the JLR Group's net defined benefit plan asset/(obligation) to these assumptions.

6) Impairment of loans to customers of the Group's vehicle financing business under its subsidiary TMF Holdings Limited (TMF Group)

Subjective estimate	Our key audit procedures included:
Under Ind AS 109, Financial Instruments, allowance for loan losses are determined using expected credit loss (ECL) estimation model. The estimation of ECL on financial instruments involves significant judgement and estimates. The key areas where we identified greater levels of management judgement and therefore increased levels of audit focus in the TMF Group's estimation of ECLs are: - Data inputs - The application of ECL model requires several data inputs. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model. - Model estimations – Inherently judgmental models are used to estimate ECL which involves determining Probabilities of Default ("PD"), Loss Given Default ("LGD"), and Exposures at Default ("EAD"). The PD and the LGD are the key drivers of estimation complexity in ECL and as a result are considered the most significant judgmental aspect of the TMF Group's modelling approach. - Economic scenarios – Ind AS 109 requires the TMF Group to measure ECLs on an unbiased forward-looking basis reflecting a range of future economic conditions. Significant management judgement is applied in determining the economic scenarios used and the probability weights applied to them especially when considering the current uncertain economic environment arising from COVID-19. - Qualitative adjustments – Adjustments to the model-driven ECL results are recorded by management to address known impairment model limitations or emerging trends as well as risks not captured by models. They represent approximately 20.46 % of ECL balances as at 31 March 2021. These adjustments are inherently uncertain and significant management judgement is involved in estimating these amounts especially in relation to economic uncertainty as a result of COVID-19. The underlying forecasts and assumptions used in the estimates of impairment loss allowance are subject to uncertainties which are often outside the control of the TMF Group. The extent to which the COVID-19 pandemic will impact the TMF Group's current estimate of impairment loss allowances is dependent on future developments, which are highly uncertain at this point. Given the size of loan portfolio relative to the balance sheet and the impact of impairment allowance on the financial statements, we have considered this as a key audit matter. **Disclosures** The disclosures regarding the TMF Group's application of Ind AS 109 are key to explaining the key judgements and material inputs to the Ind AS 109 ECL results. (Refer note 2(w)(iv) and note 41 of the consolidated financial statements)	**Design / controls** We performed end to end process walkthroughs to identify the key systems, applications and controls used in ECL processes. We tested the relevant manual (including spreadsheet controls), general IT and application controls over key systems used in ECL process. Key aspects of our controls testing involved the following: • Testing the design and operating effectiveness of the key controls over the completeness and accuracy of the key inputs, data and assumptions into the Ind AS 109 impairment models. • Testing the 'Governance Framework' controls over validation, implementation and model monitoring in line with Reserve Bank of India guidance. • Testing the design and operating effectiveness of the key controls over the application of the staging criteria. • Testing key controls relating to selection and implementation of material macro-economic variables and the controls over the scenario selection and application of probability weights. • Testing management's controls over authorisation and calculation of post model adjustments and management overlays. • Testing management's controls on compliance with Ind AS 109 disclosures related to ECL. • Testing key controls operating over the information technology system in relation to loan impairment including system access and system change management, program development and computer operations. Involvement of specialists - we involved financial risk modelling specialists for the following: • Evaluating the appropriateness of the TMF Group's Ind AS 109 impairment methodologies and reasonableness of assumptions used (including management overlays). • For models which were changed or updated during the year, evaluating whether the changes were appropriate by assessing the updated model methodology. • For corporate loans, assessing appropriateness of management's credit grading model. • The reasonableness of the TMF Group's considerations of the impact of the current economic environment due to COVID-19 on ECL determination. **Test of details** Key aspects of our testing included: • Sample testing over key inputs, data and assumptions impacting ECL calculations to assess the completeness, accuracy and relevance of data and reasonableness of economic forecasts, weights, and model assumptions applied. • Model calculations testing through re-performance, where possible. • Test of details of post model adjustments, considering the size and complexity of management overlays with a focus on COVID-19 related overlays, in order to assess the reasonableness of the adjustments by challenging key assumptions, inspecting the calculation methodology and tracing a sample of the data used back to source data. • Assessing disclosures - We assessed whether the disclosures appropriately disclose and address the uncertainty which exists when determining ECL. In addition, we assessed whether the disclosure of the key judgements and assumptions made was sufficiently clear.

Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, 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 Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associates and joint ventures and joint operations in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group and of its associates and joint ventures and joint operations are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and of its associates, joint ventures and joint operations are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates, joint ventures and joint operations is responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.
- 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 Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated 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 appropriateness of this assumption. 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 consolidated 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 Group and its associates and joint ventures and joint operations to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its associates and joint ventures and joint operations to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) The consolidated financial statements include the audited financial statements / financial information of one joint operation, whose financial statements / financial information reflect total assets (before consolidation adjustments) of ₹ 8,039.78 crores as at 31 March 2021, total revenue (before consolidation adjustments) of ₹ 8,010.01 crores and net profit after tax (before consolidation adjustments) of ₹ 577.76 crores and net cash inflows (before consolidation adjustments) amounting to ₹ 720.67 crores for the year ended on that date, as considered in the consolidated financial statements, which have been audited by their independent auditor. The independent auditors' report on financial statements of this joint operation has been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this joint operation, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid joint operation is based solely on the audit report of the other auditor.

(b) The consolidated financial statements include the audited financial statements / financial information of two subsidiaries and 77 step down subsidiaries whose financial statements / financial information reflect total assets (before consolidation adjustments) of ₹ 243,064.09 crores as at 31 March 2021, total revenue (before consolidation adjustments) of ₹195,867.98. crores and total net loss after tax (before consolidation adjustments) (net) of ₹ 10,607.61 crores and net cash inflows (before consolidation adjustments) (net) of ₹ 10,415.88 crores for the year ended on that date, as considered in the consolidated financial statements, which have been audited by their respective independent auditors. The consolidated financial statements also include the Group's share of net loss (and other comprehensive income) of ₹ 337.88 crores for the year ended 31 March 2021, as considered in the consolidated financial statements, in respect of six associates and two joint ventures, whose financial statements / financial information have been audited by their respective independent auditors. The independent auditors' reports on financial statements of these entities have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, step down subsidiaries, joint ventures and associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, step down subsidiaries, joint ventures and associates is based solely on the audit reports of the other auditors.

Of the two subsidiaries and 77 step down subsidiaries listed above, the financial statements / financial information of one subsidiary and seven step down subsidiaries which are located outside India have been prepared under the generally accepted accounting principles ('GAAPs') applicable in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's Management has converted the financial statements of such subsidiary and step-down subsidiaries located outside India from accounting principles generally accepted in their respective countries to Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013. We have audited these conversion adjustments made by the Holding Company's Management. Our opinion in so far as it relates to such subsidiary and step down subsidiaries located outside India is based on the reports of other auditors under the aforementioned GAAPs in respective countries and the aforesaid conversion adjustments prepared by the Management of the Holding Company and audited by us.

(c) The financial statements / financial information of five subsidiaries and five step-down subsidiaries, whose financial statements / financial information reflect total assets (before consolidation adjustments) of ₹ 459.19 crores as at 31 March 2021, total revenues (before consolidation adjustments) of ₹ 418.87 crores and total net loss after tax (before consolidation adjustments) (net) of ₹ 35.51 crores and net cash inflows (before consolidation adjustments) (net) amounting to ₹ 40.58 crores for the year ended on that date, as considered in the consolidated financial statements have not been audited either by us or by the other auditors. The consolidated financial statements also include the Group's share of net loss (and other comprehensive income) (net) of ₹ 4.51 crores for the year ended 31 March 2021, as considered in the consolidated financial statements, in respect of two associates and one joint venture, whose financial statements / financial information have not been audited by us or by other auditors. These unaudited financial statements / financial information have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, step down subsidiaries, associates and a joint venture and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, step down subsidiaries, associates and a joint venture, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries, step down subsidiaries, associates, joint operations and joint ventures as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated 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 of the Holding Company as on 31 March 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies, joint ventures and joint operations incorporated in India, none of the directors of the Group companies, its associate companies, joint ventures and joint operations incorporated in India is disqualified as on 31 March 2021 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 Holding Company, its subsidiary companies, associate companies and joint ventures and joint operations incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

B. With respect to the other matters to be included in the Auditors' 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 and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, associates and joint ventures and joint operations, as noted in the 'Other Matters' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2021 on the consolidated financial position of the Group, its associates and joint ventures and joint operations. Refer Note 39 to the consolidated financial statements.

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note 47(e) to the consolidated financial statements in respect of such items as it relates to the Group, its associates and joint ventures and joint operations.

iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies, associate companies and joint ventures and joint operations incorporated in India during the year ended 31 March 2021.

iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2021.

C. With respect to the matter to be included in the Auditors' report under section 197(16):

We draw your attention to Note 44 to the consolidated financial statements for the year ended 31 March 2021 according to which the re-appointment of the CEO and Managing Director for the period from 15 February 2021 to 30 June 2021 and the remuneration for this period are subject to approval of the shareholders, which the Holding Company proposes to obtain in the forthcoming Annual General Meeting, in accordance with the provisions of the Companies Act, 2013. Accordingly, the managerial remuneration aggregating to ₹ 2.22 crores paid to the CEO and Managing Director of the Holding Company for the period 15 February 2021 to 31 March 2021, calculated on a proportionate basis, exceeds the prescribed limits under Section 197 read with Schedule V to the Act, by ₹ 1.89 crores. This amount excludes Performance and Long Term Incentives which will be accrued post determination and approval by the Board of Directors of the Holding Company, and such amounts will also exceed the prescribed limits. Further, the Holding Company is also in the process of obtaining Central Government approval since the CEO and Managing Director is a non-resident. We draw attention to Note 37 to the consolidated financial statements for the year ended 31 March 2021 according to which the remuneration payable to non- executive independent directors aggregating ₹ 1.70 crores is subject to approval of the shareholders, which the Holding Company proposes to obtain in the forthcoming Annual General Meeting, in accordance with the provisions of the Companies Act, 2013.

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies, associate companies and joint ventures and joint operations incorporated in India which were not audited by us, the remuneration paid during the current year by the subsidiary companies, associate companies and joint ventures and joint operations to its directors is in accordance with the provisions of Section 197 of the Act. Except as stated above, the remuneration paid to any director by the Holding Company, its subsidiary companies, associate companies and joint ventures and joint operations 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) which are required to be commented upon by us.

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

Shiraz Vastani
Partner
Membership No. 103334
UDIN - 21103334AAAAAX9949

Place: Pune
Date: 18 May 2021

Annexure A to the Independent Auditors' Report on the Consolidated Financial Statements of Tata Motors Limited for the year ended 31 March 2021

Report on the Internal Financial Controls with reference to the aforesaid Consolidated Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

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

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2021, we have audited the internal financial controls with reference to consolidated financial statements of Tata Motors Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies, its joint operations, its associates and its joint ventures, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, its joint operations, its associates and its joint ventures , have , in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls 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 respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective 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 the respective 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 internal financial controls with reference to consolidated 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 consolidated 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 consolidated 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 consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary, joint operation, associates and joint venture in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to consolidated financial statements

A company's internal financial controls with reference to consolidated 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 consolidated financial statements includes 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 consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements in so far as it relates to one subsidiary, one joint operation, one associate and one joint venture, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not modified in respect of this matter.

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

Shiraz Vastani
Partner
Membership No. 103334
UDIN - 21103334AAAAAX9949

Place: Pune
Date: 18 May 2021

Consolidated Balance Sheet

(₹ in crores)

	Notes	As at March 31, 2021	As at March 31, 2020
I. ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	3 (a)	79,640.05	77,882.83
(b) Capital work-in-progress	3 (b)	8,377.14	8,599.56
(c) Right of use assets	4	6,490.66	6,275.34
(d) Goodwill	5	803.72	777.06
(e) Other intangible assets	6 (a)	51,773.18	42,171.91
(f) Intangible assets under development	6 (b)	12,586.79	27,022.73
(g) Investment in equity accounted investees	9	4,200.79	4,418.89
(h) Financial assets:			
(i) Other investments	10	1,368.30	1,028.05
(ii) Finance receivables	18	16,846.82	16,833.77
(iii) Loans and advances	12	1,204.59	782.78
(iv) Other financial assets	13	5,813.98	4,749.57
(i) Deferred tax assets (net)	22	4,520.35	5,457.90
(j) Non-current tax assets (net)		1,003.30	1,152.05
(k) Other non-current assets	20	1,608.49	5,381.57
		196,238.16	**202,534.01**
(2) Current assets			
(a) Inventories	14	36,088.59	37,456.88
(b) Financial assets:			
(i) Other investments	11	19,051.19	10,861.54
(ii) Trade receivables	15	12,679.08	11,172.69
(iii) Cash and cash equivalents	16	31,700.01	18,467.80
(iv) Bank balances other than (iii) above	17	15,092.45	15,259.17
(v) Finance receivables	18	17,868.09	14,245.30
(vi) Loans and advances	12	1,749.40	935.25
(vii) Other financial assets	13	5,274.32	4,586.48
(c) Current tax assets (net)		865.31	142.80
(d) Assets classified as held-for-sale	47 (d)	220.80	194.43
(e) Other current assets	21	6,298.40	6,264.91
		146,887.64	**119,587.25**
TOTAL ASSETS		**343,125.80**	**322,121.26**
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	23	765.81	719.54
(b) Other equity	24	54,480.91	62,358.99
Equity attributable to owners of Tata Motors Ltd		55,246.72	63,078.53
Non-controlling interests		1,573.49	813.56
		56,820.21	**63,892.09**
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities:			
(i) Borrowings	26	93,112.77	83,315.62
(ii) Lease liabilities		5,412.06	5,162.94
(iii) Other financial liabilities	28	2,556.35	3,858.48
(b) Provisions	30	13,606.76	14,736.69
(c) Deferred tax liabilities (net)	22	1,555.89	1,941.87
(d) Other non-current liabilities	31	12,312.58	8,759.52
		128,556.41	**117,775.12**
(2) Current liabilities			
(a) Financial liabilities:			
(i) Borrowings	27	21,662.79	16,362.53
(ii) Lease liabilities		814.00	814.18
(iii) Trade payables			
(a) Total outstanding dues of micro and small enterprises		186.21	109.75
(b) Total outstanding dues of creditors other than micro and small enterprises		67,993.63	63,517.13
(iv) Acceptances		7,860.31	2,771.33
(v) Other financial liabilities	29	34,854.59	36,544.00
(b) Provisions	30	12,848.03	10,329.04
(c) Current tax liabilities (net)		1,086.44	1,040.14
(d) Other current liabilities	32	10,443.18	8,965.95
		157,749.18	**140,454.05**
TOTAL EQUITY AND LIABILITIES		**343,125.80**	**322,121.26**

See accompanying notes to consolidated financial statements

In terms of our report attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

SHIRAZ VASTANI
Partner
Membership No. 103334
UDIN: 21103334AAAAAX9949
Place- Pune

Date: May 18, 2021

For and on behalf of the Board

N CHANDRASEKARAN *[DIN: 00121863]*
Chairman
Place- Mumbai

VEDIKA BHANDARKAR *[DIN: 00033808]*
Director
Place- Mumbai

GUENTER BUTSCHEK *[DIN: 07427375]*
CEO and Managing Director
Place- Austria

P B BALAJI
Group Chief Financial Officer
Place- Mumbai

H K SETHNA *[FCS: 3507]*
Company Secretary
Place- Mumbai
Date: May 18, 2021

Consolidated Statement of Profit and Loss

(₹ in crores)

	Notes	Year ended March 31, 2021	Year ended March 31, 2020
I. Revenue from operations	33		
(a) Revenue		246,972.17	258,594.36
(b) Other Operating Revenues		2,822.58	2,473.61
Total revenue from operations		**249,794.75**	**261,067.97**
II. Other income (includes Government grants)	34	2,643.19	2,973.15
III. Total Income (I+II)		**252,437.94**	**264,041.12**
IV. Expenses:			
(a) Cost of materials consumed			
(i) Cost of materials consumed		141,392.43	152,968.74
(ii) Basis adjustment on hedge accounted derivatives		(35.16)	(297.27)
(b) Purchase of products for sale		12,250.09	12,228.35
(c) Changes in inventories of finished goods, work-in-progress and products for sale		4,684.16	2,231.19
(d) Employee benefits expense	35	27,648.48	30,438.60
(e) Finance costs	36	8,097.17	7,243.33
(f) Foreign exchange (gain)/loss (net)		(1,732.15)	1,738.74
(g) Depreciation and amortisation expense		23,546.71	21,425.43
(h) Product development/engineering expenses		5,226.63	4,188.49
(i) Other expenses	37	40,921.97	57,087.46
(j) Amount transferred to capital and other account		(12,849.13)	(17,503.40)
Total Expenses (IV)		**249,151.20**	**271,749.66**
V. Profit/ (Loss) before exceptional items and tax (III-IV)		3,286.74	(7,708.54)
VI. Exceptional Items:			
(a) Defined benefit pension plan amendment past service cost	47 (c)	84.81	-
(b) Employee separation cost		459.90	436.14
(c) Charge associated with change in JLR Strategy	47 (b)	14,994.30	-
(d) Write off/provision (reversal) for tangible/intangible assets (including under development)	47 (h)	114.00	(73.04)
(e) Impairment losses/(Reversal) in Passenger Vehicle Business	8(a)	(1,182.41)	1,418.64
(f) Provision/(Reversal) for onerous contracts and related supplier claims	8(b)	(663.00)	777.00
(g) Reversal for cost of closure of operation of a subsidary		(46.58)	(65.62)
(h) Impairment in subsidiaries		-	353.20
(i) Provision for loan given to a Joint venture		-	25.12
VII. Profit/(Loss) before tax (V-VI)		**(10,474.28)**	**(10,579.98)**
VIII. Tax expense/(credit) (net):	22		
(a) Current tax (including Minimum Alternate Tax)		1,710.18	1,893.05
(b) Deferred tax		831.68	(1,497.80)
Total tax expense/(credit) (net)		**2,541.86**	**395.25**
IX. Profit/(loss) for the year from continuing operations (VII-VIII)		(13,016.14)	(10,975.23)
X. Share of profit/(loss) of joint ventures and associates (net)	9	(378.96)	(1,000.00)
XI. Profit/(loss) for the year (IX+X)		**(13,395.10)**	**(11,975.23)**
Attributable to:			
(a) Shareholders of the Company		(13,451.39)	(12,070.85)
(b) Non-controlling interests		56.29	95.62
XII. Other comprehensive income/(loss):			
(A) (i) Items that will not be reclassified to profit or loss:			
(a) Remeasurement gains and (losses) on defined benefit obligations (net)		(7,285.87)	8,803.29
(b) Equity instruments at fair value through other comprehensive income (net)		415.86	(132.99)
(c) Share of other comprehensive income in equity accounted investees (net)		3.02	(2.48)
(ii) Income tax (expense)/credit relating to items that will not be reclassified to profit or loss		1,369.11	(1,375.55)
(B) (i) Items that will be reclassified to profit or loss:			
(a) Exchange differences in translating the financial statements of foreign operations		3,720.98	2,233.22
(b) Gains and (losses) in cash flow hedges (including forecast inventory purchases) (refer note 24)		5,439.35	2,150.70
(c) Gains and (losses) on finance receivables held at fair value through other comprehensive income (net)		206.90	136.24
(d) Share of other comprehensive income in equity accounted investees (net)		150.01	102.61
(ii) Income tax (expense)/credit relating to items that will be reclassified to profit or loss		(1,100.02)	(410.57)
Total other comprehensive income/(loss) for the year (net of tax)		**2,919.34**	**11,504.47**
Attributable to:			
(a) Shareholders of the Company		2,900.19	11,491.97
(b) Non-controlling interests		19.15	12.50
XIII. Total comprehensive income/(loss) for the year (net of tax) (XI+XII)		**(10,475.76)**	**(470.76)**
Attributable to:			
(a) Shareholders of the Company		(10,551.20)	(578.88)
(b) Non-controlling interests		75.44	108.12
XIV. Earnings per equity share (EPS)	45		
(a) Ordinary shares (face value of ₹2 each):			
(i) Basic EPS	₹	(36.99)	(34.88)
(ii) Diluted EPS	₹	(36.99)	(34.88)
(b) 'A' Ordinary shares (face value of ₹2 each):			
(i) Basic EPS	₹	(36.99)	(34.88)
(ii) Diluted EPS	₹	(36.99)	(34.88)

See accompanying notes to consolidated financial statements

In terms of our report attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

SHIRAZ VASTANI
Partner
Membership No. 103334
UDIN: 21103334AAAAAX9949
Place- Pune

Date: May 18, 2021

For and on behalf of the Board

N CHANDRASEKARAN *[DIN: 00121863]*
Chairman
Place- Mumbai

VEDIKA BHANDARKAR *[DIN: 00033808]*
Director
Place- Mumbai

GUENTER BUTSCHEK *[DIN: 07427375]*
CEO and Managing Director
Place- Austria

P B BALAJI
Group Chief Financial Officer
Place- Mumbai

H K SETHNA *[FCS: 3507]*
Company Secretary
Place- Mumbai
Date: May 18, 2021

Consolidated Cash Flow Statement

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Cash flows from operating activities:		
Profit/(Loss) for the year	**(13,395.10)**	**(11,975.23)**
Adjustments for:		
Depreciation and amortisation expense	23,546.71	21,425.43
Allowances for finance receivables	957.93	660.21
Allowances for trade and other receivables	50.01	137.03
Inventory write-down	129.19	351.14
Reversal for costs of closure of operations of a subsidiary company	(51.99)	(65.62)
Write off/provision (reversal) for tangible/intangible assets (including under development)	114.00	-
Charge associated with change in JLR Strategy	14,994.30	-
Impairment in subsidiaries	-	353.20
Impairment losses/(Reversal) in Passenger Vehicle Business	(1,182.41)	1,418.64
Provision/(Reversal) for onerous contracts and related supplier claims	(663.00)	777.00
Defined benefit pension plan amendment past service cost	84.81	-
Employee separation cost	430.76	409.78
Accrual for share-based payments	9.04	4.70
(Gain) /loss on Marked-to-market investments measured at fair value through profit or loss	(19.91)	389.05
(Profit) /loss on sale of assets (including assets scrapped/written off) (net)	265.59	316.19
Profit on sale of investments (net)	(177.26)	(187.34)
Provision for loan given to a Joint ventures	-	25.12
Share of (profit)/loss of joint ventures and associates (net)	378.96	1,000.00
Tax expense (net)	2,541.86	395.25
Finance costs	8,097.17	7,243.33
Interest income	(492.53)	(1,170.12)
Dividend income	(18.37)	(21.13)
Foreign exchange (gain)/loss (net)	(4,402.12)	1,865.85
Cash flows from operating activities before changes in following assets and liabilities	**31,197.64**	**23,352.48**
Finance receivables	(4,386.94)	2,020.77
Trade receivables	(1,118.35)	7,928.93
Loans and advances and other financial assets	(1,308.92)	64.53
Other current and non-current assets	3,853.53	(2,830.89)
Inventories	3,814.50	2,325.50
Trade payables and acceptances	5,748.15	(8,084.81)
Other current and non-current liabilities	2,217.87	(6,450.14)
Other financial liabilities	(1,168.39)	272.74
Provisions	(7,744.02)	9,818.77
Cash generated from operations	**31,105.07**	**28,417.88**
Income tax paid (net)	(2,104.56)	(1,784.94)
Net cash from operating activities	**29,000.51**	**26,632.94**
Cash flows from investing activities:		
Payments for property, plant and equipment	(11,775.65)	(14,319.17)
Payments for other intangible assets	(8,429.75)	(15,382.86)
Proceeds from sale of property, plant and equipment	350.58	171.48
Investments in mutual fund (purchased)/sold (net)	(7,432.85)	(1,339.29)
Acquisition of subsidiary company	-	(27.04)
Investment in equity accounted investees	(9.90)	(606.40)
Investments - others	(97.30)	(99.41)
Proceeds from loans given to others	-	3.42
Loans given to joint venture	-	(1.70)
Proceeds from sale of investments in other companies	225.82	21.45
Interest received	427.51	1,104.48
Dividend received	18.37	21.14
Dividend received from equity accounted investees	1.51	622.44
Deposits with financial institution	(1,000.00)	(1,000.00)
Realisation of deposit with financial institution	750.00	750.00
Deposits/restricted deposits with banks	(38,243.27)	(40,676.65)
Realisation of deposits/restricted deposits with banks	39,088.68	36,602.33
(Increase) / decrease in short term Inter-corporate deposits	-	(14.44)
Net cash used in investing activities	**(26,126.25)**	**(34,170.22)**

Consolidated Cash Flow Statement

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Cash flows from financing activities:		
Proceeds from issue of shares and warrants (net of issue expenses)	2,602.51	3,888.77
Proceeds from long-term borrowings	29,642.36	28,741.21
Repayment of long-term borrowings	(18,629.61)	(16,993.77)
Proceeds from option settlement of long term borrowings	35.01	190.90
Repayment of matured fixed deposits	(0.48)	(6.75)
Proceeds from short-term borrowings	20,807.15	10,707.30
Repayment of short-term borrowings	(11,078.93)	(12,852.93)
Net change in other short-term borrowings (with maturity up to three months)	(4,544.27)	(1,587.12)
Repayment of lease liability (including interest)	(1,477.28)	(1,345.61)
Dividend paid to non-controlling interest shareholders of subsidiaries (including dividend distribution tax)	(28.75)	(53.32)
Proceeds from issuance /(payment) for acquisition of shares from non-controlling	0.24	(22.15)
Dividend paid	(1.56)	(3.52)
Proceeds from issuance of perpetual debt instrument classified as equity by a subsidiary (net)	700.75	245.00
Interest paid [including discounting charges paid ₹900.04 crores (March 31, 2020 ₹968.85 crores)]	(8,122.94)	(7,518.40)
Net cash from financing activities	**9,904.20**	**3,389.61**
Net increase/(decrease) in cash and cash equivalents	12,778.46	(4,147.67)
Cash and cash equivalents as at April 1, (opening balance)	18,467.80	21,559.80
Effect of foreign exchange on cash and cash equivalents	453.75	1,055.67
Cash and cash equivalents as at March 31, (closing balance)	**31,700.01**	**18,467.80**
Non-cash transactions:		
Liability towards property, plant and equipment and intangible asests purchased on credit/deferred credit	5,367.84	6,626.78

See accompanying notes to consolidated financial statements

In terms of our report attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

SHIRAZ VASTANI
Partner
Membership No. 103334
UDIN: 21103334AAAAAX9949
Place- Pune

Date: May 18, 2021

For and on behalf of the Board

N CHANDRASEKARAN *[DIN: 00121863]*
Chairman
Place- Mumbai

VEDIKA BHANDARKAR *[DIN: 00033808]*
Director
Place- Mumbai

GUENTER BUTSCHEK *[DIN: 07427375]*
CEO and Managing Director
Place- Austria

P B BALAJI
Group Chief Financial Officer
Place- Mumbai

H K SETHNA *[FCS: 3507]*
Company Secretary
Place- Mumbai
Date: May 18, 2021

Consolidated Statement of Changes in Equity

A. EQUITY SHARE CAPITAL

(₹ in crores)

Particulars	
Balance as at April 1, 2020	**719.54**
Proceeds from issuance of shares	46.27
Balance as at March 31, 2021	**765.81**

B. OTHER EQUITY

(₹ in crores)

	Reserves										Other components of equity							
	Securities Premium	Share-based payments reserve	Share Warrants	Capital redemption reserve	Debenture redemption reserve	Reserve for research and human resource development	Special reserve	Earned surplus reserve	Capital Reserve	Retained earnings	Debt instruments through Other Comprehensive Income	Equity instruments through Other Comprehensive Income	Hedging Reserve	Cost of hedging reserve	Currency translation reserve	Attributable to Owners of Tata Motors Limited	Non-controlling interests	Total other equity
Opening balance as at April 1, 2020	**21,872.89**	**13.14**	**867.50**	**2.28**	**1,038.84**	**200.74**	**490.15**	**45.65**	**1,164.20**	**35,882.82**	**88.63**	**(77.37)**	**(3,891.90)**	**(213.28)**	**4,874.70**	**62,358.99**	**813.56**	**63,172.55**
Profit/(Loss) for the year	-	-	-	-	-	-	-	-	-	(13,451.39)	-	-	-	-	-	(13,451.39)	56.29	(13,395.10)
Other comprehensive income /(loss) for the year	-	-	-	-	-	-	-	-	-	(5,901.17)	168.15	402.61	4,146.66	231.43	3,852.51	2,900.19	19.15	2,919.34
Total comprehensive income/(loss) for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(19,352.56)**	**168.15**	**402.61**	**4,146.66**	**231.43**	**3,852.51**	**(10,551.20)**	**75.44**	**(10,475.76)**
Amounts recognized in inventory	-	-	-	-	-	-	-	-	-	-	-	-	56.59	48.73	-	105.32	-	105.32
Issue of shares pursuant to conversion of share warrants	3,423.74	-	(867.50)	-	-	-	-	-	-	-	-	-	-	-	-	2,556.24	-	2,556.24
Realised gain on investments held at fair value through Other comprehensive income	-	-	-	-	-	-	-	-	-	4.36	-	(4.36)	-	-	-	-	-	-
Acquisition of Subsidiary										2.52						2.52	-	2.52
Distribution to Minority	-	-		-	-	-	-	-	-	-		-	-	-	-	-	(28.75)	(28.75)
Issue of perpetual instrument classified as equity by a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	713.00	713.00
Shares issued to non-controlling interest	-	-		-	-	-	-	-	-	-		-	-	-	-	-	0.24	0.24
Share based payments	-	9.04	-	-	-	-	-	-	-	-	-	-	-	-	-	9.04	-	9.04
Transfer (from)/to retained earnings	-	-	-	-	(134.40)	-	88.71	-	-	45.69	-	-	-	-	-	-	-	-
Balance as at March 31, 2021	**25,296.63**	**22.18**	**-**	**2.28**	**904.44**	**200.74**	**578.86**	**45.65**	**1,164.20**	**16,582.83**	**256.78**	**320.88**	**311.35**	**66.88**	**8,727.21**	**54,480.91**	**1,573.49**	**56,054.40**

Note:

During the financial year ended March 31, 2021, Tata Motors Finance Limited, a subsidiary of the Company issued perpetual securities of ₹713.00 crores bearing a coupon interest rate ranging from 9.55% to 10.50% per annum , with a step up provision if the securities are not called after 10 years. The payment of any coupon may be cancelled or suspended at the discretion of the Board of Directors of Tata Motors Finance Limited. Accordingly, the Company has accounted these securities as equity instruments and any amount attributable to investors of these perpetual securities have been presented as non-controlling interest.

See accompanying notes to consolidated financial statements

In terms of our report attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

SHIRAZ VASTANI
Partner
Membership No. 103334
UDIN: 21103334AAAAAX9949
Place- Pune

Date: May 18, 2021

For and on behalf of the Board

N CHANDRASEKARAN *[DIN: 00121863]*
Chairman
Place- Mumbai

VEDIKA BHANDARKAR *[DIN: 00033808]*
Director
Place- Mumbai

GUENTER BUTSCHEK *[DIN: 07427375]*
CEO and Managing Director
Place- Austria

P B BALAJI
Group Chief Financial Officer
Place- Mumbai

H K SETHNA *[FCS: 3507]*
Company Secretary
Place- Mumbai
Date: May 18, 2021

Consolidated Statement of Changes in Equity

A. EQUITY SHARE CAPITAL

(₹ in crores)

Particulars	
Balance as at April 1, 2019	**679.22**
Proceeds from issuance of shares	40.32
Balance as at March 31, 2020	**719.54**

B. OTHER EQUITY

(₹ in crores)

	Reserves										Other components of equity							
Particulars	Securities Premium	Share-based payments reserve	Share Warrants	Capital redemption reserve	Debenture redemption reserve	Reserve for research and human resource development	Special reserve	Earned surplus reserve	Capital Reserve	Retained earnings	Debt instruments through Other Comprehensive Income	Equity instruments through Other Comprehensive Income	Hedging Reserve	Cost of hedging reserve	Currency translation reserve	Attributable to Owners of Tata Motors Limited	Non-controlling interests	Total other equity
Balance as at April 1, 2019	**18,891.93**	**8.44**	**-**	**2.28**	**1,085.94**	**200.74**	**440.83**	**45.65**	**1,164.20**	**40,719.28**	**-**	**62.08**	**(5,602.62)**	**(70.80)**	**2,552.39**	**59,500.34**	**523.06**	**60,023.40**
Effect of transition to Ind AS 116	-	-	-	-	-	-	-	-	-	(196.14)	-	-	-	-	-	(196.14)	-	(196.14)
Adjusted opening balance as at April 1, 2019	18,891.93	8.44	-	2.28	1,085.94	200.74	440.83	45.65	1,164.20	40,523.14	-	62.08	(5,602.62)	(70.80)	2,552.39	59,304.20	523.06	59,827.26
Loss for the year	-	-	-	-	-	-	-	-	-	(12,070.85)	-	-	-	-	-	(12,070.85)	95.62	(11,975.23)
Other comprehensive income /(loss) for the year	-	-	-	-	-	-	-	-	-	7,432.75	88.63	(139.45)	1,958.38	(170.65)	2,322.31	11,491.97	12.50	11,504.47
Total comprehensive income/(loss) for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(4,638.10)**	**88.63**	**(139.45)**	**1,958.38**	**(170.65)**	**2,322.31**	**(578.88)**	**108.12**	**(470.76)**
Amounts recognized in inventory	-	-	-	-	-	-	-	-	-	-	-	-	(247.66)	28.17	-	(219.49)	-	(219.49)
Issue of shares pursuant to preferential allotment (net of issue expenses of ₹3.08 crores)	2,980.96	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,980.96	-	2,980.96
Issue of Share warrants	-	-	867.50	-	-	-	-	-	-	-	-	-	-	-	-	867.50	-	867.50
Acquisition of minority	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(22.15)	(22.15)
Minority changes during the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	250.00	250.00
Dividend paid (including dividend tax)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(45.47)	(45.47)
Share based payments	-	4.70	-	-	-	-	-	-	-	-	-	-	-	-	-	4.70	-	4.70
Transfer from debenture redemption reserve	-	-	-	-	(47.10)	-	-	-	-	47.10	-	-	-	-	-	-	-	-
Transfer (from)/to retained earnings	-	-	-	-	-	-	49.32	-	-	(49.32)	-	-	-	-	-	-	-	-
Balance as at March 31, 2020	**21,872.89**	**13.14**	**867.50**	**2.28**	**1,038.84**	**200.74**	**490.15**	**45.65**	**1,164.20**	**35,882.82**	**88.63**	**(77.37)**	**(3,891.90)**	**(213.28)**	**4,874.70**	**62,358.99**	**813.56**	**63,172.55**

See accompanying notes to consolidated financial statements

In terms of our report attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

SHIRAZ VASTANI
Partner
Membership No. 103334
UDIN: 21103334AAAAAX9949
Place- Pune

Date: May 18, 2021

For and on behalf of the Board

N CHANDRASEKARAN *[DIN: 00121863]*
Chairman
Place- Mumbai

VEDIKA BHANDARKAR *[DIN: 00033808]*
Director
Place- Mumbai

GUENTER BUTSCHEK *[DIN: 07427375]*
CEO and Managing Director
Place- Austria

P B BALAJI
Group Chief Financial Officer
Place- Mumbai

H K SETHNA *[FCS: 3507]*
Company Secretary
Place- Mumbai
Date: May 18, 2021

Notes Forming Part of Consolidated Financial Statements

1. BACKGROUND AND OPERATIONS

Tata Motors Limited and its subsidiaries and joint operations, (collectively referred to as "the Company" or "Tata Motors"), designs, manufactures and sells a wide range of automotive vehicles. The Company provides financing for the vehicles sold by dealers of the Company in certain markets. The Company also manufactures engines for industrial and marine applications, aggregates such as axles and transmissions for commercial vehicles and factory automation equipment, and provides information technology services.

Tata Motors Limited is a public limited Company incorporated and domiciled in India and has its registered office in Mumbai, India. As at March 31, 2021, Tata Sons Private Limited together with its subsidiaries, owns 46.33% of the Ordinary shares and 7.66% of 'A' Ordinary shares of the Company, and has the ability to significantly influence the Company's operation.

The Company's operations include the Jaguar Land Rover business (referred to as JLR or Jaguar Land Rover).

The consolidated financial statements were approved by the Board of Directors and authorised for issue on May 18, 2021.

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 consolidated 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.

c. Basis of consolidation

Subsidiaries

The consolidated financial statements include Tata Motors Limited and its subsidiaries. Subsidiaries are entities controlled by the Company. Control exists when the Company (a) has power over the investee, (b) it is exposed, or has rights, to variable returns from its involvement with the investee and (c) has the ability to affect those returns through its power to direct relevant activities of the investee. Relevant activities are those activities that significantly affect an entity's returns. The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements listed above. In assessing control, potential voting rights that currently are exercisable and other contractual arrangements that may influence control are taken into account. The results of subsidiaries acquired or disposed of during the year are included in the consolidated financial statements from the effective date of acquisition and up to the effective date of disposal, as appropriate.

Inter-company transactions and balances including unrealised profits are eliminated in full on consolidation.

Non-controlling interests in the net assets (excluding goodwill) of consolidated subsidiaries are identified separately from the Company's equity. The interest of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if it results in the non-controlling interest having a deficit balance. Changes in the Company's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Company's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company. When the Company loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e., reclassified to profit or loss) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

Interests in joint arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Joint operations

Certain of the Company's activities, are conducted through joint operations, which are joint arrangements whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The Company recognizes, in the consolidated financial statements, its share of the assets, liabilities, income and expenses of these joint operations incurred jointly with the other partners, along with its share of income from the sale of the output and any assets, liabilities and expenses that it has incurred in relation to the joint operation.

Notes Forming Part of Consolidated Financial Statements

Joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. The results, assets and liabilities of a joint venture are incorporated in these financial statements using the equity method of accounting as described below.

Associates

Associates are those entities over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control those policies. Significant influence is presumed to exist when the Company holds 20 percent or more of the voting power of the investee. If accounting policies of associates differ from those adopted by the Group, the accounting policies of associates are aligned with those of the Group. The results, assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting as described below.

Equity method of accounting (equity accounted investees)

An interest in an associate or joint venture is accounted for using the equity method from the date the investee becomes an associate or a joint venture and are recognised initially at cost. The carrying value of investment in associates and joint ventures includes goodwill identified on date of acquisition, net of any accumulated impairment losses. The consolidated financial statements include the Company's share of profits or losses, other comprehensive income and equity movements of equity accounted investments, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases. When the Company's share of losses exceeds its interest in an equity accounted investment, the carrying amount of that interest (including any long-term interests in the nature of net investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Company has incurred constructive or legal obligations or has made payments on behalf of the investee.

When the Company transacts with an associate or joint venture of the Company, unrealised profits and losses are eliminated to the extent of the Company's interest in its associate or joint venture.

Dividends are recognised when the right to receive payment is established.

d. Business combination

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. Acquisition related costs are recognised in profit or loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition are recognised at their fair value at the acquisition date, except certain assets and liabilities that are required to be measured as per the applicable standard.

Purchase consideration in excess of the Company's interest in the acquiree's net fair value of identifiable assets, liabilities and contingent liabilities is recognised as goodwill. Excess of the Company's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the purchase consideration is recognised, after reassessment of fair value of net assets acquired, in the Capital Reserve.

e. Going Concern

The Company's consolidated financial statements have been prepared on a going concern basis.

The Company has has performed an assessment of its financial position as at March 31, 2021 and forecasts of the Company and JLR 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. The forecasts relating to JLR also consider the associated costs relating to the implementation of the Reimagine strategy as well as cost performance based on recent experience, with some cost savings in line with the Refocus programme.

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. In JLR forecasts, the management has considered the impact of a repeat of the Covid-19 pandemic.

Management do not consider more extreme scenarios than the ones assessed to be plausible.

Within the Going Concern Assessment Period there is a £1bn liquidity covenant attached to both the UK Export Finance loan and new Revolving Credit Facility of JLR. Certain lenders of Tata Motors Ltd have also waived the compliance with specific covenants under their loan agreements, with one of the lenders extending the waiver until March 31, 2023 and the other lender extending the waiver until March 31, 2022. Tata Sons Private Limited, as promoter of the Company, will provide financial support to help the parent Company meet its liquidity needs and covenants under the borrowing agreements with lenders until at least March 31, 2023 or the completion of the Company's plan to subsidiarize it's Passenger Vehicles business into a separate subsidiary through a scheme of arrangement, whichever is earlier.

Notes Forming Part of Consolidated Financial Statements

In evaluating the forecasts, the Company and JLR have 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 the Company will have sufficient liquidity to operate and discharge its liabilities as they become due, without breaching any relevant covenants, taking into account only cash generated from operations and the funding facilities existing on the date of authorization of these financial statements and as at March 31, 2021, including the presently undrawn revolving credit facilities and the support from Tata Sons Limited.

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, 2022.

f. Use of estimates and judgments

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

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are 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, 6, 7 and 8 - Property, plant and equipment and intangible assets – Useful lives and impairment

ii) Note 5 - Impairment of goodwill

iii) Note 22 - Recoverability/recognition of deferred tax assets

iv) Note 30 - Provision for product warranty

v) Note 38 - Assets and obligations relating to employee benefits

vi) Note 18 - Allowances for credit losses for finance receivables

vii) Estimated discounts / incentives required to be paid to dealers on retail of vehicles

viii) Note 2(e) – Going concern assessment

ix) Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):

Covid-19 pandemic has rapidly spread throughout the world, including India. Governments in India and across the world have taken significant measures to curb the spread of the virus including imposing mandatory lockdowns and restrictions in activities. Consequently, Company's manufacturing plants and offices had to be closed down / operate under restrictions for a considerable period of time during the year and post year end. Lockdowns / restrictions have impacted the Company operationally including on commodity prices, supply chain matters (including semiconductor supplies), consumer demand and recoveries of loans under its vehicle financing business. More recently, the next wave of the pandemic has impacted India and the Company is monitoring the situation closely taking into account the increasing level of infections in India and across the world and directives from the various Governments. Management believes that it has taken into account all the possible impacts of known events arising from COVID-19 pandemic in the preparation of the financial results including but not limited to its assessment of Company's liquidity and going concern, recoverable values of its property, plant and equipment, intangible assets, intangible assets under development, allowances for losses for finance receivables and the net realisable values of other assets. However, given the effect of these lockdowns and restrictions on the overall economic activity and in particular on the automotive industry, the impact assessment of COVID-19 on the abovementioned financial statement captions is subject to significant estimation uncertainties due to its nature and duration and, accordingly, the actual impacts in future may be different from those estimated as at the date of approval of these financial results. The Company will continue to monitor any material changes to future economic conditions and consequential impact on its financial results

g. Revenue recognition

The Company generates revenue principally from –

a) **Sale of products –** (i) commercial and passenger vehicles and vehicle parts and (ii) Sales of other products- certain software products and other automotive products

The Company recognizes revenues on the sale of products, net of discounts, sales incentives, customer bonuses and rebates granted, 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 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.

Revenue is recognised on a bill-and-hold basis where vehicles, for example, are sold to the customer but are retained in the Company's possession at a vehicle holding compound on behalf of the customer ahead of being physically transferred to them at a future time. In such arrangements it is ensured that the customer has obtained the ultimate control of the product.

There are certain vehicles which are being given to the customers along with operations and maintenance of the same. These are considered as finance leases and accordingly, revenue is recognised at the lease commencement date at fair value of the leased asset. The cost of sales is reduced for the present value of unguaranteed residual values. In addition, initial direct costs are recognised as cost of sales at the lease commencement date.

The consideration received in respect of transport arrangements for delivering of vehicles to the customers are recognized net of their costs within revenues in the consolidated statement of profit and loss.

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

b) **Sale of services** - maintenance service, telematics features and extended warranties for commercial and passenger vehicles, software support services and insurance broking services.

Income from sale of maintenance services, telematics features and extended warranties, including software services are recognized as income over the relevant period of service or extended warranty.

When the Company sells products that are bundled with maintenance service, telematics features 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 recognized 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 recognized as a deferred income liability and transferred to income when customers redeem their reward points.

For certain sale of services wherein performance obligation is satisfied over a period of time, any amount received in advance is recorded as contract liability and recognized as revenue when service is rendered to customers. Any amount of income accrued but not billed to customers in respect of such contracts is recorded as a contract asset. Such contract assets are transferred to Trade receivables on actual billing to customers.

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

Vehicle sales do not typically include allowances for returns or refunds, although in some markets there is legislative requirement for the Company as an automotive manufacturer to repurchase or reacquire a vehicle if quality issues arise that have been remedied a number of times and where the owner no longer wishes to own the vehicle as a result.

Proceeds from sale of vehicles for which the Company or any of its subsidiaries have retained buy back obligation in future is recorded as a liability – (i) Proceeds received in excess of agreed buy back price is recognized as Deferred income liability and (ii) the agreed buy back price is recognized as Buy back liability. Deferred income liability is recognized as operating lease income on time proportionate basis over date of sale and date of buy back.

c) **Financing revenues -** Interest income from financing transactions includes income from leasing of vehicles to customers. Finance and service charges are accrued on the unpaid principal balance of finance receivables using the effective interest method.

h. 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 reasonable assurance that the Company will comply with the relevant conditions and the grant will be received.

Government grants are recognised in the consolidated statement of profit and loss, either on a systematic basis when the Company recognizes, 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.

Notes Forming Part of Consolidated Financial Statements

Notes Forming Part of Consolidated Financial Statements

i. Cost recognition

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

Expenditure are capitalised, 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 consolidated statement of profit and loss is presented net of the impact of realised foreign exchange relating to derivatives hedging cost exposures.

j. Provisions

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.

i) Product warranty expenses

The estimated liability for product warranties are recognized 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 and for batteries in Electric Vehicles warranty period is typically up to eight 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 a separate asset.

ii) 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.

iii) Residual risk

In certain markets, the Company is responsible for the residual risk arising on vehicles sold by dealers under leasing arrangements. The provision is based on the latest available market expectations of future residual value trends. The timing of the outflows will be at the end of the lease arrangements being typically up to three years.

The potential effects of the COVID-19 pandemic, particularly the estimated decline and subsequent recovery in the used vehicle market, were included in the Company's methodology applied in estimating the residual value exposure for the year ended March 31, 2021. These assessments were performed with reference to both internal and external market inputs.

iv) Legal and product liability

Legal and product liability provision is recorded in respect of compliance with regulations and known litigations which impact the Company. The product liability claim primarily relates to motor accident claims, consumer complaints, dealer terminations, personal injury claims and compliance with emission and battery disposal regulations.

The timing of outflows will vary depending on when claims are received and settled, which is not known with certainty. The assumptions made, especially the assumption about the outcome of legal proceedings, are subject to a high degree of uncertainty. The appropriateness of assumptions is regularly reviewed, based on assessments undertaken both by management and external experts, such as lawyers. If new developments arise in the future that result in a different assessment, provisions are adjusted accordingly.

v) Environmental liability

Environmental liability relates to various environmental remediation cost such as asbestos removal and land clean up. The timing of when these costs will be incurred is not known with certainty.

k. Foreign currency

These consolidated financial statements are presented in Indian rupees, which is the functional currency of Tata Motors 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 are recognised in the consolidated statement of profit and loss except to the extent, exchange differences on foreign currency borrowings which are capitalized when they are regarded as an adjustment to interest costs.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Company's foreign operations (having non-INR functional currency) are translated to Indian rupees at the exchange rate prevailing on the balance sheet date, Income and expenses items are translated at the average rate of exchange for the respective months. Exchange differences arising on such translation are recognised as currency translation reserve under equity. Exchange differences arising from the translation of a foreign operation previously recognised in currency translation reserve in equity are not reclassified from equity to the consolidated profit or loss until the disposal of the operation.

l. Income taxes

Income tax expense comprises current and deferred taxes. Income tax expense is recognised in the consolidated statement of profit and loss except when they relate to items that are recognised outside of profit or loss (whether in other comprehensive income or directly in equity), in which case tax is also recognised outside profit or loss, or where they arise from the initial accounting for a business combination. In the case of a business combination the tax effect is included in the accounting for the business combination. Current income taxes are determined based on respective taxable income of each taxable entity and tax rules applicable for respective tax jurisdictions.

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 and for each taxable jurisdiction. 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.

Deferred tax liabilities on taxable temporary differences arising from investments in subsidiaries, branches and associated companies and interests in joint arrangements are not recognised if the Company is able to control the timing of the reversal and it is probable that the temporary difference will not reverse in the foreseeable future.

m. Cash & cash equivalents

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

n. Earnings per share

Basic earnings per share has been computed by dividing profit for the year 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 anti-dilutive.

o. Inventories

Inventories (other than those recognised consequent to the sale of vehicles subject to repurchase arrangements) are valued at the lower of cost and net realisable value. Cost of raw materials, components and consumables are ascertained on a first in first out 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. Inventories include vehicles sold subject to repurchase arrangements. These vehicles are carried at cost to the Company and are amortised in changes in inventories of finished goods to their residual values (i.e., estimated second hand sale value) over the term of the arrangement.

p. Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment, if any. Freehold land is measured at cost and is not depreciated. Heritage assets, comprising antique vehicles purchased by the Company, are not depreciated as they are considered to have a residual value in excess of cost. Residual values are re-assessed on an annual basis. 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)

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over the estimated useful lives of the assets considering the nature, estimated usage, operating conditions, past history of replacement, anticipated technological changes, manufacturer's warranties and maintenance support. Taking into account these factors, the Company and its domestic group companies have decided to retain the useful life hitherto adopted for various categories of property, plant and equipment, which are different from those prescribed in Schedule II of the Act.

Estimated useful lives of the assets are as follows:

Type of Asset	Estimated useful life
Buildings, Roads, Bridge and culverts	4 to 60 years
Plant, machinery and equipment	3 to 30 years
Computers and other IT assets	3 to 6 years
Vehicles	3 to 11 years
Furniture, fixtures and office appliances	3 to 21 years

The useful lives and method of deprecation is reviewed at least 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 when it is derecognized.

q. Other intangible assets

Intangible assets purchased, including those acquired in business combinations, are measured at cost or fair value as of the date of acquisition where applicable less accumulated amortisation and accumulated impairment, if any. Intangible assets with indefinite lives are reviewed annually to determine whether an indefinite-life assessment continues to be supportable. If not, the change in the useful-life assessment from indefinite to finite is made on a prospective basis.

For intangible assets with finite lives, amortization is provided on a straight-line basis over the estimated useful lives of the acquired intangible assets as per the estimated amortization period below

Type of Asset	Estimated useful life
Patents and technological knowhow	2 to 12 years
Computer software	1 to 8 years
Customer related intangibles - dealer network	20 years
Intellectual property rights	3 to 10 years

The amortisation period for intangible assets with finite useful lives is reviewed at least 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 consolidated 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 probable future economic benefits. The costs capitalised include the cost of materials, direct labour and directly attributable overhead expenditure incurred up to the date the asset is available for use. 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 on a straight-line basis over a period of 24 months to 120 months. Product development expenditure is measured at cost less accumulated amortisation and accumulated impairment, if any.

r. Leases

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.

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 an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is allocated, 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 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 interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as a discount 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 Consolidated statement of Profit and loss as rental expenses over the tenor of such leases.

Assets given on lease

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. Accordingly, lease receivable is recognized as the amount of the fair value of the leased asset.

s. Impairment

i) Goodwill

Cash generating units to which goodwill is allocated are tested for impairment annually at each balance sheet date, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to that unit and then to the other assets of the unit pro rata on the basis of carrying amount of each asset in the unit. Goodwill impairment loss recognised is not reversed in subsequent period.

ii) Property, plant and equipment and other intangible assets

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 with indefinite useful lives and 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.

iii) Equity accounted investments: Joint ventures and associates:

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

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 (or cash generating unit) for which the estimates of future cash flows have not been adjusted. Cash flow projections are developed generally for five years using data from the Company's latest internal forecasts and extrapolated beyond five years using estimated long-term growth rates.

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 consolidated 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.

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t. Employee benefits

i) Pension plans

Jaguar Land Rover operate defined benefit pension plans for certain of its subsidiaries, which are contracted out of the second state pension scheme until April 5, 2016. The assets of the plan are held in separate trustee administered funds. The plans provide for monthly pension after retirement as per salary drawn and service period as set out in rules of each fund.

Contributions to the plans by the Jaguar Land Rover subsidiaries take into consideration the results of actuarial valuations. The plans with a surplus position at the year-end have been limited to the maximum economic benefit available from unconditional rights to refund from the scheme or reduction in future contributions. Where the subsidiary group is considered to have a contractual obligation to fund the pension plan above the accounting value of the liabilities, an onerous obligation is recognised. A separate defined contribution plan is available to employees of Jaguar Land Rover. Costs in respect of this plan are charged to the consolidated statement of profit and loss as incurred.

ii) Gratuity

Tata Motors Limited and its subsidiaries and joint operations in India 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 Limited and such subsidiaries make annual contributions to gratuity funds established as trusts or insurance companies. Tata Motors Limited and its subsidiaries in India account for the liability for gratuity benefits payable in the future based on an actuarial valuation.

iii) Superannuation

Tata Motors Limited and some of its subsidiaries in India have two superannuation plans, a defined benefit plan and a defined contribution plan. An eligible employee as 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 Limited and such subsidiaries 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 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. Separate irrevocable trusts are maintained for employees covered and entitled to benefits. Tata Motors Limited and its subsidiaries contribute up to 15% or ₹150,000, whichever is lower, of the eligible employees' salary to the trust every year. Such contributions are recognised as an expense when incurred. Tata Motors Limited and such subsidiaries have no further obligation beyond this contribution.

iv) Bhavishya Kalyan Yojana (BKY)

Bhavishya Kalyan Yojana is an unfunded defined benefit plan for employees of Tata Motors Limited and some of its subsidiaries. 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 Limited and these subsidiaries account for the liability for BKY benefits payable in the future based on an actuarial valuation.

v) Provident fund and family pension

In accordance with Indian law, eligible employees of Tata Motors Limited and some of its subsidiaries and joint operations are entitled to receive benefits in respect of provident fund, a defined contributions plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary). The contributions, as specified under the law, are made to the provident fund and pension fund set up as an irrevocable trust by Tata Motors Limited and its subsidiaries or to respective Regional Provident Fund Commissioner and the Central Provident Fund under the State Pension scheme. The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company. The embedded interest rate guarantee is considered to be defined benefit.

Given the investment pattern prescribed by the authorities, most investments of provident fund has historically been in debt securities, thereby giving secure returns. However, during the year ended March 31, 2020, due to a ratings downgrade and potential bond default of some of the companies, the total liability of principal and interest guarantee has since been actuarially valued as a defined benefit.

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vi) Severance indemnity

Tata Daewoo Commercial Vehicle Company Limited, or TDCV, a subsidiary company incorporated in Korea; has an obligation towards severance indemnity, a defined benefit retirement plan, covering eligible employees. The plan provides for a lump sum payment to all employees with more than one year of employment equivalent to 30 days' salary payable for each completed year of service.

vii) Post-retirement medicare scheme

Under this unfunded scheme, employees of Tata Motors Limited and some of its subsidiaries 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 Limited and such subsidiaries account for the liability for post-retirement medical scheme based on an actuarial valuation.

viii) Compensated absences

Tata Motors Limited and some of its subsidiaries and joint operations provide 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 actuarial valuation.

ix) 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 consolidated statement of profit and loss. Actuarial gains and losses relating to long-term employee benefits are recognised in the consolidated statement of profit and loss in the period in which they arise.

x) 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 postemployment benefit obligations are disclosed in note 36.

u. Dividends

Any dividend declared by Tata Motors Limited is based on the profits available for distribution as reported in the statutory financial statements of Tata Motors Limited (standalone) prepared in accordance with Generally Accepted Accounting Principles in India or Indian GAAP 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 Limited (Standalone) 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 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 these financial statements may not be fully distributable. The amount available for distribution is **₹Nil** as at March 31, 2021 (₹ Nil as at March 31, 2020).

v. Segments

The Company primarily operates in the automotive business. The automotive business comprises of four reportable segments i.e., Tata Commercial Vehicles, Tata Passenger Vehicles, Jaguar Land Rover and Vehicle Financing. Other operating segments do not meet the quantitative thresholds for disclosure and have been aggregated.

w. Financial instruments

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.

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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 there entirety when determining whether there cash flows are solely payment of principal and interest. The Company reclassifies financial assets when and only when its business model for managing those assets changes.

Financial assets are classified into three categories

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

Equity investments at fair value through other comprehensive income (Equity instruments): These include financial assets that are equity instruments and are designated as such upon initial recognition irrevocably. Subsequently, these are measured at fair value and changes therein, are recognised directly in other comprehensive income, net of applicable deferred income taxes. Dividends from these equity investments are recognised in the consolidated statement of profit and loss when the right to receive payment has been established. When the equity investment is derecognised, the cumulative gain or loss in equity is transferred to retained earnings.

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

Financial assets at fair value through profit or loss: Financial assets are measured at fair value through profit or 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 or loss are immediately recognised in profit or loss.

Derivatives which are not designated as hedging instruments are recognized at fair value through profit or 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 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 recognized less, the cumulative amount of income recognized.

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

ii) Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

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

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

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

iii) Derecognition of financial assets and financial liabilities

The Company derecognizes 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 recognizes 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 recognize the financial asset and also recognizes 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 consolidated 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 recognizes 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 Loss allowance for finance receivables is measured at an amount equal to twelve month expected losses if credit risk on such assets has not increased significantly since initial recognition. An allowance equal to lifetime expected losses is provided if credit risk has increased significantly from the date of initial recognition or where the financial assets were deemed credit impaired at initial recognition. Credit risk is determined to have increased significantly when a finance receivable contract becomes sixty/ninety days past due. Such impairment loss is recognised in the consolidated statement of profit and loss. Such increases in credit risk are relative and assessment may include external ratings (where available) or other information such as past due payments. Historic data and forward-looking information are both considered. Objective evidence for a significant increase in credit risk may include where payment is overdue by sixty/ninety or more days as well as other information about significant financial difficulties of the borrower.

If the amount of an impairment loss decreases in a subsequent period, and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. The reversal is recognised in the consolidated statement of profit and loss.

The Company adopts the simplified approach permitted in Ind AS 109 to apply lifetime expected credit losses to trade receivables and contract assets. Where credit risk is deemed low at the reporting date or to have not increased significantly, credit losses for the next 12 months are calculated.

v) Hedge accounting

The Company uses foreign currency forward and option contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable forecast transactions. The Company designates these forward and option contracts in a cash flow hedging relationship by applying the hedge accounting principles.

The Company also uses interest rate swaps to hedge its variability in cash flows from interest payments arising from floating rate liabilities i.e., when interests are paid according to benchmark market interest rates.

Derivative contracts are stated at fair value on the consolidated balance sheet at each reporting date.

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 and cross-currency interest rate swaps. 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 consolidated statement of profit and loss.

Amounts accumulated in equity are reclassified to the consolidated statement of profit and loss in the periods in which the forecasted transaction 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 time value is recognised in the other comprehensive income along with the changes in fair value determined to be effective portion of the hedge. For hedges of forecast transactions, time value of options and forward element on forward contracts are considered as cost of transaction related

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hedge and accordingly any changes in their fair value is recognized in other comprehensive income and subsequently reclassified to consolidated statement of profit and loss when the forecast transaction affects the consolidated statement of profit and loss or recognized in the carrying value of asset when the forecasted transaction is for purchase of an asset.

Effective portion of fair value changes in forward contracts and options designated as hedges against foreign currency fluctuations arising on certain liabilities denominated in foreign currency are recognized in other comprehensive income and reclassified to consolidated statement of profit and loss when the underlying liabilities affect the consolidated statement of profit and loss. The time value of options and forward element of forward contracts designated as hedges of underlying foreign currency liabilities are considered as cost of time period related hedged item and accordingly amortized and recognized in the consolidated statement of profit and loss over the tenure of the contract.

The Company also uses interest rate swaps to hedge its variability in cash flows from interest payments arising from floating rate liabilities i.e., when interests are paid according to benchmark market interest rates. Effective portion of fair value changes on such interest rate swaps are recognized in other comprehensive statement of profit and loss and accumulated in hedge reserve and reclassified to consolidated statement of profit and loss when the hedged risk affects the consolidated statement of profit and loss.

Any ineffective portion of the fair value changes of hedging instruments are recognized in consolidated statement of profit and loss.

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 consolidated 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 consolidated statement of profit and loss for the year.

x. Recent accounting pronouncements

i) Amendments issued by MCA to existing standards

On July 24, 2020, the Ministry of Corporate Affairs has made following changes applicable from the financial year beginning April 1, 2020

a) Revised the definition of the term "business" and related guidance in Ind AS 103. The amendment permits a simplified assessment of whether an acquired set of activities and assets is not a business.

b) Amended some specific hedge accounting requirements under Ind AS 109 (temporary exceptions from applying specific hedge accounting requirements) and disclosure requirements under Ind AS 107 to provide relief to the potential effects of uncertainty caused by the Interest rate Benchmark reforms (IBOR reforms).

c) Amended Ind AS 116 to provide limited relief to lessees in respect of rent concessions arising due to Covid-19 pandemic.

d) Refined the definition of the term 'material' and related clarifications in Ind AS 1 and Ind AS 8. As per the amendment information is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general purpose financial statements, which provide financial information about a specific reporting entity. The amendments further clarified that the information is obscured if it is communicated in a way that would have a similar effect for primary users of financial statements to omitting or misstating that information.

There were no significant impact on the Company's financial statements upon adoption of the above amendments issued by MCA.

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Some of the key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

a) Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.

b) Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.

c) Specified format for disclosure of shareholding of promoters.

d) Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.

e) If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.

f) Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

g) Realignment of presentation of following financial statement captions:

- Security deposits to be presented under other financial assets (earlier: under loans)
- Current maturities of long-term borrowings to be disclosed separately under borrowings (earlier: under other financial liabilities)

h) Disclosure of charges/ satisfaction yet to be registered with ROC beyond the statutory period along with details and reasons thereof

i) Prescribed disclosures where loans/ advances in the nature of loans were granted to promoters, directors, KMPs and the related parties (as defined under 2013 Act), either severally or jointly with any other person that are that are:

- Repayable on demand or
- Without specifying any terms/ period of repayment

j) Disclosure of prescribed ratios e.g. current ratio, debt-equity ratio (Explain items included in numerator and denominator and any change in the ratio >25% as compared to the preceding year)

k) Disclosure of the following where borrowings are made from banks/ FI on the basis of security of current assets:

- Whether quarterly returns/ statements of current assets filed with banks/ FI are in agreement with the books
- Summary of reconciliation and reasons of material discrepancies (if any)

l) Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of financial statements.

The Company is assessing the impact of these changes and will accordingly incorporate the same for the financial statements for the year ended March 31, 2022.

ii) The conceptual framework for Financial Reporting under Ind AS sets out fundamental concepts for financial reporting that guide the Accounting Standard Board (ASB) in developing Ind AS. It helps to ensure that the standards are conceptually consistent and that similar transactions are treated the same way, so as to provide useful information for investors, lenders and creditors. In August 2020, ICAI issued the revised 'Conceptual Framework for Financial Reporting under Ind AS' (Conceptual Framework). The applicability date for the same is yet to be notified.

Notes Forming Part of Consolidated Financial Statements

Notes Forming Part of Consolidated Financial Statements

(y) The following subsidiary companies are considered in the consolidated financial statements:

Sr No.	Name of the Subsidiary company	Country of incorporation	% of holding either directly or through subsidiaries	
			As at March 31, 2021	As at March 31, 2020
	Direct Subsidiaries			
1	TML Business Services Limited	India	100.00	100.00
2	Tata Motors Insurance Broking and Advisory Services Limited	India	100.00	100.00
3	Tata Motors European Technical Centre PLC	UK	100.00	100.00
4	Tata Technologies Limited	India	74.42	72.48
5	TMF Holdings Limited	India	100.00	100.00
6	Tata Marcopolo Motors Limited	India	51.00	51.00
7	TML Holdings Pte. Limited	Singapore	100.00	100.00
8	TML Distribution Company Limited	India	100.00	100.00
9	Tata Hispano Motors Carrocera S.A.	Spain	100.00	100.00
10	Tata Hispano Motors Carrocerries Maghreb SA	Morocco	100.00	100.00
11	Trilix S.r.l.	Italy	100.00	100.00
12	Tata Precision Industries Pte. Limited	Singapore	78.39	78.39
13	Brabo Robotics and Automation Limited	India	100.00	100.00
14	JT Special Vehicles Pvt. Limited (Ceased to be a JV and became a Wholly-owned Subsidiary, w.e.f. August 11, 2020)	India	100.00	-
	Indirect subsidiaries *			
15	TML Business Analytics Services Limited (Incorporated w.e.f. April 4, 2020)	India	100.00	-
16	Tata Daewoo Commercial Vehicle Company Limited	South Korea	100.00	100.00
17	Tata Daewoo Commercial Vehicle Sales and Distribution Company Limited	South Korea	100.00	100.00
18	Tata Motors (Thailand) Limited	Thailand	97.21	97.17
19	Tata Motors (SA) (Proprietary) Limited	South Africa	60.00	60.00
20	PT Tata Motors Indonesia	Indonesia	100.00	100.00
21	Tata Technologies (Thailand) Limited	Thailand	74.42	72.48
22	Tata Technologies Pte Limited	Singapore	74.42	72.48
23	INCAT International Plc.	UK	74.42	72.48
24	Tata Technologies Europe Limited	UK	74.42	72.48
25	Tata Technologies Nordics AB (Formally Known as Escenda Engineering AB)	UK	74.42	72.48
26	INCAT GmbH.	Germany	74.42	72.48
27	Tata Technologies Inc.	USA	74.48	72.48
28	Tata Technologies de Mexico, S.A. de C.V.	Mexico	74.48	72.48
29	Cambric Limited	USA	74.48	72.48
30	Tata Technologies SRL Romania	Romania	74.48	72.48
31	Tata Manufacturing Technologies (Shanghai) Limited	China	74.42	72.48
32	Jaguar Land Rover Automotive Plc	UK	100.00	100.00
33	Jaguar Land Rover Limited	UK	100.00	100.00
34	Jaguar Land Rover Austria GmbH	Austria	100.00	100.00
35	Jaguar Land Rover Belux NV	Belgium	100.00	100.00
36	Jaguar Land Rover Japan Limited	Japan	100.00	100.00
37	Jaguar Cars South Africa (Pty) Limited	South Africa	100.00	100.00
38	JLR Nominee Company Limited	UK	100.00	100.00
39	The Daimler Motor Company Limited	UK	100.00	100.00
40	Daimler Transport Vehicles Limited	UK	100.00	100.00
41	S.S. Cars Limited	UK	100.00	100.00
42	The Lanchester Motor Company Limited	UK	100.00	100.00
43	Jaguar Land Rover Deutschland GmbH	Germany	100.00	100.00
44	Jaguar Land Rover Classic Deutschland GmbH	Germany	100.00	100.00
45	Jaguar Land Rover Holdings Limited	UK	100.00	100.00
46	Jaguar Land Rover North America LLC	USA	100.00	100.00
47	Land Rover Ireland Limited	Ireland	100.00	100.00
48	Jaguar Land Rover Nederland BV	Netherlands	100.00	100.00
49	Jaguar Land Rover Portugal - Veiculos e Pecas, Lda.	Portugal	100.00	100.00
50	Jaguar Land Rover Australia Pty Limited	Australia	100.00	100.00
51	Jaguar Land Rover Italia Spa	Italy	100.00	100.00
52	Jaguar Land Rover Espana SL	Spain	100.00	100.00
53	Jaguar Land Rover Korea Company Limited	South Korea	100.00	100.00
54	Jaguar Land Rover (China) Investment Co. Limited	China	100.00	100.00
55	Jaguar Land Rover Canada ULC	Canada	100.00	100.00
56	Jaguar Land Rover France, SAS	France	100.00	100.00
57	Jaguar Land Rover (South Africa) (pty) Limited	South Africa	100.00	100.00
58	Jaguar e Land Rover Brasil industria e Comercio de Veiculos LTDA	Brazil	100.00	100.00
59	Limited Liability Company "Jaguar Land Rover" (Russia)	Russia	100.00	100.00
60	Jaguar Land Rover (South Africa) Holdings Limited	UK	100.00	100.00
61	Jaguar Land Rover India Limited	India	100.00	100.00
62	Jaguar Cars Limited	UK	100.00	100.00
63	Land Rover Exports Limited	UK	100.00	100.00
64	Jaguar Land Rover Pension Trustees Limited	UK	100.00	100.00
65	Jaguar Racing Limited	UK	100.00	100.00
66	InMotion Ventures Limited	UK	100.00	100.00
67	In-Car Ventures Limited ((Formerly known as Lenny Insurance Limited)	UK	100.00	100.00
68	InMotion Ventures 2 Limited	UK	100.00	100.00
69	InMotion Ventures 3 Limited	UK	100.00	100.00
70	Shanghai Jaguar Land Rover Automotive Services Company Limited	China	100.00	100.00
71	Jaguar Land Rover Slovakia s.r.o	Slovakia	100.00	100.00
72	Jaguar Land Rover Singapore Pte. Ltd	Singapore	100.00	100.00
73	Jaguar Land Rover Columbia S.A.S	Columbia	100.00	100.00
74	PT Tata Motors Distribusi Indonesia	Indonesia	100.00	100.00
75	Tata Motors Finance Solutions Limited	India	100.00	100.00
76	Tata Motors Finance Limited	India	100.00	100.00
77	TMNL Motor Services Nigeria Limited	Nigeria	100.00	100.00
78	Jaguar Land Rover Ireland (Services) Limited	Ireland	100.00	100.00
79	Spark44 (JV) Limited	UK	50.50	50.50
80	Spark44 Pty. Ltd.	Australia	50.50	50.50
81	Spark44 GMBH	Germany	50.50	50.50
82	Spark44 LLC	USA	50.50	50.50
83	Spark44 Shanghai Limited	China	50.50	50.50
84	Spark44 DMCC	UAE	50.50	50.50
85	Spark44 Demand Creation Partners Limited	India	50.50	50.50

Notes Forming Part of Consolidated Financial Statements

Sr No.	Name of the Subsidiary company	Country of incorporation	% of holding either directly or through subsidiaries	
			As at March 31, 2021	As at March 31, 2020
86	Spark44 Limited (London & Birmingham)	UK	50.50	50.50
87	Spark44 Pte Ltd	Singapore	50.50	50.50
88	Spark44 Communication SL	Spain	50.50	50.50
89	Spark44 SRL	Italy	50.50	50.50
90	Spark44 Seoul Limited	Korea	50.50	50.50
91	Spark44 Japan KK	Japan	50.50	50.50
92	Spark44 Canada Inc	Canada	50.50	50.50
93	Spark44 South Africa (Pty) Limited	South Africa	50.50	50.50
94	Spark44 Colombia S.A.S.	Columbia	50.50	50.50
95	Spark44 Taiwan Limited	Taiwan	50.50	50.50
96	Jaguar Land Rover Taiwan Company Limited	Taiwan	100.00	100.00
97	Jaguar Land Rover Servicios Mexico,S.A. de C.V.	Mexico	100.00	100.00
98	Jaguar Land Rover Mexico,S.A.P.I. de C.V.	Mexico	100.00	100.00
99	Jaguar Land Rover Hungary KFT	Hungary	100.00	100.00
100	Jaguar Land Rover Classic USA LLC	USA	100.00	100.00
101	Jaguar Land Rover Ventures Limited	UK	100.00	100.00
102	Bowler Motors Limited	UK	100.00	100.00
103	Jaguar Land Rover (Ningbo) Trading Co. Limited	China	100.00	100.00

*Effective holding % of the Company directly and through its subsidiaries.

The following Jointly controlled companies are considered in the consolidated financial statements:

Sr No.	Name of the jointly controlled company	Country of incorporation	% of holding either directly or through subsidiaries	
			As at March 31, 2021	As at March 31, 2020
Joint Operations				
1	Fiat India Automobiles Private Limited	India	50.00	50.00
2	Tata Cummins Private Limited	India	50.00	50.00
Joint Ventures				
3	Tata HAL Technologies Limited **	India	37.21	36.24
4	Chery Jaguar Land Rover Automotive Company Limited	China	50.00	50.00
5	JT Special Vehicles Pvt. Limited (Ceased to be a JV and became a Wholly-owned Subsidiary, w.e.f. August 11, 2020)	India	-	50.00
6	Loginomic Tech Solutions Private Limited ("TruckEasy")	India	26.00	26.00
7	Jaguar Land Rover Switzerland AG	Switzerland	30.00	10.00

** Effective holding % of the Company as it is a Joint Venture of Tata Technologies Ltd

Notes Forming Part of Consolidated Financial Statements

The following associates companies are considered in the consolidated financial statements:

Sr No.	Name of the associate company	Country of incorporation	% of holding either directly or through subsidiaries	
			As at March 31, 2021	As at March 31, 2020
1	Automobile Corporation of Goa Limited	India	49.77	49.77
2	Nita Company Limited	Bangladesh	40.00	40.00
3	Tata Hitachi Construction Machinery Company Private Limited	India	39.99	39.99
4	Tata Precision Industries (India) Limited	India	39.19	39.19
5	Tata AutoComp Systems Limited	India	26.00	26.00
6	Jaguar Cars Finance Limited	UK	49.90	49.90
7	Cloud Car Inc	USA	26.30	26.30
8	Synaptiv Limited	UK	37.50	37.50
9	DriveClubService Pte. Ltd.	Singapore	25.07	25.07

Notes Forming Part of Consolidated Financial Statements

3. (a) PROPERTY, PLANT AND EQUIPMENT

(₹ in crores)

Property, plant and equipment	Owned assets: Land	Owned assets: Buildings	Owned assets: Plant and equipment	Owned assets: Furniture and fixtures	Owned assets: Vehicles	Owned assets: Computers	Owned assets: Heritage Assets	Given on lease: Land	Given on lease: Buildings	Given on lease: Plant and equipment	Given on lease: Vehicles	Taken on lease: Buildings	Taken on lease: Plant and equipment	Taken on lease: Furniture and fixtures	Taken on lease: Computers	Total
Cost as at April 1, 2020	**7,401.49**	**26,661.69**	**122,979.80**	**1,757.39**	**498.40**	**2,717.94**	**376.22**	**23.50**	**33.96**	**5.16**	**116.40**	**-**	**-**	**-**	**-**	**162,571.95**
Additions	5.50	419.57	7,914.02	32.76	67.47	55.82	-	-	-	-	58.81	-	-	-	-	8,553.95
Additions through business acquisitions	-	-	0.07	0.23	0.30	0.09	-	-	-	-	-	-	-	-	-	0.69
Disposal/Adjustments	(79.72)	(74.94)	(476.41)	(74.37)	(80.89)	(154.47)	(37.28)	-	-	-	(4.33)	-	-	-	-	(982.41)
Currency translation differences	185.78	1,528.66	7,045.68	98.98	13.16	136.29	14.74	1.53	2.53	-	-	-	-	-	-	9,027.35
Cost as at March 31, 2021	**7,513.05**	**28,534.98**	**137,463.16**	**1,814.99**	**498.44**	**2,755.67**	**353.68**	**25.03**	**36.49**	**5.16**	**170.88**	**-**	**-**	**-**	**-**	**179,171.53**
Accumulated depreciation as at April 1, 2020	**-**	**5,502.00**	**76,027.00**	**1,093.04**	**257.71**	**1,619.34**	**167.09**	**-**	**3.55**	**4.12**	**15.27**	**-**	**-**	**-**	**-**	**84,689.12**
Depreciation for the period	-	1,232.23	9,195.14	104.80	95.47	218.34	-	-	0.16	-	26.82	-	-	-	-	10,872.96
Reversal of Impairment loss		(56.88)	(468.83)	(0.63)	(1.65)	(2.76)	-	-	-	-	-					(530.75)
Additions through business acquisitions		-	0.03	0.03	0.04	0.04	-	-	-	-	-					0.14
Disposal/Adjustments	-	(43.98)	(299.03)	(63.08)	(48.95)	(144.23)	-	-	-	-	(2.60)	-	-	-	-	(601.87)
Writeoff/impairment of assets	-	39.52	23.89	-	-	0.45	-	-	-	-	-	-	-	-	-	63.86
Currency translation differences	-	319.61	4,589.15	57.70	7.48	64.04	-	-	0.04	-	-	-	-	-	-	5,038.02
Accumulated depreciation as at March 31, 2021	**-**	**6,992.50**	**89,067.35**	**1,191.86**	**310.10**	**1,755.22**	**167.09**	**-**	**3.75**	**4.12**	**39.49**	**-**	**-**	**-**	**-**	**99,531.48**
Net carrying amount as at March 31, 2021	**7,513.05**	**21,542.48**	**48,395.81**	**623.13**	**188.34**	**1,000.45**	**186.59**	**25.03**	**32.74**	**1.04**	**131.39**	**-**	**-**	**-**	**-**	**79,640.05**
Cost as at April 1, 2019	**7,286.26**	**22,840.87**	**109,223.07**	**1,621.42**	**387.31**	**2,335.10**	**372.77**	**22.86**	**33.28**	**5.16**	**62.75**	**97.38**	**192.34**	**4.31**	**186.15**	**144,671.03**
Adjustment on initial application of Ind AS 116	-	(76.01)	-	-	-	-	-	-	-	-	-	(97.38)	(192.34)	(4.31)	(186.15)	(556.19)
Adjusted opening balance	**7,286.26**	**22,764.86**	**109,223.07**	**1,621.42**	**387.31**	**2,335.10**	**372.77**	**22.86**	**33.28**	**5.16**	**62.75**	**-**	**-**	**-**	**-**	**144,114.84**
Additions	27.53	2,989.01	11,246.74	133.33	145.76	346.89	-	-	-	-	64.79	-	-	-	-	14,954.05
Additions through business acquisitions	-	5.30	1.16	0.60	0.03	-	-	-	-	-	-	-	-	-	-	7.09
Disposal/Adjustments	-	(19.47)	(673.06)	(46.65)	(40.55)	(29.48)	(8.67)	-	(0.38)	-	(11.14)	-	-	-	-	(829.40)
Currency translation differences	87.70	921.99	3,181.89	48.69	5.85	65.43	12.12	0.64	1.06	-	-	-	-	-	-	4,325.37
Cost as at March 31, 2020	**7,401.49**	**26,661.69**	**122,979.80**	**1,757.39**	**498.40**	**2,717.94**	**376.22**	**23.50**	**33.96**	**5.16**	**116.40**	**-**	**-**	**-**	**-**	**162,571.95**
Accumulated depreciation as at April 1, 2019	**-**	**4,148.26**	**64,778.83**	**958.82**	**214.43**	**1,404.02**	**161.69**	**-**	**3.58**	**4.12**	**7.97**	**42.08**	**144.43**	**2.37**	**180.57**	**72,051.17**
Adjustment on initial application of Ind AS 116	-	-	-	-	-	-	-	-	-	-	-	(42.08)	(144.43)	(2.37)	(180.57)	(369.45)
Adjusted opening balance	**-**	**4,148.26**	**64,778.83**	**958.82**	**214.43**	**1,404.02**	**161.69**	**-**	**3.58**	**4.12**	**7.97**	**-**	**-**	**-**	**-**	**71,681.73**
Depreciation for the period	-	1,123.58	9,072.75	119.71	79.04	200.35	-	-	0.34	-	14.35	-	-	-	-	10,610.12
Disposal/Adjustments	-	(12.96)	(513.76)	(25.28)	(40.55)	(29.48)	-	-	(0.30)	-	(7.05)	-	-	-	-	(629.38)
Writeoff/impairment of assets	-	60.28	826.43	13.09	1.97	12.49	-	-	-	-	-	-	-	-	-	914.26
Currency translation differences	-	182.84	1,862.75	26.70	2.82	31.96	5.40	-	(0.07)	-	-	-	-	-	-	2,112.39
Accumulated depreciation as at March 31, 2020	**-**	**5,502.00**	**76,027.00**	**1,093.04**	**257.71**	**1,619.34**	**167.09**	**-**	**3.55**	**4.12**	**15.27**	**-**	**-**	**-**	**-**	**84,689.12**
Net carrying amount as at March 31, 2020	**7,401.49**	**21,159.69**	**46,952.81**	**664.35**	**240.69**	**1,098.60**	**209.13**	**23.50**	**30.41**	**1.04**	**101.13**	**-**	**-**	**-**	**-**	**77,882.83**

3. (b) CAPITAL WORK-IN-PROGESS

	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning	8,599.56	8,538.17
Additions	9,592.57	14,723.55
Transferred to cost of Property, plant and equipment	(8,114.42)	(14,691.95)
(Provision)/Reversal for impairment/(Write off) (Net)	(2,229.48)	(186.27)
Currency translation impact	528.91	216.06
Balance at the end	**8,377.14**	**8,599.56**

Notes Forming Part of Consolidated Financial Statements

4 (a) LEASES

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 2021 and 2049.

When measuring lease liability, the Company discounted lease payments using its incremental borrowing rate as at April 1, 2020. The weighted-average rate applied is 7.97% per annum.

(₹ in crores)

The following amounts are included in the Consolidated Balance Sheet	As at March 31, 2021	As at March 31, 2020
Current lease liabilities	814.00	814.18
Non-current lease liabilities	5,412.06	5,162.94
Total lease liabilities	**6,226.06**	**5,977.12**

(₹ in crores)

The following amounts are recognised in the consolidated statement of Profit & Loss:	Year ended March 31, 2021	Year ended March 31, 2020
		2020
Interest expense on lease liabilities	495.98	469.25
Variable lease payment not included in the measurement of lease liabilities	0.06	2.98
Expenses related to short-term leases	94.91	155.34
Expenses related to low-value assets, excluding short-term leases of low-value assets	75.69	69.56

(₹ in crores)

	Land	Buildings	Plant, machinery and equipments	Furniture, Fixtures and Office Appliances	Vehicles	Computers & other IT assets	Other Assets	Total
Cost as at April 1, 2020	**273.14**	**6,003.16**	**1,177.71**	**133.01**	**102.35**	**336.15**	**36.15**	**8,061.67**
Additions	20.66	672.87	290.23	1.74	67.09	67.18	0.83	1,120.60
Disposals/adjustments	-	(116.98)	(112.82)	-	(1.08)	-	-	(230.88)
Currency translation differences	12.21	406.00	49.47	6.73	7.00	13.14	2.83	497.38
Cost as at March 31, 2021	**306.01**	**6,965.05**	**1,404.59**	**141.48**	**175.36**	**416.47**	**39.81**	**9,448.77**
Accumulated amortisation as at April 1, 2020	**35.38**	**1,002.48**	**433.22**	**13.98**	**34.09**	**257.99**	**9.19**	**1,786.33**
Amortisation for the period	42.87	718.00	261.43	14.47	53.27	72.68	9.32	1,172.04
Amortisation - considered as employee cost	-	-	-	-	2.75	-	-	2.75
Reversal of Impairment Loss	-	(6.81)	(31.32)	-	-	(0.05)	-	(38.18)
Disposal/adjustments	-	(60.77)	(17.42)	-	(0.52)	-	-	(78.71)
Currency translation differences	3.60	72.51	24.59	0.82	3.15	8.14	1.07	113.88
Accumulated amortisation as at March 31, 2021	**81.85**	**1,725.41**	**670.50**	**29.27**	**92.74**	**338.76**	**19.58**	**2,958.11**
Net carrying amount as at March 31, 2021	**224.16**	**5,239.64**	**734.09**	**112.21**	**82.62**	**77.71**	**20.23**	**6,490.66**

Notes Forming Part of Consolidated Financial Statements

(₹ in crores)

	Land	Buildings	Plant, machinery and equipments	Furniture, Fixtures and Office Appliances	Vehicles	Computers & other IT assets	Other Assets	Total
Cost as at April 1, 2019	-	-	-	-	-	-	-	-
Adjustment on initial application of Ind AS 116	267.39	5,204.99	786.70	4.33	17.86	303.34	34.98	6,619.59
Additions	-	757.82	368.41	119.92	82.30	28.11	-	1,356.56
Disposals/adjustments	-	(144.30)	-	-	(1.41)	-	-	(145.71)
Currency translation differences	5.75	184.65	22.60	8.76	3.60	4.70	1.17	231.23
Cost as at March 31, 2020	**273.14**	**6,003.16**	**1,177.71**	**133.01**	**102.35**	**336.15**	**36.15**	**8,061.67**
Accumulated amortisation as at April 1, 2019	-	-	-	-	-	-	-	-
Adjustment on initial application of Ind AS 116	0.15	39.65	142.70	2.37	-	180.57	-	365.44
Amortisation for the period	33.90	710.19	244.46	10.99	33.61	74.51	8.83	1,116.49
Impairment of Asset	-	260.36	36.56	-	-	0.08	-	297.00
Disposal/adjustments	-	(29.96)	-	-	(0.86)	-	-	(30.82)
Currency translation differences	1.33	22.24	9.50	0.62	1.34	2.83	0.36	38.22
Accumulated amortisation as at March 31, 2020	**35.38**	**1,002.48**	**433.22**	**13.98**	**34.09**	**257.99**	**9.19**	**1,786.33**
Net carrying amount as at March 31, 2020	**237.76**	**5,000.68**	**744.49**	**119.03**	**68.26**	**78.16**	**26.96**	**6,275.34**

The Company has committed towards leases of Plant Machinery and Equipments which have not yet commenced for ₹**30.00 crores** as on March 31, 2021 (₹ 171.00 crores as on March 31, 2020). There are no leases with residual value guarantees.

5. GOODWILL

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Balance at the beginning	777.06	747.87
Impairment	-	(8.31)
Currency translation differences	26.66	37.50
Balance at the end	**803.72**	**777.06**

As at March 31, 2021, goodwill of ₹**99.09 crores and** ₹**704.63 crores** relates to the passenger vehicles - automotive and related activity segment (Tata and other brand vehicles) and "others" segment, respectively. As at March 31, 2020, goodwill of ₹99.09 crores and ₹677.97 crores relates to the passenger vehicles - automotive and related activity segment (Tata and other brand vehicles) and "others" segment, respectively.

As at March 31, 2021, goodwill of ₹**704.63 crores** has been allocated to software consultancy and service cash generating unit. The recoverable amount of the cash generating unit has been determined based on value in use. Value in use has been determined based on future cash flows, after considering current economic conditions and trends, estimated future operating results, growth rates and anticipated future economic conditions.

As at March 31, 2021, the estimated cash flows for a period of 5 years were developed using internal forecasts, and a pre-tax discount rate of 13.22%.The cash flows beyond 5 years have been extrapolated assuming 2% growth rates. The management believes that any reasonably possible change in the key assumptions would not cause the carrying amount to exceed the recoverable amount of the cash generating unit.

Notes Forming Part of Consolidated Financial Statements

6. (a) OTHER INTANGIBLE ASSETS

(₹ in crores)

	Software	Patents and technological know how	Customer related	Intellectual property rights and other intangibles	Indefinite life trade marks and patents	Product development	Total
Cost as at April 1, 2020	**8,172.29**	**1,624.84**	**616.12**	**371.17**	**5,783.60**	**82,599.86**	**99,167.88**
Additions	844.86	0.79	-	-	-	16,735.88	17,581.53
Additions through business acquisitions	1.10	-	-	-	-	-	1.10
Disposal/Adjustments	(1.73)	-	-	-	-	-	(1.73)
Fully amortized not in use	(22.94)	-	-	-	-	-	(22.94)
Currency translation differences	606.38	106.50	46.68	24.29	447.12	6,311.52	7,542.49
Cost as at March 31, 2021	**9,599.96**	**1,732.13**	**662.80**	**395.46**	**6,230.72**	**105,647.26**	**124,268.33**
Accumulated amortisation as at April 1, 2020	**5,664.52**	**1,481.58**	**405.40**	**202.39**	**1,375.45**	**47,866.63**	**56,995.97**
Amortization for the year	829.74	24.69	24.80	26.83	-	10,595.65	11,501.71
Additions through business acquisitions	0.20	-	-	-	-	-	0.20
Provision/(Reversal) for impairment/Write off	0.24	-	-	-	-	(429.10)	(428.86)
Asset fully amortised not in use	(22.94)	-	-	-	-	-	(22.94)
Currency translation differences	425.68	106.11	31.77	14.23	106.29	3,764.99	4,449.07
Accumulated amortisation as at March 31, 2021	**6,897.44**	**1,612.38**	**461.97**	**243.45**	**1,481.74**	**61,798.17**	**72,495.15**
Net carrying amount as at March 31, 2021	**2,702.52**	**119.75**	**200.83**	**152.01**	**4,748.98**	**43,849.09**	**51,773.18**
Cost as at April 1, 2019	**6,768.17**	**1,459.50**	**598.01**	**354.96**	**5,596.61**	**72,320.83**	**87,098.08**
Additions	1,179.17	120.81	-	0.22	-	12,019.33	13,319.53
Capitalised product development	-	-	-	-	-	-	-
Additions through business acquisitions	-	-	-	10.32	-	-	10.32
Fully amortized not in use	(40.46)	-	-	-	-	(4,159.76)	(4,200.22)
Currency translation differences	265.41	44.53	18.11	5.67	186.99	2,419.46	2,940.17
Cost as at March 31, 2020	**8,172.29**	**1,624.84**	**616.12**	**371.17**	**5,783.60**	**82,599.86**	**99,167.88**
Accumulated amortisation as at April 1, 2019	**4,630.45**	**1,397.21**	**369.97**	**174.49**	**1,330.99**	**41,328.22**	**49,231.33**
Amortization for the year	907.58	39.93	22.89	25.36	-	8,703.06	9,698.82
Writeoff/impairment of assets	0.45	-	-	-	-	542.00	542.45
Asset fully amortised not in use	(40.46)	-	-	-	-	(4,159.76)	(4,200.22)
Currency translation differences	166.50	44.44	12.54	2.54	44.46	1,453.11	1,723.59
Accumulated amortisation as at March 31, 2020	**5,664.52**	**1,481.58**	**405.40**	**202.39**	**1,375.45**	**47,866.63**	**56,995.97**
Net carrying amount as at March 31, 2020	**2,507.77**	**143.26**	**210.72**	**168.78**	**4,408.15**	**34,733.23**	**42,171.91**

6. (b) INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning	27,022.73	23,345.67
Additions *	8,632.21	16,222.16
Transferred to cost of other intangible assets	(16,857.14)	(13,198.50)
(Provision)/Reversal for impairment/(Write off)	(7,555.32)	(162.69)
Currency translation impact	1,344.31	816.09
Balance at the end	**12,586.79**	**27,022.73**

* the additions during the year include allocation of central overheads amounting to ₹**806.12 crores** (₹ 1,094.35 crores as at March 31, 2020).

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6. (c) The useful life of trademarks and brands in respect of the acquired Jaguar Land Rover businesses have been determined to be indefinite as the Company expects to generate future economic benefits indefinitely from these assets.

7. IMPAIRMENT ASSESSMENT OF JAGUAR LAND ROVER BUSINESS

The operations of its subsidiary Jaguar Land Rover (JLR), excluding equity accounted investments, represents a single cash-generating unit ("CGU"). This is because of the closely connected nature of the cash flows and the degree of integrated development and manufacturing activities.

In response to the annual requirement of accounting standard, and the impact of Reimagine, management performed an impairment assessment as at March 31, 2021.

For the year ended March 31, 2021 assessment, the recoverable value was determined using the value in use ("VIU") approach. No impairment was identified as the CGU recoverable amount exceeded its carrying amount by **₹27,206.70 crores (£2,700 million)** (₹3,554.31 crores (£380 million) in the year ended March 31, 2020). The impairment loss recorded in the previous year was not reversed because the underlying reasons for the increased headroom do not support this. The increase in headroom is more related to unwind of the discount rate and asset write-offs than an improvement in the underlying performance of the business when compared against the assumed performance at the date of impairment.

JLR has considered it appropriate to undertake the impairment assessment with reference to the latest business plan that was in effect as at the reporting date. The business plan includes a five-year cash flow forecast and contains growth rates that are primarily a function of the JLR's Cycle Plan assumptions, historic performance and management's expectation of future market developments through to 2025/26.

In forecasting the future cash flows management have given due consideration to the risks that have arisen due to the current economic uncertainty.

The approach and key assumptions used to determine JLR's CGU VIU were as follows:

Terminal value variable profit – Due to the importance of product mix to the business' cash flow the management consider variable profit to be a key assumption. Whilst years 1 to 5 of the business plan is largely driven from the existing portfolio, management's Reimagine strategy results in a change in product portfolio in the outer years of the business plan. When considering the cash flows to model into perpetuity, it is therefore necessary to derive a steady-state variable profit value based on this change, the business plan volume set and associated implied variable profit levels;

Terminal value capital expenditure – the 5-year cash flows timing and amount are based on the latest Cycle Plan. The terminal value has been derived based the management's best estimate of a maintenance level of capital expenditure which has been derived from depreciation and amortisation expectations and funding requirements in responses to longer-term industry trends which are anticipated in the VIU calculation.

Sensitivity to Key Assumptions

The key assumptions that impact the value in use are those that

(i) involve a significant amount of judgement and estimation and

(ii) drive significant changes to the recoverable amount when flexed under reasonably possible outcomes. As a significant portion of the recoverable amount lies in the VIU terminal value, management have focussed disclosures on reasonably possible changes that impact the terminal value.

Given the inherent uncertainty about how risk may arise, and the interaction of volumes and cost management, management consider a net impact on terminal period cash flows to be the best means of indicating the sensitivity of the model to such changes in the terminal period.

The value of key assumptions used to calculate the recoverable amount are as follows:

	As at March 31, 2021	As at March 31, 2020
Terminal value variable profit (%GVR)	21.4%	19.7%
Terminal value capital expenditures (%GVR)	8.9%	9.1%

The table below shows the amount by which the value assigned to the key assumptions must change for the recoverable amount of the CGU to be equal to its carrying amount:

	As at March 31, 2021		As at March 31, 2020	
	Revised Assumption	% Change	Revised Assumption	% Change
Terminal value variable profit (%GVR)	20.1%	(6.3)%	19.5%	(0.9)%
Terminal value capital expenditures (%GVR)	10.2%	15.1%	9.3%	1.9%

Notes Forming Part of Consolidated Financial Statements

8. IMPAIRMENT LOSSES/(REVERSAL) FOR PASSENGER VEHICLE SEGMENT AND OTHER PROVISIONS

(a) Impairment losses/(reversal) for Passenger Vehicle Segment

The Company tests its passenger vehicle cash generating unit (CGU) for impairment at least annually and more frequently when there is an indication of impairment. An impairment loss is recognized if the recoverable amount is lower than the carrying value. The Company also periodically assesses if there are any triggers for reversal of previously recognised impairment loss. A reversal of impairment loss is recognised if there is a trigger for reversal and the recoverable value exceeds the carrying value.

As at March 31, 2020, the Company assessed the recoverable value for this CGU, due to refresh of its strategy in response to change in market conditions on account of various factors (economic environment, demand forecasts etc.) including COVID 19 pandemic. The recoverable value determined by Fair Value less Cost of Disposal ('FVLCD') was lower than the carrying value of the CGU and this resulted in an impairment charge for the year ended March 31, 2020 recognised within 'Exceptional items'.

As at March 31, 2021, the Company identified certain triggers for reversal of the previously recorded impairment based on both external and internal indicators. Accordingly, the Company reassessed its estimates and determined the recoverable value for this CGU considering the significant improvement in absolute and relative performance and outlook of the business when compared with the assumed performance at the time when the impairment loss was recorded. Based on this reassessment, the Company has reversed the initially recognised impairment for this CGU.

The key drivers for this improved performance include :

1 New and improved product portfolio

2 Product positioning in segments where the Company did not have a presence earlier

3 Revamp of dealer and service network

4 Capacity de-bottlenecking

5 Cost reduction initiatives

In addition to the above, the post COVID pent up demand was a tailwind and the changing consumer preference towards personal mobility as well as changes to the economic outlook have improved the outlook on the industry. A combination of these factors enabled the Company to enhance it's market share to 8.1% for the year ended March 31, 2021 as compared to 4.8% for the year ended March 31, 2020.

The recoverable value was determined using the Fair value less cost of Disposal ("FVLCD"). CGU's FVLCD has been valued using Comparable Company Market Multiple method (CCM). The average of enterprise value to sales multiple of Comparable Companies applied to actual sales of the CGU for year ended March 31, 2021 has been considered as the FVLCD as per CCM. The fair value of the CGU is as follows:

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Recoverable amount	14,618.60	9,120.00

The approach and key (unobservable) assumptions used to determine the CGU's FVLCD were as follows:

The carrying value of the CGU was ₹5,853.39 crores as at March 31, 2021, compared with the recoverable value of ₹14,618.60 crores, determined by FVCLD and ₹10,588.00 crores as per VIU.

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Enterprise value to Sales multiple	1.27	0.75

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The impairment loss recognised in the year ended March 31, 2020 and its subsequent reversal in the year ended March 31, 2021 was as follows:

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Property, plant and equipment (refer note 3 (a))	(530.74)	634.15
Capital work-in-progress (refer note 3 (b))	(68.37)	71.21
Right of use assets (refer note 4)	(38.19)	45.94
Other intangible assets (refer note 6 (a))	(429.10)	542.00
Intangible assets under development (refer note 6 (b))	(116.01)	125.34
Total	**(1,182.41)**	**1,418.64**

Sensitivity to key assumptions

The change in the following assumptions used in the impairment review would, in isolation, lead to a change in FVCLD as at March 31, 2021 (although it should be noted that these sensitivities do not take account of potential mitigating actions):

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Decrease in Enterprise value (EV) to Sales multiple by 10%	1,461.86	912.00

(b) Other provisions

During the year ended March 31, 2020, a provision had been recognized for certain supplier contracts ranging from 5 to 10 years, which had become onerous, as the Company estimated that it will procure lower quantities than committed and the costs will exceed the future economic benefit.

As at March 31, 2021, the Company has reassessed the onerous provision created and based on the revised volume outlook a reversal of provision aggregating **₹777.00 crores** has been accounted. During the year the Company has also made provision for estimated supplier claims of **₹114.00 crores**, which are under negotations with supplier.

(c) Impairment of assets in subsidiaries

(i) The Company assessed the recoverable value for assets belonging to its subsidiary Tata Motors European Technical Centre PLC (TMETC), due to change in market conditions and reduced demand forecasts. The recoverable value of ₹46.55 crores was determined by its value in use of the relevant assets of TMETC. The recoverable amount of TMETC of ₹46.55 crores was lower than the carrying value of the CGU of ₹344.04 crores and this resulted in an impairment charge of ₹297.49 crores recognized for the year ended March 31, 2020.

(ii) The Company also assessed the recoverable value for goodwill , tax and certain other assets belonging to its subsidiary Trilix S.r.l as a result of current market conditions and reduced demand forecasts resulting in a possibility of non recovery of these assets according to Management's estimates. The Company recognized an impairment charge of ₹55.71 crores for the year ended March 31, 2020 , which includes ₹8.31 crores for goodwill and ₹46.17 crores for current tax assets.

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9. INVESTMENTS IN EQUITY ACCOUNTED INVESTEES:

(a) Associates:

The Company has no material associates as at March 31, 2021. The aggregate summarized financial information in respect of the Company's immaterial associates that are accounted for using the equity method is set forth below.

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Carrying amount of the Company's interest in associates	1,023.07	1,036.26

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Company's share of profit/(loss) in associates *	(16.41)	16.32
Company's share of other comprehensive income in associates	4.89	(3.37)
Company's share of total comprehensive income in associates	(11.52)	12.95

Fair value of investment in an equity accounted associate for which published price quotation is available, which is a level 1 input, was **₹124.10 crores** and ₹89.01 crores as at March 31, 2021 and 2020, respectively. The carrying amount as at March 31, 2021 and 2020 was **₹138.25 crores** and ₹143.11 crores, respectively.

(b) Joint ventures:

(i) Details of the Company's material joint venture is as follows:

Name of joint venture	Principal activity	Principal place of the business	% holding as at March 31, 2021	% holding as at March 31, 2020
Chery Jaguar Land Rover Automotive Co. Limited (Chery)	Manufacture and assembly of vehicles	China	**50%**	**50%**

Chery is a limited liability company, whose legal form confers separation between the parties to the joint arrangement. There is no contractual arrangement or any other facts and circumstances that indicate that the parties to the joint venture have rights to the assets and obligations for the liabilities of the joint arrangement. Accordingly, Chery is classified as a joint venture. Chery is not publicly listed.

The following tables sets out the summarised financial information of Chery after adjusting for material differences in accounting policies:

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Current assets	5,718.76	5,606.63
Non-current assets	14,581.18	14,686.38
Current liabilities	(13,750.20)	(12,616.20)
Non-current liabilities	(115.73)	(770.37)
The above amounts of assets and liabilities include the following:		
Cash and cash equivalents	3,249.70	2,602.83
Current financial liabilities (excluding trade and other payables and provisions)	(5,049.57)	(5,463.58)
Non-current financial liabilities (excluding trade and other payables and provisions)	(39.18)	(770.37)
Share of net assets of material joint venture	3,217.01	3,453.22
Other consolidation adjustments	(49.33)	(70.59)
Carrying amount of the Company's interest in joint venture	3,167.68	3,382.63

Notes Forming Part of Consolidated Financial Statements

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Revenue	18,058.00	11,609.02
Net income/(loss)	(822.09)	(2,005.40)
Total comprehensive income for the year	(822.09)	(2,005.40)
The above net income includes the following:		
Depreciation and amortization	(1,989.81)	(1,804.73)
Interest income	72.08	122.37
Interest expense (net)	(203.08)	(222.34)
income tax expense/(credit)	306.07	505.36

Reconciliation of above summarized financial information to the carrying amount of the interest in the joint venture recognized in the consolidated financial statements:

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Net assets of the joint venture	6,434.01	6,906.44
Proportion of the Company's interest in joint venture	3,217.01	3,453.22
Other consolidation adjustments	(49.33)	(70.59)
Carrying amount of the Company's interest in joint venture	3,167.68	3,382.63

During the year ended March 31, 2021, a dividend of **£ Nil (₹Nil)** was received by a subsidiary in UK from Chery Jaguar Land Rover Automotive Co. Ltd. (2020 : £ 67.3 million (₹606.40 crores)) and an amount of **£ Nil (₹Nil)** (2020: £ 67.3 million (₹606.40 crores)) was invested by UK subsidiary in Chery Jaguar Land Rover Automotive Co. Ltd.

(ii) The aggregate summarized financial information in respect of the Company's immaterial joint ventures that are accounted for using the equity method is set forth below.

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Carrying amount of the Company's interest in joint ventures	10.04	-

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Company's share of profit/(loss) in immaterial joint ventures*	-	-
Company's share of other comprehensive income in immaterial joint ventures	0.15	-
Company's share of total comprehensive income in immaterial joint ventures	0.15	-

(c) Summary of carrying amount of the Company's interest in equity accounted investees:

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Carrying amount in immaterial associates	1,023.07	1,036.26
Carrying amount in material joint venture	3,167.68	3,382.63
Carrying amount in immaterial joint ventures	10.04	-
Total	**4,200.79**	**4,418.89**

Notes Forming Part of Consolidated Financial Statements

(d) Summary of Company's share of profit/(loss) in equity accounted investees:

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Share of profit/(loss) in immaterial associates	(16.41)	16.32
Share of profit/(loss) in material joint venture	(411.05)	(1,002.70)
Share of profit/(loss) on other adjustments in material joint venture	48.50	(13.62)
Share of profit/(loss) in immaterial joint ventures	-	-
	(378.96)	**(1,000.00)**

(e) Summary of Company's share of other comprehensive income in equity accounted investees:

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Share of other comprehensive income in immaterial associates	3.02	(2.48)
Currency translation differences-immaterial associates	1.87	(0.89)
Currency translation differences-material joint venture	147.99	103.50
Currency translation differences-immaterial joint ventures	0.15	-
	153.03	**100.13**

* Company's share of profit/(loss) of the equity accounted investees has been determined after giving effect for the subsequent amortization/depreciation and other adjustments arising on account of fair value adjustments made to the identifiable net assets of the equity accounted investee as at the date of acquisition and other adjustment arising under the equity method of accounting.

10 OTHER INVESTMENTS - NON-CURRENT

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
(a) Investments - measured at Fair value through Other Comprehensive Income		
Quoted:		
Equity shares	499.39	158.68
Unquoted:		
Equity shares	580.77	450.51
Total	**1,080.16**	**609.19**
(b) Investments - measured at Fair value through profit or loss		
Quoted:		
(i) Equity shares	-	157.78
Unquoted:		
(i) Non-cumulative redeemable preference shares	0.40	0.40
(ii) Cumulative redeemable preference shares	1.50	1.50
(iii) Equity shares	183.83	160.39
(iv) Convertible debentures	93.73	87.72
(v) Others	8.68	11.07
Total	**288.14**	**418.86**
Total (a+b)	**1,368.30**	**1,028.05**
Aggregate book value of quoted investments	499.39	316.46
Aggregate market value of quoted investments	499.39	316.46
Aggregate book value of unquoted investments	868.91	711.59

Notes Forming Part of Consolidated Financial Statements

11 OTHER INVESTMENTS - CURRENT

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
(a) Investments - measured at Fair value through profit and loss		
Unquoted:		
Mutual funds	2,972.35	1,506.93
Total	**2,972.35**	**1,506.93**
(b) Investments - measured at amortised cost		
Unquoted:		
Mutual funds	16,078.84	9,354.61
Total	**16,078.84**	**9,354.61**
Total (a+b)	**19,051.19**	**10,861.54**
Aggregate book value of unquoted investments	19,051.19	10,861.54

12. LOANS AND ADVANCES

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Non-current		
Secured, considered good:		
(a) Loans to channel partners (Net of allowances for credit impaired balances ₹**Nil** and ₹7.75 crores as at March 31, 2021 and March 31, 2020, respectively.)	706.36	549.67
Unsecured, considered good:		
(a) Loans to employees	24.60	28.67
(b) Loan to joint arrangements (Net of allowances for credit impaired balances ₹**Nil** and ₹3.75 crores as at March 31, 2021 and March 31, 2020, respectively.)	-	-
(c) Deposits (Net of allowances for credit impaired balances ₹**1.14 crores** and ₹0.49 crores as at March 31, 2021 and March 31, 2020, respectively.)	192.48	136.14
(d) Advances to channel partners (Net of allowances for credit impaired balances ₹**15.15 crores** and ₹18.28 crores as at March 31, 2021 and March 31, 2020, respectively.)	275.86	60.23
(e) Others	5.29	8.07
Total	**1,204.59**	**782.78**
Current		
Secured, considered good:		
(a) Loans to channel partners	104.36	113.14
Unsecured, considered good:		
(a) Advances to supplier, contractors etc. (Net of allowances for credit impaired balances ₹**92.58 crores** and ₹98.06 crores as at March 31, 2021 and March 31,2020, respectively)	1,542.74	781.80
(b) Loans to channel partners	98.00	35.62
(c) Inter corporate deposits (Net of allowances for credit impaired balances ₹**Nil and** ₹12.07 crores as at March 31, 2021 and March 31, 2020, respectively.)	4.30	4.69
Total	**1,749.40**	**935.25**

Notes Forming Part of Consolidated Financial Statements

13. OTHER FINANCIAL ASSETS

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Non-current		
(a) Derivative financial instruments	3,261.22	2,291.16
(b) Interest accrued on loans and deposits	54.57	28.19
(c) Deposits with banks	80.40	-
(d) Restricted deposits	324.46	83.95
(e) Margin money / cash collateral with banks	534.68	786.51
(f) Government grant receivables	665.67	578.19
(g) Recoverable from suppliers	761.13	974.70
(h) Finance lease receivables	126.90	-
(i) Other deposits	4.95	6.87
Total	**5,813.98**	**4,749.57**

Margin money with banks in restricted cash deposits consists of collateral provided for transfer of finance receivables. Restricted deposits as at March 31, 2021 and 2020 includes ₹**47.55 crores** and ₹56.12 crores, respectively, held as a deposit in relation to ongoing legal cases.

	As at March 31, 2021	As at March 31, 2020
Current		
(a) Derivative financial instruments	2,851.42	2,391.30
(b) Interest accrued on loans and deposits	53.64	47.45
(c) Government grant receivable	561.02	429.69
(d) Deposit with financial institutions	1,000.00	750.00
(e) Recoverable from suppliers	784.38	942.18
(f) Lease receivables	23.86	0.60
(g) Others	-	25.26
Total	**5,274.32**	**4,586.48**

Deposits with financial institutions as at March 31, 2021 of ₹**100.00 crores** (as at March 31, 2020 ₹Nil) is held as security in relation to repayment of borrowings.

14. INVENTORIES

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
(a) Raw materials and components	3,029.64	2,103.36
(b) Work-in-progress	4,373.48	4,550.29
(c) Finished goods	27,313.14	29,631.77
(d) Stores and spare parts	185.33	189.84
(e) Consumable tools	485.07	518.53
(f) Goods-in-transit - Raw materials and components	701.93	463.09
Total	**36,088.59**	**37,456.88**

Note:

(i) Inventories of finished goods include ₹**4,171.69 crores** and ₹4,358.71 crores as at March 31, 2021 and 2020 respectively, relating to vehicles sold subject to repurchase arrangements.

(ii) Cost of inventories (including cost of purchased products) recognized as expense during the year ended March 31, 2021 and 2020 amounted to ₹**1,82,360.88 crores** and ₹1,96,621.07 crores, respectively.

(iii) During the year ended March 31, 2021 and 2020, the Company recorded inventory write-down expense of ₹**129.19 crores** and ₹320.81 crores, respectively.

Notes Forming Part of Consolidated Financial Statements

15. TRADE RECEIVABLES (UNSECURED)

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Receivables considered good	12,679.08	11,172.69
Credit impaired receivables	989.19	1,114.00
	13,668.27	**12,286.69**
Less : Allowance for credit impaired receivables	(989.19)	(1,114.00)
Total	**12,679.08**	**11,172.69**

16. CASH AND CASH EQUIVALENTS

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
(a) Cash on hand	11.11	6.96
(b) Cheques on hand	27.92	45.07
(c) Balances with banks	8,679.66	8,994.82
(d) Deposit with banks	22,981.32	9,420.95
Total	**31,700.01**	**18,467.80**

17. BANK BALANCES

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
With upto 12 months maturity:		
(a) Earmarked balances with banks (refer note (i) and (ii) below)	746.45	429.70
(b) Bank deposits	14,346.00	14,829.47
Total	**15,092.45**	**15,259.17**

Note:

(i) Earmarked balances with bank includes ₹**491.27 crores** and ₹299.70 crores as at March 31, 2021 and 2020, respectively held as security in relation to interest and repayment of bank borrowings. Out of these deposits, ₹**174.44 crores** and ₹101.51 crores as at March 31, 2021 and 2020, respectively are pledged till the maturity of the respective borrowings.

(ii) Earmarked balances with banks as at March 31, 2021 includes restricted deposits of ₹**73.47 crores** (as at March 31, 2020 ₹Nil) towards Company's contribution for Family Pension from October 1, 2019, in lieu of Tata Motors Pension Trust exemption surrender application pending with Employee Provident Fund Organization. Subsequent to the year end, these balances are transferred to Tata Motors Pension Trust.

Notes Forming Part of Consolidated Financial Statements

18. FINANCE RECEIVABLES

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Finance receivables	35,962.59	31,730.45
Less: allowance for credit losses	(1,247.68)	(651.38)
Total	**34,714.91**	**31,079.07**
Current portion	17,868.09	14,245.30
Non-current portion	16,846.82	16,833.77
Total	**34,714.91**	**31,079.07**

Changes in the allowance for credit losses in finance receivables are as follows:

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning	651.38	833.05
Allowances made during the year	957.93	660.21
Written off	(361.63)	(841.88)
Balance at the end	**1,247.68**	**651.38**

19. ALLOWANCE FOR TRADE AND OTHER RECEIVABLES

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Change in the allowances for trade and other receivables are as follows:		
Balance at the beginning	1,360.68	1,272.09
Allowances made during the year *	50.01	137.03
Provision for loan given to a Joint venture	-	15.82
Written off	(150.16)	(74.19)
Foreign exchange translation differences	13.85	9.93
Balance at the end	**1,274.38**	**1,360.68**

* Includes ₹**29.32 crores** and ₹34.44 crores netted off in revenues as at March 31, 2021 and 2020, respectively.

20. OTHER NON-CURRENT ASSETS

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
(a) Capital advances	219.92	387.05
(b) Taxes recoverable, statutory deposits and dues from government (net of allowances for credit impaired balances of ₹**31.66 crores** and ₹Nil as at March 31, 2021 and 2020, respectively)	908.35	713.71
(c) Prepaid expenses	183.11	84.87
(d) Recoverable from insurance companies	291.05	371.21
(e) Employee benefits	5.09	3,821.08
(f) Others	0.97	3.65
Total	**1,608.49**	**5,381.57**

Notes Forming Part of Consolidated Financial Statements

21. OTHER CURRENT ASSETS

(₹ in crores)

		Year ended March 31, 2021	Year ended March 31, 2020
(a)	Advances and other receivables (Net of allowances for credit impaired balances ₹**61.48 crores** and ₹47.44 crores as at March 31, 2021 and March 31, 2020, respectively.)	517.55	505.97
(b)	GST/VAT, other Taxes recoverable, statutory deposits and dues from government (Net of allowances for credit impaired balances ₹**83.18 crores** and ₹58.84 crores as at March 31, 2021 and March 31, 2020, respectively.)	4,175.18	4,229.15
(c)	Prepaid expenses	1,220.13	1,334.36
(d)	Employee benefits	43.93	3.10
(e)	Others	341.61	192.33
	Total	**6,298.40**	**6,264.91**

22. INCOME TAXES

The domestic and foreign components of profit/(loss) before income tax is as follows:

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Profit/(loss) before income taxes		
India	(1,988.16)	(6,600.69)
Other than India	(8,486.12)	(3,979.29)
Total	**(10,474.28)**	**(10,579.98)**

The domestic and foreign components of income tax expense is as follows:

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Current taxes		
India	136.36	190.06
Other than India	1,573.82	1,702.99
Deferred taxes		
India	14.65	(136.29)
Other than India	817.03	(1,361.51)
Total income tax expense	**2,541.86**	**395.25**

Notes Forming Part of Consolidated Financial Statements

The reconciliation of income tax expense calculated as per tax rates applicable to individual entities with income tax expense/(credit) reported in the consolidated statement of profit & loss is as follows:

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Profit/(Loss) before tax	(10,474.28)	(10,579.98)
Income tax expense at tax rates applicable to individual entities	(1,882.53)	(2,721.46)
Additional deduction for patent, research and product development cost	1.66	(281.62)
Items (net) not deductible for tax/not liable to tax :		
- foreign currency (gain)/loss relating to loans and deposits (net), foreign currency (gain)/loss arising on account of Integral foreign operations.	4.95	47.45
- interest and other expenses relating to borrowings for investment	31.57	55.80
- Dividend from investments (other than subsidiaries, joint operations, equity accounted investees)	-	(6.92)
- Write-down of assets not qualifying for tax relief	429.56	-
- Others	63.47	150.50
Undistributed earnings of subsidiaries, joint operations and equity accounted investees	310.93	(85.55)
Deferred tax assets not recognized because realisation is not probable	3,682.48	3,191.95
Previously recognised deferred tax assets written down	(0.10)	49.27
Utilization/credit of unrecognised tax losses, unabsorbed depreciation and other tax benefits	(347.16)	(324.02)
Impact of change in statutory tax rates	92.96	397.35
Profit on sale of investments	1.52	-
Others	152.55	(77.50)
Income tax expense reported in consolidated statement of profit & loss	**2,541.86**	**395.25**

Note :

1. The UK Finance Act 2016 was enacted during the year ended March 31, 2017, which included provisions for a reduction in the UK corporation tax rate to 17% with effect from April 1, 2020. Subsequently a change to the main UK corporation tax rate, announced in 2020, was substantively enacted as at March 31, 2020. "Impact of change in statutory tax rates" includes a charge of ₹414.58 crores (£ 49.2 million) for the year ended March 31, 2020. The rate applicable from April 1, 2020 now remains at 19%, rather than the previously enacted reduction to 17%.

   Accordingly, JLR UK deferred tax has been provided at a rate of 19% on assets (2020: 19%) and 19% on liabilities (2020: 19%), recognising the applicable tax rate at the point when the timing difference is expected to reverse.

2. Tata Motors Limited (TML) has presently, decided not to opt for the New Tax Regime inserted as per 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. TML has accordingly applied the existing tax rates in the financial statements for the year ended March 31, 2021.

Notes Forming Part of Consolidated Financial Statements

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

(₹ in crores)

	Opening balance	Recognized in profit or loss	Recognized in/reclassified from other comprehensive income		MAT Credit Utilized	Closing balance
			Translation	Other than translation		
Deferred tax assets:						
Unabsorbed depreciation	2,555.97	(94.45)	(1.60)	(0.01)	-	2,459.91
Business loss carry forwards	3,440.17	(977.26)	32.22	-	-	2,495.13
Expenses deductible in future years:						
- provisions, allowances for doubtful receivables and others	4,421.31	(971.49)	31.45	0.02	-	3,481.29
Compensated absences and retirement benefits	(417.73)	(14.35)	(110.52)	1,507.15	-	964.55
Minimum alternate tax carry-forward	67.15	(67.10)	-	-	-	0.05
Property, plant and equipment	5,941.73	1,222.39	568.96	-	-	7,733.08
Derivative financial instruments	775.71	177.15	105.70	(1,174.74)	-	(116.18)
Unrealised profit on inventory	1,216.72	(217.18)	75.35	-	-	1,074.89
Others	1,533.69	(836.96)	31.68	(1.59)	-	726.82
Total deferred tax assets	**19,534.72**	**(1,779.25)**	**733.24**	**330.83**	**-**	**18,819.54**
Deferred tax liabilities:						
Property, plant and equipment	2,011.34	547.49	(0.06)	-	-	2,558.77
Intangible assets	12,193.58	(1,565.16)	642.11	-	-	11,270.53
Undistributed earnings in subsidiaries, joint operations and equity accounted investees	1,588.17	95.27*	80.86	-	-	1,764.30
Fair valuation of retained interest in a subsidiary subsequent to disposal of controlling equity interest	16.95	-	-	-	-	16.95
Others	208.65	(25.17)	(0.69)	61.74	-	244.53
Total deferred tax liabilities	**16,018.69**	**(947.57)**	**722.22**	**61.74**	**-**	**15,855.08**
Net assets/(liabilities)	**3,516.03**	**(831.68)**	**11.02**	**269.09**	**-**	**2,964.46**
Deferred tax assets						₹ 4,520.35
Deferred tax liabilities						₹ 1,555.89

* Net off ₹**215.66 crores** reversed on dividend distribution by subsidiaries.

As at March 31, 2021, unrecognized deferred tax assets amount to ₹**10,245.85 crores** and ₹**8,066.14 crores**, which can be carried forward indefinitely and up to a specified period, respectively. These relate primarily to depeciation carry forwards, other deductible temporary differences and business losses. The deferred tax asset has not been recognized on the basis that its recovery is not probable in the foreseeable future.

Unrecognized deferred tax assets expire unutilized based on the year of origination as follows:

(₹ in crores)

March 31,	
2022	801.60
2023	871.95
2024	752.81
2025	2,348.84
2026	676.30
Thereafter	2,614.64

The Company has not recognized deferred tax liability on undistributed profits of certain subsidiaries amounting to ₹**30,821.39 crores** and ₹47,629.56 crores as at March 31, 2021 and 2020 respectively, because it is able to control the timing of the reversal of temporary differences associated with such undistributed profits and it is probable that such differences will not reverse in the foreseeable future.

Notes Forming Part of Consolidated Financial Statements

Significant components of deferred tax assets and liabilities for the year ended March 31, 2020 are as follows:

(₹ in crores)

	Opening balance	Adjustment on initial application of Ind AS 116	Adjusted Opening Balance	Recognized in profit or loss	Recognized in/reclassified from other comprehensive income		MAT Credit Utilized	Closing balance
					Translation	Other than translation		
Deferred tax assets:								
Unabsorbed depreciation	2,563.47	-	2,563.47	(7.66)	0.16	-	-	2,555.97
Business loss carry forwards	2,971.96	-	2,971.96	437.73	30.48	-	-	3,440.17
Expenses deductible in future years:								
- provisions, allowances for doubtful receivables and others	3,417.29	-	3,417.29	891.21	112.58	0.23	-	4,421.31
Compensated absences and retirement benefits	1,246.29	-	1,246.29	(280.71)	12.82	(1,396.13)	-	(417.73)
Minimum alternate tax carry-forward	106.62	-	106.62	(35.69)	-	-	(3.78)	67.15
Property, plant and equipment	4,929.36	29.23	4,958.59	813.14	170.00	-	-	5,941.73
Derivative financial instruments	1,225.32	-	1,225.32	(161.98)	33.43	(321.06)	-	775.71
Unrealised profit on inventory	1,141.87	-	1,141.87	49.86	37.29	(12.30)	-	1,216.72
Others	1,258.87	-	1,258.87	234.97	39.31	0.54	-	1,533.69
Total deferred tax assets	**18,861.05**	**29.23**	**18,890.28**	**1,940.87**	**436.07**	**(1,728.72)**	**(3.78)**	**19,534.72**
Deferred tax liabilities:								
Property, plant and equipment	2,626.65	-	2,626.65	(614.34)	(0.59)	(0.38)	-	2,011.34
Intangible assets	10,750.95	-	10,750.95	1,155.74	286.89	-	-	12,193.58
Undistributed earnings of subsidiaries, joint operations and equity accounted investees	1,689.22	-	1,689.22	(131.76)*	30.71	-	-	1,588.17
Fair valuation of retained interest in a subsidiary subsequent to disposal of controlling equity interest	16.95	-	16.95	-	-	-	-	16.95
Others	117.21	-	117.21	33.43	0.23	57.78	-	208.65
Total deferred tax liabilities	**15,200.98**	**-**	**15,200.98**	**443.07**	**317.24**	**57.40**	**-**	**16,018.69**
Net assets/(liabilities)	**3,660.07**	**29.23**	**3,689.30**	**1,497.80**	**118.83**	**(1,786.12)**	**(3.78)**	**3,516.03**
Deferred tax assets								₹ 5,457.90
Deferred tax liabilities								₹ 1,941.87

* Net off ₹46.21 crores reversed on dividend distribution by subsidiaries.

Notes Forming Part of Consolidated Financial Statements

23. EQUITY SHARE CAPITAL

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
(a) Authorised:		
(i) **400,00,00,000** Ordinary shares of ₹2 each	800.00	800.00
(as at March 31, 2020: 400,00,00,000 Ordinary shares of ₹2 each)		
(ii) **100,00,00,000** 'A' Ordinary shares of ₹2 each	200.00	200.00
(as at March 31, 2020: 100,00,00,000 'A' Ordinary shares of ₹2 each)		
(iii) **30,00,00,000** Convertible Cumulative Preference shares of ₹100 each	3,000.00	3,000.00
(as at March 31, 2020: 30,00,00,000 shares of ₹100 each)		
Total	**4,000.00**	**4,000.00**
(b) Issued [Note (j)]:		
(i) **3,32,08,00,324** Ordinary shares of ₹2 each	664.16	617.89
(as at March 31, 2020: 308,94,66,453 Ordinary shares of ₹2 each)		
(ii) **50,87,36,110** 'A' Ordinary shares of ₹2 each	101.75	101.75
(as at March 31, 2020: 50,87,36,110 'A' Ordinary shares of ₹2 each)		
Total	**765.91**	**719.64**
(c) Subscribed and called up:		
(i) **3,32,03,07,765** Ordinary shares of ₹2 each	664.06	617.79
(as at March 31, 2020: 308,89,73,894 Ordinary shares of ₹2 each)		
(ii) **50,85,02,896** 'A' Ordinary shares of ₹2 each	101.70	101.70
(as at March 31, 2019: 50,85,02,896 'A' Ordinary shares of ₹2 each)		
	765.76	**719.49**
(d) Calls unpaid - Ordinary shares	(0.00)*	(0.00)*
310 Ordinary shares of ₹2 each (₹1 outstanding on each) and 260 Ordinary shares of ₹2 each (₹0.50 outstanding on each)		
(as at March 31, 2020: 310 Ordinary shares of ₹2 each (₹1 outstanding on each) and 260 Ordinary shares of ₹2 each (₹0.50 outstanding on each))		
(e) Paid-up (c+d):	765.76	719.49
(f) Forfeited - Ordinary shares	0.05	0.05
Total (e + f)	**765.81**	**719.54**

	(No. of shares) Year ended March 31, 2021	(₹ in crores) Year ended March 31, 2021	(No. of shares) Year ended March 31, 2020	(₹ in crores) Year ended March 31, 2020
(g) The movement of number of shares and share capital				
(i) Ordinary shares				
Balance as at April 1	3,088,973,894	617.79	2,887,348,694	577.47
Add: Preferential allotment of shares/conversion of share warrants (Refer Note (h) below)	231,333,871	46.27	201,623,407	40.32
Add: Allotment of shares held in abeyance	-	-	1,793	0*
Balance as at March 31	**3,320,307,765**	**664.06**	**3,088,973,894**	**617.79**
(ii) 'A' Ordinary shares				
Balance as at April 1	508,502,896	101.70	508,502,371	101.70
Add: Allotment of shares held in abeyance	-	-	525	0*
Balance as at March 31	**508,502,896**	**101.70**	**508,502,896**	**101.70**

* less than ₹50,000/-

Notes Forming Part of Consolidated Financial Statements

(h) During the year ended March 31, 2020, the Company has allotted 20,16,23,407 Ordinary Shares at a price of ₹150 per Ordinary Share aggregating to ₹3,024.35 crores and 23,13,33,871 Convertible Warrants ('Warrants'), each carrying a right to subscribe to one Ordinary Share per Warrant, at a price of ₹150 per Warrant ('Warrant Price'), aggregating to ₹3,470.00 crores on a preferential basis to Tata Sons Private Limited. An amount equivalent to 25% of the Warrant Price was paid at the time of subscription and the balance 75% of the Warrant Price was payable by the Warrant holder against each Warrant at the time of allotment of Ordinary Shares pursuant to exercise of the options attached to Warrant(s) to subscribe to Ordinary Share(s), by June 2021. The Company has fully utilized the amount of ₹3,891.85 crores towards repayment of debt, and other general corporate purposes of the Company and its subsidiaries.

During the quarter and year ended March 31, 2021, on exercise of options by Tata Sons Pvt Ltd and on receipt of balance subscription money of ₹2,602.51 crores, the Company has fully converted 23,13,33,871 convertible warrants into Ordinary Shares, that were issued during year ended March 31, 2020. The Company has not utilised any of this amount as at March 31, 2021.

(i) The entitlements to **4,92,559** Ordinary shares of ₹2 each (as at March 31, 2020 : 4,92,559 Ordinary shares of ₹2 each) and **2,33,214** 'A' Ordinary shares of ₹2 each (as at March 31, 2020: 233,214 'A' Ordinary shares of ₹2 each) are subject matter of various suits filed in the courts / forums by third parties for which final order is awaited and hence kept in abeyance.

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

(i) Ordinary shares and 'A' Ordinary shares both of ₹2 each :

- The Company has two classes of shares – the Ordinary shares and the 'A' Ordinary shares both of ₹2 each (together referred to as shares). In respect of every Ordinary share (whether fully or partly paid), voting rights shall be in the same proportion as the capital paid up on such Ordinary share bears to the total paid up Ordinary share capital of the Company. In case of every 'A' Ordinary share, if any resolution is put to vote on a poll or by postal ballot at any general meeting of shareholders, the holder shall be entitled to one vote for every ten 'A' Ordinary shares held as per the terms of its issue and if a resolution is put to vote on a show of hands, the holder of 'A' Ordinary shares shall be entitled to the same number of votes as available to holders of Ordinary shares.
- The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. Further, the Board of Directors may also declare an interim dividend. The holders of 'A' Ordinary shares shall be entitled to receive dividend for each financial year at five percentage point more than the aggregate rate of dividend declared on Ordinary shares for that financial year.
- In the event of liquidation, the shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholdings.

(ii) American Depositary Shares (ADSs) and Global Depositary Shares (GDSs) :

- Each ADS and GDS underlying the ADR and GDR respectively represents five Ordinary shares of ₹2 each. A holder of ADS and GDS is not entitled to attend or vote at shareholders meetings. An ADS holder is entitled to issue voting instructions to the Depositary with respect to the Ordinary shares represented by ADSs only in accordance with the provisions of the Company's ADSs deposit agreement and Indian Law. The depositary for the ADSs and GDSs shall exercise voting rights in respect of the deposited shares by issue of an appropriate proxy or power of attorney in terms of the respective deposit agreements.
- Shares issued upon conversion of ADSs and GDSs will rank pari passu with the existing Ordinary shares of ₹2 each in all respects including entitlement of the dividend declared.

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

	As at March 31, 2021		As at March 31, 2020	
	% Issued Share Capital	No. of Shares	% Issued Share Capital	No. of Shares
(i) Ordinary shares :				
(a) Tata Sons Private Limited	43.73%	1,45,21,13,801	39.52%	1,22,07,79,930
(b) Citibank N A as Depository	#	35,37,15,165	#	32,07,93,365
(ii) 'A' Ordinary shares :				
(a) Tata Sons Private Limited	7.57%	3,85,11,281	5.26%	2,67,22,401
(b) ICICI Prudential Balanced Advantage Fund	14.26%	7,25,19,454	11.03%	5,60,75,659
(c) Franklin India Smaller Companies Fund	*	*	12.84%	6,52,79,915
(d) Government Of Singapore	*	*	5.74%	2,92,11,889

\# held by Citibank, N.A. as depository for American Depository Receipts (ADRs) and Global Depository Receipts (GDRs)

* Less than 5%

(l) 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.

Notes Forming Part of Consolidated Financial Statements

24. OTHER COMPONENTS OF EQUITY

(a) The movement of Currency translation reserve is as follows:

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning	4,874.70	2,552.39
Exchange differences arising on translating the net assets of foreign operations (net)	3,702.50	2,219.70
Net change in translation reserve - equity accounted investees (net)	150.01	102.61
Balance at the end	**8,727.21**	**4,874.70**

(b) The movement of Equity instruments held as fair value through other comprehensive income(FVTOCI) is as follows:

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning	(77.37)	62.08
Other Comprehensive income for the year	420.66	(137.07)
Income tax relating to gain/(loss) recognised on equity investments, where applicable	(18.05)	(2.38)
Profit on sale of equity investments reclassified to retained earnings	(4.36)	-
Balance at the end	**320.88**	**(77.37)**

(c) The movement of gain/(loss) on debt instruments held as fair value through other comprehensive income (FVTOCI) is as follows:

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning	88.63	-
Other Comprehensive income for the year	258.47	136.24
Income tax relating to gain/(loss) recognised on debt instrument, where applicable	(90.32)	(47.61)
Balance at the end	**256.78**	**88.63**

(d) The movement of Hedging reserve is as follows:

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning	(3,891.90)	(5,602.62)
Gain/(loss) recognised on cash flow hedges	3,995.16	(2,400.47)
Income tax relating to gain/(loss) recognized on cash flow hedges	(773.08)	492.15
(Gain)/loss reclassified to profit or loss	1,145.59	4,773.17
Income tax relating to gain/(loss) reclassified to profit or loss	(221.01)	(906.47)
Amounts reclassified from hedge reserve to inventory	69.87	(305.75)
Income tax related to amounts reclassified from hedge reserve to inventory	(13.28)	58.09
Balance at the end	**311.35**	**(3,891.90)**
Of the above balance related to :		
Continued Hedges	240.82	(3,611.13)
Discontinued Hedges	70.53	(280.77)

Notes Forming Part of Consolidated Financial Statements

(e) The movement of Cost of hedging reserve is as follows:

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning	(213.28)	(70.80)
Gain/(loss) recognised on cash flow hedges	349.36	(127.76)
Income tax relating to gain/(loss) recognized on cash flow hedges	(70.79)	34.65
(Gain)/loss reclassified to profit or loss	(50.76)	(94.24)
Income tax relating to gain/(loss) reclassified to profit or loss	3.62	16.70
Amounts removed from hedge reserve and recognised in inventory	60.17	34.77
Income tax related to amounts removed from hedge reserve and recognised in inventory	(11.43)	(6.61)
Balance at the end	**66.88**	**(213.28)**
Of the above balance related to :		
Continued Hedges	66.88	(215.65)
Discontinued Hedges	-	2.37

(f) Summary of Other components of equity:

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Currency translation reserve	8,727.21	4,874.70
Equity instruments through FVTOCI	320.88	(77.37)
Debt instruments through FVTOCI	256.78	88.63
Hedging reserve	311.35	(3,891.90)
Cost of hedging reserve	66.88	(213.28)
Total	**9,683.11**	**780.78**

The Company had been presenting, gains and losses on effective cash flow hedges of inventory in the Statement of Other Comprehensive Income as "will not be reclassified to profit or loss". With wider industry practice emerging, clearer guidance now being available and with the present economic situation due to COVID-19, the Company has changed the presentation of these effective cash flow hedges of inventory presentation as "will be reclassified to profit or loss", and accordingly reclassified the comparative gain of ₹695.39 crores and related tax expenses of ₹129.88 crores for the previous year. The change in presentation is within the statement of other comprehensive income and does not affect Profit / (loss) for the period and earnings per share.

Notes Forming Part of Consolidated Financial Statements

25. NOTES TO RESERVES AND SURPLUS

(a) Securities premium
The amount received in excess of face value of the equity shares is recognised in Securities premium account.

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

(c) Capital redemption reserve
The Indian Companies Act, 2013 (the "Companies Act") requires that where a company purchases its own shares out of free reserves or securities premium account, a sum equal to the nominal value of the shares so purchased shall be transferred to a capital redemption reserve account and details of such transfer shall be disclosed in the Balance Sheet. The capital redemption reserve account may be applied by the company, in paying up unissued shares of the company to be issued to shareholders of the company as fully paid bonus shares. Tata Motors Limited established this reserve pursuant to the redemption of preference shares issued in earlier years.

(d) Debenture redemption reserve (DRR)
The Companies Act requires that where a company issues debentures, it shall create a debenture redemption reserve out of profits of the company available for payment of dividend. The company is required to maintain a Debenture Redemption Reserve of 25% of the value of debentures issued, either by a public issue or on a private placement basis. The amounts credited to the debenture redemption reserve may not be utilized by the company except to redeem debentures. No DRR is required for debenture issued after August 16, 2019

(e) Reserve for research and human resource development
In terms of Article 9 of the Act on Special Taxation Restriction in Korea, Tata Daewoo Commercial Vehicle Company Limited (TDCV, a subsidiary of Tata Motors Limited) is entitled for deferment of tax in respect of expenditures incurred on product development cost subject to fulfillment of certain conditions, by way of deduction from the taxable income, provided that TDCV appropriates an equivalent amount from "Retained Earnings" to "Reserve for Research and Human Resource Development".

The deferment is for a period of three years and from the fourth year onwards one-third of the reserve is offered to tax and an equal amount is then transferred from the reserve to "Retained earnings available for appropriation".

(f) Special reserve
The special reserve represents the reserve created by two subsidiaries of Tata Motors Limited pursuant to the Reserve Bank of India Act, 1934 (the "RBI Act") and related regulations applicable to those companies. Under the RBI Act, a non-banking finance company is required to transfer an amount not less than 20% of its net profit to a reserve fund before declaring any dividend. Appropriation from this reserve fund is permitted only for the purposes specified by the RBI.

(g) Earned surplus reserve
Under the Korean commercial code, TDCV is required to appropriate at least 10% of cash dividend declared each year to a legal reserve until such reserves equal to 50% of capital stock. This reserve may not be utilized for cash dividends, but may only be used to offset against future deficits, if any, or may be transferred to capital stock.

(h) Hedge Reserve
Effective portion of fair value gain/(loss) on all financial insturments designated in cash flow hedge relationship are accumulated in hedge reserve.

(i) Cost of hedge reserve
Fair value gain/(loss) attributable to cost of hedge on all financials instruments designated in cash flow hedge relationship are accumulated in cost of hedge reserve.

(j) Capital Reserve
The capital reserve represents the excess of the Company's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the purchase consideration.

(k) Dividends
The final dividend is recommended by the Board of Directors and is recorded in the books of accounts upon its approval by the Shareholders.For the year ended March 31, 2021 and 2020 , considering the accumulated losses in the Tata Motors Limited Standalone, no dividend was permitted to be paid to the members, as per the Companies Act, 2013 and the rules framed thereunder.

(l) Share-based payments reserve
Share-based payments reserve represents amount of fair value, as on the date of grant, of unvested options and vested options not exercised till date, that have been recognised as expense in the statement of profit or loss till date.

(m) Reserve for Equity instruments through other comprehensive income
Fair value gain/loss arising on equity investment that are designated as held at fair value through Other comprehensive income is included here.

(n) Reserve for Debt instruments through other comprehensive income
Fair value gain/loss arising on debt investment that are designated as held at fair value through Other comprehensive income is included here.

Notes Forming Part of Consolidated Financial Statements

26. LONG-TERM BORROWINGS

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Secured:		
(a) Privately placed Non-Convertible Debentures	2,769.58	434.33
(b) Collateralized debt obligations	1,260.87	2,058.76
(c) Term loans:		
(i) from banks	12,101.89	11,015.94
(ii) from financial institutions	2,992.85	6.50
(d) Others	226.11	188.14
Unsecured:		
(a) Privately placed Non-Convertible Debentures	5,151.85	7,991.79
(b) Perpetual Debenture	1,320.15	-
(c) Term loans:		
(i) from banks	20,468.26	20,956.80
(ii) other parties	168.19	157.09
(d) Senior notes	46,642.21	39,716.85
(e) Others	10.81	789.42
Total	**93,112.77**	**83,315.62**

27. SHORT-TERM BORROWINGS

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Secured:		
(a) Loans from banks	6,298.57	7,110.88
Unsecured:		
(a) Loans from banks	7,019.31	2,386.72
(b) Inter corporate deposits from associates	95.00	46.00
(c) Commercial paper	8,249.91	6,818.93
Total	**21,662.79**	**16,362.53**

Collaterals against borrowing

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Inventory	2,998.51	5,797.17
Trade receivables with a carrying amount	186.55	-
Finance receivables	30,574.50	25,237.67
Other financial assets	100.00	28.39
Property, plant and equipment with a carrying amount	6,340.57	1,066.85
Total	**40,200.13**	**32,130.08**

Notes Forming Part of Consolidated Financial Statements

Notes :

Nature of Security (on loans including interest accrued thereon) :

Long Term Borrowings

(A) Non convertible debentures

(i) Rated, Listed, Secured, 8.80% Coupon, Non-Convertible Debentures amounting to ₹**997.46 crores** included within Long-term borrowings in note 26 are secured by a pari passu charge by way of the Company's property, plant and equipment.

(ii) Privately placed non-convertible debentures amounting to ₹**1,772.12 crores** included within Long-term borrowings in note 26 and ₹**681.25 crores** included within Current maturities of long-term borrowings in note 29 are fully secured by :

(a) First pari passu charge on residential flat of Tata Motors Finance Limited (TMFL) an indirect subsidiary of the Company

(b) Pari - passu charge is created in favour of debenture trustee on :

- All receivables of TMFL arising out of loan and lease transactions,

- All book debts, trade advances forming part of movable property of TML.

(c) Any other security as identified by TMFL and acceptable to the debenture trustee.

(B) Collateralised debt obligations

Collateralised debt obligation represent amount received against finance receivables securitised/assigned, which does not qualify for derecognition.The repayments are due from financial year ending March 31, 2021 to March 31, 2025.

(C) Long-term loan from banks/financial institution and Government

	Amount included in Long-Term Borrowings (note 26)	Amount included in Current Maturities of Long-Term Borrowings (note 29)	Collateral
Term loans from bank			
1	9,406.40	4,018.35	Pari-passu charge in favour of the security trustee on all receivables arising out of loan, lease transactions and trade advances, all other book debts, receivables from pass through certificates in which company has invested; and such other current assets as may be identified from time to time and accepted by the relevant lender/security trustee.
2	2,155.67	985.24	Charge created on all receivables arising out of loan, trade advances, and all other book debts, receivables from pass through certificates in which company has invested; and such other current assets as may be identified from time to time and accepted by the relevant lender.
3	521.07	187.89	First charge over fixed assets procured from its loan/jeep project. Due for repayment from June 2021 to September 2025
4	18.75	3.57	Pari passu first charge on fixed assets.
Total	**12,101.89**	**5,195.05**	
Term loan from others			
1	2,992.85	-	The term loan of ₹2,992.85 crores from HDFC Ltd, is due for repayment from the quarter ending June 30, 2022 to quarter ending June 30, 2026, along with a simple interest of 8.50% p.a. The loan is secured by a charge over Company's leasehold land together with building structures, plant and machinery, fixtures and other assets.
2	176.68	-	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. The loan 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
3	49.43	-	The loan is secured by bank gurantee for the due performance of the conditions as per the terms of the agreement. The loan is due for repayment from the quarter ending June 30, 2030 to March 31, 2033, along with a simple interest of 0.01% p.a.
4	-	9.08	Secured by pari passu first charge on fixed assets of Tata Marcopolo Motors Limited.
5	-	1,108.41	Secured by pari passu first charge on fixed assets.
Total	**3,218.96**	**1,117.49**	

Notes Forming Part of Consolidated Financial Statements

(D) Short-term borrowings

Loans, cash credits, overdrafts and buyers line of credit from banks are secured by hypothecation of existing current assets of the Company viz. stock of raw materials, stock in process, semi-finished goods, stores and spares not relating to plant and machinery (consumable stores and spares), bills receivable and book debts including receivable from hire purchase / leasing and all other moveable current assets except cash and bank balances, loans and advances of the Company both present and future.

LONG-TERM BORROWINGS: TERMS

(A) Senior notes (Euro MTF listed debt)

The senior notes of Jaguar Land Rover Automotive Plc (JLR) are listed on the Euro MTF market, which is a listed market regulated by the Luxembourg Stock Exchange.

Details of the tranches of the senior notes outstanding are as follows:

(₹ in crores)

Particulars	Currency	Amount (in million)	As at March 31, 2021	As at March 31, 2020
5.875% Senior Notes due 2028	USD	650	4,708.24	-
4.500% Senior Notes due 2027	USD	500	3,875.56	4,234.69
6.875% Senior Notes due 2026	EUR	500	4,339.10	4,219.14
4.500% Senior Notes due 2026	EUR	500	4,021.45	4,101.21
7.750% Senior Notes due 2025	USD	700	5,072.99	-
5.875% Senior Notes due 2024	EUR	500	4,265.71	4,139.04
2.200% Senior Notes due 2024	EUR	650	5,562.90	5,398.43
3.875% Senior Notes due 2023	GBP	400	4,019.38	3,725.82
5.625% Senior Notes due 2023	USD	500	3,645.58	3,774.58
5.000% Senior Notes due 2022	GBP	400	4,022.51*	3,725.31
2.750% Senior Notes due 2022	GBP	300	-	2,800.49
			43,533.42	**36,118.71**

* Classified as other current liabilities being maturity before March 31, 2022.

(B) Senior notes (SGX-ST listed debt)

The senior notes of Tata Motors Limited and TML Holdings Pte Ltd are listed on the SGX-ST market, which is a listed market regulated by the Singapore Stock Exchange.

Details of the tranches of the senior notes outstanding at March 31, 2021 are as follows:

(₹ in crores)

Particulars:	Currency	Amount (in million)	As at March 31, 2021	As at March 31, 2020
5.875% Senior Notes due 2025	USD	300	2,181.11	2,254.44
5.750% Senior Notes due 2024	USD	250	1,816.07	1,876.36
5.500% Senior Notes due 2024	USD	300	2,175.93	-
4.000% Senior Notes due 2023	GBP	98	958.19	-
5.750% Senior Notes due 2021	USD	300	2,193.52*	2,267.82
4.625% Senior Notes due 2020	USD	262.532	-	1,986.28
			9,324.82	**8,384.90**

* Classified as other current liabilities being maturity before March 31, 2022.

(C) Non convertible debentures amounting to ₹**7,921.43 crores** included within long-term borrowing in note 26 and ₹**4,498.23 crores** included within current maturities of long term borrowings in note 29 bear interest rate ranging from 6.75% to 11.50% and maturity ranging from April 2021 to March 2029.

(D) Perpetual debenture amounting to ₹**1,320.15 crores** included within long-term borrowing in note 26 bear interest rate ranging from 7.75% to 8.75% having simultaneous call/put option after 4/5th year from the date of issuance.

Notes Forming Part of Consolidated Financial Statements

(E) Loan from banks/ financial institutions consists of:

(i) Term loans amounting to ₹**13,711.96 crores** included within long-term borrowings in note 26 and ₹**5,675.28 crores** included within current maturities of long term borrowings in note 29 bearing floating interest rate based on marginal cost of funds lending rate (MCLR) of respective bank having maturity ranging from September, 2021 to June 2026.

(ii) External commercial borrowings in foreign currencies amounting to ₹**2,068.56 crores** included within long-term borrowing in note 26 and ₹**137.89 crores** included within current maturities of long term borrowings in note 29 bearing floating interest rate based on LIBOR having maturity ranging from May 2023 to June 2025.

(iii) Foreign currency term loan amounting to ₹**9,717.57 crores** included within long-term borrowing in note 26 and ₹**2,562.74 crores** included within current maturities of long term borrowings in note 29 bearing floating interest rate that are linked to LIBOR maturity ranging from September 2021 to July 2024.

(iv) Foreign currency syndicate loan amounting to ₹**7,240.25 crores** included within long-term borrowing in note 26 bearing floating interest rate that are linked to LIBOR maturity ranging from October 2022 to January 2025.

(v) The term loan of ₹**2,992.85 crores** from HDFC Ltd, included within long-term borrowing in note 26 is due for repayment from the quarter ending June 30, 2022 to quarter ending June 30, 2026, along with a simple interest of 8.50% p.a. The loan is secured by a charge over Company's leasehold land together with building structures, plant and machinery, fixtures and other assets.

(F) Short Term Borrowings : Terms

(i) Short-term loan from banks and other parties(financial institutions) consits of cash credit, overdrafts, short term loan, bill discounting amounting to ₹**7,842.93 crores** bearing fixed rate of interest ranging from 5.98% to 7.00% and ₹**5,474.95 crores** bear floating rate of interest based on MCLR of respective banks and other benchmark rates.

(ii) Commercial paper are unsecured short term papers issued at discount bearing no coupon interest. The yield on commercial paper issued by the Company ranges from 6.83 % to 7.33 %.

(G) 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, 2019	**20,150.26**	**85,851.61**	**106,001.87**
Proceeds from issuance of debt	10,707.30	28,741.21	39,448.51
Repayment of financing	(14,440.05)	(16,993.77)	(31,433.82)
Foreign exchange	12.23	4,673.44	4,685.67
Amortisation / EIR adjustment of prepaid borrowing costs (net)	(67.21)	175.50	108.29
Balance at March 31, 2020	**16,362.53**	**102,447.99**	**118,810.52**
Proceeds from issuance of debt	20,807.15	29,642.36	50,449.51
Repayment of financing	(15,623.20)	(18,629.61)	(34,252.81)
Foreign exchange	265.32	506.22	771.54
Amortisation / EIR adjustment of prepaid borrowing costs (net)	(149.01)	274.76	125.75
Balance at March 31, 2021	**21,662.79**	**114,241.72**	**135,904.51**

Notes Forming Part of Consolidated Financial Statements

28. OTHER FINANCIAL LIABILITIES – NON-CURRENT

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
(a) Derivative financial instruments	2,059.43	3,255.88
(b) Liability towards employee separation scheme	132.67	75.83
(c) Option Premium Liability	273.44	397.41
(d) Others	90.81	129.36
Total	**2,556.35**	**3,858.48**

29. OTHER FINANCIAL LIABILITIES – CURRENT

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
(a) Current maturities of long-term borrowings	21,128.95	19,132.37
(b) Interest accrued but not due on borrowings	1,602.80	1,285.10
(c) Liability towards vehicles sold under repurchase arrangements	3,622.88	4,483.38
(d) Liability for capital expenditure (Refer note 2 below)	5,189.24	6,403.22
(e) Deposits and retention money	604.89	537.55
(f) Derivative financial instruments	2,420.18	4,280.60
(g) Liability towards Investors Education and Protection Fund under Section 125 of the Companies Act, 2013 (IEPF) not due	5.28	5.42
(h) Option Premium Liability	110.33	91.87
(i) Others	170.04	324.49
Total	**34,854.59**	**36,544.00**

Notes:

1) **Current maturities of long term borrowings consist of :**

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
(i) Privately placed Non-Convertible Debentures (Secured)	681.25	1,452.52
(ii) Privately placed Non-Convertible Debentures (Unsecured)	3,816.98	2,020.82
(iii) Collateralised debt obligation (Unsecured)	1,712.78	2,171.18
(iv) Senior Notes (Unsecured)	6,216.03	4,786.77
(v) Term loans from banks and others (Secured)	6,312.54	3,698.44
(vi) Term loans from banks and others (Unsecured)	2,063.37	5,002.64
(vii) Others	326.00	-
Total	**21,128.95**	**19,132.37**

2) Includes ₹**22.48 crores** outstanding as at March 31, 2021 towards principal and interest provision on dues of micro enterprises and small enterprises as per MSMED ACT 2006.

Notes Forming Part of Consolidated Financial Statements

30. PROVISIONS

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Non-current		
(a) Employee benefits obligations	979.99	1,126.61
(b) Product warranty	11,187.88	11,387.41
(c) Legal and product liability	717.36	506.59
(d) Provision for residual risk	425.13	1,064.83
(e) Provision for environmental liability	225.59	160.66
(f) Provision for Onerous Contracts and related supplier claims	-	414.75
(g) Other provisions	70.81	75.84
Total	**13,606.76**	**14,736.69**
Current		
(a) Employee benefit obligations	1,071.93	255.54
(b) Product warranty	7,415.99	7,909.78
(c) Legal and product liability	1,995.82	1,163.07
(d) Provision for residual risk	242.25	572.36
(e) Provision for environmental liability	35.15	45.16
(f) Provision for Onerous Contracts and related supplier claims	117.44	362.25
(g) Restructuring Provision	1,951.92	-
(h) Other provisions	17.53	20.88
Total	**12,848.03**	**10,329.04**

(₹ in crores)

	Year ended March 31, 2021					
	Product warranty	Legal and product Liability	Provision for residual risk	Provision for environmental liability	Restructuring Provision	Provision for Onerous Contract and related supplier claims
Balance at the beginning	19,297.19	1,669.66	1,637.19	205.82	-	777.00
Provision made/(reversed) during the year	6,088.41	1,447.86	(524.99)	54.25	1,951.92	(659.56)
Provision used during the year	(8,329.35)	(561.09)	(428.47)	(18.06)	-	-
Impact of unwind of discounting	279.15	-	-	-	-	-
Impact of foreign exchange translation	1,268.47	156.75	(16.35)	18.73	-	-
Balance at the end	**18,603.87**	**2,713.18**	**667.38**	**260.74**	**1,951.92**	**117.44**
Current	7,415.99	1,995.82	242.25	35.15	1,951.92	117.44
Non-current	11,187.88	717.36	425.13	225.59	-	-

31. OTHER NON-CURRENT LIABILITIES

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
(a) Contract liabilities (refer note below)	4,847.70	5,015.77
(b) Government grants	3,308.75	3,332.05
(c) Employee benefits obligations	4,091.75	341.64
(d) Others	64.38	70.06
Total	**12,312.58**	**8,759.52**

Notes Forming Part of Consolidated Financial Statements

32. OTHER CURRENT LIABILITIES

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
(a) Contract liabilities (refer note below)	5,735.93	4,256.63
(b) Government grants	750.34	154.46
(c) Statutory dues (VAT, Excise, Service Tax, GST, Octroi etc)	3,729.69	3,655.03
(d) Others	227.22	899.83
Total	**10,443.18**	**8,965.95**

Note:

	Year ended March 31, 2021	Year ended March 31, 2020
(a) Opening contract liabilities	9,272.40	9,250.47
Amount recognised in revenue	(3,822.93)	(4,466.72)
Amount received in advance during the year	4,515.15	4,255.15
Amount refunded to customers	(6.36)	(28.15)
Currency translation	625.37	261.65
Closing contract liabilities	**10,583.63**	**9,272.40**

		Year ended March 31, 2021	Year ended March 31, 2020
b) Contract liabilities include			
Advances received from customers	Current	2,418.27	1,125.36
Deferred revenue	Current	3,317.66	3,131.27
	Non-current	4,847.70	5,015.77
Total contract liabilities		**10,583.63**	**9,272.40**

Government grants include:

(i) Government incentives includes **₹157.75 crores** as at March 31, 2021 (₹148.11 crores as at March 31, 2020) grants relating to property, plant and equipment related to duty saved on import of capital goods and spares under the EPCG scheme. Under such scheme, the Company is committed to export prescribed times of the duty saved on import of capital goods over a specified period of time. In case such commitments are not met, the Company would be required to pay the duty saved along with interest to the regulatory authorities.

(ii) **₹3,901.33 crores** as at March 31, 2021 (₹3,269.11 crores as at March 31, 2020) relating to Research and Development Expenditure Credit (RDEC) on qualifying expenditure incurred since April 1, 2013.

33. REVENUE FROM OPERATIONS

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
(a) Sale of products (refer note 1 and 2 below)		
(i) Sale of vehicles	206,418.72	218,982.73
(ii) Sale of spare parts	24,419.08	24,099.47
(iii) Sale of miscellaneous products	8,711.60	8,315.24
Total Sale of products	**239,549.40**	**251,397.44**
(b) Sale of services	3,374.73	3,384.14
(c) Finance revenues	4,048.04	3,812.78
	246,972.17	**258,594.36**
(d) Other operating revenues	2,822.58	2,473.61
Total	**249,794.75**	**261,067.97**

Note:

(1) Includes exchange (loss) (net) on hedges reclassified from hedge reserve to statement of profit or loss	(980.14)	(4,814.06)
(2) Includes variable marketing expenses netted off against revenue	(29,388.88)	(48,699.82)

Notes Forming Part of Consolidated Financial Statements

34.OTHER INCOME

(₹ in crores)

		Year ended March 31, 2021	Year ended March 31, 2020
(a)	Interest income	492.53	1,170.12
(b)	Dividend income from investments measured at FVTOCI	18.37	21.13
(c)	Profit on sale of investments measured at FVTPL	194.24	187.34
(d)	Incentives (refer note below)	1,918.14	1,983.61
(e)	Fair value gain /(loss) on investments measured at FVTPL	19.91	(389.05)
	Total	**2,643.19**	**2,973.15**

Note:

Incentives include exports and other incentives of ₹**547.79 crores** and ₹612.65 crores, for the year ended March 31, 2021 and 2020, respectively and ₹**1,370.35 crores** and ₹1,090.40 crores, for the year ended March 31, 2021 and 2020, respectively received by foreign subsidiaries on Tax credit on qualifying expenditure for research and development.

35. EMPLOYEE BENEFITS EXPENSE

(₹ in crores)

		Year ended March 31, 2021	Year ended March 31, 2020
(a)	Salaries, wages and bonus (refer note below)	21,611.09	24,290.30
(b)	Contribution to provident fund and other funds	2,764.34	2,720.14
(c)	Staff welfare expenses	3,273.05	3,428.16
	Total	**27,648.48**	**30,438.60**

Employee benefits expense for the year ended March 31, 2021 is net of Government grants received by certain subsidiary companies amounting to ₹**1,833.01 crores (£ 188.89 million).**

Employee Stock Options

The Company has alloted share based incentives to certain employees during the year ended March 31, 2019, under Tata Motors Limited Employee Stock Options Scheme 2018, approved by Nomination and Remuneration Committee (NRC).

As per the scheme, the number of shares that will vest is conditional upon certain performance measures determined by NRC. The performance conditions are measured over vesting period of the options granted which ranges from 3 to 5 years. The performance measures under this scheme include growth in sales, earnings and free cash flow. The options granted under this scheme is exercisable by employees till one year from date of its vesting.

The Company has granted options at an exercise price of ₹**345/-.** Option granted will vest equally each year starting from 3 years from date of grant up to 5 years from date of grant. Number of shares that will vest range from 0.5 to 1.5 per option granted depending on performance measures.

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Options outstanding at the beginning of the year	7,222,897	7,812,427
Granted during the year	-	-
Forfeited/Expired during the year	(418,894)	(589,530)
Exercised during the year	-	-
Outstanding at the end of the year	6,804,003	7,222,897
Number of shares to be issued for outstanding options (conditional on performance measures)		
Maximum	1,02,06,005	1,08,34,346
Minimum	34,02,002	36,11,449

The Company has estimated fair value of options granted during the year using Black Scholes model. The following assumptions were used for calculation of fair value of options granted during the year ended March 31, 2021.

Assumption factor	Estimate Year ended March 31, 2021	Year ended March 31, 2020
Risk free rate	7%-8%	7%-8%
Expected life of option	2-4 years	3-5 years
Expected volatility	33%- 37%	33%- 37%

Notes Forming Part of Consolidated Financial Statements

36. FINANCE COSTS

(₹ in crores)

		Year ended March 31, 2021	Year ended March 31, 2020
(a)	Interest	8,405.10	7,680.29
	Less: Interest capitalised*	(1,136.17)	(1,446.63)
	Add: Exchange fluctuation considered as interest cost	-	56.34
		7,268.93	6,290.00
(b)	Discounting charges	828.24	953.33
	Total	**8,097.17**	**7,243.33**

* Represents borrowing costs capitalized during the year on qualifying assets (property plant and equipment and product development).

The weighted average rate for capitalization of interest relating to general borrowings was approximately **5.26%** and 5.51% for the years ended March 31, 2021 and 2020, respectively.

37. OTHER EXPENSES

(₹ in crores)

		Year ended March 31, 2021	Year ended March 31, 2020
(a)	Processing charges	965.67	1,070.05
(b)	Consumption of stores & spare parts	1,279.05	1,500.71
(c)	Power & fuel	1,112.87	1,264.95
(d)	Information Technology (IT) related/Computer expenses	2,720.09	2,372.22
(e)	Engineering expense	3,308.36	6,598.53
(f)	MTM (gain)/loss on commodity derivatives	(1,382.09)	688.18
(g)	Warranty and product liability expenses *	7,609.02	10,884.59
(h)	Freight, transportation, port charges etc.	5,715.79	6,484.39
(i)	Publicity	4,384.63	7,614.24
(j)	Allowances for trade and other receivables	20.69	102.59
(k)	Allowances for finance receivables	957.93	660.21
(l)	Works operation and other expenses (note below)	14,229.96	17,846.80
	Total	**40,921.97**	**57,08 7.46**
* Net of estimated recovery from suppliers		(484.92)	(65.60)

Note:

		Year ended March 31, 2021	Year ended March 31, 2020
Works operation and other expenses :			
(a)	Auditors' remuneration		
	(i) Audit fees	69.97	69.54
	(ii) Tax Audit fees	1.58	1.40
	(iii) All other fees*	8.17	5.67
	TOTAL	**79.72**	**76.61**

* Includes ₹**6.40 crores** (₹4.28 crores as at March 31, 2020) fees paid for issuance of Seniors Notes.

(b) Works operation and other expenses include remuneration payable to non- executive independent directors aggregating ₹1.70 crores which is subject to approval of the shareholders, which the Company proposes to obtain in the forthcoming Annual General Meeting, in accordance with the provisions of the Companies Act, 2013.

Notes Forming Part of Consolidated Financial Statements

38. EMPLOYEE BENEFITS

Defined Benefit Plan

Pension and post retirement medical plans

The following table sets out the funded and unfunded status and the amounts recognized in the financial statements for the pension and the post retirement medical plans in respect of Tata Motors, its Indian subsidiaries and joint operations:

(₹ in crores)

	Pension benefits		Post retirement medical Benefits	
	2021	2020	2021	2020
Change in defined benefit obligations :				
Defined benefit obligation, beginning of the year	1,308.46	1,168.26	168.98	153.40
Current service cost	90.12	82.77	7.87	8.17
Interest cost	85.38	85.95	10.80	11.30
Remeasurements (gains) / losses				
Actuarial (gains) / losses arising from changes in demographic assumptions	(2.46)	3.55	-	(0.67)
Actuarial losses arising from changes in financial assumptions	(0.06)	37.12	5.79	9.91
Actuarial (gains) / losses arising from changes in experience adjustments	(12.98)	24.66	0.28	(5.42)
Benefits paid from plan assets	(124.19)	(83.03)	-	-
Benefits paid directly by employer	(6.86)	(5.89)	(9.23)	(7.71)
Past service cost - Plan amendment	-	(5.17)	-	-
Curtailment	-	0.03	-	-
Divestment	-	0.21	-	-
Defined benefit obligation, end of the year	**1,337.41**	**1,308.46**	**184.49**	**168.98**
Change in plan assets:				
Fair value of plan assets, beginning of the year	1,128.22	1,025.04	-	-
Interest income	77.67	80.45	-	-
Return on plan assets, (excluding amount included in net Interest cost)	35.59	(18.04)	-	-
Employer's contributions	114.02	123.80	-	-
Benefits paid	(124.19)	(83.03)	-	-
Fair value of plan assets, end of the year	**1,231.31**	**1,128.22**	**-**	**-**
Amount recognized in the balance sheet consists of:				
Present value of defined benefit obligation	1,337.41	1,308.46	184.49	168.98
Fair value of plan assets	1,231.31	1,128.22	-	-
Asset ceiling	(2.92)	-	-	-
Net liability	**(103.18)**	**(180.24)**	**(184.49)**	**(168.98)**
Amounts in the balance sheet:				
Non–current assets	42.67	2.11	-	-
Non–current liabilities	(145.85)	(182.35)	(184.49)	(168.98)
Net liability	**(103.18)**	**(180.24)**	**(184.49)**	**(168.98)**

Notes Forming Part of Consolidated Financial Statements

Total amount recognized in other comprehensive income consists of:

(₹ in crores)

	Pension benefits		Post retirement medical Benefits	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Remeasurements (gains) / losses	101.93	150.10	(35.24)	(41.31)
	101.93	**150.10**	**(35.24)**	**(41.31)**

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

(₹ in crores)

	Pension benefits	
	As at March 31, 2021	As at March 31, 2020
Defined benefit obligation	124.78	1,141.98
Fair value of plan assets	112.49	1,091.60

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

(₹ in crores)

	Pension benefits	
	As at March 31, 2021	As at March 31, 2020
Defined benefit obligation	1,073.23	34.51
Fair value of plan assets	1,118.81	36.61

Information for unfunded plans:

(₹ in crores)

	Pension benefits		Post retirement medical Benefits	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Defined benefit obligation	139.40	131.97	184.49	168.98

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

(₹ in crores)

	Pension benefits		Post retirement medical Benefits	
	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020
Service cost	90.12	82.77	7.87	8.17
Net interest cost	8.31	5.50	10.80	11.30
Past service cost - Plan amendment	-	(5.17)	-	-
Net periodic cost	**98.43**	**83.10**	**18.67**	**19.47**

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

(₹ in crores)

	Pension benefits		Post retirement medical Benefits	
	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020
Remeasurements				
Return on plan assets, (excluding amount included in net Interest expense)	(35.59)	18.04	-	-
Actuarial (gains)/losses arising from changes in demographic assumptions	(2.46)	3.55	-	(0.67)
Actuarial losses arising from changes in financial assumptions	(0.06)	37.12	5.79	9.91
Asset ceiling	2.92	-	-	-
Actuarial (gains)/losses arising from changes in experience adjustments on plan liabilities	(12.98)	24.66	0.28	(5.42)
Total recognized in other comprehensive income	**(48.17)**	**83.37**	**6.07**	**3.82**
Total recognized in consolidated statement of comprehensive income	**50.26**	**166.47**	**24.74**	**23.29**

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

(₹ in crores)

	Pension benefits		Post retirement medical Benefits	
	As at March 31,2021	As at March 31, 2020	As at March 31,2021	As at March 31,2020
Discount rate	6.00% - 6.90%	6.10%- 6.90%	6.90%	6.90%
Rate of increase in compensation level of covered employees	5.75% - 10.00%	5.00% - 10.00%	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, 2021 and 2020 by category are as follows:

(₹ in crores)

	Pension benefits	
	Plan assets as of March 31, 2021	Plan assets as of March 31, 2020
Asset category:		
Cash and cash equivalents	4.50%	5.80%
Debt instruments (quoted)	64.20%	67.28%
Debt instruments (unquoted)	0.50%	0.71%
Equity instruments (quoted)	5.20%	2.61%
Deposits with Insurance companies	25.60%	23.59%
	100.00%	**100.00%**

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

The weighted average duration of the defined benefit obligation as at March 31, 2021 is **13.05 years** (2020 : 13.97 years)

The Company expects to contribute ₹**100.94 crores** to the funded pension plans in the year ending March 31, 2022.

Notes Forming Part of Consolidated Financial Statements

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 ₹103.55 crores	Decrease by ₹118.52 crores
	Decrease by 1%	Increase by ₹141.69 crores	Increase by ₹137.30 crores
Salary escalation rate	Increase by 1%	Increase by ₹110.01 crores	Increase by ₹106.55 crores
	Decrease by 1%	Decrease by ₹97.82 crores	Decrease by ₹95.67 crores
Health care cost	Increase by 1%	Increase by ₹21.15 crores	Increase by ₹22.49 crores
	Decrease by 1%	Decrease by ₹17.87 crores	Decrease by ₹15.26 crores

Provident Fund

The following tables set out the funded status of the defined benefit provident fund plan of Tata Motors limited and the amounts recognized in the Company's financial statements.

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Change in benefit obligations:		
Defined benefit obligations at the beginning	4,076.38	3,693.92
Service cost	136.48	133.99
Employee contribution	316.65	307.34
Acquisitions (credit) / cost	(125.66)	(140.30)
Interest expense	345.74	312.54
Actuarial (gains) / losses arising from changes in experience adjustments on plan liabilities	7.28	4.57
Actuarial (gains) / losses arising from changes in financial assumptions	44.12	-
Benefits paid	(241.34)	(235.68)
Defined benefit obligation, end of the year	**4,559.65**	**4,076.38**
Change in plan assets:		
Fair value of plan assets at the beginning	4,058.50	3,706.28
Acquisition Adjustment	(125.66)	(140.30)
Interest income	342.20	318.75
Return on plan assets excluding amounts included in interest income	(14.73)	(30.23)
Contributions (employer and employee)	451.24	439.68
Benefits paid	(241.34)	(235.68)
Fair value of plan assets at the end	**4,470.21**	**4,058.50**

Amount recognized in the balance sheet consists of:

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Fair value of plan assets	4,470.21	4,058.50
Present value of defined benefit obligation	4,559.65	4,076.38
	(89.44)	**(17.88)**
Effect of asset ceiling	(0.01)	(2.99)
Net liability	**(89.45)**	**(20.87)**

Notes Forming Part of Consolidated Financial Statements

Total amount recognised in other comprehensive income consists of:

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Remeasurements (gains) / losses	84.18	18.03
	84.18	**18.03**

Net periodic cost for Provident Fund consist of the following components:

(₹ in crores)

	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Service cost	136.48	133.99
Net interest cost / (income)	3.54	(6.22)
Net periodic cost	**140.02**	**127.78**

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

(₹ in crores)

	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Remeasurements		
Return on plan assets, (excluding amount included in net Interest expense)	14.73	30.23
Actuarial (gains) / losses arising from changes in experience adjustments on plan liabilities	7.28	4.57
Actuarial (gains) / losses arising from changes in financial assumptions	44.12	-
Adjustments for limits on net asset	0.01	(16.77)
Total recognised in other comprehensive income	**66.14**	**18.03**
Total recognised in statement of profit and loss and other comprehensive income	**206.16**	**145.81**

The assumptions used in determining the present value obligation of the Provident Fund is set out below:

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Discount rate	6.90%	6.90%
Expected rate of return on plan assets	8.20% to 8.40%	8.20% to 8.60%
Remaining term to maturity of portfolio	**26.77**	**26.91**

The breakup of the plan assets into various categories is as follows:

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Central and State government bonds	45.02%	44.16%
Public sector undertakings and Private sector bonds	33.76%	34.14%
Others	21.22%	21.68%
Total	**100.0%**	**100.0%**

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The asset allocation for plan assets is determined based on investment criteria prescribed under the relevant regulations.

As at March 31, 2021, the defined benefit obligation would be affected by approximately ₹**168.85 crores** on account of a 0.5% decrease in the expected rate of return on plan assets.

The Company expects to contribute ₹**143.30 crores** to the defined benefit provident fund plan in the year ending March 31, 2022.

Severance indemnity plan

Severance indemnity is a funded plan of Tata Daewoo Commercial Vehicles Limited (TDCV), a subsidiary of Tata Motors Limited.

The following table sets out, the amounts recognized in the financial statements for the severance indemnity plan.

(₹ in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Change in defined benefit obligation:		
Defined benefit obligation, beginning of the year	284.75	422.33
Service cost	54.67	52.72
Interest cost	4.57	6.81
Remeasurements (gains) / losses		
Actuarial (gains)/losses arising from changes in financial assumptions	(21.35)	12.38
Actuarial (gains) arising from changes in experience adjustments on plan liabilities	(19.66)	(59.87)
Actuarial (gains) / losses arising from changes in demographic assumptions	15.04	-
Benefits paid from plan assets	(19.09)	(132.92)
Benefits paid directly by employer	(1.94)	(17.43)
Foreign currency translation	14.09	0.73
Defined benefit obligation, end of the year	**311.08**	**284.75**
Change in plan assets:		
Fair value of plan assets, beginning of the year	231.73	360.07
Interest income	4.01	5.76
Remeasurements (loss)		
Return on plan assets, (excluding amount included in net Interest expense)	(1.59)	(1.52)
Employer's contributions	38.44	-
Benefits paid	(19.09)	(132.92)
Foreign currency translation	11.56	0.34
Fair value of plan assets, end of the year	**265.06**	**231.73**

Amount recognized in the balance sheet consist of:

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Present value of defined benefit obligation	311.08	284.75
Fair value of plan assets	265.06	231.72
Net liability	**(46.02)**	**(53.02)**
Amounts in the balance sheet:		
Non- current liabilities	**(46.02)**	**(53.02)**

Total amount recognized in other comprehensive income for severance indemnity consists of:

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Remeasurements (gains) / losses	(125.99)	(101.61)
	(125.99)	**(101.61)**

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Net severance indemnity cost consist of the following components:

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Service cost	54.67	52.72
Net interest cost	0.56	1.05
Net periodic pension cost	**55.23**	**53.77**

Other changes in plan assets and benefit obligation recognized in other comprehensive income for severance indemnity plan:

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Remeasurements (gains) / losses		
Return on plan assets, (excluding amount included in net Interest expense)	1.59	1.52
Actuarial losses arising from changes in financial assumptions	(21.35)	12.38
Actuarial (gains) arising from changes in experience adjustments on plan liabilities	(19.66)	(59.87)
Actuarial (gains) / losses arising from changes in demographic assumptions	15.04	-
Total recognized in other comprehensive income	**(24.38)**	**(45.97)**
Total recognized in statement of operations and other comprehensive income	**30.85**	**7.80**

The assumptions used in accounting for the Severance indemnity plan is set out below:

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Discount rate	1.6%	1.6%
Rate of increase in compensation level of covered employees	3.5%	3.5%

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 rate:

Assumption	Change in assumption	Impact on scheme liabilities	Impact on service cost and interest cost
Discount rate	Increase by 1%	Decrease by ₹38.00 crores	Decrease by ₹12.57 crores
	Decrease by 1%	Increase by ₹44.97 crores	Increase by ₹14.14 crores
Salary escalation rate	Increase by 1%	Increase by ₹43.85 crores	Increase by ₹15.18 crores
	Decrease by 1%	Decrease by ₹37.87 crores	Decrease by ₹13.00 crores

Severance indemnity plans asset allocation by category is as follows:

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Deposit with banks	100%	100%

Notes Forming Part of Consolidated Financial Statements

The weighted average duration of the defined benefit obligation as at March 31, 2021 is **10.79 years** (2020 : 11.05 years)

The Company expects to contribute ₹**3.24 crores** to the funded severance indemnity plans in the year ending March 31, 2022.

Jaguar Land Rover Pension plan

Jaguar Land Rover Ltd UK, have pension arrangements providing employees with defined benefits related to pay and service as set out in the rules of each fund.

The UK defined benefit schemes are administered by a separate fund that is legally separated from the Company. The trustees of the pension schemes are required by law to act in the interest of the fund and of all relevant stakeholders in the scheme, is responsible for the investment policy with regard to the assets of the schemes and all other governance matters. The board of trustees must be composed of representatives of the Company and plan participants in accordance with the plan's regulations.

Through its defined benefit pension plans the Company is exposed to a number of risks, the most significant of which are detailed below :

Asset volatility

The plan liabilities are calculated using a discount rate set with references to corporate bond yields; if plan assets under perform compared to the corporate bonds discount rate, this will create or increase a deficit. The defined benefit plans hold a significant proportion of equity type assets, which are expected to outperform corporate bonds in the long-term while providing volatility and risk in the short-term.

As the plans mature, the Company intends to reduce the level of investment risk by investing more in assets that better match the liabilities.

However, the Company believes that due to the long-term nature of the plan liabilities and the strength of the supporting group, a level of continuing equity type investments is an appropriate element of the Company's long term strategy to manage the plans efficiently.

Changes in bond yields

A decrease in corporate bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plans' bond holdings and interest rate hedging instruments.

Inflation risk

Some of the Company's pension obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plan against high inflation). The plans hold a significant proportion of assets in index linked gilts, together with other inflation hedging instruments and also assets which are more closely correlated with inflation. However an increase in inflation will also increase the deficit to some degree.

Notes Forming Part of Consolidated Financial Statements

Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant in the UK defined benefit plans, where inflationary increases result in higher sensitivity to changes in life expectancy.

The following table sets out the disclosure pertaining to employee benefits of Jaguar Land Rover Limited

(₹ in crores)

	Pension benefits	
	As at March 31, 2021	As at March 31, 2020
Change in defined benefit obligation:		
Defined benefit obligation, beginning of the year	72,842.15	78,266.49
Service cost	1,271.52	1,198.00
Interest cost	1,613.80	1,832.79
Remeasurements (gains) / losses		
Actuarial (gains)/losses arising from changes in demographic assumptions	(203.50)	59.49
Actuarial losses/(gains) arising from changes in financial assumptions	8,431.18	(4,739.02)
Actuarial (gains) arising from changes in experience adjustments on plan liabilities	(726.36)	(1,256.32)
Past service cost/(credit)	155.95	39.66
Benefits paid	(4,282.44)	(4,908.91)
Member contributions	11.64	13.34
Foreign currency translation	5,848.02	2,336.63
Defined benefit obligation, end of the year	**84,961.96**	**72,842.15**
Change in plan assets:		
Fair value of plan assets, beginning of the year	76,404.42	72,240.10
Interest Income	1,653.39	1,713.91
Remeasurements gains / (losses)		
Return on plan assets, (excluding amount included in net Interest expense)	215.10	2,926.69
Employer's contributions	1,431.36	2,079.29
Members contributions	11.26	13.34
Benefits paid	(4,282.44)	(4,908.91)
Expenses paid	(215.95)	(141.68)
Foreign currency translation	5,854.32	2,481.68
Fair value of plan assets, end of the year	**81,071.46**	**76,404.42**

The actual return on the schemes' assets for the year ended March 31, 2021 was ₹**1,863.20 crores** (2020: ₹4,641.68 crores)

(₹ in crores)

	Pension benefits	
Amount recognized in the balance sheet consist of:	As at March 31, 2021	As at March 31, 2020
Present value of defined benefit obligation		
Fair value of plan Assets	84,961.96	72,842.15
Net (liability) /Assets	81,071.46	76,404.42
	(3,890.50)	**3,562.27**
Amount recognized in the balance sheet consist of:		
Non- current assets	5.04	3,820.14
Non -current liabilities	(3,895.54)	(257.87)
Net (liability) /Assets	**(3,890.50)**	**3,562.27**

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Total amount recognized in other comprehensive income

(₹ in crores)

	Pension benefits	
	As at March 31, 2021	As at March 31, 2020
Remeasurements (gains) / losses	(748.98)	(8,035.20)
	(748.98)	**(8,035.20)**

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

(₹ in crores)

	Pension benefits	
	As at March 31, 2021	As at March 31, 2020
Current service cost	1,271.52	1,198.00
Past service cost	155.95	39.66
Administrative expenses	215.95	141.68
Net interest cost (Including onerous obligations)	(39.59)	118.88
Net periodic pension cost	**1,603.83**	**1,498.22**

Amount recognized in other comprehensive income

(₹ in crores)

	Pension benefits	
	As at March 31, 2021	As at March 31, 2020
Actuarial (gains) / losses arising from changes in demographic assumptions	(203.50)	59.49
Actuarial losses / (gains) arising from changes in financial assumptions	8,431.18	(4,739.02)
Actuarial (gains) arising from changes in experience adjustments on plan liabilities	(726.36)	(1,256.32)
Return on plan assets, (excluding amount included in net Interest expense)	(215.10)	(2,926.69)
Total recognized in other comprehensive income	**7,286.22**	**(8,862.54)**
Total recognized in statement of profit and loss and other comprehensive income	**8,890.05**	**(7,364.32)**

The assumptions used in accounting for the pension plans are set out below:

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Discount rate	2.1%	2.4%
Expected rate of increase in benefit revaluation of covered employees	2.2%	2.0%
RPI Inflation rate	3.1%	2.6%

For the valuation as at March 31, 2021, the mortality assumptions used are the Self- Administered Pension Schemes ("SAPS") table, in particular S2PxA tables and the Light Table for members of the Jaguar Executive Pension Plan.

For the Jaguar Pension Plan, scaling factor of 111% to 117% have been used for male members and scaling factor of 101% to 112% have been used for female members.

For the Land Rover Pension Scheme, scaling factor of 107% to 111% have been used for male members and scaling factor of 101% to 109% have been used for female members.

For the Jaguar Executive Pension Plan, an average scaling factor of 94% has been used for male members and an average scaling factor of 84% has been used for female members.

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For the valuation as at March 31, 2020, the mortality assumptions used are the SAPS table, in particular S2PxA tables and the Light Table for members of the Jaguar Executive Pension Plan.

For the Jaguar Pension Plan, scaling factor of 111% to 117% have been used for male members and scaling factor of 101% to 112% have been used for female members.

For the Land Rover Pension Scheme, scaling factor of 107% to 111% have been used for male members and scaling factor of 101% to 109% have been used for female members.

For the Jaguar Executive Pension Plan, an average scaling factor of 94% has been used for male members and an average scaling factor of 84% has been used for female members.

For the 2021 year end calculations there is an allowance for future improvements in line with the CMI (2020) projections and an allowance for long-term improvements of 1.25 per cent per annum and a smoothing parameter of 7.5, (2020: CMI (2019) projections with 1.25 per cent per annum improvements and a smoothing parameter of 7.5))

A past service cost of ₹**87.34 crores** has been recognised in the year ended 31 March 2021 following a further High Court ruling, published on 20 November 2020, that provided clarification on the obligations of pension plan trustees to equalise past transfer values allowing for the effect of unequal Guaranteed Minimum Pensions ('GMP') between May 17, 1990 and April 5, 1997 ("GMP equalisation").

A further past service cost of ₹**67.93 crores** was also recognised in the year ended 31 March 2021. This reflects benefit improvements for certain members as part of the Group restructuring programme that commenced in the year ended March 31, 2021.

A past service cost of ₹37.41 crores was recognised in the year ended March 31, 2020. This reflects benefit improvements for certain members as part of the Group restructuring programme thatcommenced in the year ended March 31, 2019.

The assumed life expectations on retirement at age 65 are (years)

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Retiring today :		
Males	21.0	21.0
Females	23.3	23.2
Retiring in 20 years :		
Males	22.4	22.5
Females	25.2	25.2

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Pension plans asset allocation by category is as follows:

(₹ in crores)

	As at March 31, 2021			As at March 31, 2020		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Equity Instruments						
Information Technology	1,345.22	-	1,345.22	1,159.83	-	1,159.83
Energy	107.82	-	107.82	93.53	-	93.53
Manufacturing	753.73	-	753.73	654.74	-	654.74
Financials	484.68	-	484.68	420.91	-	420.91
Others	2,690.44	-	2,690.44	2,340.83	-	2,340.83
	5,381.89	**-**	**5,381.89**	**4,669.84**	**-**	**4,669.84**
Debt Instruments						
Government	17,263.15	-	17,263.15	18,183.13	-	18,183.13
Corporate Bonds (Investment Grade)	13,877.43	2,076.78	15,954.21	11,645.06	3,255.00	14,900.06
Corporate Bonds (Non Investment Grade)	944.17	9,746.59	10,690.76	-	7,015.10	7,015.10
	32,084.75	**11,823.37**	**43,908.12**	**29,828.19**	**10,270.10**	**40,098.29**
Property Funds						
UK	-	3,058.23	3,058.23	-	2,553.49	2,553.49
Other	-	2,020.35	2,020.35	-	2,235.48	2,235.48
	-	**5,078.58**	**5,078.58**	**-**	**4,788.97**	**4,788.97**
Cash and cash equivalents	2,673.31	-	2,673.31	6,344.53	-	6,344.53
Other						
Hedge Funds	-	4,993.94	4,993.94	-	4,442.89	4,442.89
Private Markets	-	8,303.08	8,303.08	-	5,256.64	5,256.64
Alternatives	574.36	5,889.75	6,464.11	-	5,555.96	5,555.96
	574.36	**19,186.77**	**19,761.13**	**-**	**15,255.49**	**15,255.49**
Derivatives						
Foreign exchange contracts	-	152.16	152.16	-	(336.72)	(336.72)
Interest Rate and inflation swaps	-	3,632.60	3,632.60	-	5,097.64	5,097.64
Equity protection derivatives	-	483.67	483.67	-	486.38	486.38
	-	4,268.43	4,268.43	-	5,247.30	5,247.30
Total	**40,714.31**	**40,357.15**	**81,071.46**	**40,842.56**	**35,561.86**	**76,404.42**

*determined on the basis of quoted prices for identical assets or liabilities in active markets.

As at March 31, 2021, the schemes held Gilt Repos. The net value of these transactions is included in the value of government bonds in the table above. The value of the funding obligation for the Repo transactions is ₹**20,727.47 crores** at March 31, 2021 (2020: ₹24,683.78 crores, 2019: ₹14,292.09 crores).

The sensitivity analysis below is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same methods (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the consolidated balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to previous periods.

Assumption	Change in assumption	Impact on scheme liabilities	Impact on service cost
Discount rate	Increase/decrease by 0.25%	Decrease/increase by ₹4,151.54 crores	Decrease/increase by ₹70.54 crores
Inflation rate	Increase/decrease by 0.25%	Increase/decrease by ₹2,307.53 crores	Increase/decrease by ₹40.31 crores
Mortality rate	Increase/decrease by 1 year	Increase/decrease by ₹3,012.89 crores	Increase/decrease by ₹40.31 crores

Private Equity holdings have been measured using the most recent valuations, adjusted for cash and currency movements between the last valuation date and March 31 , 2021. Given the movements in listed equity markets, the valuation of Private Equity holdings may vary significantly. The value of the Private Equity holdings in the JLR UK Plans included above is ₹**4,564.58 crores** as at March 31 , 2021.

Jaguar Land Rover contributes towards the UK defined benefit schemes. The April 5, 2018 valuations were completed in December 2018. As a result of these valuations it is intended to eliminate the pension scheme funding deficits over the 10 years to March 31, 2028. Whilst there is currently an additional liability over the projected benefit obligation, based on current legal advice the Group will not be required

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to recognise an additional obligation in the future. JLR has taken legal advice considering the documentation of the UK schemes and the regulatory environment. This confirmed the recoverability of any surplus in the scheme and JLR has based its accounting judgement on this advice.

In line with the schedule of contributions agreed following the 2018 statutory funding valuations and amended in April 2020, the current ongoing Group contribution rate for defined benefit accrual is c.21 per cent of pensionable salaries in the UK.

The average duration of the benefit obligation at March 31, 2021 is **19 years** (2020: 19 years).

The expected net periodic pension cost for the year ended March 31, 2022 is expected to be ₹**1.541.71 crores**. The Group expects to pay ₹**2,478.83 crores** to its defined benefit schemes, in total, for the year ended March 31, 2022.

Deficit contributions are paid in line with the schedule of contributions at a rate of ₹604.59 crores per year until March 31, 2024 followed by ₹251.91 crores per year until March 31, 2028. In addition, contributions previously due for April, May and June 2020 have been re-spread over FY22. This agreement is reflected in an updated Schedule of Contributions dated April 29, 2020.

Defined contribution plan

The Company's contribution to defined contribution plans aggregated ₹**1,509.05 crores**, ₹1,030.55 crores for years ended March 31, 2021 and 2020, respectively.

39. COMMITMENTS AND CONTINGENCIES

In the ordinary course of business, the Company faces claims and assertions by various parties. The Company assesses such claims and assertions and monitors the legal environment on an ongoing basis, with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

The following is a description of claims and assertions where a potential loss is possible, but not probable. The Company believes that none of the contingencies described below would have a material adverse effect on the Company's financial condition, results of operations or cash flows.

Litigation

The Company is involved in legal proceedings, both as plaintiff and as defendant. There are claims which the Company does not believe to be of material nature, other than those described below.

Income Tax

The Company has ongoing disputes with income tax authorities relating to tax treatment of certain items. These mainly include disallowed expenses, the tax treatment of certain expenses claimed by the Company as deductions and the computation of, or eligibility of, the Company's use of certain tax incentives or allowances.

Most of these disputes and/or disallowances, being repetitive in nature, have been raised by the income tax authorities consistently in most of the years.

The Company has a right of appeal to the Commissioner of Income Tax (Appeals), or CIT (A), the Dispute Resolution Panel, or DRP, and to the Income Tax Appellate Tribunal, or ITAT, against adverse decisions by the assessing officer, DRP or CIT (A), as applicable. The income tax authorities have similar rights of appeal to the ITAT against adverse decisions by the CIT (A) or DRP. The Company has a further right of appeal to the Bombay High Court or the Hon'ble Supreme Court against adverse decisions by the appellate authorities for matters involving substantial question of law. The income tax authorities have similar rights of appeal.

As at March 31, 2021, contingent liabilities towards matters and/or disputes pending in appeal amount to ₹**621.35 crores**, which includes ₹**7.82 crores** in respect of equity accounted investees (₹602.77 crores, which includes ₹77.23 crores in respect of equity accounted investees as at March 31, 2020).

Customs, Excise Duty and Service Tax

As at March 31, 2021, there are pending litigations for various matters relating to customs, excise duty and service tax involving demands, including interest and penalties, of ₹**642.73 crores**, which includes ₹**1.05 crores** in respect of equity accounted investees (₹665.94 crores, which includes ₹1.83 crores in respect of equity accounted investees as at March 31, 2020). These demands challenged the basis of valuation of the Company's products and denied the Company's claims of Central Value Added Tax, or CENVAT, credit on inputs. The details of the demands for more than ₹100 crores are as follows:

As at March 31, 2021, the Excise Authorities have raised a demand and penalty of ₹**268.27 crores,** (₹268.27 crores as at March 31, 2020), due to the classification of certain chassis (as goods transport vehicles instead of dumpers) which were sent to automotive body builders by the Company, which the Excise Authorities claim requires the payment of the National Calamity Contingent Duty (NCCD). The Company has obtained a technical expert certificate on the classification. The appeal is pending before the Custom Excise & Service Tax Appellate Tribunal.

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Sales Tax

The total sales tax demands (including interest and penalty), that are being contested by the Company amount to ₹**1,421.98 crores**, which includes ₹**8.96 crores** in respect of equity accounted investees as at March 31, 2021 (₹963.56 crores, which includes ₹9.64 crores in respect of equity accounted investees, as at March 31, 2020). The details of the demands for more than ₹100 crores are as follows:

The Sales Tax Authorities have raised demand of ₹**326.85 crores** (₹207.80 crores as at March 31, 2020) towards rejection of certain statutory forms for concessional lower/nil tax rate (Form F and Form C) on technical grounds and few other issues such as late submission, single form issued against different months / quarters dispatches / sales, etc. and denial of exemption from tax in absence of proof of export for certain years The Company has contended that the benefit cannot be denied on technicalities, which are being complied with. The matter is pending at various levels.

The Sales Tax authorities have denied input tax credit and levied interest and penalty thereon due to varied reasons aggregating to ₹**270.50 crores** as at March 31, 2021 (₹221.77 crores as at March 31, 2020). The reasons for disallowing credit was mainly due to Taxes not paid by Vendors, incorrect method of calculation of set off as per the department, alleging suppression of sales as per the department etc. The matter is contested in appeal.

The Sales Tax Authorities have raised demand for Check Post/ Entry Tax liability at various states amouting to ₹**434.59 crores** as at March 31, 2021 (₹65.81 crores as at March 31, 2020). The Company is contesting this issue.

The Sales Tax Authorities have raised demand of ₹**148.84 crores** as at March 31, 2021 (₹148.84 as at March 31, 2020) towards full CST liability on Chassis exported after enroot body building and interest thereon considering as CST sale. The Company has contended that the Company's manufacturing plant dispatching chassis for enroot body building to bodybuilders as bill to the Company and ship to bodybuilders is constituted as export sale after Chassis export. The matter is contested in appeal.

Other Taxes and Dues

Other amounts for which the Company may contingently be liable aggregate to ₹**246.96 crores**, which includes ₹**0.77 crores** in respect of equity accounted investees as at March 31, 2021 (₹723.57 crores, which includes ₹16.72 crores in respect of equity accounted investees, as at March 31, 2020).

Other claims

There are other claims against the Company, the majority of which pertain to government body investigations with regards to regulatory compliances, motor accident claims, product liability claims and consumer complaints. Some of the cases also relate to the replacement of parts of vehicles and/ or the compensation for deficiencies in the services by the Company or its dealers.

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

The Company has, consequent to an Order of the Hon'ble Supreme Court of India in the case of R.C.Gupta Ors. Vs Regional Provident Fund Organisation and Ors., evaluated the impact on its employee pension scheme and concluded that this is not applicable to the Company based on external legal opinion and hence it is not probable that there will be an outflow of resources. Further a Supreme Court of India bench, allowed the review petitions filed by the Employees Provident Fund Organisation (EPFO) and decided to reconsider the previous order that permitted grant of Provident Fund pension on last drawn salary. The Supreme Court has recalled its 2019 order which had paved way for pension on last drawn salary for employees by removing the current salary ceiling of ₹15,000.

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 ₹**9,632.52 crores**, as at March 31, 2021 (₹12,634.91 crores as at March 31, 2020), 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 ₹**251.06 crores** as at March 31, 2021, (₹259.79 crores as at March 31, 2020), which are yet to be executed.

Under the joint venture agreement with Chery Jaguar Land Rover Automotive Co. Limited, the Company is committed to contribute ₹**5,578.50 crores** as at March 31, 2021 (₹5,311.40 crores as at March 31, 2020) towards its share in the capital of the joint venture of which ₹**3,877.06 crores** (₹3,691.42 crores as at March 31, 2020) has been contributed as at March 31, 2021. As at March 31, 2021, the Company has an outstanding commitment of ₹**1,701.44 crores** (₹1,619.98 crores as at March 31, 2020).

The Company has contractual obligation towards Purchase Commitment for ₹**23,766.43 crores** as at March 31, 2021 (₹19,165.64 crores as on March 31, 2020).

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40. CAPITAL MANAGEMENT

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long-term and short-term goals of the Company.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity, convertible and non-convertible debt securities, senior notes and other long-term/short-term borrowings. The Company's policy is aimed at combination of short-term and long-term borrowings.

The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

Total debt includes all long and short-term debts as disclosed in notes 26, 27 and 29 to the consolidated financial statements. Equity comprises all components excluding (profit)/loss on cash flow hedges and foreign currency translation reserve.

The following table summarizes the capital of the Company:

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Equity*	47,661.09	63,087.37
Short-term borrowings and current portion of long-term debt	42,791.74	35,494.90
Long-term debt	93,112.77	83,315.62
Total debt	135,904.51	118,810.52
Total capital (Debt + Equity)	**183,565.60**	**181,897.89**

* Details of equity :

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Total equity as reported in balance sheet	56,820.21	63,892.09
Currency translation reserve attributable to		
- Shareholders of Tata Motors Limited	(8,727.21)	(4,874.70)
- Non-controlling interests	(53.67)	(35.20)
Hedging reserve and cost of hedge reserve	(378.24)	4,105.18
Equity as reported above	**47,661.09**	**63,087.37**

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41. DISCLOSURE 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, 2021.

(₹ in crores)

Financial assets	Cash and other financial assets at amortised cost	Non -Derivative Financial assets at fair value	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) Other investments - non-current	-	1,368.30	-	-	1,368.30	1,368.30
(b) Investments - current	16,078.84	2,972.35	-	-	19,051.19	19,051.19
(c) Trade receivables	12,679.08	-	-	-	12,679.08	12,679.08
(d) Cash and cash equivalents	31,700.01	-	-	-	31,700.01	31,700.01
(e) Other bank balances	15,092.45	-	-	-	15,092.45	15,092.45
(f) Loans and advances - non-current	1,204.59	-	-	-	1,204.59	1,204.59
(g) Loans and advances - current	1,749.40	-	-	-	1,749.40	1,749.40
(h) Finance receivable - current	9,879.20	7,988.89	-	-	17,868.09	17,868.09
(i) Finance receivable - non-current	16,846.82	-	-	-	16,846.82	17,181.68
(j) Other financial assets - non-current	2,552.76	-	637.52	2,623.70	5,813.98	5,813.98
(k) Other financial assets - current	2,422.90	-	759.88	2,091.54	5,274.32	5,274.32
Total	**110,206.05**	**12,329.54**	**1,397.40**	**4,715.24**	**128,648.23**	**128,983.09**

(₹ in crores)

Financial liabilities	Derivatives other than in hedging relationship (at fair value)	Derivatives in hedging relationship (at fair value)	Other financial liabilities (at amortised cost)	Total carrying value	Total fair value
(a) Long-term borrowings (including current maturities of long-term borrowings) (note below)	-	-	114,241.72	114,241.72	109,317.56
(b) Lease Liability (including current)	-	-	6,226.06	6,226.06	6,899.68
(c) Short-term borrowings	-	-	21,662.79	21,662.79	21,662.79
(d) Trade payables	-	-	68,179.84	68,179.84	68,179.84
(e) Acceptances	-	-	7,860.31	7,860.31	7,860.31
(f) Other financial liabilities - non-current	763.52	1,295.91	496.92	2,556.35	2,556.35
(g) Other financial liabilities - current	686.64	1,733.54	11,305.46	13,725.64	13,725.64
Total	**1,450.16**	**3,029.45**	**229,973.10**	**234,452.71**	**230,202.17**

Note:

1 Inculdes ₹**7,900.02 crores** designated as hedged item in fair value hedge relationship. This includes a loss of ₹**10.08 crores** on account of fair value changes attributable to the hedged interest rate risk.

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The following table presents the carrying amounts and fair value of each category of financial assets and liabilities as at March 31, 2020.

(₹ in crores)

Financial assets	Cash and other financial assets at amortised cost	Non -Derivative Financial assets at fair value	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) Other investments - non-current	-	1,028.05	-	-	1,028.05	1,028.05
(b) Investments - current	9,354.61	1,506.93	-	-	10,861.54	10,861.54
(c) Trade receivables	11,172.69	-	-	-	11,172.69	11,172.69
(d) Cash and cash equivalents	18,467.80	-	-	-	18,467.80	18,467.80
(e) Other bank balances	15,259.17	-	-	-	15,259.17	15,259.17
(f) Loans and advances - non-current	782.78	-	-	-	782.78	782.78
(g) Loans and advances - current	935.25	-	-	-	935.25	935.25
(h) Finance receivable - current	10,525.51	3,719.79	-	-	14,245.30	14,245.30
(i) Finance receivable - non-current	16,833.77	-	-	-	16,833.77	16,356.14
(j) Other financial assets - non-current	2,458.41	-	388.93	1,902.23	4,749.57	4,749.57
(k) Other financial assets - current	2,195.18	-	1,566.76	824.54	4,586.48	4,586.48
Total	**87,985.17**	**6,254.77**	**1,955.69**	**2,726.77**	**98,922.40**	**98,444.77**

(₹ in crores)

	Derivatives other than in hedging relationship (at fair value)	Derivatives in hedging relationship (at fair value)	Other financial liabilities (at amortised cost)	Total carrying value	Total fair value
(a) Long-term borrowings (including current maturities of long-term borrowings) (note below)	-	-	102,447.99	102,447.99	92,953.58
(b) Lease Liability (including current)	-	-	5,977.12	5,977.12	6,187.86
(c) Short-term borrowings	-	-	16,362.53	16,362.53	16,362.53
(d) Trade payables	-	-	63,626.88	63,626.88	63,626.88
(e) Acceptances	-	-	2,771.33	2,771.33	2,771.33
(f) Other financial liabilities - non-current	587.96	2,667.92	602.60	3,858.48	3,858.48
(g) Other financial liabilities - current	1,926.29	2,354.31	13,131.03	17,411.63	17,411.63
Total	**2,514.25**	**5,022.23**	**204,919.48**	**212,455.96**	**203,172.29**

Note:

1 Inculdes ₹**8,333.93 crores** designated as hedged item in fair value hedge relationship. This includes a loss of ₹**422.03 crores** on account of fair value changes attributable to the hedged interest rate risk.

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 quoted equity shares, quoted corporate debt instruments and mutual fund investments.

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 includes 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. The main items in this category are investments in certain unquoted debentures and equity.

Notes Forming Part of Consolidated Financial Statements

(₹ in crores)

	As at March 31, 2021			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
(a) Investments	3,471.74	-	868.91	4,340.65
(b) Derivative assets	-	6,112.64	-	6,112.64
(c) Finance receivables	-	-	7,988.89	7,988.89
Total	**3,471.74**	**6,112.64**	**8,857.80**	**18,442.18**
Financial liabilities measured at fair value				
(a) Derivative laibilities	-	4,479.61	-	4,479.61
Total	**-**	**4,479.61**	**-**	**4,479.61**

Costs of certain unquoted equity instruments have been considered as an appropriate estimate of fair value because these investments are subject to a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range. These investments in equity instruments are not held for trading. Instead, they are held for medium or long-term strategic purpose. Upon the application of Ind AS 109, the Company has chosen to designate these investments in equity instruments as at FVTOCI as the management believe that this provides a more meaningful presentation for medium or long-term strategic investments, than reflecting changes in fair value in profit or loss.

Fair values of forward derivatives and commodity swap contracts are estimated by discounting expected future contractual cash flows using prevailing market interest rate curves. Option contracts are fair valued using standard options pricing methodology, based on prevailing market interest rates and volatality.

Reconciliation of financial assets measured at fair value using significant unobservable

(₹ in crores)

Reconciliation of financial assets measured at fair value using significant unobservable inputs (Level 3)	For the year ended March 31, 2021	For the year ended March 31, 2020
Balance at the beginning	4,431.38	738.26
Originated / purchased during the period	6,152.93	3,947.03
Interest accrued on loans measured at FVOCI	17.71	27.29
Disposals during the period	(1,976.20)	(283.10)
Loan loss provision recognised	-	(16.89)
Fair value changes recognized through OCI	241.17	133.32
Fair value changes recognized through P& L	(8.34)	(121.59)
Foreign exchange translation difference	(0.85)	7.06
Balance at the end	**8,857.80**	**4,431.38**

(₹ in crores)

	As at March 31, 2020			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
(a) Investments	1,823.39	-	711.59	2,534.98
(b) Derivative assets	-	4,682.46	-	4,682.46
(c) Finance receivables	-	-	3,719.79	3,719.79
Total	**1,823.39**	**4,682.46**	**4,431.38**	**10,937.23**
Financial liabilities measured at fair value				
(a) Derivative liabilities	-	7,536.48	-	7,536.48
Total	**-**	**7,536.48**	**-**	**7,536.48**

There have been no transfers between level 1, level 2 and level 3 for the year ended March 31, 2021 and 2020.

Notes Forming Part of Consolidated Financial Statements

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, 2021			
	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value				
(a) Investments	16,078.84	-	-	16,078.84
(b) Finance receivables	-	-	27,060.88	27,060.88
Total	**16,078.84**	**-**	**27,060.88**	**43,139.72**
Financial liabilities not measured at fair value				
(a) Long-term borrowings (including current maturities of long term borrowing)	54,749.83	54,567.73	-	109,317.56
(b) Short-term borrowings	-	21,662.79	-	21,662.79
Total	**54,749.83**	**76,230.52**	**-**	**130,980.35**

(₹ in crores)

	As at March 31, 2020			
	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value				
(a) Investments	9,354.61	-	-	9,354.61
(b) Finance receivables	-	-	26,881.65	26,881.65
Total	**9,354.61**	**-**	**26,881.65**	**36,236.26**
Financial liabilities not measured at fair value				
(a) Long-term borrowings (including current maturities of long term borrowing)	34,715.69	58,237.89	-	92,953.58
(b) Short-term borrowings	-	16,362.53	-	16,362.53
Total	**34,715.69**	**74,600.42**	**-**	**109,316.11**

Other short-term financial assets and liabilities are stated at amortized cost which is approximately equal to their fair value.

The fair value of finance receivables has been estimated by discounting expected cash flows using rates at which loans of similar credit quality and maturity would be made and internal assumptions such as expected credit losses and estimated collateral value for repossessed vehicles as at March 31, 2021 and 2020. Since significant unobservable inputs are applied in measuring the fair value, finance receivables are classified in Level 3.

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 and credit quality.

Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Company could have realized 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.

Notes Forming Part of Consolidated Financial Statements

Offsetting

Certain financial assets and financial liabilities are subject to offsetting where there is currently a legally enforceable right to set off recognized 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 with the same countries 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, 2021:

(₹ in crores)

	Gross amount recognized	Gross amount recognized 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	6,112.64	-	6,112.64	(3,679.34)	-	2,433.30
(b) Trade receivables	12,882.16	(203.08)	12,679.08	-	-	12,679.08
(c) Cash and cash equivalents	33,881.59	(2,181.58)	31,700.01	-	-	31,700.01
Total	**52,876.39**	**(2,384.66)**	**50,491.73**	**(3,679.34)**	**-**	**46,812.39**
Financial liabilities						
(a) Derivative financial instruments	4,479.61	-	4,479.61	(3,679.34)	-	800.27
(b) Trade payable	68,382.92	(203.08)	68,179.84	-	-	68,179.84
(c) Loans from banks/financial institutions (short-term & current maturities of long term debt)	44,973.32	(2,181.58)	42,791.74	-	-	42,791.74
Total	**117,835.85**	**(2,384.66)**	**115,451.19**	**(3,679.34)**	**-**	**111,771.85**

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, 2020:

(₹ in crores)

	Gross amount recognized	Gross amount recognized 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	4,682.46	-	4,682.46	(3,631.46)	-	1,051.00
(b) Trade receivables	11,305.13	(132.44)	11,172.69	-	-	11,172.69
(c) Cash and cash equivalents	25,112.50	(6,644.70)	18,467.80	-	-	18,467.80
Total	**41,100.09**	**(6,777.14)**	**34,322.95**	**(3,631.46)**	**-**	**30,691.49**
Financial liabilities						
(a) Derivative financial instruments	7,536.48	-	7,536.48	(3,631.46)	-	3,905.02
(b) Trade payable	63,759.32	(132.44)	63,626.88	-	-	63,626.88
(c) Loans from banks/financial institutions (short-term & current maturities of long term debt)	42,139.60	(6,644.70)	35,494.90	-	-	35,494.90
Total	**113,435.40**	**(6,777.14)**	**106,658.26**	**(3,631.46)**	**-**	**103,026.80**

Notes Forming Part of Consolidated Financial Statements

(b) Transfer of financial assets

The Company transfers finance receivables through securitisation transactions and direct assignments. In such transactions the Company surrenders control over the receivables, though it continues to act as an agent for the collection of receivables. Generally in such transactions, the Company also provides credit enhancements to the transferee.

Because of the existence of credit enhancements in such transactions, the Company continues to have the obligation to pay to the transferee, limited to the extent of credit enhancement provided, even if it does not collect the equivalent amounts from the original asset and hence continues to retain substantially all risks and rewards associated with the receivables, and as a result of which such transfer or assignment does not meet the derecognition criteria, resulting in the transfer not being recorded as sale. Consequently, the proceeds received from such transfers are recorded as collateralized debt obligations.

Further the Company transfers certain trade receivables under the debt factoring arrangements. These do not qualify for derecognition, due to existence of the recourse arrangement. Consequently the proceeds received from such transfers with a recourse arrangements are recorded as loans from banks / financial institutions and classified under short-term borrowings.

The carrying amount of trade receivables and finance receivables transferred along with the associated liabilities is as follows:

(₹ in crores)

Nature of Asset	As at March 31, 2021		As at March 31, 2020	
	Carrying amount of asset transferred	Carrying amount of associated liabilities	Carrying amount of asset transferred	Carrying amount of associated liabilities
(a) Trade receivables	238.35	238.35	-	-
(b) Finance receivables	3,008.43[1]	2,972.16	4,257.37[1]	4,228.24

[1] Net of provision of **₹53.49 crores and ₹49.38 crores** as at March 31, 2021 and 2020, respectively.

(c) Cash flow hedges

As at March 31, 2021, the Company have a number of financial instruments designated in a hedging relationship. The Company and its subsidiaries use both foreign currency forward and option contracts, cross currency interest rate swaps and other currency options to hedge changes in future cash flows as a result of foreign currency and interest rate risk arising from forecasted sales and purchases and repayment of foreign currency bonds. The Company and its subsidiaries have also designated some of its U.S. dollar denominated bonds as hedging instruments in a cash flow hedging relationship to hedge the changes in future cash flows as a result of foreign currency risk arising from future anticipated sales.

The Company also have a number of foreign currency options and other currency options, which are entered into as an economic hedge of the financial risks of the Company. These contracts do not meet the hedge accounting criteria of Ind AS 109, hence the change in fair value of these derivatives are recognized in the statement of Profit and Loss.

Options are designated on spot discounted basis. The time value of options are identified as cost of hedge. Changes in the time value of options are recognised in Cost of Hedge reserve to the extent they relate to the hedged item. Changes in the spot intrinsic value of options is recognized in Hedge reserve. Changes in fair value arising from own and counterparty credit risk in options and forward exchange contracts are considered ineffective in the hedge relationship and thus the change in fair value of options & forward exchange contracts attributable to changes in credit spread are recognised in the consolidated statement of profit and loss. Cross currency basis spread was historically included in the hedging relationship. Any ineffectiveness arising out of cross currency basis spread is recognised in the statement of profit and loss as it arises. Cross currency basis spread arising from forward exchange contracts entered after 1st January 2018 is identified as cost of hedge and accordingly changes in fair value attributable to this is recognized in cost of hedge reserve to the extent they relate to the hedged item.

Changes in fair value of foreign currency derivative and bonds, to the extent determined to be an effective hedge, is recognized in other comprehensive income and the ineffective portion of the fair value change is recognized in consolidated statement of Profit and Loss. The fair value gain/losses recorded in Hedge reserve and Cost of Hedge reserve is recognised in the consolidated statement of profit and loss when the forecasted transactions affects profit or loss occur. The accumulated gain/losses in hedge reserve and cost of hedge reserve are expected to be recognized in consolidated statement of profit or loss during the years ending March 31, 2021 to 2025.

It is anticipated that the hedged sales will take place over the next one to five years, at which time the amount deferred in equity will be reclassified to revenue in the consolidated statement of profit or loss.

It is anticipated that the hedged purchases will take place over the next one to five years, at which time the amount deferred in equity will be included in the carrying amount of the raw materials. On sale of the finished product, the amount previously deferred in equity and subsequently recognised in inventory will be reclassified to raw materials, components, and consumables in the consolidated statement of profit or loss.

In light of the impact of COVID-19 on forecast exposures, the Company reassessed existing hedging relationships and released amounts deferred in equity to profit and loss where appropriate

Notes Forming Part of Consolidated Financial Statements

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Fair value gain/(loss) on foreign currency derivative contracts entered for cash flow hedges of forecast sales recognized in hedging reserve	6,131.84	(2,926.97)
Fair value gain/(loss) on foreign currency derivative contracts entered for cash flow hedges of forecast inventory purchases recognized in hedging reserve	(1,797.52)	695.35
Fair value gain/(loss) on foreign currency bonds designated as cash flow hedges of forecast sales recognised in hedging reserve	-	(61.83)
Fair value gain/(loss) on derivatives entered for cash flow hedges of repayment of foreign currency denominated borrowings recognized in hedging reserve	29.41	(81.89)
Fair value gain/(loss) on interest rate swaps entered for cash flow hedges of payment of interest on borrowings benchmarked to LIBOR	(19.21)	(152.89)
Fair value gain/(loss) recognized in other comprehensive income during the year	**4,344.52**	**(2,528.23)**
Gain/(loss) reclassified from Hedging reserve and recognized in 'Revenue from operations' in the statement of profit and loss on occurrence of forecast sales	(980.14)	(4,814.06)
Gain/(loss) reclassified out of Hedging reserve and recorded in Inventory in the Balance sheet on occurrence of forecast purchases	(130.04)	270.97
Gain/(loss) reclassified from Hedging reserve and recognized in 'Foreign exchange (gain)/loss (net)' in the statement of profit and loss for the case where on account of forecast transactions no longer expected to occur	30.11	14.78
Gain/(loss) reclassified from Hedging reserve and recognized in 'Foreign exchange (gain)/loss (net)' in the statement of profit and loss on account of repayment of foreign currency denominated borrowings	(144.80)	120.35
Gain/(loss) reclassified from Cost of Hedge reserve and recognized in 'Foreign exchange (gain)/loss (net)' in the statement of profit and loss on account of forecast transactions no longer expected to occur	-	-
Gain/(loss) reclassified from equity other comprehensive income to the consolidated statement of profit or loss	**(1,224.87)**	**(4,407.96)**
Gain/(loss) on foreign currency derivatives not hedge accounted, recognized in 'Foreign exchange (gain)/loss (net)' in the statement of profit and loss	(840.74)	531.84
Fair value gain/(loss) recognized in 'Foreign exchange (gain)/loss (net)' in the statement of profit and loss on account of ineffectiveness arising from foreign currency basis spread on forward contracts designated in cash flow hedge relationship	(94.13)	(7.52)
	(934.87)	**524.32**

(d) 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 realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

(a) Foreign currency exchange rate risk:

The fluctuation in foreign currency exchange rates may have potential impact on the consolidated statement of profit & loss, consolidated statement of comprehensive income, consolidated balance sheet, consolidated statement of changes in equity and cosolidated statement of cash flows, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the respective consolidated entities.

Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in U.S. dollar, GBP, Chinese renminbi, Japanese yen, Singapore dollar and Euro, against the respective functional currencies of Tata Motors Limited and its subsidiaries.

Notes Forming Part of Consolidated Financial Statements

The Company, as per its risk management policy, uses foreign exchange and other derivative instruments primarily to hedge foreign exchange and interest rate exposure. Furthermore, any movement in the functional currencies of the various operations of the Company against major foreign currencies may impact the Company's revenues and expenditure relating to its international operations. Any weakening of the functional currency may impact the Company's cost of imports 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.

The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a 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 following analysis is based on the gross exposure as of the relevant balance sheet dates, which could affect the income statement. There is no exposure to the income statement on account of translation of financial statements of consolidated foreign entities. Furthermore, the exposure as indicated below is mitigated by natural hedges resulting from anticipated revenue and cost in foreign currency expected to arise in future as well as certain derivative contracts entered into by the Company.

The following table sets forth information relating to foreign currency exposure other than risk arising from derivatives contract as of March 31, 2021:

(₹ in crores)

	U.S. dollar	Euro	Chinese Renminbi	GBP	Canadian dollar	Others[1]	Total
(a) Financial assets	18,117.49	11,398.80	3,446.88	781.74	476.15	2,652.22	36,873.28
(b) Financial liabilities	48,042.33	43,344.41	12,033.17	5,671.40	1,325.35	2,895.62	113,312.28

[1] Others mainly include currencies such as the Russian rouble, Singapore dollars, Swiss franc, Australian dollars, South African rand, Thai baht, Japanese Yen and Korean won.

The table below outlines the effect change in foreign currencies exposure for the year ended March 31, 2021:

Change in assumption	Impact on Company's net income before tax for financial assets	Impact on Company's net income before tax for financial liabilities
Appreciation in foreign currencies by 10%	Increase by ₹3,687.33 crores	Decrease by ₹(11,331.23) crores
Depreciation in foreign currencies by 10%	Decrease by ₹(3,687.33) crores	Increase by ₹11,331.23 crores

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

The following table set forth information relating to foreign currency exposure (other than risk arising from derivatives) as of March 31, 2020:

(₹ in crores)

	U.S. dollar	Euro	Chinese Renminbi	GBP	Canadian dollar	Others	Total
(a) Financial assets	18,594.94	11,414.53	4,526.86	1,313.38	1,535.41	2,412.27	39,797.39
(b) Financial liabilities	40,045.28	40,994.24	4,909.28	6,263.41	758.12	3,094.68	96,065.01

(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 Group.

The Company is subject to variable interest rates on some of its interest bearing liabilities. The Company's interest rate exposure is mainly related to debt obligations. The Company also uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like short term non-convertible bonds and short term loans.

In its financing business, the Company enters into transactions with customers which primarily result in receivables at fixed rates. In order to manage this risk, the Company has a policy to match funding in terms of maturities and interest rates and also for certain part of the portfolio, the Company does not match funding with maturities, in order to take advantage of market opportunities.

The Company also enters into arrangements of securitization of receivables in order to reduce the impact of interest rate movements. Further, Company also enters into interest rate swap contracts with banks to manage its interest rate risk.

Notes Forming Part of Consolidated Financial Statements

As at March 31, 2021 and 2020 financial liabilities of **₹46,589.38 crores** and ₹45,021.15 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 an impact (decrease/increase of profit before tax) of **₹465.89 crores** and ₹450.21 crores on income for the year ended March 31, 2021 and 2020, 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.

The Company uses cross currency interest rate swaps to hedge some of its exposure to interest rate arising from variable rate foreign currency denominated debt. The Company also uses cross currency interest rate swaps to convert some of its foreign currency denominated fixed rate debt to floating rate debt.

(c) Equity Price risk

Equity Price Risk is related to the change in market reference price of the investments in equity securities.

The fair value of some of the Company's investments in equity securities exposes the Company to equity price risks. In general, these securities are not held for trading purposes. These investments are subject to changes in the market price of securities.

The fair value of some of the Company's investment in quoted equity securities measured at FVOCI as of March 31, 2021 and 2020, was **₹499.37 crores** and ₹158.68 crores, respectively. A 10% change in prices of these securities held as of March 31, 2021 and 2020, would result in a pre-tax impact of **₹49.94 crores** and ₹15.87 crores on equity, respectively.

The fair value of some of the Company's investments in quoted equity securities measured at FVTPL as of March 31, 2021 and 2020, was **₹Nil** and ₹157.78 crores,respectively. A 10% change in prices of these securities measured at FVTPL held as of March 31, 2021 and 2020, would result in an impact of **₹Nil** and ₹15.78 crores on profit before tax, respectively.

(ii) Credit risk

Credit risk is the risk of financial loss arising from counter-party 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 in debt instruments, trade receivables, finance 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 **₹1,27,872.52 crores** as at March 31, 2021 and ₹98,304.54 crores as at March 31, 2020, 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 time 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, 2021, and March 31,2020, that defaults in payment obligations will occur.

Notes Forming Part of Consolidated Financial Statements

Credit quality of financial assets and impairment loss

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

(₹ in crores)

Trade receivables	As at March 31, 2021			As at March 31, 2020		
	Gross	Allowance	Net	Gross	Allowance	Net
Period (in months)						
(a) Not due	10,296.72	(30.78)	10,265.94	8,199.18	(33.03)	8,166.15
(b) Overdue up to 3 months	1,445.78	(29.11)	1,416.67	1,980.20	(16.38)	1,963.82
(c) Overdue 3-6 months	246.69	(6.93)	239.76	363.58	(37.21)	326.37
(d) Overdue more than 6 months	1,679.08	(922.37)	756.71[1]	1,743.73	(1,027.38)	716.35[1]
Total	**13,668.27**	**(989.19)**	**12,679.08**	**12,286.69**	**(1,114.00)**	**11,172.69**

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.

[1] Trade receivables overdue more than six months include **₹538.91 crores** as at March 31, 2021 (₹471.35 crores as at March 31, 2020), outstanding from Government organizations in India, which are considered recoverable.

The Company makes allowances for losses on its portfolio of finance receivable on the basis of expected future collection from receivables. The future collection are estimated on the basis of past collection trend which are adjusted for changes in current circumstances as well as expected changes in collection future based on expectations future with respect to certain macro economic factor like GDP growth, fuel price and inflation.

(₹ in crores)

Finance receivables[2]	As at March 31, 2021			As at March 31, 2020		
	Gross	Allowance	Net	Gross	Allowance	Net
Period (in months)						
(a) Not due[3]	34,213.19	(938.31)	33,274.88	30,448.46	(529.04)	29,919.42
(b) Overdue up to 3 months	871.10	(61.12)	809.98	724.30	(31.43)	692.87
(c) Overdue more than 3 months	878.30	(248.25)	630.05	557.69	(90.91)	466.78
Total	**35,962.59**	**(1,247.68)**	**34,714.91**	**31,730.45**	**(651.38)**	**31,079.07**

[2] Finance receivables originated in India.

[3] Allowance in the "Not due" category includes allowance against instalments pertaining to impaired finance receivables which have not yet fallen due.

(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. Furthermore, the Company has access to funds from debt markets through commercial paper programs, non-convertible debentures, fixed deposits from public, 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 has also invested 15% of the amount of public deposits/non-convertible debentures (taken by the Company) falling due for repayment in the next 12 months in bank deposits, to meet the regulatory norms of liquidity.

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

Notes Forming Part of Consolidated Financial Statements

The table below provides undiscounted 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 and acceptances	76,040.15	76,040.15	-	-	-	76,040.15
(b) Borrowings and interest thereon	137,507.31	49,104.06	27,800.46	56,341.29	16,444.68	149,690.49
(c) Lease Liability	6,226.06	1,307.36	1,091.91	2,446.69	4,812.38	9,658.35
(d) Derivative liabilities	4,479.61	2,598.31	1,193.78	1,229.93	-	5,022.02
(e) Other financial liabilities	10,199.58	9,702.66	218.32	416.76	100.19	10,437.93
Total	**234,452.71**	**138,752.54**	**30,304.47**	**60,434.67**	**21,357.25**	**250,848.94**

Contractual maturities of borrowings includes cash flows relating to collateralized debt obligations. This represents the amount received against the transfer of finance receivables in securitization transactions and/or direct assignments, which do not qualify for derecognition. The liability of the Company in such cases is limited to the extent of credit enhancements provided. The contractual maturities of such collateralized debt obligations are as follows:

(₹ in crores)

Financial liabilities	Carrying amount	Due in 1st Year	Due in 2nd Year	Due in 3rd to 5th Year	Total contractual cash flows
Collateralized debt obligations	2,973.65	1,926.47	1,030.25	355.05	3,311.77

The table below provides details regarding the contractual maturities of financial liabilities, including estimated interest payments as at March 31, 2020:

(₹ 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 and acceptances	66,398.21	66,398.21	-	-	-	66,398.21
(b) Borrowings and interest thereon	120,095.62	40,654.07	21,429.66	54,775.14	20,570.21	137,429.08
(c) Lease Liability	5,977.12	1,312.67	1,062.61	2,305.21	4,912.07	9,592.56
(d) Derivative liabilities	7,536.48	4,635.15	2,546.11	1,361.61	219.38	8,762.25
(e) Other financial liabilities	12,448.53	11,868.04	202.33	406.95	62.52	12,539.84
Total	**212,455.96**	**124,868.14**	**25,240.71**	**58,848.91**	**25,764.18**	**234,721.94**

The contractual maturities of such collateralized debt obligations are as follows:

Financial liabilities	Carrying amount	Due in 1st Year	Due in 2nd Year	Due in 3rd to 5th Year	Total contractual cash flows
Collateralized debt obligations	4,229.94	2,445.13	1,494.20	717.95	4,657.28

(iv) Derivative financial instruments and risk management

The Company has entered into 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.

Notes Forming Part of Consolidated Financial Statements

The fair value of derivative financial instruments is as follows:

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
(a) Foreign currency forward exchange contracts and options	1,895.72	(2,463.20)
(b) Commodity Derivatives	13.32	(639.47)
(c) Others including interest rate and currency swaps	(276.01)	248.65
Total	**1,633.03**	**(2,854.02)**

Following table provides sensitivity analysis in relation to derivative contracts:

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
10% depreciation of foreign currency:		
Gain/(loss) in hedging reserve and cost of hedge reserve	4,722.70	5,585.17
Gain/(loss) in statement of Profit and loss	(2,258.44)	(1,023.32)
10% Appreciation of foreign currency:		
Gain/(loss) in hedging reserve and cost of hedge reserve	(5,453.51)	(5,585.77)
Gain/(loss) in statement of Profit and loss	2,979.77	1,257.85

(v) Commodity Price Risk

The Group 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 119 but are instead measured at fair value through profit or loss.

The gain/(loss) on commodity derivative contracts, recognized in the statement of Profit and Loss was ₹**1,382.09 crore**s loss and ₹688.18 crores loss for the years ended March 31, 2021 and 2020, respectively.

In respect of the Company's commodity derivative contracts, a 10% depreciation/appreciation of all commodity prices underlying such contracts, would have resulted in an approximate gain/(loss) of ₹**397.87 crores** and ₹458.32 crores in the statement of profit and loss for the years ended March 31, 2021 and 2020, respectively.

Exposure to gain/loss on derivative instruments offset to some extent the exposure to foreign currency risk, interest rate risk as disclosed above.

(Note: The impact is indicated on the income/loss before consequential tax impact,if any basis).

Notes Forming Part of Consolidated Financial Statements

42. DISCLOSURE ON FINANCIALS INSTRUMENTS DESIGNATED AS HEDGING INSTRUMENT IN CASHFLOW HEDGE

The details of cash flow hedges entered by the Company to hedge interest rate risk arising on floating rate borrowings and by one of the Company's subsidiaries to hedge the currency fluctuation of its functional currency (GBP) against foreign currencies to hedge future cash flows arising from revenue and cost of materials is as follows:

Outstanding contracts	Average strike rate		Nominal amounts (₹ in crores)		Carrying value (₹ in crores)	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Foreign currency forwards						
Cash flow hedges - USD						
Sell - USD/ Buy - GBP						
<1 year	0.760	0.723	28,549.84	16,518.99	1,375.29	(1,466.24)
Between 1-5 years	0.765	0.765	31,199.37	47,686.36	1,732.26	(1,778.03)
Buy - USD/ Sell - INR						
<1 year	72.403	0.000	791.42	0.0	(2.27)	0
Cash flow hedges - Chinese Yuan						
Sell - Chinese Yuan / Buy - GBP						
<1 year	0.110	0.109	16,600.00	14,976.20	125.92	(552.52)
Between 1-5 years	0.109	0.110	6,334.03	11,120.42	107.34	(186.15)
Cash flow hedges -Euro						
Buy - Euro / Sell - GBP						
<1 year	0.907	0.911	27,160.55	24,647.93	(1,375.88)	(4.44)
Between 1-5 years	0.901	0.910	19,139.50	31,651.30	(819.19)	(157.47)
Cash flow hedges - Other						
<1 year	0.000	0.000	12,258.07	8,972.69	246.26	493.72
Between 1-5 years	0.000	0.000	8,528.43	11,583.61	74.85	361.17
Cash flow hedges of foreign exchange risk on recognised debt						
Cross currency interest rate swaps						
Buy - USD / Sell - GBP						
Between 1-5 years	1.300	-	731.20	-	(48.97)	-
>5 years	0.759	0.759	3,825.28	3550.57	75.30	529.50
Buy - Euro / Sell - GBP						
>5 years	0.891	0.891	4,490.26	4,168.04	(138.06)	29.08
Buy - USD / Sell - INR						
Between 1-5 years	71.440		1,895.75	-	(20.76)	-
>5 years	83.520	83.520	3,929.97	4,488.29	506.64	654.99
Total foreign currency derivative instruments			**165,433.67**	**179,364.41**	**1,838.73**	**(2,076.39)**
Cash flow hedges of interest rate risk arising on floating rate borrowings						

Notes Forming Part of Consolidated Financial Statements

	Average strike rate		Nominal amounts		Carrying value	
			(USD in million)		(₹ in crores)	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Interest rate swaps linked to LIBOR						
>5 years	2.86%	2.86%	237.50	237.50	(152.93)	(219.08)
Total derivatives designated in hedge relationship					**1,685.80**	**(2,295.47)**

Non derivatives designated in hedge relationship

	Average strike rate		Nominal amounts		Carrying value	
			(GBP in million)		(₹ in crores)	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Net Investment Hedge - GBP	-	-	625.00	-	-	-

43. SEGMENT REPORTING

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

Operating segments consist of :

a) Automotive: The Automotive segment consists of four reportable sub-segments: Tata Commercial Vehicles, Tata Passenger Vehicles, Jaguar Land Rover and Vehicle Financing.

b) Others: Others consist of IT services and Insurance Broking services.

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

Notes Forming Part of Consolidated Financial Statements

For the year ended/as at March 31, 2021

(₹ in crores)

	Automotive and related activity								Others	Inter-segment eliminations	Total
	Tata and other brand vehicle[1]										
	Commercial vehicle	Passenger vehicle	Unallocable	Total	Vehicle Financing	Jaguar Land Rover	Intra-segment eliminations	Total			
Revenues:											
External revenue	33,317.71	16,606.24	157.48	50,081.43	4,276.88	193,822.71	-	248,181.02	1,613.73	-	249,794.75
Inter-segment/intra-segment revenue	(213.57)	-	125.28	(88.29)	213.57	-	(125.28)	-	998.73	(998.73)	-
Total revenues	**33,104.14**	**16,606.24**	**282.76**	**49,993.14**	**4,490.45**	**193,822.71**	**(125.28)**	**248,181.02**	**2,612.46**	**(998.73)**	**249,794.75**
Earnings before other income (excluding Incentives), finance costs, foreign exchange gain/(loss) (net), exceptional items and tax :	(305.44)	(1,564.16)	(74.89)	(1,944.49)	2,794.00	7,691.03	-	8,540.54	319.47	66.70	8,926.71
Finance costs pertaining to borrowings sourced by vehicle financing segment	-	-	-	-	(2,851.45)	-	-	(2,851.45)	-	-	(2,851.45)
Segment results	**(305.44)**	**(1,564.16)**	**(74.89)**	**(1,944.49)**	**(57.45)**	**7,691.03**	**-**	**5,689.09**	**319.47**	**66.70**	**6,075.26**
Reconciliation to Profit before tax:											
Other income/(loss) (excluding Incentives)											725.05
Finance costs (excluding pertaining to borrowings sourced by vehicle financing segment)											(5,245.72)
Foreign exchange											1,732.15
Exceptional items	(53.66)	1,673.71	(24.96)	1,595.09	-	(15,350.70)	-	(13,755.61)	(5.41)	-	(13,761.02)
Profit before tax											**(10,474.28)**
Depreciation and amortisation expense	1,701.46	1,914.19	157.49	3,773.14	61.36	19,741.70	-	23,576.20	96.62	(126.11)	23,546.71
Capital expenditure	1,656.11	822.78	(68.24)	2,410.65	67.51	16,289.59	-	18,767.75	(39.18)	-	18,728.57
Share of profit/(loss) of equity accounted investees (net)	-	-	(40.68)	(40.68)	-	(363.32)	-	(404.00)	25.04	-	(378.96)
Segment assets	**27,086.92**	**16,296.91**	**2,086.18**	**45,470.01**	**39,565.55**	**179,341.50**	**-**	**264,377.06**	**2,477.58**	**(1,269.89)**	**265,584.75**
Assets classified as held for sale			220.80	220.80			-	220.80	-	-	220.80
Investment in equity accounted investees	-	-	427.14	427.14	-	3,182.53	-	3,609.67	591.12	-	4,200.79
Reconciliation to total assets:											
Other Investments											20,419.49
Current and non-current tax assets (net)											1,868.61
Deferred tax assets (net)											4,520.35
Other unallocated financial assets[2]											46,311.01
Total assets											**343,125.80**
Segment liabilities	**18,038.77**	**6,035.88**	**1,106.16**	**25,180.81**	**837.32**	**114,420.20**	**-**	**140,438.33**	**1,508.46**	**(271.47)**	**141,675.32**
Reconciliation to total liabilities:											
Borrowings											135,904.51
Current tax liabilities (net)											1,086.44
Deferred tax liabilities (net)											1,555.89
Other unallocated financial liabilities[3]											6,083.43
Total liabilities											**286,305.59**

[1] Tata and other brand vehicles include Tata Daewoo and Fiat brand vehicles.
[2] Includes interest-bearing deposits and accrued interest income.
[3] Includes interest accrued and other interest bearing liabilities.

Notes Forming Part of Consolidated Financial Statements

For the year ended/as at March 31, 2020

(₹ in crores)

	Automotive and related activity								Others	Inter-segment eliminations	Total
	Tata and other brand vehicles[1]				Vehicle Financing	Jaguar Land Rover	Intra-segment eliminations	Total			
	Ccommercial vehicle	Passenger vehicle	Unallocable	Total							
Revenues:											
External revenue	36,329.44	10,481.74	144.94	46,956.12	4,295.49	208,040.02	-	259,291.63	1,776.34	-	261,067.97
Inter-segment/intra-segment revenue	-	-	70.59	70.59	-	-	(70.59)	-	1,270.73	(1,270.73)	-
Total revenues	**36,329.44**	**10,481.74**	**215.53**	**47,026.71**	**4,295.49**	**208,040.02**	**(70.59)**	**259,291.63**	**3,047.07**	**(1,270.73)**	**261,067.97**
Earnings before other income (excluding Incentives), finance costs, foreign exchange gain/(loss) (net), exceptional items and tax :	(368.22)	(2,867.58)	(255.86)	(3,491.66)	2,854.71	594.05	-	(42.90)	382.32	(55.43)	283.99
Finance costs pertaining to borrowings sourced by vehicle financing segment	-	-	-	-	(3,079.31)	-		(3,079.31)	-	-	(3,079.31)
Segment results	**(368.22)**	**(2,867.58)**	**(255.86)**	**(3,491.66)**	**(224.60)**	**594.05**	**-**	**(3,122.21)**	**382.32**	**(55.43)**	**(2,795.32)**
Reconciliation to Profit before tax:											
Other income(excluding Incentives)											989.54
Finance costs (excluding pertaining to borrowings sourced by vehicle financing segment)											(4,164.02)
Foreign exchange gain/(loss) (net)											(1,738.74)
Exceptional items	(10.41)	(2,576.04)	(15.91)	(2,602.36)	(9.30)	(259.78)	-	(2,871.44)	-	-	(2,871.44)
Profit before tax											(10,579.98)
Depreciation and amortisation expense	1,646.15	1,742.96	163.05	3,552.16	50.95	17,787.80	-	21,390.91	103.97	(69.45)	21,425.43
Capital expenditure	2,380.15	2,255.27	426.34	5,061.76	71.61	26,161.07	-	31,294.44	(72.20)	-	31,222.24
Share of profit/(loss) of equity accounted investees (net)	-	-	62.87	62.87	(1.94)	(1,033.76)	-	(972.83)	(27.17)	-	(1,000.00)
Segment assets	**26,016.50**	**16,150.81**	**3,614.16**	**45,781.47**	**33,587.64**	**187,333.67**	**-**	**266,702.78**	**2,440.21**	**(1,394.69)**	**267,748.30**
Assets classified as held for sale	-	-	194.43	194.43	-	-	-	194.43	-	-	194.43
Investment in equity accounted investees	-	-	468.96	468.96	-	3,384.36	-	3,853.32	565.57	-	4,418.89
Reconciliation to total assets:											
Other investments											11,889.59
Current and non-current income tax assets (net)											1,294.85
Deferred income taxes (net)											5,457.90
Other unallocated financial assets [2]											31,117.30
Total assets											**322,121.26**
Segment liabilities	**13,101.11**	**4,962.39**	**1,456.84**	**19,520.34**	**528.49**	**107,123.37**	**-**	**127,172.20**	**787.93**	**(330.98)**	**127,629.15**
Reconciliation to total liabilities:											
Borrowings											124,787.64
Current income tax liabilities (net)											1,040.14
Deferred income taxes (net)											1,941.87
Other unallocated financial liabilities [3]											2,830.37
Total liabilities											**258,229.17**

1 Tata and other brand vehicles include Tata Daewoo and Fiat brand vehicles.
2 Includes interest-bearing deposits and accrued interest income.
3 Includes interest accrued and other interest bearing liabilities.

Notes Forming Part of Consolidated Financial Statements

Entity-wide disclosures

Information concerning principal geographic areas is as follows:

(₹ in crores)

Net sales to external customers by geographic area by location of customers:	Year ended March 31, 2021	Year ended March 31, 2020
(a) India	50,381.31	47,093.49
(b) United States of America	46,946.63	52,029.47
(c) United Kingdom	37,243.95	42,442.85
(d) Rest of Europe	34,045.11	43,227.46
(e) China	44,686.54	29,820.46
(f) Rest of the World	36,491.21	46,454.24
Total	**249,794.75**	**261,067.97**

(₹ in crores)

Non-current assets (Property, plant and equipment, Intangible assets, other non-current assets (non-financial) and Goodwill) by geographic area:	As at March 31, 2021	As at March 31, 2020
(a) India	30,094.71	30,394.18
(b) United States of America	784.91	814.73
(c) United Kingdom	112,673.92	115,323.30
(d) Rest of Europe	11,024.29	11,331.42
(e) China	1,423.24	1,583.26
(f) Rest of the World	3,670.47	3,282.54
Total	**159,671.54**	**162,729.43**

(₹ in crores)

Information about product revenues:	Year ended March 31, 2021	Year ended March 31, 2020
(a) Tata and Fiat vehicles	46,826.48	43,932.32
(b) Tata Daewoo commercial vehicles	3,254.52	3,058.52
(c) Finance revenues	4,276.88	4,260.30
(d) Jaguar Land Rover vehicles	193,822.71	208,040.02
(e) Others	1,614.16	1,776.81
Total	**249,794.75**	**261,067.97**

Notes Forming Part of Consolidated Financial Statements

44. RELATED-PARTY TRANSACTIONS

The Company's related parties principally includes Tata Sons Private Limited, subsidiaries and joint arrangements of Tata Sons Private Limited, the Company's associates and their subsidiaries, joint operations and joint ventures of the Company. The Company routinely enters into transactions with these related parties in the ordinary course of business. Transactions and balances of the company with its own subsidiaries and the transactions among subsidiaries are eliminated on consolidation.

All transactions with related parties are conducted under normal terms of business and all amounts outstanding are unsecured and will be settled in cash

The following table summarizes related-party transactions and balances included in the consolidated financial statements for the year ended/as at March 31, 2021:

(₹ in crores)

	Associates and its subsidiaries	Joint ventures	Joint operations	Tata Sons Pvt Ltd, its subsidiaries and joint ventures	Total
(A) Transactions					
Purchase of products	1,979.56	-	3,868.63	27.74	5,875.93
Sale of products	145.00	2,754.60	1,179.01	945.92	5,024.53
Services received	14.57	-	0.74	1,424.89	1,440.20
Services rendered	10.59	1,076.96	4.49	170.00	1,262.04
Bills discounted	-	-	-	5,947.23	5,947.23
Purchase of property, plant and equipment	24.82	-	-	3.72	28.54
Sale of property, plant and equipment	-	-	-	34.37	34.37
Interest (income)/expense, dividend (income)/paid.(net)	5.50	(0.09)	18.37	58.89	82.67
Finance given (including loans and equity)	-	-	-	41.25	41.25
Finance taken (including loans and equity)	211.00	-	-	2,602.51	2,813.51
Finance taken, paid back (including loans and equity)	162.00	-	-	-	162.00
Borrowing towards Lease Liability	-	-	167.99	-	167.99
Repayment towards lease liability	-	-	14.14	-	14.14
(B) Balances					
Amount receivable in respect of Loans and interest thereon	-	9.39	-	4.59	13.98
Amounts payable in respect of loans and interest thereon	95.00	-	-	6.07	101.07
Amount payable in respect of Lease Liability	-	-	265.85	-	265.85
Trade and other receivables	40.57	481.29	-	348.46	870.32
Trade payables	65.31	-	156.94	222.48	444.73
Acceptances	-	-	-	929.07	929.07
Provision for amount receivables	-	9.30	-	-	9.30

Notes Forming Part of Consolidated Financial Statements

The following table summarizes related-party transactions included in the consolidated financial statements for the year ended as/at March 31, 2020:

(₹ in crores)

	Associates and its subsidiaries	Joint ventures	Joint operations	Tata Sons Pvt Ltd, its subsidiaries and joint ventures	Total
(A) Transactions					
Purchase of products	1,736.26	0.79	2,781.47	42.67	4,561.19
Sale of products	187.07	1,951.92	681.03	847.55	3,667.57
Services received	22.89	4.16	0.80	1,560.15	1,588.00
Services rendered	16.54	959.58	4.93	81.46	1,062.51
Bills discounted	-	-	-	3,148.52	3,148.52
Purchase of property, plant and equipment	81.00	-	-	2.37	83.37
Sale of property, plant and equipment	2.18	-	-	95.30	97.48
Interest (income)/expense, dividend (income)/paid, (net)	(13.58)	(606.43)	4.09	29.38	(586.54)
Finance given (including loans and equity)	-	618.17	-	-	618.17
Finance given, taken back (including loans and equity)	-	-	-	3.50	3.50
Finance taken (including loans and equity)	104.00	-	-	4,561.36	4,665.36
Finance taken, paid back (including loans and equity)	81.00	-	-	858.34	939.34
Borrowing towards Lease Liability	-	-	113.83	-	113.83
Repayment towards lease liability	-	-	1.83	-	1.83
(B) Balances					
Amounts receivable in respect of loans and interest thereon	-	25.13	-	4.18	29.31
Amounts payable in respect of loans and interest thereon	46.00	-	-	1.93	47.93
Amount payable in respect of Lease Liability	-	-	112.00	-	112.00
Trade and other receivables	27.45	628.66	-	189.23	845.34
Trade payables	272.61	3.19	269.59	158.17	703.56
Acceptances	-	-	-	76.90	76.90
Provision for amount receivables	-	25.12	-	-	25.12

Details of significant transactions are given below:

(₹ in crores)

Particulars	Nature of relationship	Year ended March 31, 2021	Year ended March 31, 2020
i) Services rendered			
Chery Jaguar Land Rover Automotive Company Limited	Joint ventures	1,076.95	959.00
ii) Vendor bills discounting			
Tata Capital	Tata Sons Ltd, its subsidiaries and joint ventures	5,947.23	3,148.52
iii) Converstion of Warrant/ Preferential allotment			
Tata Sons Pvt Ltd	Tata Sons Ltd, its subsidiaries and joint ventures	2,602.51	3,891.85

Notes Forming Part of Consolidated Financial Statements

Compensation of key management personnel:

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Short-term benefits	82.74	62.26
Post-employment benefits*	13.30	7.56
Share based payment	0.68	0.62

The compensation of CEO and Managing Director is **₹20.58 crores** and ₹16.48 crores for the year ended March 31, 2021 and 2020, respectively. This compensation for the year ended March 31, 2021, includes **₹2.83 crores** of performance bonus and long term incentive for the year ended March 31, 2020, approved in the year ended March 31, 2021. The amount for the year ended March 31, 2021 excludes Performance and Long Term Incentives, which will be accrued post approval by the Board of Directors. The Company has reappointed CEO and Managing Director from February 15, 2021 till June 30, 2021, which is subject to the approval of the Central Government and the Shareholders. Remuneration for the period February 15, 2021 to March 31, 2021 of **₹1.89 crores** included above is subject to the approval. The remuneration of ₹11.82 crores for the year ended March 31, 2020 and the performance and long term incentives for that year was subject to the approval of shareholders, which was approved in the Annual General Meeting held on August 25, 2020.

The compensation paid to the previous CEO of Jaguar Land Rover is **₹49.75 crores** and ₹40.10 crores for the year ended March 31, 2021 and 2020 respectively. The compensation paid to the present CEO of Jaguar Land Rover for the year ended March 31, 2021 is **₹17.63 crores**.

* Excludes provision for encashable leave and gratuity for certain key management personnel as a separate actuarial valuation is not available.

Refer note 38 for information on transactions with post-employment benefit plans.

45. EARNINGS PER SHARE ("EPS")

			Year ended March 31, 2021	Year ended March 31, 2020
(a)	Profit / (Loss) for the period	₹ crores	(13,451.39)	(12,070.85)
(b)	The weighted average number of Ordinary shares for Basic EPS	Nos.	3,128,268,742	2,952,353,090
(c)	The weighted average number of 'A' Ordinary shares for Basic EPS	Nos.	508,502,896	508,502,473
(d)	The nominal value per share (Ordinary and 'A' Ordinary)	₹	2.00	2.00
(e)	Share of profit / (loss) for Ordinary shares for Basic EPS	₹ crores	(11,570.58)	(10,297.28)
(f)	Share of profit / (loss) for 'A' Ordinary shares for Basic EPS*	₹ crores	(1,880.81)	(1,773.57)
(g)	Earnings Per Ordinary share (Basic)	₹	(36.99)	(34.88)
(h)	Earnings Per 'A' Ordinary share (Basic)	₹	(36.99)	(34.88)
(i)	Profit after tax for Diluted EPS	₹ crores	#	#
(j)	The weighted average number of Ordinary shares for Basic EPS	Nos.	#	#
(k)	Add: Adjustment for Options relating to warrants and shares held in abeyance	Nos.	#	#
(l)	The weighted average number of Ordinary shares for Diluted EPS	Nos.	#	#
(m)	The weighted average number of 'A' Ordinary shares for Basic EPS	Nos.	#	#
(n)	Add: Adjustment for 'A' Ordinary shares held in abeyance	Nos.	#	#
(o)	The weighted average number of 'A' Ordinary shares for Diluted EPS	Nos.	#	#
(p)	Share of profit for Ordinary shares for Diluted EPS	₹ crores	#	#
(q)	Share of profit for 'A' Ordinary shares for Diluted EPS*	₹ crores	#	#
(r)	Earnings Per Ordinary share (Diluted)	₹	(36.99)	(34.88)
(s)	Earnings Per 'A' Ordinary share (Diluted)	₹	(36.99)	(34.88)

* 'A' Ordinary shareholders are entitled to receive dividend at 5 percentage points more than the aggregate rate of dividend determined by Tata Motors Limited on Ordinary shares for the financial year.

Since there is a loss for the year ended March 31, 2021 and 2020, potential equity shares are not considered as dilutive and hence Diluted EPS is same as Basic EPS.

Employee Stock options are not considered to be dilutive based on the average market price of ordinary shares during the period.

Notes Forming Part of Consolidated Financial Statements

46 ADDITIONAL INFORMATION AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013, OF ENTERPRISES CONSOLIDATED AS SUBSIDIARY / ASSOCIATES /JOINT VENTURES

(₹ in crores)

Name of enterprises	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss		Share of other comprehensive income		Share of total comprehensive income	
	As % of consolidated net assets	Amount (₹in crores)	As % of consolidated (profit) or loss	Amount (₹in crores)	As % of consolidated OCI	Amount (₹in crores)	As % of total comprehensive income	Amount (₹in crores)
Parent								
Tata Motors Ltd	32.58%	17,997.77	19.98%	(2,687.07)	15.05%	436.50	21.33%	(2,250.57)
Subsidiaries								
Indian								
TML Business Services Limited [name changed from Concorde Motors (India) Limited w.e.f March 31, 2020]	(0.03)%	(14.12)	0.06%	(8.72)	0.01%	0.20	0.08%	(8.52)
Tata Motors Finance Ltd	7.25%	4,002.72	(1.86)%	250.12	7.31%	212.11	(4.38)%	462.23
Tata Technologies Ltd	1.58%	873.14	(0.80)%	108.20	0.08%	2.29	(1.05)%	110.49
Tata Motors Insurance Broking & Advisory Services Ltd	0.11%	62.13	(0.17)%	22.66	(0.01)%	(0.42)	(0.21)%	22.24
TML Distribution Company Ltd	0.67%	368.52	(0.06)%	7.49	0.00%	0.13	(0.07)%	7.63
TMF Holdings Limited	7.06%	3,901.24	0.82%	(110.06)	0.00%	0.04	1.04%	(110.02)
Tata Motors Financial Solutions Ltd	2.84%	1,570.30	(1.61)%	216.24	(0.02)%	(0.62)	(2.04)%	215.62
Tata Marcopolo Motors Ltd	0.11%	58.55	0.68%	(91.30)	0.00%	0.11	0.86%	(91.19)
Jaguar Land Rover India Limited	0.35%	190.89	(0.10)%	13.07	(0.46)%	(13.45)	0.00%	(0.38)
Brabo Robotics and Automation Limited	(0.01)%	(5.93)	0.25%	(33.54)	0.00%	0.14	0.32%	(33.40)
JT Special Vehicles Pvt. Limited (Ceased to be a JV and became a Wholly-owned Subsidiary w.e.f. August 11, 2020)	0.00%	1.91	(0.15)%	20.15	0.00%	-	(0.19)%	20.15
TML Business Analytics Services Limited (Incorporated with effect from April 4, 2020)	(0.02)%	(9.27)	0.07%	(9.42)	0.00%	-	0.09%	(9.42)
Foreign								
Tata Daewoo Commercial Vehicle Co. Ltd	3.33%	1,840.67	1.06%	(143.06)	3.77%	109.32	0.32%	(33.74)
Tata Motors European Technical Centre Plc	0.05%	27.88	0.11%	(14.30)	0.00%	0.06	0.13%	(14.24)
Tata Motors (SA) (Proprietary) Ltd	0.03%	18.49	(0.01)%	1.62	0.08%	2.36	(0.04)%	3.98
Tata Motors (Thailand) Ltd	(1.13)%	(625.44)	(0.08)%	10.18	(0.39)%	(11.27)	0.01%	(1.09)
TML Holdings Pte Ltd, Singapore	14.67%	8,104.75	6.15%	(826.83)	(0.17)%	(4.87)	7.88%	(831.70)
Tata Hispano Motors Carrocera S.A	(1.56)%	(864.47)	0.13%	(17.73)	(1.01)%	(29.33)	0.45%	(47.06)

Notes Forming Part of Consolidated Financial Statements

(₹ in crores)

Name of enterprises	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss		Share of other comprehensive income		Share of total comprehensive income	
	As % of consolidated net assets	Amount (₹in crores)	As % of consolidated (profit) or loss	Amount (₹in crores)	As % of consolidated OCI	Amount (₹in crores)	As % of total comprehensive income	Amount (₹in crores)
Tata Hispano Motors Carroceries Maghreb	(0.10)%	(54.72)	0.05%	(6.14)	(0.13)%	(3.73)	0.09%	(9.87)
Trilix S.r.l	(0.05)%	(29.83)	(0.03)%	3.55	(0.05)%	(1.58)	(0.02)%	1.97
Tata Precision Industries Pte Ltd	0.02%	13.70	(0.08)%	10.22	(0.00)%	(0.07)	(0.10)%	10.15
PT Tata Motors Indonesia	0.53%	294.17	0.01%	(0.84)	(0.03)%	(0.86)	0.02%	(1.70)
INCAT International Plc.	0.12%	67.90	0.01%	(0.69)	0.23%	6.67	(0.06)%	5.98
Tata Technologies Inc.	0.74%	406.94	(0.45)%	59.96	(0.66)%	(19.21)	(0.39)%	40.75
Tata Technologies de Mexico, S.A. de C.V.	0.00%	2.55	0.01%	(0.96)	0.11%	3.31	(0.02)%	2.35
Cambric Limited, Bahama	0.04%	20.46	0.00%	(0.02)	0.00%	-	0.00%	(0.02)
Cambric GmbH (Liquidated with effect from September 17, 2020)	0.00%	-	0.01%	(1.84)	0.01%	0.31	0.01%	(1.53)
Tata Technolgies SRL, Romania	0.11%	59.13	(0.01)%	0.70	0.13%	3.87	(0.04)%	4.57
Tata Manufacturing Technologies Consulting (Shanghai) Limited	0.08%	45.07	0.06%	(8.04)	0.08%	2.26	0.05%	(5.78)
Tata Technologies Europe Limited	1.62%	893.49	(0.56)%	75.63	2.82%	81.85	(1.49)%	157.48
Tata Technologies Nordics AB (Name changed from Escenda Engineering AB with effect from November 2, 2020)	0.01%	6.99	(0.00)%	0.48	0.12%	3.57	(0.04)%	4.05
INCAT GmbH (in process of liquidation)	0.04%	20.27	(0.00)%	0.40	(0.01)%	(0.35)	(0.00)%	0.05
Tata Technologies (Thailand) Limited	0.00%	(0.82)	0.04%	(6.01)	(0.00)%	(0.01)	0.06%	(6.02)
TATA Technologies Pte Ltd.	1.49%	822.38	(0.10)%	13.51	(0.62)%	(17.99)	0.04%	(4.48)
Jaguar Land Rover Automotive plc	38.70%	21,378.39	(0.02)%	3.08	0.00%	-	(0.03)%	3.08
Jaguar Land Rover Limited	87.19%	48,168.48	128.27%	(17,254.65)	(22.82)%	(661.86)	169.80%	(17,916.51)
Jaguar Land Rover Holdings Limited	86.80%	47,954.95	(19.70)%	2,649.88	0.00%	-	(25.11)%	2,649.88
JLR Nominee Company Limited	0.00%	0.00	0.00%	-	0.00%	-	0.00%	-
Jaguar Land Rover (South Africa) Holdings Limited	4.02%	2,220.76	(2.16)%	290.99	0.00%	-	(2.76)%	290.99
Jaguar Cars Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Land Rover Exports Limited	0.00%	0.00	0.00%	-	0.00%	-	0.00%	-
The Lanchester Motor Company Limited	0.00%	0.00	0.00%	-	0.00%	-	0.00%	-
The Daimler Motor Company Limited	0.03%	15.11	0.00%	-	0.00%	-	0.00%	-
S.S. Cars Limited	0.00%	0.00	0.00%	-	0.00%	-	0.00%	-
Daimler Transport Vehicles Limited	0.00%	0.00	0.00%	-	0.00%	-	0.00%	-

Notes Forming Part of Consolidated Financial Statements

(₹ in crores)

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	As % of consolidated net assets	Amount (₹in crores)	As % of consolidated (profit) or loss	Amount (₹in crores)	As % of consolidated OCI	Amount (₹in crores)	As % of total comprehensive income	Amount (₹in crores)
Jaguar Land Rover Pension Trustees Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Jaguar Cars South Africa (Pty) Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Jaguar Land Rover Slovakia s.r.o	10.52%	5,813.35	(0.81)%	109.59	(9.41)%	(272.92)	1.55%	(163.33)
Jaguar Racing Limited	0.05%	27.87	(0.05)%	6.64	0.00%	-	(0.06)%	6.64
InMotion Ventures Limited	(0.46)%	(256.47)	0.03%	(3.80)	0.00%	-	0.04%	(3.80)
Lenny Insurance Limited (Renamed as In-Car Ventures Limited w.e.f. February 2, 2021)	(0.17)%	(91.76)	0.57%	(76.94)	0.00%	-	0.73%	(76.94)
InMotion Ventures 2 Limited	(0.10)%	(57.50)	0.11%	(14.14)	0.00%	-	0.13%	(14.14)
InMotion Ventures 3 Limited	(0.04)%	(20.95)	0.09%	(12.74)	0.00%	-	0.12%	(12.74)
InMotion Ventures 4 Limited (Shareholding reduced from 100% to 15% w.e.f. December 1, 2020)	0.00%	-	(0.08)%	11.19	0.00%	-	(0.08)%	11.19
Jaguar Land Rover Ireland (Services) Limited	0.17%	93.39	(0.61)%	82.48	(0.12)%	(3.41)	(0.75)%	79.07
Spark44 (JV) Limited	0.12%	67.81	(0.12)%	16.50	(0.39)%	(11.36)	(0.05)%	5.14
Spark44 Limited (London & Birmingham)	0.18%	101.67	(0.00)%	0.01	0.00%	0.06	(0.00)%	0.07
Spark44 Pty Ltd (Sydney)	0.01%	6.95	(0.00)%	0.00	0.01%	0.39	(0.00)%	0.39
Spark44 GmbH (Frankfurt)	0.02%	8.77	0.00%	(0.00)	(0.01)%	(0.40)	0.00%	(0.40)
Spark44 GLLC (LA & NYC)	0.08%	41.72	(0.00)%	0.01	0.02%	0.47	(0.00)%	0.48
Spark44 Shanghai Limited	0.05%	29.32	(0.00)%	0.01	0.09%	2.67	(0.03)%	2.67
Spark44 Middle East DMCC (Dubai)	0.02%	11.49	(0.00)%	0.00	(0.01)%	(0.40)	0.00%	(0.39)
Spark44 Demand Creation Partners Pte Ltd (Mumbai)	0.00%	0.52	0.00%	(0.00)	0.03%	0.78	(0.01)%	0.78
Spark44 Pte Ltd (Singapore)	0.01%	3.07	(0.00)%	0.00	0.00%	0.01	(0.00)%	0.01
Spark44 Communicacions SL (Madrid)	0.01%	5.16	0.00%	(0.00)	0.01%	0.21	(0.00)%	0.21
Spark44 SRL (Rome)	0.00%	0.20	(0.00)%	0.00	0.04%	1.10	(0.01)%	1.10
Spark44 Seoul Limited	0.01%	4.37	0.00%	0.00	(0.00)%	(0.05)	0.00%	(0.05)
Spark44 K.K. (Tokyo)	0.01%	4.83	0.00%	0.00	0.01%	0.29	(0.00)%	0.29
Spark44 Canada Inc (Toronto)	0.02%	8.46	0.00%	0.00	(0.00)%	(0.02)	0.00%	(0.02)
Spark44 South Africa (Pty) Limited	0.00%	1.51	0.00%	0.00	(0.01)%	(0.26)	0.00%	(0.26)
Spark44 Colombia S.A.S.	0.00%	(0.60)	0.00%	0.00	0.00%	0.04	(0.00)%	0.04
Spark44 Taiwan Limited	0.00%	0.50	0.00%	(0.00)	0.01%	0.15	(0.00)%	0.15
Limited Liability Company Jaguar Land Rover (Russia)	0.31%	169.76	(1.07)%	143.93	0.00%	-	(1.36)%	143.93
Jaguar Land Rover (China) Investment Co. Limited	33.05%	18,258.90	(23.39)%	3,146.42	0.00%	-	(29.82)%	3,146.42

Notes Forming Part of Consolidated Financial Statements

(₹ in crores)

Name of enterprises	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss		Share of other comprehensive income		Share of total comprehensive income	
	As % of consolidated net assets	Amount (₹in crores)	As % of consolidated (profit) or loss	Amount (₹in crores)	As % of consolidated OCI	Amount (₹in crores)	As % of total comprehensive income	Amount (₹in crores)
Shanghai Jaguar Land Rover Automotive Services Company Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Jaguar Land Rover Columbia S.A.S	0.00%	(0.67)	(0.08)%	10.51	0.00%	-	(0.10)%	10.51
Jaguar Land Rover Mexico,S.A.P.I. de C.V.	0.09%	51.01	(0.06)%	7.52	0.00%	-	(0.07)%	7.52
Jaguar Land Rover Servicios Mexico,S.A. de C.V.	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Jaguar Land Rover France, SAS	0.17%	95.25	(0.33)%	44.48	0.00%	-	(0.42)%	44.48
Jaguar Land Rover Portugal - Veiculos e Pecas, Lda.	0.12%	66.38	(0.05)%	6.66	0.00%	-	(0.06)%	6.66
Jaguar Land Rover Espana SL	0.91%	502.67	0.00%	(0.41)	0.19%	5.58	(0.05)%	5.17
Jaguar Land Rover Italia SpA	1.31%	725.13	(0.01)%	1.11	0.00%	-	(0.01)%	1.11
Land Rover Ireland Limited	0.01%	4.93	0.00%	(0.23)	0.00%	-	0.00%	(0.23)
Jaguar Land Rover Korea Company Limited	0.11%	59.00	(0.05)%	6.43	0.00%	-	(0.06)%	6.43
Jaguar Land Rover Deutschland GmbH	1.14%	629.76	(0.09)%	11.92	0.90%	26.03	(0.36)%	37.95
Jaguar Land Rover Austria GmbH	0.16%	90.76	(0.06)%	8.53	0.00%	-	(0.08)%	8.53
Jaguar Land Rover Australia Pty Limited	0.83%	456.55	(0.85)%	113.84	0.00%	-	(1.08)%	113.84
Jaguar Land Rover North America LLC	7.57%	4,179.44	(4.64)%	624.01	0.01%	0.36	(5.92)%	624.37
Jaguar Land Rover Japan Limited	0.62%	343.31	0.30%	(40.52)	0.00%	-	0.38%	(40.52)
Jaguar Land Rover Canada ULC	1.16%	643.11	(0.41)%	55.65	0.00%	-	(0.53)%	55.65
Jaguar e Land Rover Brasil industria e Comercio de Veiculos LTDA	1.41%	778.13	(0.48)%	64.64	0.00%	-	(0.61)%	64.64
Jaguar Land Rover Belux NV	0.16%	90.80	(0.07)%	9.52	0.00%	-	(0.09)%	9.52
Jaguar Land Rover Nederland BV	0.09%	48.31	0.01%	(1.31)	0.00%	-	0.01%	(1.31)
Jaguar Land Rover (South Africa) (Pty) Limited	0.04%	24.03	(1.63)%	219.37	0.00%	-	(2.08)%	219.37
Jaguar Land Rover Singapore Pte. Ltd	0.07%	41.40	(0.08)%	10.55	0.00%	-	(0.10)%	10.55
Jaguar Land Rover Taiwan Company Limited	0.07%	39.51	(0.23)%	31.60	0.00%	-	(0.30)%	31.60
Jaguar Land Rover Classic Deutschland GmbH	0.01%	3.58	0.04%	(5.80)	(0.01)%	(0.17)	0.06%	(5.97)
Jaguar Land Rover Hungary KFT	0.02%	12.47	(0.06)%	8.61	(0.03)%	(0.74)	(0.07)%	7.88

Notes Forming Part of Consolidated Financial Statements

(₹ in crores)

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	As % of consolidated net assets	Amount (₹in crores)	As % of consolidated (profit) or loss	Amount (₹in crores)	As % of consolidated OCI	Amount (₹in crores)	As % of total comprehensive income	Amount (₹in crores)
Jaguar Land Rover Classic USA LLC	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Bowler Motors Limited	0.00%	0.77	0.06%	(8.18)	0.00%	-	0.08%	(8.18)
Jaguar Land Rover Ventures Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Jaguar Land Rover (Ningbo) Trading Co. Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Tata Daewoo Commercial Vehicle Sales and Distribution Co. Ltd.	0.03%	16.23	0.01%	(1.35)	0.02%	0.72	0.01%	(0.63)
PT Tata Motors Distribusi Indonesia	0.01%	5.77	0.18%	(23.62)	(0.22)%	(6.41)	0.28%	(30.03)
TMNL Motor Services Nigeria Ltd	0.00%	(0.24)	0.00%	(0.02)	0.00%	0.02	0.00%	(0.00)
Minority Interests in all subsidiaries								
Indian								
Tata Marcopolo Motors Ltd	(0.05)%	(28.44)	(0.33)%	44.74	(0.00)%	(0.06)	(0.42)%	44.68
Tata Technologies Ltd	(0.97)%	(535.00)	0.45%	(61.19)	(0.44)%	(12.80)	0.70%	(73.99)
Tata Motor Finance Limited	(1.74)%	(963.00)	0.21%	(28.75)	0.00%	-	0.27%	(28.75)
Foreign								
Tata Motors (SA) (Proprietary) Ltd	(0.01)%	(7.42)	0.00%	(0.65)	(0.03)%	(0.94)	0.02%	(1.59)
Tata Precision Industries Pte Ltd	(0.01)%	(2.98)	0.02%	(2.21)	0.00%	0.01	0.02%	(2.20)
Spark 44 Ltd	(0.16)%	(87.54)	0.06%	(8.23)	(0.20)%	(5.67)	0.13%	(13.90)
Tata Motors (Thailand) Limited	0.09%	50.88	0.00%	-	0.01%	0.31	(0.00)%	0.31
Joint operations								
Indian								
Fiat India Automobiles Private Limited	4.01%	2,214.37	(2.15)%	288.67	0.03%	0.96	(2.75)%	289.64
Tata Cummins Private Ltd	1.15%	632.89	(0.53)%	70.70	0.19%	5.53	(0.72)%	76.23
Adjustments arising out of consolidation	(259.15)%	(143,172.70)	3.53%	(475.10)	100.61%	2,917.60	(23.26)%	2,442.49
Sub - total (a)		**51,045.93**		**(13,072.42)**		**2,747.17**		**(10,325.26)**
Joint ventures (as per proportionate consolidation / investment as per the equity method)								
Indian								
Tata HAL Technologies Ltd	0.00%	0.84	0.00%	-	0.00%	-	0.00%	-
Foreign								
Chery Jaguar Land Rover Automotive Company Limited	5.73%	3,167.36	2.69%	(362.48)	5.10%	147.99	2.03%	(214.49)
Sub - total (b)		3,168.20		(362.48)		147.99		(214.49)

Notes Forming Part of Consolidated Financial Statements

(₹ in crores)

Name of enterprises	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss		Share of other comprehensive income		Share of total comprehensive income	
	As % of consolidated net assets	Amount (₹in crores)	As % of consolidated (profit) or loss	Amount (₹in crores)	As % of consolidated OCI	Amount (₹in crores)	As % of total comprehensive income	Amount (₹in crores)
Associates (Investment as per the equity method)								
Indian								
Tata AutoComp Systems Ltd	0.45%	251.29	0.23%	(30.31)	0.08%	2.24	0.27%	(28.06)
Automobile Corporation of Goa Ltd	0.25%	138.25	0.04%	(5.43)	(0.01)%	(0.36)	0.05%	(5.80)
Tata Hitachi Construction Machinery Company Private Ltd	1.07%	591.76	(0.19)%	25.04	0.04%	1.14	(0.25)%	26.19
Loginomic Tech Solutions Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Foreign								
Nita Company Ltd	0.06%	33.69	0.04%	(5.01)	(0.04)%	(1.02)	0.06%	(6.03)
Tata Precision Industries (India) Ltd	0.01%	3.91	0.00%	-	0.00%	-	0.00%	-
Synaptiv Limited	0.00%	0.79	0.01%	(0.77)	0.00%	0.11	0.01%	(0.67)
Jaguar Land Rover Switzerland AG(Jaguar Land Rover Limited increased its shareholding from 10% to 30% w.e.f. November 25, 2020)	0.02%	10.04	0.00%			0.15	(0.00)%	0.15
Cloud Car Inc	0.00%	0.19	0.00%	-	0.11%	3.27	(0.03)%	3.27
DriveClubService Pte. Ltd.	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Jaguar Cars Finance Limited	0.00%	2.68	0.00%	-	(0.02)%	(0.49)	0.00%	(0.50)
Sub - total (c)		**1,032.59**		**(16.48)**		**5.03**		**(11.45)**
Total (b + c)		**4,200.79**		**(378.96)**		**153.02**		**(225.94)**
Total (a + b + c)	**100.00%**	**55,246.72**	**100.00%**	**(13,451.39)**	**100.00%**	**2,900.19**	**100.00%**	**(10,551.20)**

Notes Forming Part of Consolidated Financial Statements

47. OTHER NOTES

(a) The following subsidiaries have been considered on unaudited basis. Details for the same as per individual entity's financials are as under :

(₹ in crores)

	Net Worth As at March 31, 2021	Total Revenue for the year ended March 31, 2021	Net Increase / (Decrease) in Cash & Cash equivalent during 2020-2021
(i) Subsidiaries :			
TML Business Services Limited	(14.12)	92.75	16.55
Tata Motors European Technical Centre PLC	27.88	181.46	4.94
Trilix S.R.L	(29.83)	78.57	5.55
Tata Hispano Motors Carrocera S.A	(864.47)	-	1.48
Tata Precision Industries Pte Ltd	13.70	-	9.80
Tata Technologies de Mexico, S.A. de C.V.	2.55	2.69	(1.92)
INCAT International Plc.	67.90	0.51	(2.88)
INCAT GmbH.(under liquidation)	20.27	0.34	0.04
Cambric Limited	20.46	-	(0.24)
Tata Technlogies SRL Romania	59.13	62.55	8.71
Total	**(696.53)**	**418.87**	**42.03**
For the year ended / as at March 31, 2020	**(545.50)**	**998.30**	**(99.48)**

(b) During the year ended March 31, 2021, exceptional charge of ₹**14,994.30 crores** was recognised under the Jaguar Land Rover's Reimagine strategy comprising following:

(i) Asset write-downs of **£ 951.83 million (₹ 9,606.11 crores)** in relation to models cancelled.

(ii) Restructuring costs of **£ 533.88 million (₹5,388.19 crores)** includes costs of **£ 526.36 million (₹5,312.29 crores)** accruals to settle legal obligations on work performed to date and provisions for redundancies and other third party obligations and defined benefit past service cost of **£ 7.52 million (₹ 75.90 crores)**.

(c) Jaguar Land Rover had recognised a past service cost due to the requirement to equalise male and female members' benefits for the inequalities within guaranteed minimum pension ('GMP') earned in the year ended March 31, 2019. This assessment has been updated during the year ended March 31, 2021 based on new information and accordingly, a charge of ₹**84.81 crores (£ 9.00 million)** has been recognised as an exceptional item.

(d) The Company's certain assets related to defence business are classified as "Held for Sale" as they meet the criteria laid out under Ind AS 105. The transaction has been completed in April 2021.

(e) 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 the books of account.

(f) During the year ended March 31, 2021, the Company and Marcopolo S.A. have entered into a share purchase agreement where the Company will purchase the balance 49% shareholding in Tata Marcopolo Motors Ltd (TMML) for a cash consideration of ₹99.96 crores, subject to certain closing conditions to be complied by both Parties. On completion of the transaction, TMML will become a wholly owned subsidiary of the Company.

(g) 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.

Notes Forming Part of Consolidated Financial Statements

(h) Exceptional amount of ₹**114.00 crores** and ₹**(73.03) crores** during the year ended March 31, 2021 and 2020, is related to write off/ provision (reversal) of certain property, plant and equipment, capital work-in-progress and intangibles under development.

(i) Subsequent to March 31, 2021, Jaguar Land Rover agreed a revolving credit facility of ₹**13,200.29 crores (£1,310.00 million)** which will become available when the existing facility expires in July 2022. The new facility will be available in full until March 2024.

See accompanying notes to consolidated financial statements

In terms of our report attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

SHIRAZ VASTANI
Partner
Membership No. 103334
UDIN: 21103334AAAAAX9949
Place- Pune

Date: May 18, 2021

For and on behalf of the Board

N CHANDRASEKARAN *[DIN: 00121863]*
Chairman
Place- Mumbai

VEDIKA BHANDARKAR *[DIN: 00033808]*
Director
Place- Mumbai

GUENTER BUTSCHEK *[DIN: 07427375]*
CEO and Managing Director
Place- Austria

P B BALAJI
Group Chief Financial Officer
Place- Mumbai

H K SETHNA *[FCS: 3507]*
Company Secretary
Place- Mumbai
Date: May 18, 2021

Summarised statement of Assets and Liabilities (CONSOLIDATED)

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
WHAT THE COMPANY OWNED		
(1) Property, plant and equipment and Other intangible assets	152,377.16	155,677.03
(2) Right of use assets	6,490.66	6,275.34
(3) Goodwill	803.72	777.06
(4) Non-current Investments	5,569.09	5,446.94
(5) Non-current Finance receivables	16,846.82	16,833.77
(6) Deferred tax assets (net)	5,523.65	6,609.95
(7) Other non-current assets	8,627.06	10,913.92
(8) Current assets	146,887.64	119,587.25
TOTAL ASSETS	**343,125.80**	**322,121.26**
WHAT THE COMPANY OWED		
(1) Net worth		
Equity share capital	765.81	719.54
Other equity	54,480.91	62,358.99
(2) Non-controlling interests	1,573.49	813.56
(3) Non-current borrowings	93,112.77	83,315.62
(4) Non-current provisions	13,606.76	14,736.69
(5) Deferred tax liabilities (net)	1,555.89	1,941.87
(6) Other non-current liabilities	20,280.99	17,780.94
(7) Current liabilities	157,749.18	140,454.05
TOTAL LIABILITIES	**343,125.80**	**322,121.26**

Summarised Statement of Profit and Loss (CONSOLIDATED)

(₹ in crores)

		Year ended March 31, 2021	Year ended March 31, 2020
1	INCOME		
	Revenue	246,972.17	258,594.36
	Other Operating Revenues	2,822.58	2,473.61
	Total revenue from operations	249,794.75	261,067.97
	Other income	2,643.19	2,973.15
	Total	**252,437.94**	**264,041.12**
2	EXPENDITURE		
	Cost of materials consumed	141,357.27	152,671.47
	Purchase of products for sale	12,250.09	12,228.35
	Changes in inventories of finished goods, work-in-progress and products for sale	4,684.16	2,231.19
	Employee benefits expense	27,648.48	30,438.60
	Finance costs	8,097.17	7,243.33
	Foreign exchange (gain)/loss (net)	(1,732.15)	1,738.74
	Depreciation and amortisation expense	23,546.71	21,425.43
	Product development/Engineering expenses	5,226.63	4,188.49
	Other expenses	40,921.97	57,087.46
	Amount transferred to capital and other accounts	(12,849.13)	(17,503.40)
	Total Expenses	**249,151.20**	**271,749.66**
	Profit/(loss) before exceptional items and tax	**3,286.74**	**(7,08.54)**
	Total Exceptional items	**13,761.02**	**2,871.44**
3	PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	**(10,474.28)**	**(10,579.98)**
4	Tax expense/(credit) (net)	2,541.86	395.25
5	PROFIT/(LOSS) AFTER TAX FROM CONTINUING OPERATIONS (3-4)	**(13,016.14)**	**(10,975.23)**
6	Share of profit of joint ventures and associates (net)	(378.96)	(1,000.00)
7	PROFIT/(LOSS) FOR THE YEAR	**(13,395.10)**	**(11,975.23)**
8	**TOTAL OTHER COMPREHENSIVE INCOME/(LOSS)**	**2,919.34**	**11,504.47**
9	**TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR**	**(10,475.76)**	**(470.76)**

FINANCIAL STATISTICS - CONSOLIDATED

Year	CAPITAL ACCOUNTS (₹ in lakhs)						REVENUE ACCOUNTS (₹ in lakhs)							RATIOS				
	Capital	Reserves and Surplus	Borrowings	Gross Block	Accumulated Depreciation	Net Block	Turnover	Depreciation	Profit/ (Loss) Before Taxes	Taxes	Profit/ (Loss) After Taxes	Dividend including tax	PAT to Sales	Earnings Per Share (Basic)* (₹)		Dividend Per Share*# (₹)		Net Worth Per Share* (₹)
														Ordinary Share	'A' Ordinary Share	Ordinary Share	'A' Ordinary Share	
2001-02	31,982	183,617	282,031	634,984	252,475	382,509	932,220	39,222	(18,015)	(6,740)	(10,719)	45	(1.1)%	(3.95)	-	-	-	66
2002-03	31,983	190,018	178,965	648,959	284,038	364,921	1,144,801	40,190	54,350	22,640	29,712	14,497	2.6%	9.29	-	4.00	-	66
2003-04	35,683	329,884	169,842	728,468	323,749	404,719	1,634,104	42,556	144,487	53,077	91,529	32,099	5.6%	27.88	-	8.00	-	104
2004-05	36,179	403,537	271,420	834,162	375,933	458,229	2,284,217	53,101	184,809	49,062	138,534	52,346	6.1%	38.50	-	12.50!	-	121
2005-06	38,287	574,860	337,914	1,027,949	484,356	543,593	2,750,725	62,331	234,898	64,000	172,809	58,439	6.3%	45.86	-	13.00	-	160
2006-07	38,541	733,626	730,190	1,294,083	542,665	751,418	3,707,579	68,809	308,800	88,321	216,999	68,822	5.9%	56.43	-	15.00	-	200
2007-08	38,554	831,198	1,158,487	1,892,393	606,049	1,286,344	4,060,827	78,207	308,629	85,154	216,770	67,674	5.3%	56.24	-	15.00	-	225
2008-09	51,405	542,659	3,497,385	6,900,238	3,326,905	3,573,333	7,489,227	250,677	(212,925)	33,575	(250,525)	36,458	(3.3)%	(56.88)	(56.88)	6.00	6.50	114
2009-10	57,060	763,588	3,519,236	7,291,985	3,441,352	3,850,633	9,736,054	388,713	352,264	100,575	257,106	100,185	2.6%	48.64	49.14	15.00	15.50	144
2010-11	63,771	1,853,376	3,281,055	8,291,975	3,969,870	4,322,105	12,684,370	465,551	1,043,717	121,638	927,362	148,130	7.3%	155.25	155.75	20.00	20.50	302
2011-12	63,475	3,206,375	4,714,896	10,572,497	4,951,247	5,621,250	17,133,935	562,538	1,353,387	(4,004)	1,351,650	148,862	7.9%	42.58**	42.68**	4.00**	4.10**	103
2012-13	63,807	3,699,923	5,371,571	12,158,556	5,172,265	6,986,291	19,451,406	760,128	1,364,733	377,666	989,261	75,614	5.1%	31.02	31.12	2.00	2.10	118
2013-14	64,378	6,660,345	6,064,228	16,619,078	6,881,538	9,737,540	23,745,502	1,107,816	1,886,897	476,479	1,399,102	76,577	5.9%	43.51	43.61	2.00	2.10	209
2014-15	64,378	5,561,814	7,361,039	18,684,665	7,442,406	11,242,259	26,760,664	1,338,863	2,170,256	764,291	1,398,629	(3,319)	5.2%	43.44	43.54	0.00	0.00	175
2015-16	67,918	8,010,349	7,046,849	21,639,756	8,754,689	12,885,067	28,107,844	1,701,418	1,398,087	287,260	1,102,375	11,052	3.9%	32.61	32.71	0.20	0.30	238
2016-17	67,922	5,738,267	7,860,398	19,653,773	6,756,813	12,896,960	27,524,666	1,790,499	931,479	325,123	745,436	-	2.7%	21.94	22.04	-	-	171
2017-18	67,922	9,474,869	8,895,047	25,312,610	9,179,519	16,133,091	29,629,823	2,155,359	1,115,503	434,193	898,891	-	3.0%	26.46	26.56	-	-	281
2018-19	67,922	5,950,034	10,617,534	26,365,294	12,128,250	14,237,044	30,490,371	2,359,063	(3,137,115)	(243,745)	(2,882,623)	-	(9.5)%	(84.89)	(84.89)	-	-	177
2019-20	71,954	6,235,899	11,881,052	30,752,494	14,557,257	16,195,237	26,404,112	2,142,543	(1,057,998)	39,525	(1,207,085)	-	(4.6)%	(34.88)	(34.88)	-	-	182
2020-21	76,581	5,448,091	13,590,451	33,385,256	17,498,474	15,886,782	25,243,794	2,354,671	(1,047,428)	254,186	(1,345,139)	-	(5.3)%	(36.99)	(36.99)	-	-	152

Notes :

@ On increased capital base due to conversion of Bonds / Convertible Debentures / Warrants / FCCN into shares.

* Equivalent to a face value of ₹2/- per share.

Includes Interim Dividend where applicable.

! Includes a special dividend of ₹ 2.50 per share for the Diamond Jubilee Year.

++ On increased capital base due to Rights issue and conversion of FCCN into shares.

^ On increased capital base due to GDS issue and conversion of FCCN into shares.

^^ On increased capital base due to QIP issue and conversion of FCCN into shares.

** Consequent to sub-division of shares, figures for previous years are not comparable

^^^ The figures of FY 2016-17 is as per Ind AS

Summarised statement of Assets and Liabilities (STANDALONE)

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
WHAT THE COMPANY OWNED		
(1) Property, plant and equipment, Right of use assets and Other intangible assets	29,330.47	29,603.69
(2) Goodwill	99.09	99.09
(3) Non-current Investments	16,114.91	15,730.86
(4) Deferred tax assets (net)	715.31	727.97
(5) Other non-current assets	2,945.29	2,859.50
(6) Current assets	15,854.59	13,568.76
TOTAL ASSETS	**65,059.66**	**62,589.87**
WHAT THE COMPANY OWED		
(1) Net worth		
Equity share capital	765.81	719.54
Other equity	18,290.16	17,668.11
(2) Non-current borrowings	16,326.77	14,776.51
(3) Non-current lease liabilities	593.74	522.24
(4) Non-current provisions	1,371.94	1,769.74
(5) Deferred tax liabilities (net)	266.50	198.59
(6) Other non-current liabilities	1,193.19	1,124.32
(7) Current liabilities	26,251.55	25,810.82
TOTAL LIABILITIES	**65,059.66**	**62,589.87**

Summarised Statement of Profit and Loss (Standalone)

(₹ in crores)

		Year ended March 31, 2021	Year ended March 31, 2020
1	INCOME		
	Revenue from operations	47,031.47	43,928.17
	Other income	842.96	1,383.05
	Total	**47,874.43**	**45,311.22**
2	EXPENDITURE		
	Cost of materials consumed	30,010.61	26,171.85
	Purchase of products for sale	5,490.67	5,679.98
	Changes in inventories of finished goods, work-in-progress and products for sale	(69.02)	722.68
	Employee benefits expense	4,212.99	4,384.31
	Finance costs	2,358.54	1,973.00
	Foreign exchange loss (net)	1.67	239.00
	Depreciation and amortisation expense	3,681.61	3,375.29
	Product development/Engineering expenses	907.64	830.24
	Other expenses	5,801.90	7,720.75
	Amount transferred to capital and other accounts	(817.53)	(1,169.46)
	Total Expenses	**51,579.08**	**49,927.64**
	Profit before exceptional items and tax	**(3,704.65)**	**(4,616.42)**
	Total Exceptional items	**(1,392.08)**	**2,510.92**
3	PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	(2,312.57)	(7,127.34)
4	TAX EXPENSE/(CREDIT) (NET)	82.87	162.29
5	PROFIT/(LOSS) AFTER TAX FROM CONTINUING OPERATIONS (3-4)	(2,395.44)	(7,289.63)
6	**TOTAL OTHER COMPREHENSIVE INCOME/(LOSS)**	442.99	(378.72)
7	**TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR**	**(1,952.45)**	**(7,668.35)**

FINANCIAL STATISTICS

Year	CAPITAL ACCOUNTS (₹ in lakhs)						REVENUE ACCOUNTS (₹ in lakhs)											RATIOS
														Earnings Per Share (Basic)* (₹)		Dividend Per Share*# (₹)		
	Capital	Reserves and Surplus	Borrowings	Gross Block	Depreciation	Net Block	Turnover	Depreciation	Profit/ (Loss) Before Taxes	Taxes	Profit/ (Loss) After Taxes	Dividend including tax	PAT to Sales	Ordinary Share	'A' Ordinary Share	Ordinary Share	'A' Ordinary Share	Net Worth Per Share* (₹)
1945-46	100	1	-	31	2	29	12	2	1	-	1	-	8.3%	0.07	-	-	-	10
1949-50	200	11	94	233	44	189	167	15	11	5	6	-	3.6%	0.03	-	-	-	10
1953-54	500	27	412	731	270	461	321	97	3	-	3	-	0.9%	0.11	-	-	-	11
1954-55	627	27	481	792	303	489	445	35	-	-	-	-	0.0%	-	-	-	-	11
1955-56	658	120	812	1,010	407	603	1,198	105	125	32	93	59	7.8%	1.32	-	0.60	-	12
1956-57	700	149	1,382	1,352	474	878	2,145	70	116	27	89	44	4.1%	1.64	-	0.80	-	13
1957-58	700	117	1,551	1,675	668	1,007	2,694	129	99	6	93	52	3.5%	1.72	-	0.90	-	12
1958-59	1,000	206	1,245	2,050	780	1,270	2,645	113	155	13	142	56	5.4%	1.68	-	0.90	-	12
1959-60	1,000	282	1,014	2,201	940	1,261	2,825	161	222	93	129	108	4.6%	1.50	-	1.25	-	13
1960-61	1,000	367	1,263	2,593	1,118	1,475	3,735	180	313	122	191	126	5.1%	2.26	-	1.45	-	14
1961-62	1,000	432	1,471	2,954	1,336	1,618	4,164	220	378	188	190	124	4.6%	2.28	-	1.45	-	15
1962-63	1,000	450	1,758	3,281	1,550	1,731	4,364	223	327	185	142	124	3.3%	1.68	-	1.45	-	15
1963-64	1,198	630	2,470	3,920	1,802	2,118	5,151	260	404	200	204	144	4.0%	1.97	-	1.45	-	16
1964-65	1,297	787	3,275	4,789	2,144	2,645	6,613	345	479	208	271	157	4.1%	2.39	-	1.45	-	17
1965-66	1,640	995	3,541	5,432	2,540	2,892	7,938	398	477	189	288	191	3.6%	2.20	-	1.45	-	18
1966-67	1,845	1,027	4,299	6,841	3,039	3,802	9,065	505	620	192	428	235	4.7%	2.80	-	1.45+	-	17
1967-68	1,845	1,121	5,350	7,697	3,608	4,089	9,499	572	395	66	329	235	3.5%	2.10	-	1.45	-	18
1968-69	1,845	1,295	5,856	8,584	4,236	4,348	10,590	630	582	173	409	235	3.9%	2.66	-	1.45	-	19
1969-70	1,845	1,333	6,543	9,242	4,886	4,356	9,935	662	274	-	274	221	2.8%	1.72	-	1.35	-	19
1970-71	1,845	1,516	6,048	10,060	5,620	4,440	13,624	749	673	270	403	251	3.0%	2.49	-	1.45	-	20
1971-72	1,949	2,020	6,019	10,931	6,487	4,444	15,849	758	885	379	506	273	3.2%	3.04	-	1.50	-	23
1972-73	1,949	2,194	5,324	12,227	7,491	4,736	15,653	820	832	360	472	266	3.0%	2.87	-	1.50	-	24
1973-74	1,949	2,394	6,434	13,497	8,471	5,026	16,290	902	1,007	450	557	180	3.4%	3.43	-	0.93	-	26
1974-75	1,949	2,827	9,196	15,838	9,593	6,245	22,510	1,134	677	136	541	266	2.4%	3.32	-	1.50	-	28
1975-76	2,013	3,691	9,399	18,642	10,625	8,017	27,003	1,054	855	91	764	276	2.8%	4.60	-	1.50	-	33
1976-77	2,328	3,833	11,816	20,709	11,685	9,024	28,250	1,145	1,056	-	1,056	323	3.7%	5.38	-	1.50+	-	30
1977-78	2,118	4,721	11,986	22,430	12,723	9,707	28,105	1,101	1,044	-	1,044	313	3.7%	5.37	-	1.50	-	35
1978-79	3,151	5,106	11,033	24,900	13,895	11,005	37,486	1,200	1,514	-	1,514	467	4.0%	5.36	-	1.60+	-	27
1979-80	3,151	6,263	17,739	28,405	15,099	13,306	44,827	1,300	1,762	-	1,762	605	3.9%	5.96	-	2.00	-	31
1980-81	3,151	8,095	15,773	33,055	16,496	16,559	60,965	1,616	2,437	-	2,437	605	4.0%	8.27	-	2.00	-	38
1981-82	4,320	10,275	25,476	38,819	18,244	20,575	79,244	1,993	4,188	-	4,188	839	5.3%	10.18	-	2.00+	-	35
1982-83	4,226	12,458	23,361	43,191	20,219	22,972	86,522	2,187	3,481	460	3,021	827	3.5%	7.34	-	2.00	-	40
1983-84	5,421	14,103	25,473	46,838	23,078	23,760	85,624	2,923	2,163	235	1,928	923	2.3%	3.61	-	2.00	-	37
1984-85	5,442	15,188	30,226	52,819	26,826	25,993	93,353	3,895	2,703	390	2,313	1,241	2.5%	4.32	-	2.30	-	39
1985-86	5,452	16,551	44,651	61,943	29,030	32,913	102,597	3,399	1,832	215	1,617	1,243	1.6%	3.00	-	2.30	-	41
1986-87	5,452	15,886	53,476	68,352	30,914	37,438	119,689	2,157	293	-	293	552	0.2%	0.51	-	1.00	-	40
1987-88	6,431	17,491	44,406	75,712	34,620	41,092	140,255	3,822	3,205	510	2,695	1,356	1.9%	4.25	-	2.30	-	38
1988-89	10,501	30,740	32,396	83,455	38,460	44,995	167,642	4,315	8,513	1,510	7,003	2,444	4.2%	6.74	-	2.50	-	40
1989-90	10,444	37,870	48,883	91,488	43,070	48,418	196,910	4,891	14,829	4,575	10,254	3,126	5.2%	9.87	-	3.00	-	47
1990-91	10,387	47,921	48,323	100,894	48,219	52,675	259,599	5,426	23,455	9,250	14,205	4,154	5.5%	13.69	-	4.00	-	56
1991-92	11,765	61,863	105,168	123,100	54,609	68,491	317,965	6,475	20,884	7,800	13,084	4,389	4.1%	12.45	-	4.00	-	67
1992-93	12,510	64,207	144,145	153,612	61,710	91,902	309,156	7,456	3,030	26	3,004	3,642	1.0%	2.47	-	3.00	-	63
1993-94	12,867	70,745	141,320	177,824	70,285	107,539	374,786	9,410	10,195	20	10,175	5,020	2.7%	7.91	-	4.00	-	65
1994-95	13,694	128,338	115,569	217,084	81,595	135,489	568,312	11,967	45,141	13,246	31,895	8,068	5.6%	23.29	-	6.00	-	104
1995-96	24,182	217,400	128,097	294,239	96,980	197,259	790,967	16,444	76,072	23,070	53,002	14,300	6.7%	21.92	-	6.00	-	100
1996-97	25,588	339,169	253,717	385,116	117,009	268,107	1,012,843	20,924	100,046	23,810	76,236	22,067	7.5%	30.40	-	8.00	-	143
1997-98	25,588	349,930	330,874	487,073	141,899	345,174	736,279	25,924	32,880	3,414	29,466	15,484	4.0%	11.51	-	5.50	-	147
1998-99	25,590	350,505	344,523	569,865	165,334	404,531	659,395	28,132	10,716	970	9,746	8,520	1.5%	3.81	-	3.00	-	147
1999-00	25,590	349,822	300,426	581,233	182,818	398,415	896,114	34,261	7,520	400	7,120	7,803	0.8%	2.78	-	2.50	-	147
2000-01	25,590	299,788	299,888	591,427	209,067	382,360	816,422	34,737	(50,034)	-	(50,034)	-	-	(18.45)	-	-	-	127
2001-02	31,982	214,524	230,772	591,006	243,172	347,834	891,806	35,468	(10,921)	(5,548)	(5,373)	-	-	(1.98)	-	-	-	77
2002-03	31,983	227,733	145,831	608,114	271,307	336,807	1,085,874	36,213	51,037	21,026	30,011	14,430	2.8%	9.38	-	4.00	-	81
2003-04	35,683	323,677	125,977	627,149	302,369	324,780	1,555,242	38,260	129,234	48,200	81,034	31,825	5.2%	24.68	-	8.00	-	102
2004-05	36,179	374,960	249,542	715,079	345,428	369,651	2,064,866	45,016	165,190	41,495	123,695	51,715	6.0%	34.38	-	12.50!	-	114
2005-06	38,287	515,420	293,684	892,274	440,151	452,123	2,429,052	52,094	205,338	52,450	152,888	56,778	6.3%	40.57	-	13.00	-	145
2006-07	38,541	648,434	400,914	1,128,912	489,454	639,458	3,206,467	58,629	257,318	65,972	191,346	67,639	6.0%	49.76	-	15.00	-	178
2007-08	38,554	745,396	628,052	1,589,579	544,352	1,045,227	3,357,711	65,231	257,647	54,755	202,892	65,968	6.0%	52.64	-	15.00	-	203
2008-09	51,405	1,171,610	1,316,556	2,085,206	625,990	1,459,216	2,949,418	87,454	101,376	1,250	100,126	34,570	3.4%	22.70	23.20	6.00	6.50	238
2009-10	57,060	1,439,487	1,659,454	2,364,896	721,292	1,643,604	4,021,755	103,387	282,954	58,946	224,008	99,194	5.6%	42.37	42.87	15.00	15.50	262
2010-11	63,771	1,937,559	1,591,543	2,568,235	846,625	1,721,610	5,160,692	136,077	219,652	38,470	181,182	146,703	3.5%	30.28	30.78	20.00	20.50	315
2011-12	63,475	1,899,126	1,588,057	2,902,206	996,587	1,905,619	5,979,502	160,674	134,103	9,880	124,223	146,372	2.1%	3.90**	4.00**	4.00**	4.10**	62
2011-13	63,807	1,849,677	1,679,895	3,181,998	1,161,144	2,020,854	5,140,793	181,762	17,493	(12,688)	30,181	72,423	0.6%	0.93	1.03	2.00	2.10	60
2013-14	64,378	1,853,287	1,505,280	3,514,652	1,355,088	2,159,564	4,159,103	207,030	(102,580)	(136,032)	33,452	74,196	0.8%	1.03	1.13	2.00	2.10	60
2014-15	64,378	1,421,881	2,113,441	3,785,500	1,603,098	2,182,402	4,141,264	260,322	(397,472)	76,423	(473,895)	-	-11.4%	(14.72)	(14.72)	-	-	46
2015-16	67,918	2,168,890	1,588,725	4,077,235	1,852,749	2,224,486	4,877,959	245,375	15,039	(8,384)	23,423	7,300	0.5%	0.68	0.78	0.20	0.30	66
2016-17	67,922	2,012,993	1,957,398	4,591,464	1,853,922	2,737,542	5,007,925	296,939	(242,077)	5,922	(247,999)	-	-5.0%	(7.30)	(7.30)	-	-	61
2017-18	67,922	1,949,176	1,846,384	4,826,322	2,156,196	2,670,126	6,118,229	310,189	(94,692)	8,793	(103,485)	-	-1.7%	(3.05)	(3.05)	-	-	59
2018-19	67,922	2,148,330	1,863,963	5,158,440	2,311,007	2,847,433	7,175,742	309,864	239,893	37,833	202,060	-	2.8%	5.94	6.04	-	-	65
2019-20	71,954	1,766,811	2,544,477	5,614,576	2,654,207	2,960,369	4,531,122	337,529	(712,734)	16,229	(728,963)	-	-16.1%	(21.06)	(21.06)	-	-	51
2020-21	76,581	1,829,016	2,174,872	5,814,264	2,881,217	2,933,047	4,787,443	368,161	(231,257)	8,287	(239,544)	-	-5.0%	(6.59)	(6.59)	-	-	50

Notes :

@ On increased capital base due to conversion of Bonds / Convertible Debentures / Warrants / FCCN into shares.

$ On increased capital base due to issue of Bonus Shares. Net Worth excludes ordinary dividends.

* Equivalent to a face value of ₹2/- per share.

Includes Interim Dividend where applicable.

+ Including on Bonus Shares issued during the year.

! Includes a special dividend of ₹ 2.50 per share for the Diamond Jubilee Year.

++ On increased capital base due to Rights issue and conversion of FCCN into shares.

^ On increased capital base due to GDS issue and conversion of FCCN into shares.

^^ On increased capital base due to QIP issue and conversion of FCCN into shares.

** Consequent to sub-division of shares, figures for previous years are not comparable

^^^ The figures of FY 2016-17 is as per Ind AS with Joint operation

STATEMENT PURSUANT TO FIRST PROVISO TO SUB-SECTION (3) OF SECTION 129 OF THE COMPANIES ACT 2013, READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014 IN THE PRESCRIBED FORM AOC-1 RELATING TO SUBSIDIARY COMPANIES

PART - A

Sr. No	Subsidiary	Country	Reporting currency	Exchange Rate	Share capital (incl. advances towards capital where applicable)	Reserves and Surplus	Total Assets	Total Liabilities	Turnover	Profit/ (Loss) Before Tax	Tax Expense/ (Credit)	Profit/ (Loss) after tax	Profit/ (Loss) for the period/ year *	Proposed dividend and tax thereon	Investments (except in case of investment in the subsidiaries)	% of shareholding
1	TML Business Services Limited (name changed from Concorde Motors (India) Limited w.e.f March 31, 2020)	India	INR	1.00	244.18	(258.30)	86.10	100.21	99.00	(13.98)	(5.26)	(8.72)	(8.72)	15.34	-	100.00
2	Tata Motors Finance Ltd	India	INR	1.00	1,571.28	2,431.44	36,817.49	32,814.77	3,733.38	219.55	(30.57)	250.12	250.12	-	869.80	100.00
3	Tata Daewoo Commercial Vehicle Co. Ltd (subsidiary w.e.f March 30, 2004)	South Korea	KRW	0.06	57.57	1,783.10	3,734.52	1,893.85	3,433.73	(89.46)	53.60	(143.06)	(143.06)	-	-	100.00
4	Tata Technologies Ltd (subsidiary w.e.f September 10, 1997)	India	INR	1.00	41.81	825.54	1,936.52	1,069.11	1,050.84	146.45	42.08	104.37	104.37	-	497.08	74.42
5	Tata Motors Insurance Broking & Advisory Services Ltd (subsidiary w.e.f October 21, 2004)	India	INR	1.00	5.00	57.13	132.94	70.81	215.90	30.54	7.88	22.66	22.66	-	57.78	100.00
6	Tata Motors European Technical Centre Plc (subsidiary w.e.f September 1, 2005)	UK	GBP	100.77	474.57	(446.69)	168.77	140.89	185.75	(12.71)	1.59	(14.30)	(14.30)	-	-	100.00
7	TML Distribution Company Ltd (subsidiary w.e.f March 28, 2008)	India	INR	1.00	225.00	143.52	404.29	35.77	32.54	8.04	0.55	7.49	7.49	-	119.83	100.00
8	Tata Motors (SA) (Proprietary) Ltd (subsidiary w.e.f December 5, 2007)	South Africa	ZAR	4.95	12.98	5.51	271.61	253.12	136.99	2.24	0.62	1.62	1.62	-	-	60.00
9	TMF Holdings Ltd (Name changed from Tata Motors Finance Limited w.e.f. June 30, 2017) (subsidiary w.e.f June 1, 2006)	India	INR	1.00	3,128.28	2,122.96	7,999.14	2,747.90	57.77	(92.64)	17.42	(110.06)	(110.06)	-	843.71	100.00
10	Tata Motors Financial Solutions Ltd (subsidiary w.e.f January 19, 2015)	India	INR	1.00	1,700.50	(130.20)	8,222.64	6,652.34	735.91	202.38	(13.86)	216.24	216.24	-	370.97	100.00
11	Tata Marcopolo Motors Ltd (subsidiary w.e.f September 20, 2006)	India	INR	1.00	170.00	(111.45)	383.29	324.74	264.64	(91.34)	(0.04)	(91.30)	(91.30)	-	-	51.00
12	Tata Motors (Thailand) Ltd (subsidiary w.e.f February 28, 2008)	Thailand	THB	2.34	985.45	(1,610.88)	77.84	703.28	23.36	10.18	-	10.18	10.18	-	-	97.21
13	TML Holdings Pte Ltd, Singapore (subsidiary w.e.f February 4, 2008)	Singapore	GBP	100.77	12,691.10	(4,586.34)	19,084.00	10,979.25	-	(826.82)	0.02	(826.83)	(826.83)	-	201.53	100.00
14	Brabo Robotics and Automation Limited	India	INR	1.00	9.90	(15.83)	5.91	11.85	8.38	(33.64)	(0.10)	(33.54)	(33.54)	-	-	100.00
15	JT Special Vehicles Pvt. Limited (Ceased to be a JV and became a Wholly-owned Subsidiary	India	INR	1.00	5.00	(3.09)	3.37	1.45	27.03	18.97	(1.18)	20.15	20.15	-	-	100.00
16	TML Business Analytics Services Limited (Incorporated with effect from April 4, 2020)	India	INR	1.00	0.15	(9.42)	7.14	16.42	-	(9.42)	-	(9.42)	(9.42)	-	-	100.00
17	Tata Hispano Motors Carrocera S.A (subsidiary w.e.f October 16, 2009)	Spain	EUR	85.78	2.88	(867.36)	8.20	872.67	-	(17.73)	-	(17.73)	(17.73)	-	-	100.00
18	Tata Hispano Motors Carroceries Maghreb (subsidiary w.e.f June 23, 2014)	Morocco	MAD	8.07	146.30	(201.02)	40.84	95.55	0.11	(6.14)	-	(6.14)	(6.14)	-	-	100.00
19	Trilix S.r.l (subsidiary w.e.f October 4, 2010)	Italy	EUR	85.78	0.61	(30.44)	16.03	45.86	78.87	15.14	11.59	3.55	3.55	-	-	100.00
20	Tata Precision Industries Pte Ltd (subsidiary w.e.f February 15, 2011)	Singapore	SGD	54.36	41.56	(27.87)	14.01	0.31	-	10.22	-	10.22	10.22	-	-	78.39
21	PT Tata Motors Indonesia (subsidiary w.e.f December 29, 2011)	Indonesia	IDR	0.01	375.40	(81.24)	295.26	1.09	-	(0.86)	(0.02)	(0.84)	(0.84)	-	-	100.00
22	INCAT International Plc. (subsidiary w.e.f October 3, 2005)	UK	GBP	100.77	2.45	45.04	47.58	0.09	0.14	0.49	0.09	0.40	0.40	-	-	74.42
23	Tata Technologies Inc. (Including Midwest Managed Services Inc.which got merged into Tata Technologies Inc. w.e.f. Feb 28, 2018) (subsidiary w.e.f October 3, 2005)	USA	USD	73.11	875.19	(399.18)	625.82	149.81	771.11	77.83	20.63	57.20	57.20	-	-	74.48
24	Tata Technologies de Mexico, S.A. de C.V. (subsidiary w.e.f October 3, 2005)	Mexico	MXN	3.58	0.63	1.95	4.23	1.65	2.73	(1.00)	-	(1.00)	(1.00)	-	-	74.48
25	Cambric Limited, Bahamas (subsidiary w.e.f May 1, 2013)	Bahamas	USD	73.11	19.74	0.72	20.46	-	0.00	(0.02)	-	(0.02)	(0.02)	-	-	74.48

Sr. No	Subsidiary	Country	Reporting currency	Exchange Rate	Share capital (incl. advances towards capital where applicable)	Reserves and Surplus	Total Assets	Total Liabilities	Turnover	Profit/ (Loss) Before Tax	Tax Expense/ (Credit)	Profit/ (Loss) after tax	Profit/ (Loss) for the period/ year *	Proposed dividend and tax thereon	Investments (except in case of investment in the subsidiaries)	% of shareholding
26	Cambric GmbH (subsidiary w.e.f May 1, 2013)	Germany	EUR	85.78	-	-	-	-	-	0.08	-	0.08	0.08	-	-	74.48
27	Tata Technolgies SRL, Romania (erstwhile Cambric Consulting SRL was renamed w.e.f February 4, 2015) (subsidiary w.e.f May 1, 2013)	Romania	RON	17.23	5.36	54.53	67.41	7.52	64.91	5.31	0.76	4.55	4.55	-	-	74.48
28	Tata Manufacturing Technologies Consulting (Shanghai) Limited .(subsidiary w.e.f March 10, 2014)	China	CNY	11.16	3.43	35.89	59.57	20.24	46.70	(12.43)	0.00	(12.43)	(12.43)	-	-	74.42
29	Tata Technologies Europe Limited (subsidiary w.e.f October 3, 2005)	UK	GBP	100.77	0.11	893.38	1,167.38	273.89	668.63	96.04	18.41	77.63	77.63	-	-	74.42
30	Tata Technologies Nordics AB (Name changed from Escenda Engineering AB with effect from November 2,2020)	Sweden	SEK	8.38	0.18	6.68	70.16	63.30	86.87	0.42	(0.13)	0.55	0.55	-	-	74.42
31	INCAT GmbH (subsidiary w.e.f October 3, 2005)	Germany	EUR	85.78	1.41	18.86	20.33	0.07	0.34	0.40	1.35	(0.95)	(0.95)	-	-	74.42
32	Tata Technologies (Thailand) Limited (subsidiary w.e.f October 10, 2005)	Thailand	THB	2.34	8.25	(9.06)	7.09	7.89	9.64	(5.88)	-	(5.88)	(5.88)	-	-	74.42
33	TATA Technologies Pte Ltd. (subsidiary w.e.f December 7, 2005)	Singapore	USD	73.11	394.81	427.57	850.92	28.54	97.79	13.55	0.20	13.36	13.36	-	-	74.42
34	Jaguar Land Rover Automotive plc (subsidiary w.e.f June 2, 2008)	UK	GBP	100.77	15,121.28	6,257.14	77,910.61	56,532.19	-	3.01	-	3.01	3.01	-	-	100.00
35	Jaguar Land Rover Holdings Limited(formally known as Land Rover) (subsidiary w.e.f June 2, 2008)	UK	GBP	100.77	50.38	47,904.59	57,626.46	9,671.49	2.02	2,775.81	181.16	2,594.65	2,594.65	-	-	100.00
36	Jaguar Land Rover Limited (previously Jaguar Cars Limited) (subsidiary w.e.f June 2, 2008)	UK	GBP	100.77	35,878.00	12,075.60	313,385.81	265,432.22	168,110.84	(16,723.89)	136.83	(16,860.72)	(16,860.72)	-	-	100.00
37	Jaguar Land Rover North America, LLC. (subsidiary w.e.f June 2, 2008)	USA	USD	73.11	292.45	3,898.59	15,472.84	11,281.80	46,570.56	1,114.63	(25.70)	1,140.33	1,140.33	-	-	100.00
38	Jaguar Land Rover Deutschland GmbH (subsidiary w.e.fJune 2, 2008)	Germany	EUR	85.78	114.25	505.41	4,027.77	3,408.11	8,103.35	41.10	54.70	(13.60)	(13.60)	-	-	100.00
39	Jaguar Land Rover Belux N.V. (subsidiary w.e.f June 2, 2008)	Belgium	EUR	85.78	10.72	80.23	1,084.14	993.18	2,646.85	21.56	6.97	14.59	14.59	-	-	100.00
40	Jaguar Land Rover Austria GmbH (subsidiary w.e.f June 2, 2008)	Austria	EUR	85.78	1.24	90.94	602.60	510.41	1,466.45	15.78	3.91	11.87	11.87	-	-	100.00
41	Jaguar Land Rover Italia SpA (subsidiary w.e.f June 2, 2008)	Italy	EUR	85.78	353.97	371.45	3,482.03	2,756.62	6,104.90	58.55	23.77	34.78	34.78	-	-	100.00
42	Jaguar Land Rover Australia Pty Limited (subsidiary w.e.f June 2, 2008)	Australia	AUD	55.71	3.90	459.21	2,630.64	2,167.53	3,039.03	72.10	19.76	52.34	52.34	-	-	100.00
43	Jaguar Land Rover Espana SL	Spain	EUR	85.78	357.20	115.03	1,248.37	776.15	2,005.71	28.80	7.02	21.78	21.78	-	-	100.00
44	Jaguar Land Rover Nederland BV (subsidiary w.e.f June 2, 2008)	Holland	EUR	85.78	0.39	47.40	462.75	414.96	1,099.73	5.31	3.42	1.89	1.89	-	-	100.00
45	Jaguar Land Rover Portugal-Veiculos e Pecas, Lda. (subsidiary w.e.f June 2, 2008)	Portugal	EUR	85.78	11.41	54.97	246.90	180.53	419.12	12.18	2.59	9.59	9.59	-	-	100.00
46	Jaguar Land Rover (China) Investment Co Ltd	China	CNY	11.16	74.76	18,015.61	34,433.91	16,343.54	38,536.42	4,235.61	1,061.86	3,173.75	3,173.75	-	-	100.00
47	Shanghai Jaguar Land Rover Automotive Service Co. Ltd (subsidiary w.e.f March 10, 2014)	China LRE	CNY	11.16	17.85	(23.18)	21.34	26.66	6.91	0.40	1.03	(0.63)	(0.63)	-	-	100.00
48	Jaguar Land Rover Japan Limited (subsidiary w.e.f October 1, 2008)	Japan	JPY	0.66	31.72	310.01	1,210.32	868.59	2,321.28	40.50	20.13	20.37	20.37	-	-	100.00
49	Jaguar Land Rover Korea Co. Ltd.(subsidiary w.e.f June 2, 2008)	Korea	KRW	0.06	0.32	75.83	1,016.18	940.03	2,417.24	69.25	25.39	43.85	43.85	-	-	100.00
50	Jaguar Land Rover Canada, ULC (subsidiary w.e.f June 2, 2008)	Canada	CAD	58.03	-	642.06	2,447.32	1,805.25	4,513.34	59.82	10.51	49.31	49.31	-	-	100.00
51	Jaguar Land Rover France SAS (subsidiary w.e.f February 1, 2009)	France	EUR	85.78	37.44	57.35	1,511.66	1,416.86	5,071.56	68.51	22.71	45.81	45.81	-	-	100.00
52	Jaguar e Land Rover Brasil Indústria e Comércio de Veículos LTDA (subsidiary w.e.f June 2, 2008)	Brazil	BRL	12.89	795.05	(462.85)	1,452.77	1,120.57	1,616.75	25.31	21.81	3.50	3.50	-	-	100.00

Sr. No	Subsidiary	Country	Reporting currency	Exchange Rate	Share capital (incl. advances towards capital where applicable)	Reserves and Surplus	Total Assets	Total Liabilities	Turnover	Profit/ (Loss) Before Tax	Tax Expense/ (Credit)	Profit/ (Loss) after tax	Profit/ (Loss) for the period/ year *	Proposed dividend and tax thereon	Investments (except in case of investment in the subsidiaries)	% of shareholding
53	Limited Liability Company Jaguar Land Rover (Russia) (incorporated on 25-5-2008) (subsidiary w.e.f May 15, 2009)	Russia	RUB	0.97	4.68	174.28	1,248.59	1,069.63	4,238.02	230.61	53.77	176.84	176.84	-	-	100.00
54	Jaguar Land Rover (South Africa) Holdings Limited (subsidiary w.e.f February 2, 2009)	UK	GBP	100.77	0.00	31,228.64	32,118.87	890.22	-	5,545.67	98.03	5,447.64	5,447.64	-	-	100.00
55	Jaguar Land Rover (South Africa) (Pty) Limited (subsidiary w.e.f June 2, 2008)	South Africa	ZAR	4.95	0.00	73.89	979.48	905.59	1,810.29	281.56	78.98	202.58	202.58	-	-	100.00
56	Jaguar Land Rover India Limited (subsidiary w.e.f October 25, 2012)	India	INR	1.00	280.25	(88.89)	800.57	609.21	1,096.59	30.13	14.66	15.47	15.47	-	-	100.00
57	Daimler Transport Vehicles Limited (subsidiary w.e.f June 2, 2008) (dormant)	UK	GBP	100.77	-	-	-	-	-	-	-	-	-	-	-	100.00
58	S S Cars Limited (subsidiary w.e.f June 2, 2008) (dormant)	UK	GBP	100.77	-	-	-	-	-	-	-	-	-	-	-	100.00
59	The Lanchester Motor Company Limited (subsidiary w.e.f June 2, 2008) (dormant)	UK	GBP	100.77	-	-	-	-	-	-	-	-	-	-	-	100.00
60	The Daimler Motor Company Limited (subsidiary w.e.f June 2, 2008) (dormant)	UK	GBP	100.77	15.11	-	15.11	-	-	-	-	-	-	-	-	100.00
61	Jaguar Land Rover Pension Trustees Limited (subsidiary w.e.f June 2, 2008) (dormant)	UK	GBP	100.77	-	-	-	-	-	-	-	-	-	-	-	100.00
62	JLR Nominee Company Limited	UK	GBP	100.77	-	-	-	-	-	-	-	-	-	-	-	100.00
63	Jaguar Cars Limited (subsidiary w.e.f June 2, 2008) (dormant)	UK	GBP	100.77	-	-	-	-	-	-	-	-	-	-	-	100.00
64	Land Rover Exports Limited	UK	GBP	100.77	-	-	-	-	-	-	-	-	-	-	-	100.00
65	Land Rover Ireland Limited - (no longer a trading NSC) (subsidiary w.e.f June 2, 2008)	Ireland	EUR	85.78	0.00	4.92	19.34	14.43	-	-	-	-	-	-	-	100.00
66	Jaguar Cars (South Africa) (Pty) Ltd (subsidiary w.e.f June 2, 2008) (dormant)	South Africa	ZAR	4.95	-	-	-	-	-	-	-	-	-	-	-	100.00
67	Jaguar Land Rover Slovakia s.r.o. (JLRHL 0.01% and JLRL 99.99%)	Slovakia	EUR	85.78	5,361.23	440.08	9,624.66	3,823.36	2,347.33	106.04	-	106.04	106.04	-	-	100.00
68	Jaguar Land Rover Singapore Pte. Ltd (incorporated w.e.f November 25,2015) (subsidiary w.e.f November 25, 2015)	Singapore	SGD	54.36	4.08	37.61	175.11	133.43	200.74	16.05	3.42	12.64	12.64	-	-	100.00
69	Jaguar Racing Limited (Incorporated w.e.f. February 2, 2016) (subsidiary w.e.f February 2, 2016)	UK	GBP	100.77	0.00	27.87	81.58	53.70	-	6.50	-	6.50	6.50	-	-	100.00
70	InMotion Ventures Limited (Incorporated w.e.f. March 18, 2016) (subsidiary w.e.f March 18, 2016)	UK	GBP	100.77	0.00	(256.47)	224.38	480.85	-	(3.72)	-	(3.72)	(3.72)	-	-	100.00
71	In-Car Ventures Limited ((Formerly Lenny Insurance Limited name change on February 2, 2021) (100% Shareholding transferred from InMotion Ventures Limited to JLRHL on February 18, 2021)	UK	GBP	100.77	-	(91.76)	0.32	92.08	0.30	(75.33)	-	(75.33)	(75.33)	-	-	100.00
72	InMotion Ventures 2 Limited	UK	GBP	100.77	-	(57.50)	25.97	83.47	8.64	(13.84)	-	(13.84)	(13.84)	-	-	100.00
73	InMotion Ventures 3 Limited	UK	GBP	100.77	-	(20.95)	285.35	306.30	32.78	(12.47)	-	(12.47)	(12.47)	-	-	100.00
74	Jaguar Land Rover Colombia SAS (subsidiary w.e.f August 22, 2016)	Colombia	COP	0.02	43.54	(46.00)	72.95	75.42	101.36	27.22	17.56	9.66	9.66	-	-	100.00
75	Jaguar Landrover Mexico S.A.P I de C.V	Mexico	MXN	3.58	13.76	40.16	179.04	125.13	435.79	5.16	0.33	4.83	4.83	-	-	100.00
76	Jaguar Landrover Services Mexico S.A C.V	Mexico	MXN	3.58	-	-	-	-	-	-	-	-	-	-	-	100.00
77	Jaguar Land Rover Taiwan Company Pte. Ltd	Taiwan	TWD	2.57	9.88	31.66	312.32	270.78	1,287.43	40.92	8.29	32.63	32.63	-	-	100.00
78	Land Rover Ireland (Services) Limited	Ireland	EUR	85.78	0.00	79.50	203.31	123.80	184.38	76.94	4.85	72.09	72.09	-	-	100.00
79	Jaguar Land Rover Classic USA LLC (Incorporated w.e.f June 1, 2018) (dormant)	USA	USD	73.11	-	-	-	-	-	-	-	-	-	-	-	100.00
80	Jaguar Land Rover Classic Deutschland GmbH (Incorporated w.e.f. August 10,2018)	Germany	EUR	85.78	21.44	(17.87)	13.73	10.16	17.38	(5.68)	-	(5.68)	(5.68)	-	-	100.00
81	Jaguar Land Rover Hungary KFT (Incorporated w.e.f July 30, 2018)	Hungary	HUF	0.24	0.07	12.42	90.84	78.35	108.14	8.31	0.03	8.28	8.28	-	-	100.00

Sr. No	Subsidiary	Country	Reporting currency	Exchange Rate	Share capital (incl. advances towards capital where applicable)	Reserves and Surplus	Total Assets	Total Liabilities	Turnover	Profit/ (Loss) Before Tax	Tax Expense/ (Credit)	Profit/ (Loss) after tax	Profit/ (Loss) for the period/ year *	Proposed dividend and tax thereon	Investments (except in case of investment in the subsidiaries)	% of shareholding
82	Jaguar Land Rover (Ningbo) Trading Co., Ltd.	China	CNY	11.16	1.12	487.52	1,481.33	992.70	5,062.45	591.66	112.79	478.87	478.87	-	-	100.00
83	Jaguar Land Rover Ventures Limited	UK	GBP	100.77	-	-	-	-	-	-	-	-	-	-	-	100.00
84	Bowler Motors Limited (Name changed from Jaguar Land Rover Auto Ventures Limited on 28 January 2020)	UK	GBP	100.77	30.23	(29.46)	16.97	16.20	0.54	(8.01)	-	(8.01)	(8.01)	-	-	100.00
85	Spark44 (JV) Ltd (Shareholding changed from 50% to 50.50% w.e.f. August 31, 2017)	UK	GBP	100.77	20.27	275.49	548.53	252.77	17.60	17.31	1.11	16.19	16.19	-	-	50.50
86	Spark44 Limited (London & Birmingham)	UK	GBP	100.77	0.00	101.67	176.84	75.17	15.14	16.89	2.23	14.56	14.56	-	-	50.50
87	Spark44 LLC (LA & NYC)	USA	USD	73.11	-	30.26	38.16	7.90	0.05	1.93	(3.35)	5.28	5.28	-	-	50.50
88	Spark44 Canada Inc (Toronto)	Canada	CAD	58.03	-	4.87	7.83	2.96	-	0.62	0.12	0.50	0.50	-	-	50.50
89	Spark44 GmbH (Frankfurt)	Germany	EUR	85.78	0.18	6.52	22.06	15.35	1.03	(7.97)	(0.36)	(7.61)	(7.61)	-	-	50.50
90	Spark44 Communicacions SL (Madrid)	Spain	EUR	85.78	0.02	4.44	7.89	3.50	0.10	(0.44)	0.23	(0.67)	(0.67)	-	-	50.50
91	Spark44 SRL (Rome)	Italy	EUR	85.78	0.07	(0.88)	6.18	6.00	-	0.16	0.11	0.05	0.05	-	-	50.50
92	Spark44 Pty Ltd (Sydney)	Australia	AUD	55.71	0.00	3.84	4.96	1.11	-	1.22	0.37	0.85	0.85	-	-	50.50
93	Spark44 Middle East DMCC (Dubai)	UAE	AED	19.92	0.02	2.27	3.25	0.98	-	0.40	-	0.40	0.40	-	-	50.50
94	Spark44 Limited (Seoul)	Korea	KRW	0.06	0.00	0.00	0.00	0.00	-	0.00	0.00	0.00	0.00	-	-	50.50
95	Spark44 Pte Ltd (Singapore)	Singapore	SGD	54.36	-	1.78	2.58	0.92	-	0.64	0.05	0.59	0.59	-	-	50.50
96	Spark44 K.K. (Tokyo)	Japan	JPY	0.66	0.00	0.03	0.06	0.03	-	0.01	0.00	0.01	0.01	-	-	50.50
97	Spark44 Demand Creation Partners Pte Ltd (Mumbai)	India	INR	1.00	0.02	(0.02)	0.02	0.01	-	(0.00)	-	(0.00)	(0.00)	-	-	50.50
98	Spark44 South Africa (Pty) Limited	South Africa	ZAR	4.95	0.00	0.09	0.20	0.12	-	0.00	0.00	0.00	0.00	-	-	50.50
99	Spark44 Limited (Shanghai)	China	CNY	11.16	0.12	3.21	5.79	2.54	0.18	1.26	0.32	0.94	0.94	-	-	50.50
100	Spark44 Taiwan Limited (Taiwan) (Incorporated w.e.f. May 7,2018)	Taiwan	TWD	2.57	0.00	0.01	0.04	0.03	-	(0.00)	0.00	(0.00)	(0.00)	-	-	50.50
101	Spark44 Colombia S.A.S (Colombia) (Incorporated w.e.f. May 10,2018)	Colombia	COP	0.02	0.00	(0.00)	0.00	0.00	-	0.00	0.00	0.00	0.00	-	-	50.50
102	TMNL Motor Services Nigeria Ltd (incorporated w.e.f September 2, 2015) (subsidiary w.e.f September 2, 2015)	Nigeria	NGN	0.18	0.33	(0.57)	-	0.24	-	(0.02)	-	(0.02)	(0.02)	-	-	100.00
103	Tata Daewoo Commercial Vehicle Sales and Distribution Co. Ltd. (subsidiary w.e.f April 9, 2010)	South Korea	KRW	0.06	4.00	12.23	82.17	65.94	67.49	(1.65)	(0.30)	(1.35)	(1.35)	-	-	100.00
104	PT Tata Motors Distribusi Indonesia (subsidiary w.e.f February 11, 2013)	Indonesia	IDR	0.01	292.41	(286.64)	99.19	93.42	11.23	(23.64)	(0.02)	(23.34)	(23.34)	-	-	100.00
	Details of Direct subsidiaries, on consolidated basis including their respective subsidiaries included above															
1	Tata Technologies Limited (subsidiary w.e.f September 10, 1997)				41.81	2,083.88	3,556.19	1,430.51	2,388.33	315.28	76.09	239.19	239.19	-	497.07	74.42
2	Tata Motors Finance Holdings Ltd (subsidiary w.e.f June 1, 2006)				4,332.01	397.93	45,700.54	40,970.60	4,490.38	288.77	(3.18)	291.95	291.95	-	2,084.48	100.00
3	TML Holdings Pte Ltd, Singapore** (subsidiary w.e.f February 4, 2008)				-	-	-	-	-	-	-	-	-	-	-	100.00
	TML Holdings Pte Ltd, Singapore holds fully Jaguar Land Rover Automtive Plc,Tata Daewoo Commercial Vehicle Co. Ltd. and PT Tata Motors Indonesia, the consolidated accounts of which are given below :															
1	Jaguar Land Rover Automotive Plc Consolidated (subsidiary w.e.f June 2, 2008)				11,282.71	41,734.57	237,300.85	184,283.57	193,782.73	(8,256.40)	2,278.69	(10,535.09)	(10,535.09)	-	16,095.38	100.00
2	Tata Daewoo Commercial Vehicle Co. Ltd (subsidiary w.e.f March 30, 2004)				57.57	1458.56	3,393.36	1,877.33	3,315.73	(91.11)	53.30	(144.41)	(144.42)	-	-	100.00
3	PT Tata Motors Indonesia (subsidiary w.e.f December 29, 2011)				150.06	375.21	2,354.10	1,828.83	1,983.69	(82.44)	23.87	(106.31)	(106.31)	-	-	100.00

* Profit for the year is after share of minority interest and share of profit/(loss) in respect of investment in associate companies.

STATEMENT PURSUANT TO SECTION 129 (3) OF THE COMPANIES ACT, 2013 RELATED TO ASSOCIATE COMPANIES AND JOINT VENTURES

PART - B

Sr. No	Name of Associates/Joint Ventures	Shares of Associate/Joint Ventures held by the company on the year end					Profit/(loss) for the year			
		Latest audited Balance Sheet Date	No.	Amount of Investment in Associates/ Joint Venture (₹ in crore)	Extent of Holding %	Networth attributable to Shareholding as per latest audited Balance Sheet (₹ in crore)	Considered in Consolidation (₹ in crore)	Not Considered in Consolidation (₹ in crore)	Description of how there is significant influence	Reason why the associate/ joint venture is not consolidated
	Joint Operations									
1	Fiat India Automobiles Private Limited	March 31, 2021	122,257,983	1,567.04	50.00%	2,214.37	288.67	-	Note (a)	-
2	Tata Cummins Private Ltd	March 31, 2021	90,000,000	90.00	50.00%	632.89	70.70	-	Note (a)	-
	Joint ventures									
1	Chery Jaguar Land Rover Automotive Co Ltd	March 31, 2021	-	2,126.45	50.00%	3,168.04	(417.41)	-	Note (a)	-
2	Tata HAL Technologies Limited	March 31, 2021	50,70,000	-	37.21%	-	-	-	There is no significant influence.	Provision for impairment was considered in full in FY 16-17
3	Loginomic Tech Solutions Private Limited ("TruckEasy")	March 31, 2021	665,000	-	26.00%	-	-	-	Note (a)	-
	Associates									
1	Tata AutoComp Systems Ltd	March 31,2021	52,333,170	77.47	26.00%	251.29	(30.30)	-	Note (b)	-
2	Nita Company Ltd	March 31,2021	16,000	1.27	40.00%	33.76	(4.95)	-	Note (b)	-
3	Automobile Corporation of Goa Ltd	March 31,2021	29,82,214	108.22	49.77%	136.87	(5.43)	-	Note (b)	-
4	Jaguar Cars Finance Limited	March 31, 2021	49,900	3.61	49.90%	2.73	-	-	Note (b)	-
5	Synaptiv Limited	March 31, 2021	15,600,000	1.57	37.50%	0.79	-	-	Note (b)	-
6	CloudCar Inc	March 31, 2021	133,255,012	-	26.30%	-	-	-	Note (b)	-
7	DriveClubService Pte. Ltd.	March 31, 2021	251	2.02	25.07%	-	-	-	Note (b)	-
8	Jaguar Land Rover Switzerland AG (Jaguar Land Rover Limited increased its shareholding from 10% to 30% w.e.f. November 25, 2020)	March 31, 2021	300	10.08	30.00%	10.08			Note (b)	-
9	Tata Hitachi Construction Machinery Company Private Ltd	March 31,2021	45,428,572	238.50	39.99%	590.05	25.04	-	Note (b)	-
10	Tata Precision Industries (India) Limited	March 31,2021	200,000	-	39.19%	3.91	-	-	Note (b)	-

Unaudited financials considered for Consolidation

Note :

(a) - There is a significant influence by virtue of joint control

(b) - There is a significant influence due to percentage (%) of share capital

Notice

(PURSUANT TO SECTION 101 OF THE COMPANIES ACT, 2013)

Dear Member,

NOTICE IS HEREBY GIVEN THAT THE SEVENTY SIXTH ANNUAL GENERAL MEETING OF TATA MOTORS LIMITED will be held on Friday, July 30, 2021 at 3:00 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, 2021 together with the Reports of the Board of Directors and the Auditors thereon.
2. To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2021 together with the Report of the Auditors thereon.
3. To appoint a Director in place of Mr N Chandrasekaran (DIN: 00121863) who, retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

4. Appointment of Mr Mitsuhiko Yamashita (DIN: 08871753) as a Director

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

"RESOLVED that Mr Mitsuhiko Yamashita (DIN: 08871753), who was appointed by the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, as an Additional Director of the Company w.e.f. September 16, 2020 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 132 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. Appointment of Mr Thierry Bolloré (DIN: 08935293) as a Director

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

"RESOLVED that Mr Thierry Bolloré (DIN: 08935293), who was appointed by the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, as an Additional Director of the Company w.e.f October 27, 2020 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 132 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."

6. Appointment of Mr Kosaraju V Chowdary (DIN: 08485334) as a Director and as an Independent Director

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

"RESOLVED that Mr Kosaraju V Chowdary (DIN: 08485334), who was appointed as an Additional Director of the Company with effect from October 27, 2020 by the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, and who holds office upto the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 ('Act') (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Article 132 of the Articles of Association of the Company, but who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member proposing his 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, 150, 152 and other applicable provisions, if any, of the Act read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') the appointment of Mr Kosaraju V Chowdary, that meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, for a term of five years commencing from October 27, 2020 up to October 26, 2025 and who would not be liable to retire by rotation, be and is hereby approved."

7. Re-appointment of Mr Guenter Butschek (DIN: 07427375) as the Chief Executive Officer and Managing Director and payment of remuneration for the period February 15, 2021 to June 30, 2021

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

"RESOLVED that based on the recommendation of the Nomination and Remuneration Committee and pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, read alongwith Schedule V of the Companies Act, 2013 ('Act') (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time and subject to the approval of the Central Government and on such conditions and modifications as may be prescribed or imposed, if any, whilst granting such approval, the consent of the Members be and is hereby accorded to the re-appointment and terms of remuneration of Mr Guenter Butschek (DIN: 07427375) as the Chief Executive Officer and Managing Director of the Company ('MD') for a period from February 15, 2021 upto June 30, 2021, upon the following terms and conditions, including the remuneration to be paid in the event of loss or inadequacy of profits, calculated under Section 198 of the Act, in any financial year during his tenure, with liberty to the Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Directors and Mr Butschek:

I. NATURE OF DUTIES:

The MD shall, devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board from time to time and separately communicated to him. Subject to the superintendence, control and directions of the Board, the MD be entrusted with substantial powers of management which are in connection with and in the best interests of the business of the Company and the business of any one or more of its subsidiaries and/or associate companies, including performing duties as assigned by the Board from time to time by serving on the boards of such associate companies and/ or subsidiaries or any other executive body or any committee of such a company.

II. REMUNERATION:

a) **Basic Salary:** €27,500 per month

b) **Benefits, Perquisites and Allowances:**

Details of Benefits, Perquisites and Allowances are as follows:

(i) Living allowance of €110,000 per month intended to support the transition for Mr Butschek (who is a German citizen) to India.

(ii) Rent-free residential accommodation (furnished or otherwise) with the Company bearing the cost of repairs, maintenance, society charges and utilities (e.g. gas, electricity and water charges) for the said accommodation.

(iii) Reimbursement of hospitalization and major medical expenses incurred as per rules of the Company.

(iv) Two Company maintained cars with drivers as per Company Policy.

(v) Telecommunication facility as per rules of the Company.

(vi) Other perquisites and allowances given below:-

- Medical Insurance Plan with global cover for self and spouse.
- Business Class travel, four times a year for self and spouse to Austria.
- Personal Accident Insurance Premium.
- Premium towards policy for compensating loss of life.
- Annual club membership fees.

(vii) Retirement benefits will be limited to contributions to Provident Fund and Gratuity Fund only as per the Rules of the Company.

(viii) Additional payment of €204,000 per annum in lieu of loss of pension in home country. This payment will be made after adjusting for contributions made towards elements of pension in India, listed in (vii) above.

(ix) Leave entitlement as per rules of the Company. Unavailed leave would lapse if not availed during the said term.

(x) Relocation expenses from Mumbai to his hometown at the end of his above tenure.

c) **Incentive Remuneration** in the form of:

(i) **Performance Linked Bonus:** The target performance linked bonus will be €5,50,000 per annum upto a maximum of €8,25,000 per annum. This performance linked bonus would be payable subject to the achievement of certain performance criteria and such other parameters as may be considered appropriate from time to time by the Board which will be payable after the Annual Accounts have been approved. An indicative list of factors that may be considered for determining the extent of performance linked bonus by the Board as recommended by the Nomination and Remuneration Committee of Directors are:

- Company performance on certain defined qualitative and quantitative parameters as may be decided by the Board from time to time.
- Industry benchmarks of remuneration.
- Performance of the individual.

(ii) **Long Term Incentive:** With the objective of achieving long term value creation through retention and continuity of the leadership, it is intended that a long term incentive plan would be made available. The value of the long term incentive plan is intended to be a target of €5,50,000 per annum but not exceeding €8,25,000 per annum. This incentive would be payable subject to the achievement of certain performance criteria and such other parameters as may be considered appropriate from time to time by the Board. No amount would be payable if termination of the agreement is initiated by the MD prior to completion of the term.

III. FOREIGN EXCHANGE CONVERSION AND TAXES:

The above remuneration would be paid in rupee equivalent according to the prevalent €/₹ rate at the time of each payment and would be subject to deduction of all applicable taxes at source. All applicable taxes would be payable by and to the account of Mr Butschek, except for certain categories of benefits and perquisites.

IV. MINIMUM REMUNERATION:

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the MD, the Company has no profits or its profits are inadequate, the Company will pay to the MD remuneration by way of basic salary, benefits, perquisites and allowances, incentive remuneration and retirement benefits as specified above.

V. OTHER TERMS OF APPOINTMENT:

i. The terms and conditions of the said appointment may be altered and varied from time to time by the Board as it may, in its discretion deem fit, irrespective of the limits stipulated under Schedule V to the Act or any amendments made hereafter in this regard in such manner as may be agreed to between the Board and the MD, subject to such approvals as may be required.

ii. The MD shall not become interested or otherwise concerned, directly or through his spouse and/or children, in any selling agency of the Company.

iii. The Contract with the MD may be terminated earlier, without any cause by either party giving to the other party three months' notice of such termination or the Company paying three months' remuneration which shall be limited to provision of basic salary, benefits, perquisites and allowances (including Living Allowance) and any pro-rated incentive remuneration, in lieu of such notice. Additionally, in case of termination initiated by the Company before the end of the Term for the reasons other than Tata Code of Conduct ('TCoC'), the MD shall be entitled to severance pay for balance term of the agreement and which shall be limited to provision of basic salary, living allowance and any pro-rated incentive remuneration.

iv. This appointment may not be terminated by the Company without notice or payment in lieu of notice except for reasons of breach of TCoC. In case of breach of TCoC, MD shall not be entitled to Severance.

v. In the event the MD is not in a position to discharge his official duties due to any physical or mental incapacity, he shall be entitled to receive notice pay and the severance as mentioned above and this contract shall stand terminated.

vi. Upon the termination by whatever means of employment of the MD:

- the MD shall immediately cease to hold offices held by him in any subsidiaries or associate companies without claim for compensation for loss of office by virtue of Section 167(1)(h) of the Act and shall resign as trustee of any trust connected with the Company.
- the MD shall not without the consent of the Board at any time thereafter represent himself as connected with the Company or any of its subsidiaries or associate companies.

vii. All Personnel Policies of the Company and the related Rules which are applicable to other employees of the Company shall also be applicable to the MD, unless specifically provided otherwise.

viii. If and when the Agreement expires or is terminated for any reason whatsoever, the appointee will cease to be the Chief Executive Officer and MD and also cease to be a Director. If at any time, the appointee ceases to be a Director of the Company for any reason whatsoever, he shall cease to be the MD and the Agreement shall forthwith terminate. If at any time, the appointee ceases to be in the employment of the Company for any reason whatsoever, he shall cease to be a Director and Chief Executive Officer and MD of the Company.

ix. The terms and conditions of appointment with the MD also include clauses pertaining to adherence with the TCoC, no conflict of interest with the Company, protection and use of Intellectual Properties, non-solicitation post termination of agreement and maintenance of confidentiality.

RESOLVED FURTHER that the Board of Directors or a Committee thereof, be and is hereby, authorized to take all such steps as may be necessary for obtaining necessary approvals - statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such other acts, deeds, matters and things that may be necessary, proper, expedient or incidental for giving effect to this Resolution."

8. Appointment of Mr Girish Wagh (DIN: 03119361) as a Director

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

"RESOLVED that Mr Girish Wagh (DIN: 03119361), who was appointed by the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, as an Additional Director of the Company w.e.f. July 1, 2021 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 132 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."

9. Appointment of Mr Girish Wagh (DIN: 03119361) as Executive Director and payment of remuneration

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

"RESOLVED that based on the recommendation of the Nomination and Remuneration Committee and pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, read with Schedule V of the Companies Act, 2013 ('Act') (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, the consent of the Members be and is hereby accorded to the appointment and terms of remuneration of Mr Girish Wagh (DIN: 03119361) as the Executive Director of the Company for a period of 5 years with effect from July 1, 2021 upto June 30, 2026, upon the following terms and conditions, including the remuneration to be paid in the event of loss or inadequacy of profits, as calculated under Section 198 of the Act, in any financial year during his tenure, with liberty to the Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Directors and Mr Wagh:

I. NATURE OF DUTIES:

The Executive Director shall, devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company and the business of one or more of its associated companies and / or subsidiaries, including performing duties as assigned to the Executive Director from time to time by serving on the boards of such associated companies and / or subsidiaries or any other executive body or any committee of such a company.

II. REMUNERATION:

a) **Basic Salary:** ₹7,50,000/- per month; upto a maximum of ₹15,00,000/- per month.

The annual increment which will be effective 1st April each year, will be decided by the Board based on the recommendation of the Nomination and Remuneration Committee ('NRC') in consonance with individual performance and the performance of the Company, within the aforementioned maximum basic salary limit. The annual increment that would be effective on 1st April every year, would be limited upto an amount not exceeding 20% of the basic salary as may be decided by the Board in the above manner.

b) **Benefits, Perquisites and Allowances:**

Details of Benefits, Perquisites and Allowances are as per the rules of the Company, as follows:

– House Rent and Maintenance Allowance of 50% of Basic Salary; Medical insurance cover and domiciliary expenses; Life insurance cover; Car facility; Telecommunication facility; Club Membership; Leave and encashment of unavailed leave.

– Other perquisites and allowances given below:

a)	Leave Travel Concession/Allowance	8% of basic salary
b)	Other Allowances	100% of basic salary

– Retirement benefits: Contribution to Provident Fund, Superannuation Fund or Annuity Fund and Gratuity Fund as per the rules of the Company.

c) **Performance Linked Bonus:**

The target performance linked bonus will be 150% of basic salary per annum upto a maximum of 225% of basic salary per annum. This Performance Linked Bonus would be payable subject to the achievement of certain performance criteria and such other parameters as may be considered appropriate from time to time by the Board which will be payable annually after the Annual Accounts have been approved.

An indicative list of factors that may be considered for determining the extent of performance linked bonus, by the Board (recommended by the NRC) are:

- Company performance on certain defined qualitative and quantitative parameters as may be decided by the Board from time to time.
- Industry benchmarks of remuneration.
- Performance of the individual.

d) Employees Stock Option Plan ('ESOP') or Performance Share Award Plan ('PSP') and such other Long Term Incentive Plan ('LTIP') as per rules of the Company.

III. MINIMUM REMUNERATION:

Notwithstanding anything to the contrary herein contained, where in any financial year during the period of 3 years in the currency of the tenure of the Executive Director, the Company has no profits or its profits are inadequate, the Company will pay to the Executive Director remuneration by way of basic salary, benefits, perquisites and allowances, performance bonus (not exceeding 187.5% of basic salary) and Long Term incentive plan and retirement benefits, as specified above.

IV. OTHER TERMS OF APPOINTMENT:

a) The terms and conditions of the said appointment may be altered and varied from time to time by the Board as it may, in its discretion deem fit, irrespective of the limits stipulated under Schedule V to the Act or any amendments made hereafter in this regard in such manner as may be agreed to between the Board and the Executive Director, subject to such approvals as may be required.

b) The Executive Director shall not become interested or otherwise concerned, directly or through his spouse and/or children, in any selling agency of the Company.

c) This appointment may be terminated by either party by giving to the other party six months' notice of such termination or the Company paying six months' remuneration, which shall be limited to provision of Salary, Benefits, Perquisites, Allowances and any Incentive Remuneration, including Stock Option plans, Performance Share plans (paid at the discretion of the Board), in lieu of such notice.

d) The employment of the Executive Director, may be terminated by the Company without notice or payment in lieu of notice:

- if the Executive Director is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associate company to which he is required by the Agreement to render services; or
- in the event of any serious repeated or continuing breach (after prior warning) or non-observance by the Executive Director, of any of the stipulations contained in the Agreement to be executed between the Company and the Executive Director; or
- in the event the Board expresses its loss of confidence in the Executive Director.

e) in the event the Executive Director is not in a position to discharge his official duties due to any physical or mental incapacity, the Board shall be entitled to terminate his contract on such terms as the Board may consider appropriate in the circumstances.

f) Upon the termination by whatever means of employment of the Executive Director:

- the Executive Director shall immediately cease to hold offices held by him in any holding company, subsidiaries or associate companies without claim for compensation for loss of office by virtue of Section 167(1)(h) of the Act and shall resign as trustee of any trust connected with the Company.
- the Executive Director shall not without the consent of the Board at any time thereafter represent himself as connected with the Company or any of its subsidiaries or associate companies.

g) All Personnel Policies of the Company and the related rules which are applicable to other employees of the Company shall also be applicable to the Executive Director, unless specifically provided otherwise.

h) If and when the Agreement expires or is terminated for any reason whatsoever, the appointee will cease to be the Executive Director and also cease to be a Director. If at any time, the appointee ceases to be a Director of the Company for any reason whatsoever, he shall cease to be the Executive Director and the Agreement shall forthwith terminate. If at any time, the appointee ceases to be in the employment of the Company for any reason whatsoever, he shall cease to be a Director and Executive Director of the Company.

i) The terms and conditions of appointment with the Executive Director also include clauses pertaining to adherence with the Tata Code of Conduct, no conflict of interest with the Company, protection and use of Intellectual Properties, non-solicitation post termination of agreement and maintenance of confidentiality.

RESOLVED FURTHER that the Board of Directors or a Committee thereof, be and is hereby, authorized to take all such steps as may be necessary for obtaining necessary approvals - statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such other acts, deeds, matters and things that may be necessary, proper, expedient or incidental for giving effect to this Resolution."

10. Remuneration to Non-Executive Directors (including Independent Directors)

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

"RESOLVED that in partial modification of the resolution at Item No. 5 passed by the Members at the Annual General Meeting held on July 30, 2019, based on the recommendation of the Nomination and Remuneration of Committee ('NRC') and pursuant to the provisions of Sections 149, 197, Schedule V and other applicable provisions of the Companies Act, 2013 ('Act') (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Regulation 17(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') as amended from time to time, read with the Articles of Association of the Company, consent of the Company be and is hereby accorded for payment of remuneration to the Non-Executive Directors, including Independent Directors, of the Company (i.e. Directors other than the Managing Director and/or Whole Time Directors) in case of no / inadequate profits, as calculated under Section 198 of the Act, for the three Financial Years 2020-21, 2021-22 and 2022-23, in accordance with the limits prescribed under Schedule V of the Act and the same be paid and distributed amongst such Directors in such a manner as the Board of Directors may from time to time determine."

11. Tata Motors Limited Share-based Long Term Incentive Scheme 2021 and grant of stock options and / or performance share units to the Eligible Employees under the Scheme

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

"RESOLVED that based on the recommendations of the Nomination and Remuneration of Committee ('NRC') and pursuant to the provisions of Section 62(1)(b) and other applicable provisions of the Companies Act, 2013 ('Act') read with relevant rules made thereunder, provisions of Foreign Exchange Management Act, 1999, the rules and regulations framed thereunder and any rules, circulars, notifications, guidelines and regulations issued by the Reserve Bank of India ('FEMA'), provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ('SBEB Regulations'), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), provisions of any regulations/ guidelines prescribed by the Securities and Exchange Board of India ('SEBI') and other applicable laws for the time being in force (including any amendment thereto or modification(s) or re-enactment(s) thereof from time to time), relevant provisions of Memorandum of Association and Articles of Association of the Company and subject to any applicable approval, consent, permission and sanction of any authority(ies) and also any condition(s) and modification(s) as may be prescribed or imposed by such authority(ies) while granting any such approval, consent, permission and sanction, and subject to acceptance of such condition(s) or modification(s) by the Board of Directors of the Company (hereinafter referred to as the 'Board', which term shall include NRC or their delegated authority to exercise its powers, including the powers conferred by this Resolution), the consent of the Members be and is hereby accorded to the Board to adopt and implement the 'Tata Motors Limited Share-based Long Term Incentive Scheme 2021' ('TML SLTI Scheme 2021' / 'the Scheme') (the salient features of the Scheme are furnished in the Explanatory Statement to this Notice) and to create, offer and grant such number of performance share units and/or stock options (hereinafter referred to as PSUs and/or 'Options') and to issue and allot such number of Ordinary Shares not exceeding 75,00,000 (Seventy Five Lakh Only) PSUs, representing in the aggregate 0.198% of the issued share capital of the Company and not exceeding 14,00,000 (Fourteen Lakh Only) Options, representing in the aggregate 0.037% of the issued share capital, from time to time, to the permanent employees of the Company, whether working in India or out of India, present or future, and to any whole-time director as may be decided by the Board and permitted under the SBEB Regulations, but does not include an employee who is a promoter or a person belonging to the promoter group, independent directors and a director who either by himself or through his relative or through any body corporate, holds directly or indirectly more than 10% of the outstanding equity shares of the Company ('Eligible Employees'), with each PSUs and/or 'Options' giving a right, but not an obligation, to the Eligible Employees to subscribe to one fully paid-up Ordinary Share of the face value of ₹2/- (Rupees Two Only), (a) at a price of ₹2/- (Rupees Two Only) per Ordinary Share in case of PSUs; and (b) at a price of ₹338/- (Rupees Three Hundred and Thirty Eight Only) per Ordinary Share in case of Options, and that the grant of PSUs and/or Options, vesting and exercise thereof shall be in one or more tranches and on such terms and conditions, as may be determined by the Board in accordance with the provisions of the Scheme, the accounting policies, SBEB Regulations and in due compliance with the applicable laws and regulations in force.

RESOLVED FURTHER that the Ordinary Shares to be issued pursuant to the Scheme shall rank *pari passu* in all respects with the existing Ordinary Shares of the Company.

RESOLVED FURTHER that in case of any corporate action(s) such as rights issues, bonus issues, stock splits, consolidation of shares, change in capital structure, merger, sale of division/ undertaking or other re-organization, the outstanding PSUs and/ or Options to be granted under the Scheme shall be suitably adjusted for the number of PSUs and/or Options as well as their exercise price, as applicable and that the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may deem fit in its absolute discretion and as permitted under applicable laws, so as to ensure that fair and equitable benefits under the Scheme are passed on to the Eligible Employees.

RESOLVED FURTHER that the Board be and is hereby authorized to approve the grant letter, application form, Performance Share Unit / Stock Option agreement and other related documents, to grant PSUs and/or 'Options' to the Eligible Employees (including deciding the number of PSUs and/or 'Options' to be granted to Eligible Employees at same work level), to allot Ordinary Shares upon exercise of PSUs and/or 'Options' by the Eligible Employees, to take necessary steps for listing of the Ordinary Shares allotted under the Scheme on the stock exchanges, to make any modifications/changes/variations/alterations/ revisions in the Scheme or suspend/ withdraw/revive the Scheme from time to time in conformity with the applicable laws, Memorandum of Association and Articles of Association of the Company as may be required, in case of any change in applicable laws or as specified by any statutory authority, without being required to seek any further consent or approval of the Members to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution provided that such change is not detrimental to the interest of the Eligible Employees, to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient or proper and to settle all questions, difficulties or doubts that may arise in relation to the implementation, administration and evolution of the Scheme.

RESOLVED FURTHER that the Company shall conform to the accounting policies prescribed from time to time under SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to the TML SLTI Scheme 2021."

12. Extending the Tata Motors Share-based Long Term Incentive Scheme 2021 to eligible employees of certain subsidiary companies of the Company.

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

"RESOLVED that based on the recommendation of the Nomination and Remuneration of Committee ('NRC') and pursuant to the provisions of Section 62(1)(b) and other applicable provisions of the Companies Act, 2013 ('Act') read with relevant rules made thereunder, provisions of Foreign Exchange Management Act, 1999, the rules and regulations framed thereunder and any rules, circulars, notifications, guidelines and regulations issued by the Reserve Bank of India ('FEMA'), provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ('SBEB Regulations'), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), provisions of any regulations/guidelines prescribed by the Securities and Exchange Board of India ('SEBI') and other applicable laws for the time being in force (including any amendment thereto or modification(s) or re-enactment(s) thereof from time to time), relevant provisions of Memorandum of Association and the Articles of Association of the Company and subject to any applicable approval, consent, permission and sanction of any authority(ies) and also any condition(s) and modification(s) as may be prescribed or imposed by such authority(ies) while granting such approval, consent, permission and sanction, and subject to acceptance of such condition(s) or modification(s) by the Board of Directors of the Company (hereinafter referred to as the 'Board', which term shall include NRC or their delegated authority to exercise its powers, including the powers conferred by this Resolution), the consent of the Members be and is hereby accorded to the Board to extend the benefit and coverage of the 'Tata Motors Limited Share-based Long Term Incentive Scheme 2021' ('TML SLTI Scheme 2021'/'the Scheme') referred to in resolution under Item No. 11 of this Notice, for issue of performance share units and/or Options to such Eligible Employees (as defined in the TML SLTI Scheme 2021), of any present and future subsidiary companies of the Company ('Eligible Employees of subsidiary companies'), selected on the basis of criteria decided by the Board thereof in the manner, including the exercise price.

RESOLVED FURTHER that the Board be and is hereby authorized to approve the grant letter, application form, Performance Share Unit / Stock Option agreement and other related documents, to grant PSUs and/or Options to the Eligible Employees of subsidiary companies (including deciding the number of PSUs and/or Options to be granted to Eligible Employees of subsidiary companies at same work level), to allot Ordinary Shares upon exercise of PSUs and/or Options by the Eligible Employees of subsidiary companies, to take necessary steps for listing of the Ordinary Shares allotted under the Scheme on the stock exchanges, to make any modifications/changes/variations/ alterations/revisions in the Scheme or suspend/withdraw/revive the Scheme from time to time, in conformity with the applicable laws, Memorandum of Association and Articles of Association of the Company as may be required, in case of any change in applicable laws or as specified by any statutory authority, without being required to seek any further consent or approval of the Members to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution provided that such change is not detrimental to the interest of the Eligible Employees of subsidiary companies, to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient or proper and to settle all questions, difficulties or doubts that may arise in relation to the implementation, administration and evolution of the Scheme."

13. Appointment of Branch Auditors

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

"RESOLVED that pursuant to the provisions of Section 143(8) and 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 the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Board of Directors be and is hereby authorised to appoint Branch Auditor(s) of any Branch Office of the Company, whether existing or which may be opened/acquired hereafter, outside India, in consultation with the Company's Auditors, any persons, qualified to act as Branch Auditors within the provisions of Section 143(8) of the Act and to fix their remuneration."

14. 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 ₹5,00,000/- (Rupees Five Lakhs Only) 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, 2022."

By Order of the Board of Directors

HOSHANG K SETHNA
Company Secretary
FCS No: 3507

Mumbai, June 23, 2021
Registered Office:
Bombay House, 24, Homi Mody Street, Mumbai 400 001
Tel: +91 22 6665 8282
Email: inv_rel@tatamotors.com; Website: www.tatamotors.com
CIN: L28920MH1945PLC004520

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 No.02/2021 dated January 13, 2021 (collectively referred to as 'MCA Circulars') and the Securities and Exchange Board of India ('SEBI') vide its circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 in relation to 'Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 – COVID-19 pandemic' and circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 (collectively referred to as 'SEBI 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'), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and MCA Circulars, **the 76th AGM of the Company is being held through VC/OAVM on Friday, July 30, 2021 at 3.00 p.m. IST.** The deemed venue for the AGM will be the Registered Office of the Company Bombay House, 24 Homi Mody Street, Mumbai 400 001.

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 14 of the accompanying Notice, are considered to be unavoidable by the Board and hence, form part of this Notice.

3. The Explanatory Statement pursuant to Section 102 of the Act in respect of the business under Item Nos. 4 to 14 set out above and the relevant details of the Directors seeking appointment/re- appointment at this AGM as required under Regulation 36(3) of the SEBI Listing Regulations and 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 Directors 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 AND THE SEBI 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. Institutional investors and corporate Members are encouraged to attend and vote at the 76th AGM through VC/ OAVM facility. Institutional investors and corporate Members intending to appoint their authorized representatives pursuant to Sections 112 and 113 of the Act, as the case maybe, to attend the AGM through VC/OAVM or to vote through remote e-voting are requested to send a certified copy of the Board Resolution to the Scrutinizer by email at tml.scrutinizer@gmail.com with a copy marked to evoting@nsdl.co.in.

6. Only registered Members (including the holders of 'A' Ordinary Shares) of the Company may attend and vote at the AGM through VC/OAVM facility. The holders of the American Depositary Receipts ('ADR') of the Company shall not be entitled to attend the said AGM. However, the ADR holders are entitled to give instructions for exercise of voting rights at the said Meeting through the Depositary, to give or withhold such consent, to receive such notice or to otherwise take action to exercise their rights with respect to such underlying shares represented by each such ADR. A brief statement, as to the manner in which such voting instructions may be given, is being sent to the ADR holders by the Depositary.

7. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

8. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

9. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 Members on a first come first served basis as per the MCA Circulars. This will not include large shareholders (shareholders holding 2% or more shareholding), Promoter/Promoter Group, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

10. In line with the General Circulars No. 20/2020 dated May 5, 2020 and No. 02/2021 dated January 13, 2021, issued by the MCA and the SEBI Circulars, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories/RTA. The Notice of AGM and Annual Report 2020-21 are available on the Company's website viz. www.tatamotors.com and may also be accessed from the relevant section of the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also available on the website of NSDL at www.evoting.nsdl.com

11. 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 76th AGM, Members may access the scanned copy of Register of Directors and Key Managerial Personnel 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; the certificate from the Statutory Auditors of the Company stating that the Company has implemented the Tata Motors Limited Employees Stock Option Scheme 2018 ('Scheme') in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; and the special resolution passed by the Members of the Company approving the Scheme on August 3, 2018. Members desiring inspection of statutory registers and other relevant documents may send their request in writing to the Company at inv_rel@tatamotors.com

12. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Members' Referencer available on the Company's website under Investor resources. Members are requested to submit the said details to their Depository Participants in case the shares are held by them in electronic form and to the Company's Registrar and Transfer Agent ('RTA') in case the shares are held by them in physical form, quoting their folio number.

13. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company's RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.

14. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.

15. Non-Resident Indian Members are requested to inform the Company's RTA immediately of:

    a) Change in their residential status on return to India for permanent settlement.

    b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

16. Members holding shares in dematerialised mode are requested to intimate all changes pertaining to their bank details/NECS/mandates, nominations, power of attorney, change of address/name, Permanent Account Number ('PAN') details, etc. to their Depository Participant only and not to the Company's RTA. Changes intimated to the Depository Participant will then be automatically reflected in the Company's records which will help the Company and its RTA provide efficient and better service to the Members.

    In case of Members holding shares in physical form, such information is required to be provided to the Company's RTA in physical mode, after restoring normalcy or in electronic mode at csg-unit@tpclindia.co.in, as per instructions mentioned in the form. The said form can be downloaded from the Members' Referencer available on the Company's website under Investor resources.

    Members' Referencer giving guidance on securities related matters is put on the Company's website and can be accessed at link: https://www.tatamotors.com/investors/

17. **SEBI HAS MANDATED SUBMISSION OF PAN BY EVERY PARTICIPANT IN THE SECURITIES MARKET. MEMBERS HOLDING SHARES IN ELECTRONIC FORM ARE, THEREFORE, REQUESTED TO SUBMIT THEIR PAN DETAILS TO THEIR DEPOSITORY PARTICIPANTS. MEMBERS HOLDING SHARES IN PHYSICAL FORM ARE REQUESTED TO SUBMIT THEIR PAN DETAILS TO THE COMPANY'S RTA.**

18. As per Regulation 40 of the SEBI Listing Regulations, as amended, transfer of securities would be carried out in dematerialised form only with effect from April 1, 2019, except in case of transmission or transposition of securities. However, Members can continue to hold shares in physical form. In view of the same and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company's RTA for assistance in this regard.

19. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ('IEPF'). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority in Form No. IEPF-5 available on www.iepf.gov.in.

20. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with the Company's RTA in case the shares are held by them in physical form.

21. The Company has made special arrangement with the RTA and NSDL for registration of email addresses in terms of the MCA Circulars for Members who wish to receive the Annual Report along with the AGM Notice electronically and to cast the vote electronically.

Eligible Members whose email addresses are not registered with the Company/ DPs are required to provide the same to RTA on or before 5:00 p.m. IST on Tuesday, July 20, 2021 pursuant to which, any Member may receive on the email address provided by the Member the Notice of this AGM along with the Annual Report 2020-21 and the procedure for remote e-voting along with the login ID and password for remote e-voting.

(i) Process for registration of email addresses with RTA is as under:

a) Visit the link https://tcpl.linkintime.co.in/EmailReg/email_register.html

b) Select the name of the Company from dropdown.

c) Enter details in respective fields such as DP ID and Client ID (if you hold the shares in demat form) / Folio no. and Certificate no. (if shares are held in physical form), Name of the Shareholder, PAN details, mobile number and e-mail ID.

d) System will send OTP on mobile number and e-mail ID.

e) Enter OTP received on mobile number and e-mail ID and submit.

After successful submission of the e-mail address, NSDL will email a copy of the Notice of this AGM along with the Annual Report 2020-21 as also the remote e-Voting user ID and password on the e-mail address registered by the Member. In case of any queries, Members may write to csg-unit@tpclindia.co.in or evoting@nsdl.co.in.

(ii) Registration of email address permanently with RTA/DP: Members are requested to register the email address with their concerned DPs, in respect of shares held in demat mode and with RTA, in respect of shares held in physical mode, by writing to them.

(iii) Alternatively, those Members who have not registered their email addresses are required to send an email request to evoting@nsdl.co.in along with the following documents for procuring user id and password for e-voting for the resolutions set out in this Notice:

- In case shares are held in physical mode, please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), self-attested scanned copy of PAN card, self-attested scanned copy of Aadhar Card.
- In case shares are held in demat mode, please provide DPID-Client ID (8 digit DPID + 8 digit Client ID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, self-attested scanned copy of PAN card, self-attested scanned copy of Aadhar Card.

22. VOTING BY MEMBERS:

A. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Regulation 44 of the SEBI Listing Regulations (as amended), MCA Circulars and the SEBI Circulars, the Company is providing its Members the facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means (by using the electronic voting system provided by NSDL) either by (i) remote e-voting prior to the AGM (as explained at 'para F' herein below) or (ii) remote e-voting during the AGM (as explained at 'para G' below). Instructions for Members for attending the AGM through VC/OAVM are explained at 'para H' below.

B. The voting rights of the Ordinary Shareholders shall be in the same proportion to the paid-up ordinary share capital and in case of voting rights on the 'A' Ordinary Shares, the holder shall be entitled to one vote for every ten 'A' Ordinary Shares held.

C. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on Friday, July 23, 2021 ('cut-off date') shall be entitled to vote in respect of the shares held, by availing the facility of remote e-voting prior to the AGM or remote e-voting during the AGM.

D. The Members can opt for only one mode of remote e-voting i.e. either prior to the AGM or during the AGM. The Members present at the Meeting through VC/OAVM who have not already cast their vote by remote e-voting prior to the Meeting shall be able to exercise their right to cast their vote by remote e-voting during the Meeting. The Members who have cast their vote by remote e-voting prior to the AGM are eligible to attend the Meeting but shall not be entitled to cast their vote again.

E. The Board of Directors has appointed Mr P N Parikh (Membership No. FCS 327) and failing him; Ms Jigyasa Ved (Membership No. FCS 6488) and failing her; Mr Mitesh Dhabliwala (Membership No. FCS 8331) of M/s Parikh & Associates, Practicing Company Secretaries, as the Scrutinizer to scrutinize the remote e-voting process, in a fair and transparent manner.

F. INSTRUCTIONS FOR REMOTE E-VOTING PRIOR TO THE AGM

Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as of the cut-off date i.e. Friday, July 23, 2021 may obtain the login ID and password by sending a request at evoting@nsdl.co.in.

The remote e-voting period starts on Tuesday, July 27, 2021 (9.00 a.m. IST) and ends on Thursday, July 29, 2021 (5.00 p.m. IST). Remote e-voting shall be disabled by NSDL at 5:00 p.m. on July 29, 2021 and Members shall not be allowed to vote through remote e-voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

The way to vote electronically on NSDL e-voting system consists of 'Two Steps' which are mentioned below:

Step 1: Access to NSDL e-voting system

I. Login method for e-voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-voting facility provided by Listed Companies, individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Members are advised to update their mobile number and email Id in their demat accounts in order to access e-voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

- For individual Members holding securities in demat mode with NSDL:

i. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the 'Beneficial Owner' icon under 'Login' which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-voting services under Value added services. Click on 'Access to e-Voting' under e-voting services and you will be able to see e-voting page. Click on company name or e-voting service provider i.e. NSDL and you will be re-directed to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting.

ii. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select 'Register Online for IDeAS Portal' or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp

iii. Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon 'Login' which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on company name or e-voting service provider i.e. NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting.

iv. Shareholders/Members can also download NSDL Mobile App 'NSDL Speede' facility by scanning the QR code mentioned below for seamless voting experience.

NSDL Mobile App is available on

App Store Google Play

- Individual Shareholders holding securities in demat mode with CDSL

i. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi.

ii. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-voting service provider i.e. NSDL. Click on NSDL to cast your vote.

iii. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration

iv. Alternatively, the user can directly access e-voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-voting is in progress.

- Individual Shareholders (holding securities in demat mode) login through their depository participants

  You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. Upon logging in, you will be able to see e-voting option. Click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-voting service provider i.e. NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

II. Login Method for e-voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

i. Visit the e-voting website of NSDL. Open web browser by typing the URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

ii. Once the home page of e-voting system is launched, click on the icon 'Login' which is available under 'Shareholders' section.

iii. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDeAS, you can log-in at https://eservices.nsdl.com/ with your existing IDeAS login. Once you log in to NSDL eservices after using your log in credentials, click on e-voting and you can proceed to step 2 i.e. Cast your vote electronically.

iv. Your User ID details will be as per details given below:

a) For Members who hold shares in demat account with NSDL: 8 Character DP ID followed by 8 Digit Client ID (For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******).

b) For Members who hold shares in demat account with CDSL: 16 Digit Beneficiary ID (For example if your Beneficiary ID is 12************** then your user ID is 12**************).

c) For Members holding shares in Physical Form: EVEN Number followed by Folio Number registered with the Company (For example, for Members holding Ordinary Shares, if folio number is 001*** and EVEN is 116056 then user ID is 116056001***. For Members holding 'A' Ordinary Shares, if folio number is 001*** and EVEN is 116057 then user ID is 116057001***).

v. Password details for shareholders other than Individual shareholders are given below:

a) If you are already registered for e-voting, then you can use your existing password to login and cast your vote.

b) If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

If you are unable to retrieve or have not received the 'initial password' or have forgotten your password:

a) Click on 'Forgot User Details/ Password?' (If you are holding shares in your Demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

b) 'Physical User Reset Password?' (If you are holding shares in physical mode) option available on www. evoting.nsdl.com.

c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your Demat account number/folio number, your PAN, your name and your registered address.

d) Members can also use the One Time Password (OTP) based login for casting the votes on the e-Voting system of NSDL

vi. After entering your password, tick on 'I hereby agree to all Terms and Conditions'.

vii. Click on 'Login' button.

viii. After you click on the 'Login' button, Home page of e-voting will open.

Step 2: Cast your vote electronically on NSDL e-voting system

i. After successful login at Step 1, you will be able to see all the companies 'EVEN' in which you are holding shares and whose voting cycle and General Meeting is in active status.

ii. Select 'EVEN' of the Company to cast your vote during the remote e-voting period or during the AGM. For joining virtual meeting, you need to click on 'VC/OAVM' link placed under 'Join General Meeting'.

a. EVEN for Ordinary Shares is 116056.

b. EVEN for 'A' Ordinary Shares is 116057.

iii. Now you are ready for e-voting as the Voting page opens.

iv. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on 'Submit' and also 'Confirm' when prompted.

v. Upon confirmation, the message 'Vote cast successfully' will be displayed.

vi. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

vii. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

G. INSTRUCTIONS FOR REMOTE E-VOTING DURING AGM

i. The procedure for remote e-voting during the AGM is same as the instructions mentioned above for remote e-voting since the Meeting is being held through VC/OAVM.

ii. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting, by use of remote e-voting system for all those Members who will be present in the AGM through VC/OAVM facility but have not cast their vote on the resolutions by availing the remote e-voting facility and are otherwise not barred from doing so. The remote e-voting module during the AGM shall be disabled by NSDL for voting 15 minutes after the conclusion of the Meeting.

General Guidelines for Shareholders

- Institutional/corporate Members (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter, etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by email to tml.scrutinizer@gmail.com with a copy marked to evoting@nsdl.co.in.
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the 'Forgot User Details/Password?' or 'Physical User Reset Password?' option available on www.evoting.nsdl.com to reset the password.
- In case of any queries/grievances pertaining to remote e-voting (prior to and/or during the AGM), you may refer to the Frequently Asked Questions ('FAQs') for Shareholders and e-voting user manual for Shareholders available in the 'Downloads' section of www.evoting.nsdl.com.

H. INSTRUCTIONS FOR MEMBERS FOR ATTENDING AGM THROUGH VC / OAVM

i. Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-voting system. Members may access by following the steps mentioned above for access to NSDL e-voting system. After successful login, you can see link of 'VC/OAVM link' placed under 'Join General meeting' menu against the Company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the notice to avoid last minute rush.

ii. Members are encouraged to join the Meeting through laptops for better experience. Further Members will be required to allow camera and use internet with a good speed to avoid any disturbance during the Meeting. Please note that participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

iii. Members are encouraged to submit their questions in advance with regard to the financial statements or any other matter to be placed at the AGM, from their registered email address, mentioning their name, DP ID and Client ID number / folio number and mobile number, to reach the Company's email address inv_rel@tatamotors.com on or before 5.00 p.m. IST on Monday, July 26, 2021. Queries that remain unanswered at the AGM will be appropriately responded by the Company at the earliest post the conclusion of the AGM.

iv. Members who would like to express their views/ask questions as a speaker at the Meeting may pre-register themselves by sending a request from their registered email address mentioning their names, DP ID and Client ID/folio number, PAN and mobile number at inv_rel@tatamotors.com between Friday, July 23, 2021 (9:00 a.m. IST) and Wednesday, July 28, 2021 (5:00 p.m. IST). Only those Members who have pre-registered themselves as a speaker will be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

v. Members who need assistance before or during the AGM may contact NSDL on evoting@nsdl.co.in or 1800-222-990 or contact Mr Amit Vishal, Senior Manager – NSDL at amitv@nsdl.co.in or call on +91 22 2499 4360.

23. DECLARATION OF RESULTS ON THE RESOLUTIONS:

- The Scrutinizer shall, immediately after the completion of the scrutiny of the e-voting (votes cast during the AGM and votes cast through remote e-voting), within 2 working days from the conclusion of the AGM, submit a consolidated Scrutinizer's report of the total votes cast in favour and against the resolution(s), invalid votes, if any, and whether the resolution(s) has/have been carried or not, to the Chairman or a person authorized by him in writing.
- The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.tatamotors.com and on the website of NSDL www.evoting.nsdl.com immediately after the result is declared. The Company shall simultaneously forward the results to BSE Limited and National Stock Exchange of India Ltd., where the securities of the Company are listed.
- Subject to the receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting i.e. July 30, 2021.

EXPLANATORY STATEMENT

The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ('Act'), given hereunder sets out all material facts relating to the special business mentioned at Item Nos. 4 to 14 of the accompanying Notice dated June 23, 2021.

Item No. 4

Based on the recommendation of the Nomination and Remuneration Committee ('NRC'), the Board of Directors appointed Mr Mitsuhiko Yamashita (DIN: 08871753) as an Additional Director of the Company and also an Non-Executive, Independent Director w.e.f September 16, 2020, subject to approval of the Members. Mr Yamashita was appointed as a Senior Technical Advisor to the Chairman, Tata Sons Private Limited-Company's Promoter and based on the recommendation of the NRC, the Board of Directors approved change in designation of Mr Yamashita as a Non-Executive Non-Independent (Additional) Director of the Company w.e.f. October 27, 2020, liable to retire by rotation.

Pursuant to the provisions of Section 161(1) of the Act and Article 132 of the Articles of Association of the Company, Mr Yamashita shall hold office up to the date of this Annual General Meeting ('AGM') and is eligible to be appointed as a Director. The Company has, in terms of Section 160(1) of the Act, received a notice in writing from a Member, proposing his candidature for the office of Director. Mr Yamashita, once appointed will be liable to retire by rotation. The profile and specific areas of expertise of Mr Yamashita are provided as Annexure to this Notice.

Mr Yamashita has given his declaration to the Board that he is not restrained from acting as a Director by virtue of any Order passed by the Securities and Exchange Board of India ('SEBI') or any such authority and is eligible to be appointed as a Director in terms of Section 164 of the Act. He has also given his consent to act as a Director.

Given his experience, the Board considers it desirable and in the interest of the Company to have Mr Yamashita on the Board of the Company and accordingly the Board recommends the appointment of Mr Yamashita as a Non-Executive Director as proposed in the resolution set out at Item No. 4 for approval by the Members.

Except for Mr Yamashita and/or his 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

Based on the recommendation of the NRC, the Board of Directors appointed Mr Thierry Bolloré (DIN: 08935293) as an Additional Director of the Company and also Non-Executive Director, liable to retire by rotation, w.e.f October 27, 2020, subject to approval of the Members.

Pursuant to the provisions of Section 161(1) of the Act and Article 132 of the Articles of Association of the Company, Mr Bolloré 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 a notice in writing from a Member, proposing his candidature for the office of Director. Mr Bolloré, once appointed will be liable to retire by rotation. The profile and specific areas of expertise of Mr Bolloré are provided as Annexure to this Notice.

Mr Bolloré has given his declaration to the Board that he is not restrained from acting as a Director by virtue of any Order passed by the SEBI or any such authority and is eligible to be appointed as a Director in terms of Section 164 of the Act. He has also given his consent to act as a Director.

Given his experience, the Board considers it desirable and in the interest of the Company to have Mr Bolloré on the Board of the Company and accordingly the Board recommends the appointment of Mr Bolloré as a Non-Executive Director as proposed in the resolution set out at Item No. 5 for approval by the Members.

Except for Mr Bolloré and/or his 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. 6

Based on recommendation of NRC, the Board of Directors appointed Mr Kosaraju V Chowdary (DIN: 08485334) as Additional Director of the Company and also Independent Director, not liable to retire by rotation, for a term of five years i.e. from October 27, 2020 up to October 26, 2025 subject to approval of the Members.

Pursuant to the provisions of Section 161(1) of the Act and Article 132 of the Articles of Association of the Company, Mr Chowdary 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 Member, proposing his candidature for the office of Director. The profile and specific areas of expertise of Mr Chowdary are provided as Annexure to this Notice.

Mr Chowdary has given his declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), is not restrained from acting as a Director by virtue of any Order passed by SEBI or any such authority and is eligible to be appointed as a Director in terms of Section 164 of the Act. He has also given his consent to act as a Director.

In the opinion of the Board, Mr Chowdary is a person of integrity, possesses the relevant expertise / experience and fulfills the conditions specified in the Act and the SEBI Listing Regulations for appointment as an Independent Director and he is independent of the management.

Given his experience, the Board considers it desirable and in the interest of the Company to have Mr Chowdary on the Board of the Company and accordingly the Board recommends the appointment of Mr Chowdary as an Independent Director as proposed in the resolution set out at Item No. 6 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 Note 11 given in the Notice on inspection of documents.

Except for Mr Chowdary and/or his 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 Nos. 7 to 9

In respect of Item No. 7 of the Notice dealing with the re-appointment of Mr Guenter Butschek as the Chief Executive Officer and Managing Director and payment of remuneration

The Members will recall having approved, at the 71st AGM held on August 9, 2016 by way of Special Resolution, the appointment of Mr Guenter Butschek as the Chief Executive Officer and Managing Director ('Mr Butschek' or 'MD') of the Company for a tenure of 5 years commencing from February 15, 2016, including the terms of his remuneration as summarized below:

Remuneration:

a) Salary: €27,500 per month (rupee equivalent at the applicable rate on the date of payment);

b) Benefits, perquisites and allowances, including retirement benefits; and

c) Incentive Remuneration in the form of Performance Bonus and Long Term Incentive.

Minimum Remuneration: Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the term of the MD, the Company has no profits or its profits are inadequate, the Company will pay to the MD, remuneration by way of basic salary, benefits, perquisites and allowances, incentive remuneration and retirement benefits as specified above.

Further, the Members at the 75th AGM held on August 25, 2020, also by Special Resolutions approved the payment of minimum remuneration to the MD in view of inadequacy of profits/losses as calculated under the provisions of Section 198 of the Act, for FY 2019-20 and FY 2020-21 (upto February 14, 2021).

To facilitate the introduction and smooth transition of Mr Butschek's role to the successor, the Board of Directors, based on the recommendation of the NRC, has on February 12, 2021 approved the re-appointment of Mr Butschek as the MD for a period from February 15, 2021 to June 30, 2021 on similar terms and conditions of remuneration during his prior tenure (of February 15, 2016 to February 14, 2021). The above is taking into consideration the request of Mr Butschek to return to his home country for personal reasons. However considering the critical phase and challenges currently faced by the Company, it has been agreed that Mr Butschek's expertise would continue to be made available as a Consultant to advise on significant/strategic initiatives upto the period March 31, 2022.

The following is the calculation of remuneration to Mr Butschek in view of absence of profits / losses for FY 2020-21 and for the period February 15, 2021 to March 31, 2021:

(₹ in crores)

		FY 2020-21	Prorated for period Feb 15, 2021 to March 31, 2021
a.	Mr Butschek's Remuneration	27.38	3.42
b.	Amounts not to be considered for limits as per Schedule V	0.18	0.03
c.	Maximum limit prescribed under Schedule V on his remuneration#	2.40	0.30
d.	Performance bonus and LTIP recommended by the NRC and the Board on June 23, 2021 but not paid	9.63	1.20
e.	Excess paid beyond prescribed Schedule V limit [a-b-c-d]	15.17*	1.89

 # the maximum prescribed is calculated based on the effective capital of ₹12,288.86 crores as per Schedule V of the Act.

** out of the above, an amount of ₹13.28 crores was inter alia approved by the Members on August 25, 2020.*

It may be noted that as per the terms of the agreement with Mr Butschek, the following LTIP have been approved by the Board based on the recommendation of the NRC in the previous year which have been accrued in the books of accounts in the respective years and would be due and paid upon Mr Butschek fulfilling his responsibilities for remainder of his term under the employment contract:

- LTIP for FY 2017-18: ₹5,66,14,074/- (€6,60,000) payable in August 2021.
- LTIP for FY 2018-19: ₹5,09,52,667/- (€5,94,000) is due and payable in April 2022.
- LTIP for FY 2019-20: ₹1,41,53,519/- (€1,65,000) is due and payable in April 2023.
- LTIP for FY 2020-21: ₹4,81,45,552/- (€5,61,275) is due and payable in April 2024. Out of the same, an amount of ₹60,18,194 pertaining to the period February 15, 2021 to March 31, 2021 is subject to approval of the Members.

The LTIP amount for FY 2017-18, FY 2018-19 and FY 2019-20 has been revised due to foreign currency due to exchange rate fluctuation.

Approval of the Members is being sought by way of a special resolution at Item No. 7 for the re-appointment and payment of remuneration (including for the period February 15, 2021 to March 31, 2021) to Mr Butschek. Mr Butschek, being a German citizen and non-resident of India, approval of Central Government is also being sought for his re-appointment.

In respect of Item Nos. 8 and 9 of the Notice dealing with the appointment of Mr Girish Wagh as a Director and Executive Director and payment of remuneration

The Board of Directors, based on the recommendation of the NRC has, at its meeting held on June 23, 2021, approved the appointment of Mr Girish Wagh as an Additional Director and the Executive Director ('ED') of the Company w.e.f July 1, 2021 (the 'Date of Appointment') and entrusted him with the overall responsibility of Tata Motors' operations pertaining to Commercial Vehicle business of Tata Motors in India and international markets which, *inter alia*, included South Korea, Thailand, Spain, Indonesia and South Africa.

Pursuant to the provisions of Section 161(1) of the Act, the Rules framed thereunder and the Articles of Association of the Company, Mr Wagh would cease to hold office at the ensuing Annual General Meeting but would be eligible for appointment as a Director. Notice under Section 160 of the Act has been received from a Member signifying his intention to propose Mr Wagh's appointment as a Director and the Members' approval is sought for the said proposal given in the Resolution No. 8.

Members' approval is also sought for the appointment and payment of remuneration, including minimum remuneration, to Mr Wagh as the Executive Director of the Company w.e.f July 1, 2021 for a period of 5 years, pursuant to Sections 196, 197, Schedule V and other applicable provisions, if any, of the Act.

In respect of Item Nos. 7 to 9 of the Notice

The Company recorded a loss for FY 2020-21 of ₹2,687.07 crores on a standalone basis (without Joint Operations). The Company incurred a loss of ₹2,832.92 crores for FY 2020-21 as calculated under Section 198 of the Act for the payment of Managerial Remuneration as per the provisions of Section 197 read with Schedule V of the Act and the rules thereunder. Further, whilst the Company has improved its performance in FY 2020-21, it may be likely that the Company may have a scenario wherein there are inadequacy of profits under the said provisions of the Act in FY 2021-22. As a measure of prudence, Members' approval is being sought for payment of minimum remuneration as defined in the proposed resolutions at Item Nos. 7 to 9 of the Notice .

THE STATEMENT CONTAINING ADDITIONAL INFORMATION AS REQUIRED UNDER SCHEDULE V OF THE ACT

I. General Information

1. Nature of Industry:

The Company is mainly engaged in the business of manufacture, assembly and sale of automobile products consisting of all types of commercial and passenger vehicles, including spare parts.

2. Date or expected date of commencement of commercial production:

The Company was incorporated on September 1, 1945 and on receipt of Commencement of Business Certificate on November 20, 1945, the Company had since commenced its business.

3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:

Not Applicable.

4. Financial Performance based on given indicators:

(₹ in crores)

Particulars	FY 2020-21		FY 2019-20		FY 2018-19		FY 2017-18		FY 2016-17	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Revenue from Operations (Gross)	46,536.61	2,49,794.75	42,963.03	2,61,067.91	67,611.07	301,938.40	57,258.60	2,95,409.34	48,319.90	274,492.12
Profit/(Loss) for the period	(2,687.07)	(13,395.10)	(7,453.98)	(11,975.23)	1,903.94	(28,724.20)	(1,266.19)	9,091.36	2,597.62	7,556.56
Profit/(Loss) under Sec. 198	(2,832.92)	NA	(7,083.20)	NA	396.12	NA	(1,511.32)	NA	(2,564.03)	NA

Note: Above amounts are extracted from financial statements of the Company on consolidated and standalone basis (without Joint Operations) for the respective financial year.

It may be noticed from the above table that there is significant improvement in the Company's operating performance and financial results in FY 2020-21, primarily due to strong volumes for passenger vehicles, improved product mix and structural cost improvements. Further, there is reversal of impairment losses and onerous contract provisions as on March 31, 2021, on the back of the significant improvement in the performance and outlook of the PV business. Our new BSVI Commercial vehicles product range was well received by the customers. CV business consistently posted sequential quarter on quarter growth and improved realization. A clear shift towards personal mobility and the rich preference for our 'New Forever' range of cars and SUVs led to the PV business recording its highest ever annual sales in 8 years and growing its market share to 8.2%. Despite challenging environment, the Company has posted positive EBITDA of ₹1,197 crores in FY 2020-21 as compared to negative EBITDA of ₹324 crores in FY 2019-20 on a standalone basis. The Company managed cash flows exceptionally well under very challenging circumstances, with detailed planning, monitoring and actions, ending the year on a better footing as compared to expectations. Further, the Company could reduce some of its borrowing costs consequent to Tata Sons Private Limited exercising conversion option on its 23,13,33,871 warrants into 23,13,33,871 Ordinary Shares by paying balance subscription money of ₹2,603 crores during the year ended March 31, 2021.

Tata Motors' Standalone financial performance reflects lesser negative results as compared to previous year's loss as stated above under Section 198 of the Act. Tata Motors' Consolidated financial performance continues to show improvements.

5. Foreign Investment or collaborations, if any:

The Company has not entered into any material foreign collaboration and no direct capital investment has been made in the Company. Foreign investors, mainly comprising FIIs and ADR holders, are investors in the Company on account of past issuances of securities and secondary market purchases.

II. INFORMATION ABOUT THE APPOINTEES

A. Mr Guenter Butschek, Chief Executive Officer and Managing Director

1. Background details:

Aged 60, Mr Guenter Butschek is a graduate in Business Administration and Economics with a diploma from the University of Cooperative Education Stuttgart, Germany, with wide and varied experience in business in the aerospace and the automobile industries leading industrial strategies, operational excellence, turnaround initiatives and large scale business transformations and setting the footprint for future profitable growth. Before joining Tata Motors, he has worked in the Airbus Group, Daimler AG and Mercedes-Benz AG in Stuttgart, Germany for over three decades in various positions and functions across geographies. He has optimized manufacturing footprints, aligned end-to-end demand and supply chains and improved global operating systems. He led joint ventures, created partnerships with social partners (trade unions), private and public authorities, fostering a culture of teaming, agility and accountability.

2. Past remuneration:

(₹ in Lakhs)

Particulars	FY 2020-21	FY 2019-20	FY 2018-19
Salary	285.55	259.67	266.88
Perquisites and Allowances (includes payment in lieu of pension)	1,318.43	1,222.12	1,410.46
Commission, Bonus and Performance Linked Incentive	962.91(1)	282.72	922.72
Retirals	171.33	166.03	32.02
Total Remuneration payable(2)	**2,738.22**	**1,930.54**	**2,632.08**

(1) Performance bonus and LTIP of ₹962.91 lakhs for FY 2020-21 recommended by NRC and Board on June 23, 2021 (subject to Members' approval) but not paid.

(2) There is no change in the ₹ denominated remuneration of Mr Butschek, except for performance linked bonus and long term Incentives, during the five financial years. The change in amount is mainly on account of foreign exchange conversion into Rupees (Euro rate fluctuates from ₹80.82 on April 1, 2018 to ₹85.78 on March 31, 2021). The exchange rates used for remuneration are conversion rate on the date of actual payment.

Mr Butschek is not entitled to any stock options under the Tata Motors Limited Employees Stock Options Scheme, 2018.

3. Job profile and his suitability:

Mr Butschek is the Chief Executive Officer and Managing Director ('MD') of the Company since February 15, 2016 and is entrusted with the overall responsibility of Tata Motors' operations in India and international markets (but excluding Jaguar Land Rover operations). Mr Butschek provides Tata Motors with profound knowledge in complex restructuring/ turnaround programs and cultural transformation initiatives by filling in critical skill gaps, onboarding employees and creating ownership in the organization. His leadership creates international teams and fosters a culture of cross-functional teamwork, agility and accountability. Taking into consideration the size of the Company, the complex nature of its operations, the strategic and operational restructuring and transformation required and Mr Butschek's broad functional and general management skills, his rich global experience of growing organizations and developing new markets, the Board has considered Mr Butschek suitable for this position. Also as a Director, he is nominated on the Board of certain strategic subsidiary companies. It may be noted that the Company or its subsidiaries does not additionally compensate him in any manner for these additional activities.

As may be seen from the Company's financials briefly stated in point no. 4 under the heading 'General Information' stated above, while the Company's performance in FY 2019-20, was impacted due to various challenges such as continuing pressure on liquidity, high fuel prices, revised axle load norms, mandatory transition to BSVI norms, plus weak consumer sentiments, the Company significantly improved its performance in FY 2020-21 due to strong recovery in Passenger Vehicles business and strong structural cost improvement actions. Some major steps taken by the Company under Mr Butschek's leadership are summarised in point no. 2 under the heading 'Other Information' given below.

4. Remuneration proposed:

Details on remuneration have been stated in the Resolution No. 7 of the Notice. In monetary terms the remuneration for period is given hereunder:

(₹ in Lakhs)

Particulars	April 1, 2021 to June 30, 2021	February 15, 2021 to March 31, 2021
Salary	70.60	35.69
Perquisites and Allowances (includes payment in lieu of pension)#	320.49	164.80
Commission, Bonus and Performance Linked Incentive	235.32*	120.36
Retirals	42.36	21.42
Total Remuneration	**668.77**	**342.27**

 # Certain Perquisites and Allowances are based on realistic assumptions.

** Estimated at €550,000 on achievement of target at 100%. The Agreement provides a range from €550,000 to €825,000 each for performance bonus and LTIP. The remuneration is denominated in € converted into ₹ on the date of payment. The Foreign Exchange rate for all future payments of remuneration is assumed at a constant of 1€=₹85.57 (rate as on the date of payment for March 2021). The remuneration for FY 2021-22 is estimated on similar basis as FY 2020-21 but is pro-rated for a period of 3 months i.e. upto June 30,2021.*

5. Comparative remuneration profile with respect to the industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):

Remuneration of Mr Butschek has been subjected to peer level benchmarks with the help of survey conducted by Aon Hewitt, an independent global compensation consultant. The proposed remuneration is commensurate with the prevailing level for position of Business Leaders of global automobile companies who are nationals of US or Europe and serve as CEO/MD which represents suitable talent market for the incumbent. The table below illustrates the requisite comparative data of the CEO/ MD remuneration in global automotive companies:

Total Cost to Company ('TCC') with Long Term Incentive

(₹ in lakhs)

10th percentile	25th percentile	Median	75th percentile	90th percentile
2,570	2,989	5,110	8,765	10,063

(Data Source: Aon Hewitt Executive Compensation team).

6. Results, Recognition and Awards:

- For FY 2020-21, the Company's Passenger Vehicles business posted a growth of 69% vis-à-vis FY2019-20 with a market share of 8.2% (+340 basis points over FY2019-20). The gain in market share is not only highest in the industry but also highest in any single year since inception of Tata Motors. Passenger Vehicles business cemented its #3 position after 9 years, with secular demand across the "New Forever" product portfolio. Nexon EV dominated the personal segment with a market share of 69.8% in Q4 FY21.

- Nexon, India's safest car received 5-star GNCAP rating followed by similar rating for Altroz. Tiago and Tigor became the safest cars in their respective segments with 4-star GNCAP rating. We have been instrumental in setting new benchmarks in safety standards for the industry.
- Customer metrics (NPS, CSI) improved significantly – Passenger Vehicle Business achieved Rank 2 (highest score ever) in JDP CSI (Customer Satisfaction Index) for a third consecutive year in FY 2019-20.
- Commercial Vehicles Business continued to improve its market share in MHCV to 58.1% (+310 bps vs FY19), ILCV, 45.9% (+50 bps vs FY 19). The service and spare part penetration increased by 600 bps in FY 2020-21 vs FY 2019-20, with higher contribution to revenue.
- CVBU Net Promoter Score (NPS), a customer loyalty and satisfaction measurement, improved for 5th consecutive year to 68 from 65 in FY20, total + 11 points improvement in three years. In FY21, CV Business improved its Industry leading score further showing progress on all 9 sub aspects of Dealer Satisfaction Index
- CVBU won several awards this year, which included a) CII Customer Obsession award, for the 3rd consecutive year, recognizing the Company's service for customer centricity, b) Tata InnoVista award for modular Intra vehicle platform, c) Two Golden Peacock awards one each for DigiVOR, and 9x9 electric Bus, d) Most innovative environmental project for Tata Motors Prolife, e) World innovation congress award for Digi VOR and f) First price in national energy conservation by ministry of power and bureau of energy efficiency for Jamshedpur Plant.
- Commercial Vehicles BSVI product range was well received by the customers and continued to create new paradigms of functionality, productivity, comfort, performance and connectivity, thereby bringing forth the core benefit of lower TCO (total cost of ownership) and/or enhanced returns on investment for customers. Leveraging the superior portfolio, Commercial Vehicles business consistently posted sequential quarter on quarter growth and improved realization.
- Leading the industry in supporting Govt's Vision and fueling e-mobility aspirations, both in PV as well as CV, a full range of xEV solutions (hybrid, electric, fuel cell, LNG) has been developed, highlighting state of the art in-house engineering capabilities.
- In FY 2018-19 the Company was adjudged as the 2nd Most Attractive brand by ET and the Most Trusted Automotive Brand by Brand Equity. It was ranked 31st out of 2,000 and 5th among global automobile manufacturers in Forbes World's Best Regarded Companies 2019.
- The Company was amongst the top 10 companies in BSE 100 companies evaluated by IiAS on the Indian Corporate Governance Scorecard in 2018, 2019, 2020.
- FY 2020-21 was an exceptionally challenging year – unpredictable markets perpetuated by the pandemic as well as the concerns around health & safety of the Company's employees and their families. After a complete washout in Q1 (first wave Covid), the Company could manage profitability and cash flows through a Business Continuity Plan, which holistically addressed the entire ecosystem for the three phases of lockdown, restart and revival that made the second part of the fiscal year, in particular Q4 an exceptional period of structural recovery, delivering on the essence of the Turnaround achievements.
- Based on the learnings from the initial Business Continuity Plan, Tata Motors crafted a forward-looking Business Agility Plan in order to master the challenge of the 2nd wave, build on the new strengths in operations, sales and financials and taking advantage of continuity of the leadership team in this demanding period of time.
- Greater empowerment within Business Units by creation of Product Line structure, greater customer facing roles in frontline leading to improved customer centricity, agility and accountability in operations to streamline supply bottlenecks and address product development issues.
- There was strong performance in the business despite COVID-19 pandemic. The Company continued to focus on operational efficiencies and delivered cash and cost savings of ₹9,300 crores against targets of ₹6,000 crores. PV business recorded its highest ever annual sales in 8 years and increased its market share to 8.2%. The Company strengthened its market share in EV's to 71.4%, led by good response for Nexon EV's. The Company maintained its leadership position in CV's with market share of 42.4%. The market share in MHCV's improved by 70 bps to 58.1% in FY 2020-21. Both CV and PV business witnessed strong improvement in margins in FY 2020-21.

B. Mr Girish Wagh, Executive Director

1. Background details:

Aged 50, Mr Girish Wagh has done his MBA from S. P. Jain Institute of Management & Research, BE from Pune University. Mr Wagh has been the President and Head of the Commercial Vehicle Business Unit and a member of the Tata Motors Executive Committee (ExCom) since 2017. During his 29 years with Tata Motors, he has worked with both the business units - Passenger Vehicles and Commercial Vehicles, as also various functions in the value chain.

In his illustrious career, he is credited with delivering key projects such as the Tata ACE - Mini Truck and Nano, and the recent passenger cars like Bolt, Zest, Tiago, Hexa and Tigor, before taking charge to lead the Commercial Vehicle Business Unit. For his excellent contribution to the Automotive Industry, he was recognized as a 'Rising Star' by Automotive News Europe in 2011. He played a pivotal role in successfully navigating the CV Business through two years of growth in FY18 and FY19 which was followed by unprecedented contraction in the Industry volumes due to regulatory changes in FY20 and COVID-pandemic in FY21. In 2020, he was also awarded, the 'CV Man of the Year', by the prestigious CV Apollo Awards magazine. Mr Wagh is a member of CII's (Confederation of Indian Industries) National Council, and the Chairman of the SIAM's Commercial Vehicle CEO Council.

2. Past remuneration:

(₹ in Lakhs)

Particulars	FY 2020-21	FY 2019-20	FY 2018-19
Basic Salary	76.70	76.70	64.74
Benefits, Perquisites and Allowances	201.48	155.63	129.00
Performance Payment	115.95	39.09	108.69
Retirement Benefits*	10.70	10.70	9.27
Total Remuneration Payable	**404.83**	**282.12**	**311.70**

**Excludes provision for encashable leave and gratuity as a separate actuarial valuation is not available.*

In the year 2018, Mr Wagh was granted 2,28,600 stock options exercisable into 2,28,600 Ordinary Shares under the Tata Motors Limited Employees Stock Options Scheme, 2018 and the same would vest on fulfillment of certain performance criteria. Mr Wagh would be eligible for grant of Performance Share and/or Options under the Tata Motors Limited Share-based Long Term Incentive Scheme 2021, to be approved by the Members at this AGM.

3. Job profile and his suitability:

The appointment of Mr Wagh is in the context of the following:

- Over the last couple of years, the Company's Commercial Vehicle has been going through a set of unprecedented circumstances, including on account of the COVID pandemic i.e. sustained sector and market share shrinkage, industry volumes shrinkage, heightened competitive pressures from global OEM's, flux in regulatory environment and drop in profitability.
- The Commercial Vehicle business requires due focus and strategy correction. Mr Wagh as the President of the business has significantly contributed to its growth over the years.

Mr Wagh has been a Mentor and Leader for TBEM assessment of companies within TATA Group. This includes leading assessment of JRD QV award-winning companies like TCS, Tata Steel & Titan as a Team Leader. He has been actively involved in mentoring teams conducting assessment of other Tata Companies in the Group.

Under his able leadership and vision to upgrade the standard of commercial vehicle transportation in the country, Tata Motors commercial vehicle business unit went beyond compliance and completely reimagined and re-conceptualized its entire range, as a part of BSVI transition in FY21. The all-new BSVI range of CV products has been well accepted by the customers for its improved total cost of ownership (TCO) and/or enhanced profitability, comfort and convenience for the end customer.

Mr Wagh with his visionary leadership has been driving a few other key initiatives to strengthen and transform the CV Business this includes a) Digitalization, under which a comprehensive roadmap has been formed and is being deployed b) Financier partnerships c) Go to Market Excellence for front end engagement and sales process, d) Ecosystem Management under which various programs have been introduced for stakeholders in the CV ecosystem, which includes TATA Samarth program – health & accident insurance and financial planning for drivers, Saarthi Aaram Kendras- rest stops for on route drivers; 'Desh ke Saarthi to facilitate driver job search. Further, for local mechanics: a 'Bandhu' portal has been rolled out to connect them with customers.

All these efforts helped CVBU Net Promoter Score (NPS), customer loyalty and satisfaction measurement, improve for 5th consecutive time to 68 in FY21, vs 65 in FY20, total +11 points improvement in three years as per the study done by Milward Brown (Kantar Group). CVBU has delivered a strong performance through market share growth in MHCV and ILCV segments, and arresting and reversing the FY20 fall in SCV and Pickup segment in H2 FY21, while also gaining share in traditionally weaker Pickup Segment. Concerted actions have been rolled out and continue to be a priority for sustained winning in the SCV&PU segment.

Special focus on the Dealer profitability initiative, under his tenure, helped in institutionalizing it, thereby helping TML CVBU dealers immensely. Through efforts under this initiative, the average volume breakeven of its dealers has come down by ~25% and Tata Motors CVBU leapfrogged in Dealer Satisfaction scores from below industry average in FY17 to Rank#2 in FY18 and Rank #1 in FY20, as per the last syndicated study done by JD power DSWAMI survey.

Tata Motors' CVBU has undertaken a rigorous cost reduction drive over the last 4 years. These efforts have helped TML CVBU shave off 4-6% of its annual purchase value each year while protecting and enhancing customer value. This has cumulatively helped TATA Motors CVBU reduce its breakeven by as much as 23.4% from last year in volume terms. While also ensuring Industry-leading performance on all customer-facing metrics. These efforts have been recognized as TML CVBU was adjudged under "Exemplary category" in TCM (Total Cost Management) maturity by CII (Confederation of Indian Industries).

TATA Motors CVBU bagged several awards in FY21 some of these include: a) CII Customer Obsession Award, for the 3rd consecutive year, recognizing TML's service for customer centricity, b) 3rd consecutive CV Manufacturer of the Year Award by Apollo CV awards 2021, along with five other segmental awards c) Two Golden Peacock awards one each for i) TATA Urban Electric Bus-Zero emission - urban people Mover" and ii) "Digi-VOR", a digitalized Vehicle off-road spare part ordering system which aggregates the entire service network inventory and pickups up the nearest location for sourcing spare parts thereby reducing parts delivery time by 90%.

Standing true to the commitment towards a sustainable environment, Tata Motors CV Business along with its channel partners, launched the 'Go Green' initiative, under which, a sapling is planted for sale of every new commercial vehicle and for every new customer who gets their vehicle serviced at the company's service network. More than 2.6 lac plants have already been planted under this initiative.

4. Remuneration proposed:

Details on remuneration have been stated in Resolution No. 9 of the Notice. In monetary terms the remuneration for the 3 years period from the date of his appointment is given hereunder:

(₹ in Lakhs)

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
				3 months
Basic Salary[1]	90.00	99.00	108.90	29.95
Benefits, Perquisites and Allowances[2]	158.28	172.50	188.14	47.32
Performance Payment[3]	135	148.50	163.35	4.02
PSP and ESOP[4]	60.00	93.00	129.30	44.92
Retirement Benefits[5]	24.30	26.73	29.40	27.31
Total Remuneration Payable	**467.58**	**539.73**	**619.09**	**153.51**

[1] Assumed increase of 10% each year in basic salary.

[2] Excludes medical insurance cover and domiciliary expenses; Life insurance cover; Telecommunication facility and Club Membership which will be provided as per the Company rules.

[3] Performance payment estimated on achievement of 100% target outlined in Balance Scorecard and includes Market Shares, Financial metrics (Revenue, EBIT and Free Cash Flows) and ESG amongst others.

[4] PSP/ESOP estimated on achievement of target at 100% as outlined in the scheme.

[5] Excludes provision for encashable leave and gratuity as a separate actuarial valuation is not available.

** The above salary increase, incentives and other perquisites and allowances are based on realistic assumptions and could change based on Company and individual performance, industry scenario and other parameters. These will be taken into consideration by the NRC from time to time.*

5. **Comparative remuneration profile with respect to the industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):**

   Remuneration of Mr Wagh has been subjected to peer level benchmarks with the help of survey conducted by Deloitte, an independent global compensation consultant. The proposed remuneration is commensurate with the industry standards and Board level positions held in similar sized domestic companies, taking into consideration the responsibilities shouldered by him. The table below illustrates the requisite comparative data of the ED/CEO remuneration in the domestic automotive and other major companies having positions of similar size and scale:

   Total Cost to Company with Long Term Incentive

(₹ in Lakhs)

10th percentile	25th percentile	Median	75th percentile	90th percentile
554.82	612.76	733.99	960.00	1,429.82

(Data Source: Deloitte ED Compensation Benchmarking Report 2021)

6. **Results, Recognition and Awards:** Some of the significant Awards and recognitions received by the Company during the year are given below:

   - The new BS VI range of commercial vehicles have been well accepted in the market. The business maintained its market leadership position in Commercial Vehicles with market share of 42.4% in FY 2020-21. Company improved its market share in M&HCV segment to 58.1% (+410 bps from FY 2017-18) and ILCV segment to 45.9% (+90 bps from FY 2017-18)
   - After the setback in FY 2016-17 due to unexpected Supreme court ruling on BSIV transition, we were much better prepared on achieving successful BSVI transition. Through focused action plans, we achieved a successful BSVI transition despite several headwinds.
   - The commercial vehicle industry witnessed major headwinds with volumes falling to the lowest over last decade, reaching the FY 2009-10 levels. We undertook a number of measures to navigate the downturn and ensure our readiness for quick response during subsequent recovery phase. Despite decline in volumes by 23.4% and revenues by 9.2% as compared to FY 2019-20, we achieved EBITDA margins of 5.3% in FY 2020-21 (130 bps improvement over FY 2019-20) and break-even EBIT margins. As a result of cost saving actions, we reduced our EBIT breakeven point by 25% in FY 2020-21.
   - The Commercial Vehicles business won CV Manufacturer of the Year award for 3rd year in a row along with five other segmental awards at prestigious Apollo CV awards 2021.
   - The Commercial Vehicles business won CII Customer Obsession Award for 3rd year in a row in FY 2020-21.
   - CVBU Net Promoter Score (NPS), a customer loyalty and satisfaction measurement, improved for 5th consecutive year to 68 from 65 in FY20, total + 11 points improvement in three years.

7. **Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:**

   Mr Butschek and Mr Wagh have been appointed in a professional capacity and meet the criteria of a professional directors as prescribed under Schedule V of the Act, with appropriate qualifications, currently do not hold any securities of the Company and are not related to the Promoters or any Director of the Company. For details pertaining to grant of stock options, please refer to details under the heading 'Past Remuneration' above.

   Except for drawing remuneration in their professional capacity, there is no other pecuniary relationship with the Company or with the managerial personnel of the Company.

III. Other Information

1. **Reasons of loss or inadequate profits:**

   The performance highlights for FY 2020-21 were as follows:

   - FY 2020-21 continued to remain a challenging year as a result of COVID-19 pandemic. The Indian Economy witnessed a slowdown, primarily due to COVID-19 pandemic and India's GDP is estimated to contract by 8% in FY 2020-21. According to data released by SIAM, in FY 2020-21, the Indian automotive industry recorded a 6.1% decline in domestic sales. The Passenger Vehicle segment declined 2.0% in FY 2020-21. The Commercial Vehicle industry in India registered a 21.7% decline in FY 2020-21.
   - Our turnaround initiatives had started delivering results. This was witnessed by an industry leading EBITDA margin of 11% for CV business in FY 2018- 19 and breakeven EBITDA for PV business in FY 2018-19. Our financial performance was impacted primarily by several external challenges in FY 2019-20.
   - Despite challenging FY 2020-21, the Company managed to achieve 5.3% EBITDA margin and 2.2% EBITDA margin for its Commercial Vehicles and Passenger Vehicles business, respectively.
   - Despite losses in FY 2020-21, there was a significant improvement in the Company's operating performance and financial results in FY 2020-21 as compared to FY 2019-20.
   - There was reversal of impairment losses and onerous contract provisions as on March 31, 2021, on the back of the significant improvement in the performance and outlook of the PV business.

   The Company continues to face challenges in the near term as a result of semi-conductor shortages and COVID-19 pandemic. As a result, Company anticipates weaker Q1 FY 2021-22 and expects business to sequentially recover from thereafter. The Company has implemented a strategic Business Agility Plan to address the short-term challenges by keeping its costs low and ecosystem viable while delivering innovative mobility solutions across product customer segments.

   The Company's leadership continues to play a key role in launching new products and variants and strategic and restructuring initiatives that are being taken to make the Company more agile and FutuReady to take advantage of the opportunities that would be available on the economic revival. In FY 2020-21, the Company achieved cash and cost savings of ₹9,300 crores against targets of ₹6,000 crores. Members' attention is being drawn to the Management Discussion and Analysis section for the various steps being taken to mitigate risks and improve performance. The Company may however end FY 2021-22 with no/ inadequate profits as calculated for payment of Managerial Remuneration as per the provisions of Sections 197 and 198 read with Schedule V of the Act.

2. **Steps taken or proposed to be taken for improvement:**

   - As the need of the hour the team raised the bar from 'Transformation' as long term change initiative to an immediate 'Turnaround' with a focus on business and performance improvements, rigorous cost reductions in FY 2017-18. As a result, the Company turned positive just after two quarters, followed with PV's EBITDA breakeven in FY 2018-19. The Company achieved an overall positive PBT in FY 2018-19.
   - FY 2019-20 was a transition year to BSVI. The Company focused on system stock reduction through retail acceleration thereby enabling a smooth transition to BSVI. As a result the Company has achieved the target of zero BSIV vehicle stock at the end of FY 2019-20.
   - In FY 2020-21, despite COVID-19 pandemic, with strong actions focused to ensure ecosystem viability and focussed structural cost reductions, the Company ended the year on a strong positive note with improvement in EBITDA and EBIT margins.
   - The Commercial Vehicles business has taken various initiatives, to maintain its leadership, improve market share and financial performance. It has been aggressively pursuing and implementing its strategies to improve volumes, reduce costs, improve cash flows, and launch new products with advanced technologies coupled with sale, service, marketing campaigns and customer engagement programs.
   - The Company's strategic intervention to reposition its brand, expand capacity and launch of 'New Forever' range placed it well to capitalise on the revival in demand of Passenger Vehicles. Strong transformation actions undertaken over the past years have aided the robust turnaround in the PV business.
   - Some of the major initiatives driven for the urgently required transformation and to implement structural positive changes have been:

   Strategy & Business

   – Looking beyond the short-term challenges, we continue to focus on the megatrends impacting CV industry and our strategic actions are aligned to leverage the emerging opportunities and to counter the potential threats. Our future focal points include increasing efficiency, market development and exploration of new opportunity.

   – The Company aims to build on to the lead of FY 2020-21 for PV business and its strategy includes strengthening of product portfolio, proactively leading EV space by introducing wide range of products, driving a customer centric culture and continuing to differentiate on Design, Safety and Driving pleasure

   – PV Subsidiarization has been announced as a strategic move with implementation planned in Q2 this year.

   – TML Defense business was realigned to TASL, a new group company focused on defense solutions, through a slump sale arrangement.

   – Subsidiary clean ups are underway, unlocking cash from non-core investments.

   Product Portfolio

   – The Company successfully transitioned its product portfolio both in PV & CV to the BSVI regime, not only to meet emission compliance, but to go beyond and set new standards in the industry

   – In Commercial Vehicles business, the all new BSVI product range was well received by the customers and continued to create new paradigms of functionality, productivity, comfort, performance and connectivity, thereby bringing forth the core benefit of lower TCO (total cost of ownership) and/ or enhanced returns on investment for customers.

   – Commercial Vehicles Business launched a series of innovative products and services, the first or the largest of their kind in the Industry. This includes a) Sampoorna Seva, the universe of services to take care of all fleet and maintenance needs of the customer, b) Advanced connectivity solution 'Fleet

Edge' to enable the end customer to improve their asset efficiencies, c) Unique products such as LPT 4925 with twin lift axles, 5525 4x2 prime mover with highest GCW, Ace Gold Petrol, INTRA V30 (Smart Pickup), Yodha 1.7 T; and an entire range of trucks for vaccine transportation as an earnest commitment to the nation for smooth movement of the countrywide COVID-19 vaccine and d) Industry defining value-added services like Uptime Guarantee, Service time assurance(TATA Zippy), India's largest and one of the first GCC (Gross cost contract) based Electric Bus solution to BEST(Mumbai). The T.7 range of Ultra Trucks with sleek cabin, best in class driving experience & payload capacity (7 ton GVW category) were received with great success in the market.

- Passenger Vehicles Business launched a fully refreshed portfolio In Jan'20. The portfolio updated with major upgrade in Design, Technology and Powertrain to provide 'New Forever' experience to the customers while delivering best of Technology & Driving Pleasure. Our 'New Forever' range, are being appreciated for Best-in-class Safety, Stylish Design and Driving Pleasure. We have seen resurgence of demand for all the products in our portfolio. Passenger Vehicles business had the highest sale of SUVs (86K units) for the Company in any financial year. We saw the highest sales since launch of Nexon (63K) and Harrier (18.8K) in FY 2020-21. Safari was launched as top of the line flagship product, garnering overwhelming response from the market.

People and Culture

- A focused organization-wide cross-functional initiative, co-created with active involvement of employees across the organization, has been rolled out defining TML's 'To-Be' culture embedding greater ownership, team-working and a sense of urgency.
- Hybrid policy for work-from-home has been announced to ensure safety of employees while enabling business continuity.

Future Focus

The following will be the areas of focus in the future:

- PV aspirations have been set out to 'Win Sustainably', while we aim to 'Win Proactively in the EV space. We aim for the PV business unit to fully realise potential and strengthen the business over the long-term, the Board in-principle approved to subsidiarise the Company's PV and EV business. This is the first step in securing mutually beneficial strategic alliances that provide access to products, architectures, powertrains, new age technologies and capital.
- CV business unit is getting ready to 'Win Decisively' as the demand recovers through business agility plan. We endeavour to deliver on the continuously rising customer expectations for improved performance, better turnaround time, lower cost of ownership and refinements.
- We are continuing with our Research and Development activities related to advanced propulsion systems and are committed to drive actions in the areas related to alternate fuel options for the sustainable future. Electrification remains key focus area.
- Next wave of transformation underway with Data Analytics, Industry 4.0, Logistics 4.0, and Digitalization. A comprehensive CX transformation for the PV business in digital and Reimagining Front-end program is also underway.
- With continuing focus on CESS (Connected, Electric, Shared and Safe) and mobility services, the Company would ensure the right set of skills and competencies to master the transformation from physical to digital.
- Engineering Efficiency project has been launched to improve return on capex, establish a portfolio cycle planning process, optimise work load capacity and improve new product development process.
- The Company will soon undergo a Talent retention plan and Culture building exercise to energize and engage the workforce and build future leadership.
- In FY 2020-21, the Company achieved cash and cost savings of ₹9,300 crores against targets of ₹6,000 crores. Company remains committed to significantly leveraging its balance sheet and achieving net zero debt.

The Company expects to successfully navigate the headwinds faced by auto-industry.

3. **Expected increase in productivity and profits in measurable terms:**
   - Focused actions on cost reduction & cost control through VAVE and fixed cost management have led to improved operational & financial performance.
   - The Company aims to achieve double digit EBITDA margins and strong positive free cash flows for its CV business.
   - The Company aims to achieve high single digit EBITDA margins in next three years, achieve breakeven free cash flows by FY 23 & positive free cash flows there after for its PV business.

The Company remains committed to delivering consistent, competitive, cash accretive growth while deleveraging its balance sheet.

The NRC currently comprising of three directors viz. Mr Om Prakash Bhatt, Independent Director (as NRC Chairman), Ms Hanne Sorensen, Independent Director and Mr N Chandrasekaran, Non-Executive Chairman of the Board, reviews and recommends the changes in the remuneration on a yearly basis. This review is based on the Balance Score Card that includes the performances of the Company and the senior management includng the individual director on certain defined qualitative and quantitative parameters such as volumes, EBITDA, cash flows, cost reduction initiatives, safety, strategic initiatives and special projects as decided by the Board vis-à-vis targets set in the beginning of the year. This review also takes into consideration the benchmark study undertaken by reputed independent HR agencies on comparative industry remuneration and practices. The decisions taken at the NRC and the Board are within the broad framework of remuneration as approved by the Members.

The Company remains committed to pursue the long term interest of all stakeholders, including the Company's Members and employees. The Company remains committed to delivering consistent, competitive, cash accretive growth while deleveraging its balance sheet. It is necessary to balance this with recruiting and retaining industry proven management team through the long term. This involves ensuring that the Company's leadership and talent base is appropriately remunerated, notwithstanding cyclical phases. This is particularly important when the Company has ongoing significant turnaround and growth strategies under execution.

The Board recommends the resolutions set out at Item Nos. 7, 8 and 9 of the Notice for approval by the Members.

Electronic copies of addendum to the agreement with Mr Butschek for his re-appointment and a draft of the agreement to be executed with Mr Wagh with the Company, the Articles of Association of the Company, relevant resolutions passed at the Board and Committee Meetings referred to hereinabove would be available for inspection by the Members. Please refer to Note 11 given in the Notice on inspection of documents.

The Company has not defaulted in payment of dues to any bank or public financial institution or non-convertible debenture holders or other secured creditor.

Except for Mr Butschek and Mr Wagh and/or their respective relatives, no other Director, Key Managerial Personnel or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the respective resolution(s) for their re-appointment/ appointment.

Item No. 10

The Members had, at the AGM held on July 30, 2019 approved, under the provisions of Section 197 and other applicable provisions of the Act, payment of commission to the Non-Executive Directors, an amount not exceeding 1% of the net profits of the Company for FY 2018-19 and onwards, in terms of Section 197 of the Act, computed in accordance with the provisions of Section 198 of the Act or such other percentage as may be specified from time to time.

However, taking into consideration the financial performance and the profitability of the Company, no commission was paid to the Non-Executive Directors for FY 2019-20. The Company has incurred a loss as computed under Section 198 of the Act and therefore no commission would be payable to the Non-Executive Directors for FY 2020-21.

With the recent amendments in Sections 149(9), 197(3) and Section II of Part II of Schedule V of the Act notified by MCA vide circulars dated March 18, 2021, companies having no / inadequate profits can pay remuneration to its Non-Executive Directors (including Independent Directors) within the limits based on the 'effective capital' of a company in accordance with the provisions contained in the amended Schedule V to the Act.

With the enhanced Corporate Governance requirements under the Act and the SEBI Listing Regulations coupled with the size, complexity and global operations of Tata Motors' Group, the role and responsibilities of the Board, particularly Independent Directors has become more onerous, requiring greater time commitments, attention as also a higher level of oversight. In view of the above, to incentivize them for their time, contribution rich experience and critical guidance provided, including at the Board and Committee meetings and pursuant to the amended provisions of Sections 149(9), 197(3) and Section II of Part II of Schedule V of the Act and based on the recommendations of the NRC at its meeting held on May 5, 2021, the Board of Directors at its meeting held on May 18, 2021 have recommended and approved payment of remuneration to the Non-Executive Directors (including Independent Directors) of the Company within the limits prescribed under Section II of Part II of Schedule V of the Act for the Financial Years 2020-21, 2021-22 and 2022-23 in case of inadequacy of profits/ losses for in any of the said financial year(s).

STATEMENT CONTAINING ADDITIONAL INFORMATION AS REQUIRED UNDER SCHEDULE V TO THE ACT

For details regarding point no. I pertaining to the General Information and point no. III pertaining to Other Information, as provided in Schedule V to the Act, the Members may refer to the details provided above in the Explanatory Statement to Item Nos. 7 to 9 of the Notice.

Given below is the information about the appointees as required under Schedule V of the Act, the effective capital of the Company for various financial years as applicable to the Non-Executive Directors and the maximum amount of remuneration that may be payable to them:

Name of Director	O P Bhatt	H Sorensen	V Bhandarkar	M Yamashita	K V Chowdary
Background Details, Job Profile, Suitability, Recognition and Rewards	The details for each of these Directors can be found on the website of the company at https://www.tatamotors.com/about-us/leadership/. Please also refer to the Report on Corporate Governance, which forms part of this Annual Report.				
Date of appointment in the Company	9-May-17	3-Jan-18	26-Jun-19	16-Sep-20	27-Oct-20
Past Remuneration (in ₹ Lakhs)					
FY 2019-20	12.8	8.2	8.6	NA	NA
FY 2018-19	98.2	78.6	NA	NA	NA
FY 2017-18	7.2	3	NA	NA	NA
Effective Capital as applicable to them (based on date of appointment) (in ₹ crores)	13,548.21	13,548.21	13,126.79	12,288.74	12,288.74
*Maximum amount of remuneration for FY20-21 (in ₹ Lakhs)	156.98	156.98	152.77	77.53	61.32
Remuneration proposed (in ₹ Lakhs)	45	40	45	20	20
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	The remuneration has been considered by the NRC and the Board of Directors of the Company and is in line with the remuneration being drawn by similar positions in the automotive industry.				
Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	The Non–Executive Directors do not have any pecuniary relationship with the Company except to the extent of Sitting Fees, Commission or Remuneration, as applicable, and reimbursement of out of pocket expenses received by them for attending the meetings.				

** The limit on remuneration is based on Effective Capital which shall be calculated as of the last date of the financial year preceding the financial year in which the appointment of the Director is made as per Schedule V to the Act (Base amount of ₹24 Lakhs plus 0.1% of the Effective Capital in excess of ₹250 crores).*

1. As a policy, Mr N Chandrasekaran, Chairman, has abstained from receiving remuneration from the Company and hence not stated.

2. Mr Thierry Bolloré is a Non-executive Director and is not paid any remuneration from the Company in view of his appointment as Chief Executive Officer and Director of Jaguar Land Rover Automotive PLC.

Regulation 17(6) of the SEBI Listing Regulations authorises the Board of Directors to recommend all fees and compensation, if any, paid to Non-Executive Directors, including Independent Directors and the same would require approval of members in general meeting.

This remuneration will be distributed amongst all or some of the Non-Executive Directors, taking into consideration parameters such as attendance at Board and Committee meetings, contribution at or other than at meetings, etc. in accordance with the directions given by the Board as prescribed under the Remuneration Policy of the Company. Kindly refer to https://investors.tatamotors.com/pdf/directors-appointment-remuneration.pdf

The above resolution would be valid for a period of 3 years i.e. upto and including remuneration to be paid for the financial year 2022-23. It is clarified that in case of adequate profits, the Company would pay commission to its Non-Executive Directors upto an amount not exceeding 1% of the profits for that financial year as approved by the Members at the AGM held on July 30, 2019.

The above remuneration shall be in addition to fees payable to the Director(s) for attending meetings of the Board/Committees 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.

The Board recommends the Ordinary Resolution set out at Item No. 10 of the Notice for approval by the members. Accordingly, members' approval is sought by way of an Ordinary Resolution for payment of remuneration to the Non-Executive Directors as set out in the said resolution.

The Company has not defaulted in payment of dues to any bank or public financial institution or non-convertible debenture holders or other secured creditor.

None of the Directors, Key Managerial Personnel or their respective relatives, are concerned or interested in the Resolution mentioned at Item No. 10 of the Notice, except the Non-Executive Directors and Independent Directors, to the extent of the remuneration that may be received by them, including for FY 2020-21.

Item Nos. 11 and 12:

Stock options in the hands of the employees have since long been recognised as an effective instrument to align the interests of the employees with that of the Company. With a view to drive long term objectives of the Company, to attract, motivate and retain employees by rewarding for their performance, ring fence and incentivize key talent to drive long term objectives of the Company, to ensure that the senior management employees compensation and benefits match the long gestation period of certain key initiatives and to drive ownership behaviour and collaboration amongst employees, it is proposed to approve and adopt Tata Motors Limited Share-based Long Term Incentive Scheme 2021 ('TML SLTI Scheme 2021' / 'the Scheme').

The NRC at its meeting held on June 23, 2021 formulated the detailed terms and conditions of the Scheme which was duly approved by the Board of Directors at its meeting held on even date, subject to approval of the Members.

The Company had implemented Tata Motors Limited Employee Stock Options Scheme 2018 for grant of options to eligible employees in FY 2018-19.

The Board believes that the above two initiatives to link the employees performance in Tata Motors with other initiatives taken in the Tata Motors group would assist in improving the financials of the Company, both standalone and consolidated.

The PSU and Options are being introduced with the following main objectives:

i. To offer competitive compensation to attract and retain talent; and

ii. To redefine the fixed and performance drive pay mix to drive a performance culture in the Company.

PSUs together with existing fixed pay and performance pay will comprise the total compensation being offered to select senior management employees of the Company. The number of PSUs to be granted to Eligible Employees will be determined based on Long Term Incentive Pay to be awarded to Eligible Employees divided by the Closing Market Price of the Company's Ordinary Shares prior to the Board Meeting date (i.e. Closing price as on 22 June 2021 - ₹338) for grant in FY 2021-22 and by the Closing Market Price of the Company's Ordinary Shares on the National Stock Exchange of India Limited one day prior to the NRC Meeting date for approval of grants in FY 2022-23 and FY 2023-24 respectively.

Options will be granted at the same price as above (i.e. ₹338) only to select senior leaders that can make a significant difference to the Company's performance to align their rewards directly to the Company's performance. The value of the award can be realized only on superior business performance leading to superior share price performance over the said grant price.

The Scheme has been formulated in accordance with the provisions of the Act and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ('SBEB Regulations').

The salient features of the Scheme are as under:

a. Brief description of the Scheme:

The TML SLTI Scheme 2021 is intended to reward, retain and motivate the Eligible Employees of the Company and Eligible Employees of the subsidiary companies (collectively referred to as 'Eligible Employees' hereunder) for their performance and participation in the growth and profitability of the Company. The Eligible Employees shall be granted stock options and / or performance share units (hereinafter referred to as PSUs and/or 'Options'), as determined by the NRC, which will vest on particular dates and could be exercisable into Ordinary Shares, on the terms and conditions as provided hereunder, in accordance with the provisions of the applicable laws and regulations for the time being in force.

b. Total number of PSUs and/or Options to be granted:

- The total number of PSUs to be granted under the Scheme: Not exceeding 75,00,000 (Seventy Five Lakh Only) in aggregate, that would entitle the grantees to acquire, in one or more tranches, not exceeding 75,00,000 (Seventy Five Lakh Only) Ordinary Shares of the Company of the face value of ₹2/- (Rupees Two Only) each fully paid up (representing 0.198% of the issued share capital of the Company as on date).
- The total number of Options to be granted under the Scheme: Not exceeding 14,00,000 (Fourteen Lakh Only) in aggregate, that would entitle the grantees to acquire, in one or more tranches, not exceeding 14,00,000 (Fourteen Lakh Only) Ordinary Shares of the Company of the face value of ₹2/- (Rupees Two Only) each fully paid up (representing 0.037% of the issued share capital of the Company as on date).

The total aggregate limit of 75,00,000 (Seventy Five Lakh Only) PSUs and 14,00,000 (Fourteen Lakh Only) Options may be adjusted for any corporate action(s), as may be decided by the Board/NRC.

c. Identification of classes of employees entitled to participate in the Scheme:

At the outset, the following Eligible Employees, are identified for grant of PSUs and/or Options under the Scheme:

- Eligible Employees for PSUs: Whole-time Directors and employees of the Company and wholly-owned subsidiaries ('WOS') as defined under the Scheme in the levels of LC, L1, L2 and L3 and its equivalent to the Company, on the grant date for PSUs;
- Eligible Employees for Options: Whole-time Directors and employees of the Company and WOS as defined under the Scheme in the levels of LC and L1 and its equivalent to the Company and employees falling in the above level by way of new appointments or promotions, on the grant date for Options.

The above is the initial identification and the NRC shall determine the Eligible Employees under the Scheme from time to time.

As per SBEB Regulations, the following category of employees/directors shall not be eligible to participate in the Scheme:

- An employee of the Company or its subsidiary companies, who is a promoter or belongs to the promoter group;
- A director of the Company or its subsidiary companies, who either by himself or through his relatives or through any body corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company; and
- Independent Directors of the Company or its subsidiary companies.

d. Requirements of vesting and period of vesting:

The PSUs and/or Options shall vest in employees subject to continuing employment with the Company / WOS / Associate Company (as defined in the Scheme) on the Company achieving these performance matrices viz. Market share, EBIT and Free Cash Flows as per the Company's Standalone financials. The NRC would determine the said matrices, detailed terms and conditions relating to such vesting including the proportion in which PSUs and/or Options granted would vest. At the time of vesting, NRC may adjust the number of PSUs and/or Options already granted by +/-20% for the quality of results provided that the number of PSUs and/or Options vested will not exceed 120% of PSUs and/or Options granted to any Eligible Employee; provided further that the number of PSUs and/or Options vested would be a minimum of 50% of the number of the PSUs and/or Options granted.

All the PSUs and/or Options would vest within a maximum period of 3 years (for example, the grants made in 2021 shall vest in 2024, grants made in 2022 shall vest in 2025 and so on and so forth) subject to minimum vesting period of 1 year, where after the Eligible Employees would have the right to subscribe to the Ordinary Shares during the Exercise Period.

Where an Eligible Employee discontinues to be in the permanent employment of the Company due to:

- Resignation or Termination of services: All the PSUs and/or Options which are granted and yet not vested as on that day shall expire and the vested PSUs and/or Options should be exercised on or before the date of such discontinuation. For employees whose office has been terminated due to misconduct during the period, the number of PSUs and/or Options vested as on that day would lapse in accordance with the terms and conditions detailed in the Scheme.
- Retirement: A grantee, whose tenure of service is liable to retirement or have taken voluntary retirement from the Company before the vesting period, shall be granted PSUs and/or Options eligible as per the Scheme. 50% of all unvested PSUs and/or Options will vest on the retirement date.

  All the vested PSUs and/or Options shall be permitted to be exercised before the expiry of the exercise period as per the Scheme. Any vested PSUs and/or Options not exercised within this aforesaid period shall automatically lapse at the end of the aforesaid period and the contract referred under the Scheme shall stand automatically terminated without surviving any right/liability for the grantee or the Company in respect of such PSUs and/or Options.
- Transfer to an Associate Company: In the event that an employee who has been granted PSUs and/or Options under the Scheme is transferred or deputed to an Associate Company prior to vesting or exercise, the vesting and exercise as per the terms of grant shall continue in case of such transferred or deputed employee even after the transfer or deputation. The vesting and exercise period would be as per the Scheme.
- Death: All the PSUs and/or Options granted to the employee till such date shall immediately vest in his/her legal heirs or nominees on the date of death of the employee.
- Permanent incapacity: All the PSUs and/or Options granted to the employee as on the date of permanent incapacitation, shall vest in him/her on that day.

An employee can be granted long leave (defined as a period of not more than one year in line with the Company's sabbatical policy). Where an Eligible Employee is on long leave at any time during the period of grant of PSUs and/or Options up till the vesting date, the PSUs and/or Options would be granted or vested on pro-rata basis for the period (after adjusting the period of long leave).

e. **Maximum period within which the PSUs and/or Options shall be vested:**

PSUs and/or Options granted under TML SLTI Scheme 2021 would vest within a maximum period of 3 (three) years but after minimum 1(one) year from the date of grant of such PSUs and/or Options, respectively.

f. **Exercise Price or pricing formula:**

- The Exercise Price for PSUs: Exercise Price shall be ₹2/- (Rupees Two Only) per PSU, i.e. at the face value of the underlying Ordinary Share of the Company.
- The Exercise Price for Option: Exercise Price shall be ₹338/- (Rupees Three Hundred and Thirty Eight Only) i.e. equivalent to closing market price of the Company's Ordinary Shares on the National Stock Exchange of India Limited on June 22, 2021 (one day prior to the Board Meeting date for approving the Scheme).

The Exercise Price may be adjusted for any corporate action(s), as may be decided by the Board. NRC may also approve cashless exercise of the vested PSUs and/or Options by adjusting for the exercise price, applicable taxes and other amounts including any transaction fees and shall provide necessary procedures and/or mechanism for exercising such PSUs and/or Options subject to applicable laws, rules and regulations.

g. **Exercise Period and the process of Exercise:**

The Exercise Period would commence from the date of vesting of PSUs and/or Options and will expire at the end of twelve months from the date of vesting of PSUs and/or Options respectively. NRC may extend the Exercise Period by a further period of two years, as it may deem fit.

The PSUs and/or Options will be exercisable by the employees by a written application to the Company accompanied by payment of the Exercise Price in such manner and on execution of such documents, as may be prescribed by the NRC from time to time.

The PSUs and/or Options will lapse if not exercised within the specified Exercise Period. Lapsed PSUs and/or Options cannot be re-issued by the Company.

In case of cashless system of exercise of vested PSUs and/or Options, the NRC shall be entitled to specify such procedures and/or mechanisms subject to applicable laws, rules and regulations, for the shares to be dealt with thereon as may be necessary and the same shall be binding on the Eligible Employees.

h. **Appraisal process for determining the eligibility of employees:**

The appraisal process for determining the eligibility of the employees to the PSUs and/or Options at the time of grant and to the number of Ordinary Shares at the time of vesting will be decided by the NRC from time to time. The broad criteria for appraisal and selection may include parameters like tenure of association with the Company/its subsidiary, his/her future potential, critical position, performance evaluation, performance linked parameters, etc.

i. **Maximum number of PSUs and/or Options to be issued per employee and in aggregate:**

- In case of PSUs: The number of PSUs that may be granted to an Eligible Employee under the Scheme in any one year would not exceed 25,00,000 and in aggregate the maximum number of PSUs would not exceed 75,00,000 (representing 0.198% of the total issued share capital of the Company).
- In case of Options: The number of Options that may be granted to an Eligible Employee under the Scheme in any one year would not exceed 14,00,000 and in aggregate the maximum number of Options would not exceed 14,00,000 (representing 0.037% of the total issued share capital of the Company).

The maximum number of Ordinary Shares that may be issued/allotted pursuant to exercise of PSUs and/or Options granted to an Eligible Employee, in aggregate, shall not exceed 3,47,000 Ordinary Shares of the Company of the face value of ₹2/- (Rupees Two Only) each fully paid-up representing 0.009% of the issued share capital, for each year of the Scheme.

The PSUs and/or Options granted and the Exercise Price shall be adjusted for any corporate action(s) such as rights issues, bonus issues, stock splits, consolidation of shares, change in capital structure, merger, sale of division/ undertaking or other re-organization, as applicable under the terms and conditions detailed in the Scheme and the decision of the Board shall be final in respect of such adjustment.

j. **Maximum Quantum of benefits to be provided per employee:**

Please refer to i. above. The maximum quantum of benefits underlying the PSUs and/or Options issued to an Eligible Employee shall depend upon the number of PSUs and/ or Options held by him/her and the market price of the Ordinary Shares as on the date of sale.

k. **Route of Scheme implementation:**

The Scheme shall be implemented and administered directly by the Company.

l. **Source of Shares:**

The Scheme contemplates issue of new Ordinary Shares by the Company.

m. **The amount of loan provided for implementation of the Scheme by the Company to the Trust, its tenure, utilisation, repayment terms, etc.:**

Not applicable. Company would not provide any loan for implementation of the Scheme.

n. **Maximum percentage of Secondary Acquisition (subject to limits specified under the Regulations) that can be made by the Trust for the purchase under the scheme:**

This is not applicable under the present Scheme.

o. **Accounting and Disclosure Policies:**

The Company shall follow Ind AS 102 'Employee Share based Payments', as prescribed by Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules as amended from time to time, the Guidance Note on Accounting for Employee Share based Payments, as applicable, as may be prescribed by the Institute of Chartered Accountants of India from time to time, including the disclosure requirements prescribed therein.

p. **Method of Valuation:**

The Company will determine the fair value of the options using the suitable option pricing model when the same are issued to the employees.

q. **In case the Company opts for expensing of share based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Board's Report and the impact of this difference on profits and on earnings per share ('EPS') of the Company shall also be disclosed in the Board's Report.**

The said Statement is not applicable to the Company since the Company is opting for the Fair Value Method.

Pursuant to Regulation 6(1) of SBEB Regulations and Section 62(1)(b) of the Act, approval of the Members is being sought, by way of a special resolution, for approval of the Scheme and issue of further shares to the Eligible Employees of the Company under the said Scheme as detailed in Item No. 11 of this Notice. Further, pursuant to Regulation 6(3)(c) of SBEB Regulations and Section 62(1)(b) of the Act, approval of the Members is being sought, by way of a separate special resolution for extending the Scheme to the Eligible Employees of certain subsidiary companies as detailed in Item No. 12 of this Notice.

Issue of the said Ordinary Shares would be well within the Authorised Share Capital of the Company.

The Board recommends the special resolution set out at Item Nos. 11 and 12 of the Notice for approval by the Members.

Electronic copies of the draft TML SLTI Scheme 2021 setting out the terms and conditions of the Scheme and the relevant resolutions passed at the Board and Committee Meetings referred to in the resolutions would be available for inspection by the members. Please refer to Note 11 given in the Notice on inspection of documents.

None of the Directors, Key Managerial Personnel or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item Nos. 11 and 12 of the Notice, except to the extent of PSs and/or Options that may be granted to them under the Scheme and the resultant Ordinary Shares issued, as applicable.

Item No. 13

In line with its global aspirations, the Company has undertaken / would undertake projects/establishments in and outside India for setting up manufacturing facilities, showrooms, service centers and offices as branch offices of the Company. Whilst generally and to the extent possible, the Company would appoint its auditors for the said branch offices, in some cases/jurisdictions it may not be possible/practical to appoint them and the Company would be required to appoint an accountant or any other person duly qualified to act as an auditor of the accounts of the said branch offices in accordance with the laws of that country. To enable the Directors to appoint Branch Auditors for the purpose of auditing the accounts of the Company's Branch Offices outside India (whether now existing or as may be established), necessary authorisation of the Members is being obtained in accordance with the provisions of Section 143 of the Act, in terms of the Resolution at Item No. 13 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 13 of the Notice for approval by the Members.

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

Item No. 14

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 18, 2021, 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 2021-22 at a remuneration of ₹5,00,000/- (Rupees Five 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 recommendations 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 ₹20,00,000 (Rupees Twenty Lakh Only) plus applicable taxes, out-of-pocket and other expenses for the said financial year.

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. 14 of the Notice.

M/s Mani & Co. have furnished a certificate dated May 3, 2021 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. 14 of the Notice for approval by the Members.

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

By Order of the Board of Directors

HOSHANG K SETHNA
Company Secretary
FCS No: 3507

Mumbai, June 23, 2021
Registered Office:
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CIN: L28920MH1945PLC004520

ANNEXURE TO NOTICE

Details of Directors seeking appointment/re-appointment in the forthcoming Annual General Meeting

[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 on General Meetings]

Particulars	N Chandrasekaran	Mitsuhiko Yamashita	Thierry Bolloré	Kosaraju V Chowdary	Guenter Butschek	Girish Wagh
Director Identification Number (DIN)	00121863	08871753	08935293	08485334	07427375	03119361
Date of Birth / Age	June 2, 1963 58 years	April 17, 1953 68 years	May 30, 1963 58 years	October 10, 1954 66 years	October 21, 1960 60 years	December 2, 1970 50 years
Date of first appointment on the Board	January 17, 2017	September 16, 2020	October 27, 2020	October 27, 2020	February 15, 2016	July 1, 2021
Educational Qualification	Bachelor's degree in Applied Science and a Master's degree in Computer Applications from Regional Engineering College, Trichy, India.	Master's Degree in Aeronautical Engineering from Kyoto University and has also studied at Massachusetts Institute of Technology (Advanced Research).	MBA from Paris-Dauphine University, specialising in Finance.	Mathematics from Loyola College Chennai and Post Graduation in Mathematics from IIT, Chennai.	Business Administration and Economics with a diploma from the University of Cooperative Education Stuttgart, Germany.	MBA from S. P. Jain Institute of Management & Research, BE from Pune University.
Experience (including expertise in specific functional areas) / Brief Resume	Mr N Chandrasekaran is the Chairman of the Board of Tata Sons, the holding company and promoter of more than 100 Tata operating companies with aggregate annual revenues of more than US $100 billion. Prior to this, Mr Chandrasekaran had a 30 year career with TCS rising thru the ranks to become its CEO. In addition to his professional career at Tata, Mr Chandrasekaran was also appointed as a Director on the Board of India's Central Bank, the Reserve Bank of India, in 2016 and has served as Chairperson of the Information and Communication Technology Industry Governors and NASSCOM, the apex trade body for IT services firms in India. Mr Chandrasekaran is an active member of India's bilateral business forums including USA, UK, Australia and Japan. He has rich experience in various areas of business, technology, operations, societal and governance matters.	Mr Yamashita brings more than 40 years of experience having worked for leading Japanese Automotive companies like Nissan Motors Company and Mitsubishi Motor Corporation in various capacities and has served on advisory panels in the Ministry of Foreign Affairs and on several committees in the Ministry of Economy, Trade and Industry. Yamashita has rich experience in various areas of design, engineering, research and development including development of electric vehicles, autonomous drive business and other automotive technologies.	Mr Thierry Bolloré is the CEO of Jaguar Land Rover September 2020. Started his career in 1990 with Michelin's Heavy Truck tyre factory, Mr Bolloré has held various senior positions and gained more than 30 years' of global experience with companies like Faurecia, an auto component company and Groupe Renault. As CEO of Jaguar Land Rover, he chairs the boards of major JLR group companies including Jaguar Land Rover Limited, UK, Jaguar Land Rover Automotive Plc, UK and Jaguar Land Rover Holdings Limited, UK	Mr Chowdary started his career in 1976 as a probationary officer in Andhra Bank and later joined the Indian Revenue Service in 1978. He held several executive positions and retired as Chairman of Central Board of Direct Taxes. On Superannuation, he was appointed as an Advisor to the Department of Revenue, Ministry of Finance. He functioned as the Central Vigilance Commissioner from June 2015 to June 2019.	Mr Butschek is the Chief Executive Officer and Managing Director of the Company. Mr. Butschek has 28+ years of global experience in international automotive management across multiple functions such as production, industrialisation and procurement. Besides Daimler AG, he has worked in the Airbus Group as its Chief Operating Officer ('COO') and a member of the Group Executive Committee.	Mr Wagh has been President and Head of Commercial Vehicle Business Unit - Tata Motors Ltd. and a member of the Executive Committee (ExCom) since 2017. He started his career at Tata Motors as Graduate Engineer Trainee (GET) in 1992 at Pune in CVBU manufacturing plant. In his illustrious career of 29 years at Tata Motors, he has held roles with increasing and complex responsibilities to deliver key projects across Passenger Vehicle and Commercial Vehicle Business Units.
Directorships held in other companies (excluding foreign companies)	• Tata Sons Private Limited • Tata Steel Limited • The Indian Hotels Company Limited • Tata Consultancy Services Limited • The Tata Power Company Limited • Tata Consumer Products Limited • TCS Foundation • Tata Chemicals Limited	NIL	NIL	• CCL Products (India) Limited • Divi's Laboratories Limited • Reliance Industries Limited	• Tata Cummins Private Limited. • Tata Hitachi Construction Machinery Company Private Limited. • Tata Technologies Limited.	• Automobile Corporation of Goa Limited • Tata Cummins Private Limited • Tata Marcopolo Motors Limited

Particulars	N Chandrasekaran	Mitsuhiko Yamashita	Thierry Bolloré	Kosaraju V Chowdary	Guenter Butschek	Girish Wagh
Memberships/ Chairmanships of Committees across companies (excluding foreign companies)	• **Tata Motors Limited -** Member of Nomination and Remuneration Committee • **Tata Sons Private Limited –** Member of Nomination and Remuneration Committee and Chairman of Corporate Social Responsibility Committee • **Tata Steel Limited -** Member of Nomination and Remuneration Committee and Chairman of Executive Committee of the Board. • **Tata Consultancy Services Limited –** Chairman of Corporate Social Responsibility Committee and Executive Committee of the Board, Member of Nomination and Remuneration Committee • **The Indian Hotels Company Limited –** Member of Nomination and Remuneration Committee. • **The Tata Power Company Limited -** Member of Nomination and Remuneration Committee and Chairman of Executive Committee of the Board. • **Tata Consumer Products Limited -** Member of Nomination and Remuneration Committee. • **Tata Chemicals Limited -** Member of Nomination and Remuneration Committee	• **Tata Motors Limited** – Member of Safety, Health and Sustainability Committee; and Risk Management Committee.	NIL	• **Tata Motors Limited –** Member of Audit Committee; and Corporate Social Responsibility Committee • **CCL Products (India) Limited –** Member of Audit Committee • **Divi's Laboratories Limited –** Member of Audit Committee; Compensation, Nomination and Remuneration Committee; and Stakeholders Relationship Committee • **Reliance Industries Limited –** Member of Audit Committee; Human Resources, Nomination and Remuneration; Stakeholders' Relationship Committee; and Risk Management Committee	• **Tata Motors Limited –** Member of Stakeholders' Relationship Committee; Safety, Health and Sustainability Committee; Corporate Social Responsibility Committee and Risk Management Committee. • **Tata Hitachi Construction Machinery Company Private Limited -** Chairman of Remuneration Committee. • **Tata Technologies Limited -** Member of Nomination and Remuneration Committee.	• **Tata Cummins Private Limited –** Member of Audit Committee • **Automobile Corporation of Goa Limited –** Member of Nomination and Remuneration Committee and Chairman of Capital Investment Committee
Relationship with other Directors/Key Managerial Personnel	Not related to any Director / Key Managerial Personnel of the Company.					
No. of shares held in the Company either by self or on a beneficial basis for any other person	2,00,000	NIL	NIL	NIL	NIL	NIL

For details regarding the number of meetings of the Board/Committees attended by the above Directors during the year and remuneration drawn/sitting fees received, please refer to the Boards' Report and the Corporate Governance Report forming part of the Annual Report.

NOTES

TATA MOTORS

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